

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

FORM 10-Q

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

For the quarterly period ended June 30, 2026
OR

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

For the transition period from _____ to _____
Commission file number: 001-41603

BRIDGER AEROSPACE GROUP HOLDINGS, INC.
(Exact name of registrant as specified in its charter)

Delaware

(State or Other Jurisdiction of
Incorporation or Organization)

90 Aviation Lane
Belgrade, MT

(Address of Principal Executive Offices)

88-3599336

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

59714

(Zip code)

(406) 813-0079
(Registrant's telephone number, including area code)

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

Title of each class	Trading symbol(s)	Name of each exchange on which registered
Common Stock, \$0.0001 par value per share	BAER	The Nasdaq Stock Market LLC
Warrants, each whole warrant exercisable for one share of Common Stock at an exercise price of \$11.50 per share	BAERW	The Nasdaq Stock Market LLC

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 August 3, 2026, there were 58,826,140 shares of the registrant's common stock, par value \$0.0001 per share, issued and outstanding.

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PART I – FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS.

BRIDGER AEROSPACE GROUP HOLDINGS, INC. **CONDENSED CONSOLIDATED BALANCE SHEETS** (Unaudited) (dollars in thousands, except par value amounts)

	As of June 30, 2026	As of December 31, 2025
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 7,241	\$ 31,381
Accounts receivable	20,501	3,190
Aircraft support parts	1,071	1,654
Prepaid expenses and other current assets	3,644	3,994
Total current assets	32,457	40,219
Property, plant, and equipment, net	220,677	218,814
Intangible assets, net	5,934	6,023
Goodwill	20,888	20,888
Other noncurrent assets	44,183	44,362
Total assets	\$ 324,139	\$ 330,306
LIABILITIES, MEZZANINE EQUITY, AND STOCKHOLDERS' DEFICIT		
Current liabilities:		
Accounts payable	\$ 5,012	\$ 3,417
Accrued expenses and other current liabilities ¹	7,876	9,794
Operating right-of-use current liabilities	3,033	2,384
Current portion of long-term debt, net of debt issuance costs	2,795	926
Total current liabilities	18,716	16,521
Long-term accrued expenses and other noncurrent liabilities	9,034	7,576
Operating right-of-use noncurrent liabilities	28,995	29,163
Long-term debt, net of debt issuance costs	233,092	212,380
Total liabilities	289,837	265,640
COMMITMENTS AND CONTINGENCIES		
MEZZANINE EQUITY		
Series A Preferred Stock, \$0.0001 par value; 315,789.473684 shares authorized, issued and outstanding at June 30, 2026 and December 31, 2025	421,394	407,257
STOCKHOLDERS' DEFICIT		
Common Stock, \$0.0001 par value; 1,000,000,000 shares authorized; 58,699,275 shares issued and outstanding at June 30, 2026; 55,894,663 shares issued and outstanding at December 31, 2025	6	6
Additional paid-in capital	71,204	82,315
Accumulated deficit	(456,901)	(425,099)
Accumulated other comprehensive (loss) income	(1,401)	187
Total stockholders' deficit	(387,092)	(342,591)
Total liabilities, mezzanine equity and stockholders' deficit	\$ 324,139	\$ 330,306

¹ Includes related party accrued expenses of zero and \$0.4 million as of June 30, 2026 and December 31, 2025, respectively.

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

BRIDGER AEROSPACE GROUP HOLDINGS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)
(dollars in thousands, except per share amounts)

	For the three months ended June 30,		For the six months ended June 30,	
	2026	2025	2026	2025
Revenues	\$ 30,494	\$ 30,751	\$ 39,006	\$ 46,397
Cost of revenues:				
Flight operations ¹	10,059	7,856	16,620	14,108
Maintenance	9,113	10,844	19,600	21,799
Total cost of revenues	19,172	18,700	36,220	35,907
Gross income	11,322	12,051	2,786	10,490
Selling, general and administrative expense ²	(5,309)	(6,524)	(22,039)	(15,114)
Interest expense	(6,607)	(5,737)	(12,757)	(11,472)
Other income	91	700	231	1,299
(Loss) income before income taxes	(503)	490	(31,779)	(14,797)
Income tax benefit (expense)	5	(182)	(23)	(433)
Net (loss) income	\$ (498)	\$ 308	\$ (31,802)	\$ (15,230)
Series A Preferred Stock - adjustment to maximum redemptions value	(7,109)	(6,636)	(14,137)	(13,197)
Loss attributable to Common stockholders - basic and diluted	\$ (7,607)	\$ (6,328)	\$ (45,939)	\$ (28,427)
Loss per share - basic and diluted	\$ (0.13)	\$ (0.12)	\$ (0.82)	\$ (0.53)
Weighted average Common Stock outstanding - basic and diluted	56,439,564	53,878,966	55,867,575	53,846,770

¹ Includes related party cost of revenues of zero for both the three and six months ended June 30, 2026, and \$0.3 million and \$1.3 million for the three and six months ended June 30, 2025, respectively.

² Includes related party selling, general and administrative expense of \$0.2 million and \$0.5 million for the three and six months ended June 30, 2026, respectively, and zero for both the three and six months ended June 30, 2025.

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

BRIDGER AEROSPACE GROUP HOLDINGS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE (LOSS) INCOME
(Unaudited)
(dollars in thousands)

	For the three months ended June 30,		For the six months ended June 30,	
	2026	2025	2026	2025
Net (loss) income	\$ (498)	\$ 308	\$ (31,802)	\$ (15,230)
Other comprehensive loss, net of tax:				
Foreign currency translation adjustment	(330)	(63)	(1,588)	(95)
Unrealized loss on derivative instruments	—	(127)	—	(311)
Total other comprehensive loss net of tax	(330)	(190)	(1,588)	(406)
Comprehensive (loss) income	<u>\$ (828)</u>	<u>\$ 118</u>	<u>\$ (33,390)</u>	<u>\$ (15,636)</u>

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

BRIDGER AEROSPACE GROUP HOLDINGS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' DEFICIT
For the Six Months Ended June 30, 2026
(Unaudited)
(dollars in thousands, except share value amounts)

	Series A Preferred Stock		Common Stock				Accumulated other comprehensive (loss) income	Total stockholders' deficit
	Share	Value	Share	Value	Additional paid-in capital	Accumulated deficit		
Balance at December 31, 2025	315,789	\$ 407,257	55,894,683	\$ 6	\$ 82,315	\$ (425,099)	\$ 187	\$ (342,591)
Net loss	—	—	—	—	—	(31,304)	—	(31,304)
Foreign currency translation adjustment	—	—	—	—	—	—	(1,258)	(1,258)
Series A Preferred Stock adjustment to maximum redemptions value	—	7,028	—	—	(7,028)	—	—	(7,028)
Repurchased shares for tax withholding	—	—	(265,743)	—	(520)	—	—	(520)
Issuance of Common Shares upon settlement of liability-classified award	—	—	407,497	—	883	—	—	883
Issuance of Restricted Common Stock	—	—	303,890	—	—	—	—	—
Stock-based compensation	—	—	1,188,421	—	1,700	—	—	1,700
Balance at March 31, 2026	315,789	\$ 414,285	57,528,748	\$ 6	\$ 77,350	\$ (456,403)	\$ (1,071)	\$ (380,118)
Net loss	—	—	—	—	—	(498)	—	(498)
Foreign currency translation adjustment	—	—	—	—	—	—	(330)	(330)
Series A Preferred Stock adjustment to maximum redemptions value	—	7,109	—	—	(7,109)	—	—	(7,109)
Common Stock issued related to Ignis Acquisition	—	—	869,036	—	1,669	—	—	1,669
Repurchased shares for tax withholding	—	—	—	—	(51)	—	—	(51)
Stock-based compensation	—	—	301,491	—	(655)	—	—	(655)
Balance at June 30, 2026	315,789	\$ 421,394	58,699,275	\$ 6	\$ 71,204	\$ (456,901)	\$ (1,401)	\$ (387,092)

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

BRIDGER AEROSPACE GROUP HOLDINGS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' DEFICIT
For the Six Months Ended June 30, 2025
(Unaudited)
(dollars in thousands, except share value amounts)

	Series A Preferred Stock		Common Stock		Additional paid-in capital	Accumulated deficit	Accumulated other comprehensive income	Total stockholders' deficit
	Share	Value	Share	Value				
Balance at December 31, 2024	315,789	\$ 380,179	54,209,388	\$ 6	\$ 101,495	\$ (429,239)	\$ 1,036	\$ (326,702)
Net loss	—	—	—	—	—	(15,538)	—	(15,538)
Foreign currency translation adjustment	—	—	—	—	—	—	(32)	(32)
Unrealized loss on derivative instruments	—	—	—	—	—	—	(184)	(184)
Series A Preferred Stock adjustment to maximum redemptions value	—	6,561	—	—	(6,561)	—	—	(6,561)
Repurchased shares for tax withholding	—	—	(226,860)	—	(342)	—	—	(342)
Stock-based compensation	—	—	760,118	—	1,991	—	—	1,991
Balance at March 31, 2025	315,789	386,740	54,742,646	6	96,583	(444,777)	820	(347,368)
Net income	—	—	—	—	—	308	—	308
Foreign currency translation adjustment	—	—	—	—	—	—	(63)	(63)
Unrealized loss on derivative instruments	—	—	—	—	—	—	(127)	(127)
Series A Preferred Stock adjustment to maximum redemptions value	—	6,636	—	—	(6,636)	—	—	(6,636)
Common Stock issued related to Ignis Acquisition	—	—	617,189	—	1,191	—	—	1,191
Repurchased shares for tax withholding	—	—	(16,909)	—	(32)	—	—	(32)
Stock-based compensation	—	—	148,550	—	1,737	—	—	1,737
Balance at June 30, 2025	<u>315,789</u>	<u>\$ 393,376</u>	<u>55,491,476</u>	<u>\$ 6</u>	<u>\$ 92,843</u>	<u>\$ (444,469)</u>	<u>\$ 630</u>	<u>\$ (350,990)</u>

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

BRIDGER AEROSPACE GROUP HOLDINGS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)
(dollars in thousands)

	For the six months ended June 30,	
	2026	2025
Cash Flows from Operating Activities:		
Net loss	\$ (31,802)	\$ (15,230)
Adjustments to reconcile net loss to net cash used in operating activities, net of acquisitions:		
Loss (gain) on sale/disposal of fixed assets	89	(136)
Depreciation and amortization	6,888	5,999
Stock-based compensation expense	1,777	3,728
Change in fair value of the Warrants	2,132	1,066
Amortization of debt issuance costs and revolver asset	1,077	501
Change in fair value of earnout consideration	(63)	(2,748)
Changes in operating assets and liabilities		
Accounts receivable	(17,323)	(12,380)
Aircraft support parts	583	(203)
Prepaid expense and other current and noncurrent assets	814	2,257
Accounts payable, accrued expenses and other liabilities	(994)	931
Net cash used in operating activities	(36,822)	(16,215)
Cash Flows from Investing Activities:		
Purchases and improvements of property, plant and equipment	(8,459)	(4,237)
Capitalized costs related to in-process research and development ("IPR&D")	(730)	(626)
Sale of property, plant and equipment	—	973
Net cash used in investing activities	(9,189)	(3,890)
Cash Flows from Financing Activities:		
Drawdown of revolving credit facility	10,000	—
Drawdown of delayed draw term loan	14,000	—
Cash paid for taxes related to net share settlement of equity awards	(571)	(374)
Payment of finance lease liability	(13)	(15)
Repayments on debt	(1,455)	(1,621)
Net cash provided by (used in) financing activities	21,961	(2,010)
Effects of exchange rate changes	(90)	(95)
Net change in cash, cash equivalents and restricted cash	(24,140)	(22,210)
Cash, cash equivalents and restricted cash – beginning of the period	31,381	53,083
Cash, cash equivalents and restricted cash – end of the period	\$ 7,241	\$ 30,873
Less: Restricted cash – end of the period	—	13,837
Cash and cash equivalents – end of the period	\$ 7,241	\$ 17,036

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

BRIDGER AEROSPACE GROUP HOLDINGS, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

NOTE 1 – ORGANIZATION AND BASIS OF PRESENTATION

Nature of Business

Bridger Aerospace Group Holdings, Inc. and its subsidiaries (“Bridger,” “the Company,” “we,” “us” or “our”) provide aerial wildfire surveillance, relief and suppression, and aerial firefighting services using next-generation technology and environmentally friendly and sustainable firefighting methods primarily throughout the United States, as well as airframe modification and integration solutions for governmental and commercial customers. Our mission is to deploy the most advanced technologies in aviation to protect lives, property, critical infrastructure, and the environment, delivering these capabilities where they are needed most, from wildfire response to defense and beyond. Through innovation and the use of advanced technology and software, focusing on aerial firefighting, disaster response, government applications and public safety, Bridger aims to set the global standard in aviation services.

As of June 30, 2026, the Company’s fleet consists of the following:

Aircraft Type	Number
CL-415EAF	6
Canadair CL-215T (“Spanish Scooper”)	2
Pilatus PC-12 (“Pilatus”) ¹	6
Daher Kodiak 100 (“Daher Kodiak”)	4
Beechcraft King Air 350 (“King Air”)	2
Twin Commander	1
Total aircraft	21

¹ The Company owns three and leases three.

Principles of Consolidation and Basis of Presentation

The Condensed Consolidated Financial Statements have been prepared in accordance with U.S. generally accepted accounting principles (“GAAP”). The Condensed Consolidated Financial Statements include the financial statements of the Company, all entities that are wholly-owned by the Company and all entities in which the Company has a controlling financial interest, for which all intercompany transactions have been eliminated upon consolidation. Certain amounts have been reclassified to conform to the current period’s presentation. These reclassifications had no impact on previously reported net income/loss, total assets, or stockholders’ equity.

The information as of June 30, 2026 and for the three and six months ended June 30, 2026 and 2025 is unaudited. The condensed consolidated balance sheet as of December 31, 2025 was derived from the Company’s audited consolidated financial statements at that date. In the opinion of management, these unaudited condensed consolidated financial statements include all adjustments, consisting of normal recurring adjustments, except as otherwise disclosed, necessary for a fair presentation of the Company’s financial position, results of operations and cash flows for the interim periods presented. Management also has evaluated the impact of events occurring after June 30, 2026 up to the date of issuance of these condensed financial statements, and these statements contain all necessary adjustments and disclosures resulting from that evaluation.

The results have been prepared in accordance with the instructions to Form 10-Q and do not necessarily include all information and footnotes necessary for presentation in accordance with GAAP, however, the Company believes that the disclosures are adequate to prevent the information presented from being misleading. Due to seasonal fluctuations and other factors, interim operating results are not necessarily indicative of operating results expected in subsequent periods or for the year as a whole. These unaudited condensed consolidated financial statements should be read in conjunction with the consolidated financial statements and the related notes included in the Company’s audited annual consolidated financial statements for the fiscal year ended December 31, 2025, included in the Company’s Annual Report on Form 10-K filed with the U.S. Securities and Exchange Commission (the “SEC”) on March 6, 2026 (the “Form 10-K”).

Recent Activity

On April 11, 2026, in connection with a separation agreement with a former executive, the Company recorded two adjustments to previously recognized stock-based compensation expense related to outstanding RSU awards within Selling, general, and administrative expense on the Condensed Consolidated Statements of Operations. The Company accelerated the vesting of a portion of the executive's unvested restricted stock unit ("RSU") awards, which was accounted for as a Type III modification under ASC 718, resulting in the recognition of the remaining unrecognized compensation cost for those awards immediately. The remaining unvested RSU awards that did not vest under the terms of the separation agreement were forfeited, resulting in the reversal of previously recognized stock-based compensation expense for those awards within Selling, general, and administrative expense on the Condensed Consolidated Statements of Operations. These two events resulted in a net reduction of approximately \$3.3 million to stock-based compensation expense for the period within Selling, general, and administrative expense on the Condensed Consolidated Statements of Operations.

On April 14, 2026, the Company drew an aggregate of \$14.0 million under its Delayed Draw Term Loan ("DDTL"), under the Company's Credit Agreement dated October 28, 2025. Refer to "Note 15 – Long-Term Debt," included in this Quarterly Report on Form 10-Q for additional details.

On June 28, 2026, the Company drew an aggregate of \$4.0 million under its Revolving Credit Facility (the "Revolver"), under the Company's Credit Agreement dated October 28, 2025. Refer to "Note 15 – Long-Term Debt," included in this Quarterly Report on Form 10-Q for additional details.

Reverse Recapitalization

On January 24, 2023 (the "Closing Date"), Jack Creek Investment Corp ("JCIC") completed the reverse recapitalization (the "Closing" and the "Reverse Recapitalization") with the Company's predecessor, Bridger Aerospace Group Holdings, LLC and its subsidiaries (collectively, "Legacy Bridger"), which operated the majority of the historical business and was identified as the acquirer and predecessor upon the consummation of the transactions contemplated by the agreement and plan of merger (the "Transaction Agreements") entered into on August 3, 2022. On the Closing Date, pursuant to the Transaction Agreements, JCIC and Legacy Bridger became wholly-owned subsidiaries of a new public entity that was renamed Bridger Aerospace Group Holdings, Inc., and JCIC shareholders and Legacy Bridger equity holders converted their equity ownership in JCIC and Legacy Bridger, respectively, into equity ownership in Bridger.

Upon the consummation of the Reverse Recapitalization, Bridger issued Common Stock to the Legacy Bridger equity holders and Series A Preferred Stock (as defined below) as summarized below:

- the surrender and exchange of all 606,061 Legacy Bridger incentive units ("Incentive Units") into 583,308 shares of Bridger's common stock, par value \$0.0001, ("Common Stock") at a deemed value of \$10.00 per share as adjusted by the per share Common Stock consideration of approximately 0.96246 (the "Exchange Ratio"), rounded down to the nearest share for each holder;
- the direct or indirect surrender and exchange of the remaining 40,000,000 issued and outstanding shares of Legacy Bridger common shares (excluding Incentive Units) into 38,498,436 shares of Common Stock at a deemed value of \$10.00 per share as adjusted by the Exchange Ratio, rounded down to the nearest share for each holder; and
- the surrender and exchange of all 315,789.473684 issued and outstanding Series C preferred shares of Legacy Bridger (the "Legacy Bridger Series C Preferred Shares"), which were surrendered and exchanged on a one-to-one basis in connection with the Reverse Recapitalization into 315,789.473684 shares of preferred stock of Bridger that have the rights, powers, designations, preferences and qualifications, limitations and restrictions set forth in Section 4.5 of the Amended and Restated Certificate of Incorporation (the "Series A Preferred Stock"). The Series A Preferred Stock are convertible at the election of the holders into shares of Common Stock, without the payment of additional consideration by the holders into such number of shares of Common Stock as determined by dividing the original issue price, plus accrued interest by a conversion price equal to \$11.00 at the time of conversion.

Other related events occurred in connection with the Reverse Recapitalization, are summarized below:

- the filing and effectiveness of the Amended and Restated Certificate of Incorporation of Bridger and the effectiveness of the Amended and Restated Bylaws of Bridger, each of which occurred immediately prior to the Closing;
- the adoption and assumption of the Bridger Aerospace Group Holdings, Inc. 2023 Omnibus Incentive Plan (the "Omnibus Plan") and any grants or awards issued thereunder and adoption of the 2023 Employee Stock Purchase Plan upon the Closing to grant equity awards to Bridger employees; and

- during the period from the Closing until five years following the Closing, JCIC subjected 20% of JCIC's issued and outstanding common stock ("Sponsor Earnout Shares"), comprised of two separate tranches of 50% of the Sponsor Earnout Shares per tranche, to potential forfeiture to Bridger for no consideration until the occurrence (or deemed occurrence) of certain triggering events.

Immediately after giving effect to the Transaction Agreements, the following were outstanding:

- 43,769,290 shares of Common Stock;
- 315,789.473684 shares of Bridger Series A Preferred Stock;
- 9,400,000 private placement warrants ("Private Placement Warrants") to purchase shares of Common Stock at an exercise price of \$ 1.50 per share;
- 17,250,000 public warrants ("Public Warrants") to purchase shares of Common Stock at an exercise price of \$ 1.50 per share; and
- 6,581,497 restricted stock units issued to the executives and senior management of the Company.

The Sponsor Earnout Shares are determined to be equity classified instruments of Bridger and the Public Warrants and Private Placement Warrants are determined to remain liability classified instruments upon the Closing.

On January 25, 2023, shares of the Company's Common Stock began trading on the Nasdaq Global Market under the ticker symbol "BAER."

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Variable Interest Entities

The Company follows ASC 810-10-15, *Consolidation*, guidance with respect to accounting for variable interest entities ("VIE"). These entities do not have sufficient equity at risk to finance their activities without additional subordinated financial support from other parties or whose equity investors lack any of the characteristics of a controlling financial interest. A variable interest is an investment or other interest that will absorb portions of a VIE's expected losses or receive portions of its expected returns and are contractual, ownership or pecuniary in nature and that change with changes in the fair value of the entity's net assets. A reporting entity is the primary beneficiary of a VIE and must consolidate it when that party has a variable interest, or combination of variable interests, that provide it with a controlling financial interest. A party is deemed to have a controlling financial interest if it meets both of the power and loss/benefits criteria. The power criterion is the ability to direct the activities of the VIE that most significantly impact its economic performance. The losses/benefits criterion is the obligation to absorb losses from, or right to receive benefits from, the VIE that could potentially be significant to the VIE. The VIE model requires an ongoing reconsideration of whether a reporting entity is the primary beneficiary of a VIE due to changes in the facts and circumstances.

Northern Fire Management Services, LLC ("NFMS, LLC"): The Company assisted in designing and organizing NFMS, LLC with a business purpose of employing Canadian aviation professionals to provide services to the Company. A master services agreement exists between NFMS, LLC, the Company, and Bridger Air Tanker, LLC, a wholly-owned subsidiary of the Company, to transfer all annual expenses incurred to the Company in exchange for the Canadian employees to support the Company's water scooper aircraft. NFMS, LLC is 50% owned by a Canadian citizen, and 50% owned by Bridger Aerospace Group, LLC. NFMS, LLC was determined to be a VIE primarily due to the entity's lack of sufficient equity investment at risk and the Company was determined to be the primary beneficiary of the VIE primarily attributable to the Company's responsibility for all decisions related to NFMS, LLC's expenditures. Accordingly, NFMS, LLC has been consolidated by the Company for the three and six months ended June 30, 2026 and 2025 and the year ended December 31, 2025, and all intercompany expenses associated with NFMS, LLC and its service agreement have been eliminated in consolidation. As of June 30, 2026 and December 31, 2025, NFMS, LLC's assets and liabilities were immaterial to the Company's Condensed Consolidated Financial Statements.

Bridger Aerospace Europe, S.L.U. (“BAE”) and MAB Funding, LLC (“MAB”): On November 17, 2023, we entered into a series of agreements designed to facilitate the purchase and return-to-service of four Spanish Scoopers originally awarded to our wholly-owned subsidiary, BAE, in September 2023 via a public tender process from the Government of Spain for €40.3 million. Under the terms of the agreements, we agreed to sell the entire outstanding equity interest in BAE to MAB and purchase \$0.0 million of non-voting Class B units of MAB. We also entered into a services agreement with MAB whereby we will manage the return-to-service upgrades of the Spanish Scoopers through our wholly-owned Spanish subsidiary, Albacete Aero, S.L., while they are owned and funded by MAB. The service agreement also provides that we have the right, but not the obligation, to acquire each Spanish Scooper as it is ready to be contracted and returned to service. On December 23, 2025, we purchased two of the Spanish Scoopers from MAB for an aggregate purchase price of \$50.0 million, allocating \$25.0 million per aircraft. The Company assessed both MAB and BAE for variable interest entity accounting under ASC 810-10-15 and determined that MAB is a voting interest entity and BAE is a variable interest entity. However, neither entity is consolidated in the Condensed Consolidated Financial Statements as the Company does not have a controlling financial interest in MAB and the Company is not the primary beneficiary of BAE. Accordingly, neither of these entities have been consolidated in the Condensed Consolidated Financial Statements of the Company for the three and six months ended June 30, 2026 and 2025 and the year ended December 31, 2025. Refer to “*Note 17 – Commitments and Contingencies*” included in this Quarterly Report on Form 10-Q for additional details.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make assumptions and estimates that affect the reported amounts of assets and liabilities, disclosure of gain or loss contingencies as of the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Such estimates and assumptions include: (a) excess and aging aircraft support parts reserves, (b) allowance for doubtful accounts, (c) useful lives of property, plant and equipment, net, (d) allocation of the purchase price to the fair value of assets acquired and liabilities assumed, (e) impairment of long-lived assets, goodwill and other intangible assets, (f) disclosure of fair value of financial instruments, (g) variable interest entities, (h) accounting for Series A Preferred Stock, (i) revenue recognition, (j) estimates and assumptions made in determining the carrying values of goodwill, other intangible assets, and contingent consideration, (k) Public Warrants and Private Placement Warrants, (l) accounting for income taxes including the related valuation allowance on the deferred tax asset and (m) determination of the fair value of the property related to the sale-leaseback transaction. In the future, the Company may realize actual results that differ from the current reported estimates and if the estimates that the Company has used change in the future, such changes could have a material impact on the Company’s condensed consolidated financial position, results of operations and cash flows.

Accounts Receivable

Accounts receivable consist of amounts due from our customers. The Company maintains an allowance for doubtful accounts equal to the estimated losses expected to be incurred based upon a review of the outstanding accounts receivable, historical collection information and existing economic conditions. For the three and six months ended June 30, 2026 and 2025, the Company did not record any bad debt expense as accounts receivable have historically been collected in accordance with the policy and there is no history of write-offs.

Business Combinations

The Company records tangible and intangible assets acquired and liabilities assumed in business combinations under the acquisition method of accounting in accordance with ASC 805, *Business Combinations*. Under the acquisition method of accounting, amounts paid for the acquisition are allocated to the assets acquired and liabilities assumed based on their estimated fair values at the date of acquisition inclusive of identifiable intangible assets. Acquisition consideration includes contingent consideration with payment terms based on the achievement of certain targets of the acquired business. The estimated fair value of identifiable assets and liabilities, including intangibles, are based on valuations that use information and assumptions available to management. The Company allocates any excess purchase price over the fair value of the tangible and identifiable intangible assets acquired and liabilities assumed to goodwill. Significant management judgments and assumptions are required in determining the fair value of assets acquired and liabilities assumed, particularly acquired intangible assets, including estimated useful lives. The valuation of purchased intangible assets is based upon estimates of the future performance and discounted cash flows of the acquired business. Each asset acquired or liability assumed is measured at estimated fair value from the perspective of a market participant.

Contingent consideration represents an obligation of the acquirer to transfer additional assets or equity interests to the seller if future events occur or conditions are met and is recognized when probable and reasonably estimable. Contingent consideration recognized is included in the initial cost of the assets acquired. Subsequent changes in the estimated fair value of contingent consideration are recognized as Selling, general and administrative expenses within the Condensed Consolidated Statements of Operations.

Debt Issuance Costs

Debt issuance costs consist of expenditures associated with obtaining debt financing, principally legal and bank commitment fees, on drawn and undrawn instruments. Such costs are deferred and amortized over the term of the related credit arrangements using the straight-line method, which approximates the effective interest method. Debt issuance costs are included in the Condensed Consolidated Balance Sheets as a direct deduction from the carrying amount of long-term debt and are included in Interest expense in the Condensed Consolidated Statements of Operations. The payment of debt issuance costs is recorded under financing activities in the Condensed Consolidated Statements of Cash Flows.

Deferred Offering Costs

Deferred offering costs primarily consist of capitalized legal, accounting and other third-party costs incurred that are related to the Reverse Recapitalization and subsequent securities offerings. As of June 30, 2026 and December 31, 2025, the Company recorded \$19.6 million to Stockholders' deficit in the Condensed Consolidated Balance Sheets.

Deferred Financing Costs

Deferred financing costs include origination, arrangement, legal and other fees to issue or amend the terms of the Revolver and DDTL. In our Condensed Consolidated Balance Sheets, unamortized deferred financing costs related to the Revolver and DDTL are reported as other noncurrent assets. Deferred financing costs are recognized in our Condensed Consolidated Statements of Operations as interest expense by amortizing the costs over the related financing using the straight-line method, which approximates the effective interest method.

Revenue Recognition

Aerial firefighting revenues

The Company enters into short, medium and long-term contracts with customers, primarily with government agencies during the firefighting season, to perform aerial firefighting services (fire suppression and aerial surveillance). The Company recognizes revenue under ASC 606, *Revenue from Contracts with Customers* ("ASC 606").

The majority of the Company's aerial firefighting contracts have a single performance obligation as the promise to transfer the individual goods or services is not separately identifiable from other promises in the contracts and, therefore, are not distinct. The Company primarily performs the following activities on contracts as part of a stand-ready obligation: (i) providing our aircraft, pilot and field maintenance personnel necessary to operate the aircraft and (ii) performing the services required on the contract, whether it be fire suppression or aerial surveillance services. The integrated firefighting services that we perform under each contract represent a single performance obligation satisfied over time, as a series of distinct time increments.

Our firefighting contracts generally provide for payment on a day rate basis. Such activities consist of standby and flight time. Standby rates are charged daily when aircraft is available for use at a fire base, awaiting request from the customer for flight deployment. Flight time is charged hourly when the engines of the aircraft are started and stopped upon request of the customer. The amounts billed to the customer are determined based on varying rates applicable to the specific activities performed on a daily basis. Such consideration is allocated to the distinct daily increment it relates to within the contract and therefore, recognized as we perform the daily firefighting services on the contract.

We measure progress in a manner that depicts the performance of transferring control to the customer. As such, we utilize the output method to recognize revenue over time as this depicts the Company's performance toward complete satisfaction of the performance obligation. As the Company has a right to consideration from customers in an amount that corresponds directly with the value to the customer of the Company's performance completed to date, the Company has applied the practical expedient to recognize revenue in the amount to which we have the right to invoice. We have elected to exclude from the transaction price all taxes assessed by governmental and foreign authorities.

Maintenance, Repair and Overhaul ("MRO") revenues

Maintenance repair revenue consists of maintenance repair and return-to-service work performed on customer aircraft. The Company commonly contracts with third-parties to perform certain repair and return-to-service work. The Company considers itself the principal in these arrangements as we control the timing and nature of the services ultimately provided by the third-party to the customer.

Each maintenance contract consists of integrated repair and return-to-service activities that are highly interdependent, and therefore, represent a single performance obligation. For contracts with multiple performance obligations, the Company allocates the contract's transaction price to each performance obligation using the best estimate of the standalone selling price of each distinct good or service in the contract. The primary method used to estimate standalone selling price is the expected-cost-plus-margin approach, under which the Company forecasts the expected costs of satisfying a performance obligation and then adds an appropriate margin for that distinct good or service.

The Company satisfies the underlying performance obligations over time as either the customer obtains control or receives benefits as work is performed on the contract, or the products we are building are assets with no alternative use and we have an enforceable right to payment. As a result, under ASC 606, revenue is recognized over time using the cost-to-cost method (cost incurred relative to total estimated cost at completion).

Contract estimates

Actual revenues and project costs may vary from previous estimates due to changes in a variety of factors. The cost estimation process is based upon the professional knowledge and experience of our engineers, project managers and financial professionals. Factors that are considered in estimating the work to be completed and ultimate contract recovery include the availability and productivity of labor, the nature and complexity of the work to be performed, the availability of materials and the effect of any delays on our project performance. We periodically review our job performance, job conditions, estimated profitability and final contract settlements, including our estimate of total costs and make revisions to costs and income in the period in which the revisions are probable and reasonably estimable. We bear the risk of cost overruns in most of our contracts, which may result in reduced profits. Whenever revisions of estimated contract costs and contract values indicate that the contract costs will exceed estimated revenues, thus creating a loss, a provision for the total estimated loss is recorded in that period. Contracts can be modified to account for changes in contract specifications and requirements. Contract modifications are considered to exist when the modification either creates new or changes the existing enforceable rights and obligations. Most of the Company's contract modifications are for goods or services that are not distinct from the existing contract due to the significant integration service provided in the context of the contract and are accounted for as if they were part of that existing contract. The effect of a contract modification on the transaction price, and the measure of progress for the performance obligation to which it relates, is recognized as an adjustment to revenue (either as an increase in or a reduction of revenue) on a cumulative catch-up basis. Total cumulative catch-up adjustments were not material for the three and six months ended June 30, 2026 and 2025.

Other revenues

Other revenues primarily consists of training services and lease revenue when we lease our owned aircraft to third parties, typically on an hourly or daily basis. For the three and six months ended June 30, 2026, we had other revenue of \$21,000 and \$39,000, respectively, and for the three and six months ended June 30, 2025, we had other revenue of \$3.3 million and \$3.6 million, respectively.

Contract assets & liabilities

The timing of revenue recognition, customer billings and cash collections results in a contract asset or contract liability at the end of each reporting period. For instances where we recognize revenue prior to having an unconditional right to payment, we record a contract asset. When amounts are dependent on factors other than the passage of time in order for payment from a customer to be due, we record a contract asset which consists of costs incurred where revenue recognized over time using the cost-to-cost model exceeds the amounts billed to customers. Contract assets are recorded within Accounts receivable in the Condensed Consolidated Balance Sheets. Contract liabilities include advance payments and billings in excess of revenue recognized. Contract liabilities are recorded as deferred revenue within Accrued expenses and other current liabilities in the Condensed Consolidated Balance Sheets. Certain customers make advance payments prior to the satisfaction of our performance obligations on the contract. These amounts are recorded as contract liabilities until such performance obligations are satisfied over time as costs are incurred. Contract assets and contract liabilities are determined on a contract-by-contract basis.

Payment terms vary by customer and type of revenue contract. The Company generally expects that the period of time between payment and transfer of promised goods or services will be less than one year. In such instances, the Company has elected the practical expedient to not evaluate whether a significant financing component exists.

Net contract assets (liabilities) are as follows:

dollars in thousands	As of June 30, 2026	As of December 31, 2025	Net Change
Contract assets	\$ 3,865	\$ 2,250	\$ 1,615
Contract liabilities	1,897	3,434	(1,537)
Net contract assets (liabilities)	\$ 1,968	\$ (1,184)	\$ 3,152

The accounts receivable balance was \$5.9 million, the contract assets and contract liabilities balances were \$1.7 million and \$0.8 million, respectively, as of January 1, 2025. For the six months ended June 30, 2026, the Company recognized revenues of \$2.7 million that was previously included in the contract liabilities that existed at December 31, 2025.

Changes in the balances of the Company's contract assets and liabilities primarily result from timing differences between revenue recognition and customer billings and/or payments. There were no significant impairment losses related to any receivables or contract assets arising from the Company's contracts with customers during the six months ended June 30, 2026 and 2025.

Remaining performance obligations

The Company calculates revenues from remaining performance obligations as the dollar value of the remaining performance obligations on executed contracts. As of June 30, 2026, the Company has remaining unsatisfied performance obligations of \$9.5 million, of which 100% is expected to be recognized as revenue in the next twelve months.

Contract costs

The Company has not incurred incremental costs for obtaining contracts with customers. In addition, the Company evaluates whether or not it should capitalize the costs of fulfilling a contract. Such costs would be capitalized when they are not within the scope of other standards and: (1) are directly related to a contract; (2) generate or enhance resources that will be used to satisfy performance obligations; and (3) are expected to be recovered. The Company has elected to use the practical expedient detailed in ASC 340-40, *Other Assets and Deferred Costs-Contracts with Customers*, to expense any costs to fulfill a contract as they are incurred when the amortization period would be one year or less.

Revenue Disaggregation

The following table presents the disaggregation of revenue by service:

dollars in thousands	For the three months ended June 30,		For the six months ended June 30,	
	2026	2025	2026	2025
Fire suppression	\$ 21,533	\$ 18,075	\$ 23,798	\$ 23,858
Aerial surveillance	5,459	4,023	7,040	5,734
MRO	3,481	5,356	8,129	13,246
Other services	21	3,297	39	3,559
Total revenues	\$ 30,494	\$ 30,751	\$ 39,006	\$ 46,397

The following table presents the disaggregation of revenue by geographic area:

dollars in thousands	For the three months ended June 30,		For the six months ended June 30,	
	2026	2025	2026	2025
United States	\$ 29,678	\$ 25,669	\$ 36,497	\$ 35,406
Spain	816	5,082	2,509	10,991
Total revenues	\$ 30,494	\$ 30,751	\$ 39,006	\$ 46,397

Concentration Risk

The Company had two customers who individually accounted for 71% and 16% of total revenues for the three months ended June 30, 2026, and two customers who individually accounted for 61% and 16% of total revenues for the six months ended June 30, 2026. The Company had three customers who individually accounted for 51%, 23% and 17% of total revenues for the three months ended June 30, 2025, and three customers who individually accounted for 47%, 24% and 17% of total revenues for the six months ended June 30, 2025. The Company had one customer who individually accounted for 82% of trade accounts receivable as of June 30, 2026 and two customers who individually accounted for 57% and 12% of trade accounts receivable as of December 31, 2025.

Hedging Transactions and Derivative Financial Instruments

The Company may, when deemed appropriate, use derivative financial instruments as a risk management tool to mitigate the potential impact of certain market risks, including interest rate risk. The Company does not enter into derivative financial instruments for trading purposes.

Derivatives designated and qualifying as cash flow hedges are recorded at fair value, with changes in fair value recognized in Accumulated other comprehensive (loss) income and reclassified into earnings in the period the hedged item affects earnings. Any ineffective portion of a hedge is recognized in earnings immediately. Upon termination of a hedging instrument, any remaining balance in Accumulated other comprehensive (loss) income is reclassified into earnings in the period of termination.

The Company's interest rate swap, which was designated as a cash flow hedge, was terminated in October 2025 concurrent with the refinancing of the underlying hedged debt. Refer to "Note 13 – Interest Rate Swap" included in this Quarterly Report on Form 10-Q for additional details.

Income Taxes

For periods prior to the Reverse Recapitalization, Bridger Aerospace Group Holdings, LLC was a partnership for federal income tax purposes. Consequently, federal income taxes were not payable or provided for by Legacy Bridger. Members were taxed individually on their pro rata ownership share of the Legacy Bridger's earnings. Legacy Bridger's net income or loss was allocated among the members in accordance with the Company's operating agreement.

Subsequent to the Reverse Recapitalization, Bridger Aerospace Group Holdings, Inc. became the successor of Legacy Bridger as discussed in "Note 1 – Organization and Basis of Presentation" included in this Quarterly Report on Form 10-Q. Bridger is subject to U.S. federal income taxes, in addition to state and local income taxes, with respect to net taxable income or loss and any related tax credits of the Company. Bridger is also subject to taxes in foreign jurisdictions in which it operates.

The Company provides for income taxes and the related accounts under the asset and liability method. Income tax benefit, deferred tax assets and liabilities and reserves for unrecognized tax benefits reflect management's best assessment of estimated current and future taxes to be paid. The Company is subject to income taxes predominantly in the U.S. These tax laws are often complex and may be subject to different interpretations.

Deferred income taxes arise from temporary differences between the financial statement carrying amount and the tax basis of assets and liabilities and are measured using the enacted tax rates expected to be in effect during the year in which the basis difference reverses. In evaluating the ability to recover its deferred tax assets within the jurisdiction from which they arise, the Company considers all available positive and negative evidence. If based upon all available positive and negative evidence, it is more likely than not that the deferred tax assets will not be realized, a valuation allowance is established. The valuation allowance may be reversed in a subsequent reporting period if the Company determines that it is more likely than not that all or part of the deferred tax asset will become realizable.

Warrant Liabilities

The Company accounts for the Public Warrants and Private Placement Warrants (collectively, the "Warrants") in accordance with ASC 480, Distinguishing Liabilities from Equity and ASC 815-40, Derivatives and Hedging—Contracts in Entity's Own Equity, under which the Warrants do not meet the criteria for equity treatment and must be recorded as liabilities. Accordingly, the Company classifies the Warrants as liabilities at their fair value and adjusts the Warrants to fair value at each reporting period. The warrant liabilities are subject to remeasurement at each balance sheet date until exercised. Refer to "Note 12 – Accrued Expenses and Other Liabilities" included in this Quarterly Report on Form 10-Q for additional information.

Stock-Based Compensation

The Company accounts for its stock-based compensation in accordance with ASC 718, *Compensation-Stock Compensation*.

The Company along with the Board established and approved and assumed the Omnibus Plan which allowed the Company to grant restricted stock units ("RSUs") to Bridger employees (the "Participants"). Upon satisfying the vesting conditions, each RSU provides the Participants the right to receive one share of Common Stock. The fair value of RSUs is determined based on the number of shares granted and the quoted market price of the Common Stock on the date of grant. Compensation cost for the RSUs is recognized as the performance condition of the Closing of the transaction was met and over the requisite service period based on the graded-vesting method.

Compensation cost for performance-based restricted common stock awards is recognized when achievement of the applicable performance condition is considered probable. The Company reassesses the probability of achievement at each reporting date and records cumulative catch-up adjustments to compensation cost based on the number of awards expected to vest. Grant-date fair value for such awards is determined based on the fair value of the Company's common stock on the grant date in accordance with the applicable award terms.

The Company accounts for forfeitures as they occur. Stock-based compensation is included in both Cost of revenues and Selling, general and administrative expense in the Condensed Consolidated Statements of Operations.

Loss Per Share

Basic loss per share is based on the weighted average number of shares of Common Stock outstanding during the period. Diluted loss per share is based on the weighted average number of shares of Common Stock used for the basic loss per share calculation, adjusted for the dilutive effect of RSUs, restricted common stock awards, Warrants and Incentive Units, if any, using the "treasury stock" method, the Series A Preferred Stock that is convertible into shares of Common Stock and the Sponsor Earnout Shares that will fully vest upon certain stock price metrics being achieved. In addition, loss for diluted loss per share is adjusted for the after-tax impact of changes to the fair value of the Warrants, to the extent they are dilutive. Loss per share is calculated based on the weighted average number of shares of Common Stock outstanding.

Sale-Leaseback Transaction

The determination of the fair value of the property related to the sale-leaseback transaction requires subjectivity and estimates, including the use of multiple valuation techniques and uncertain inputs, such as market price per square foot and assumed capitalization rates or the replacement cost of the assets, where applicable. Where real estate valuation expertise is required, we obtain independent third-party appraisals to determine the fair value of the underlying asset. While determining fair value requires a variety of input assumptions and judgment, we believe our estimates of fair value are reasonable.

Recent Accounting Pronouncements

Recently Issued Accounting Pronouncements

In April 2026, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2026-01, *Equity (Topic 505) — Initial Measurement of Paid-in-Kind Dividends on Equity-Classified Preferred Stock* ("ASU 2026-01"), which requires that paid-in-kind ("PIK") dividends on equity-classified preferred stock be initially measured based on the PIK dividend rate stated in the preferred stock agreement, applied to the liquidation value of the preferred stock outstanding. ASU 2026-01 is effective for annual reporting periods beginning after December 15, 2026, and interim reporting periods within those annual periods, with early adoption permitted. The Company plans to adopt ASU 2026-01 on January 1, 2027. The Company's existing accounting policies are consistent with the requirements of ASU 2026-01, and therefore adoption is not expected to have a material impact on its Consolidated Financial Statements.

In September 2025, the FASB issued ASU No. 2025-06, *Intangibles—Goodwill and Other—Internal-Use Software (Subtopic 350-40): Targeted Improvements to the Accounting for Internal-Use Software* ("ASU 2025-06"). This update modernizes the accounting for internal-use software, removes all references to software development stages, and requires capitalization of software costs when management has committed to a software project and it is probable the software will be completed and perform its intended use. ASU 2025-06 will be effective for annual and interim periods beginning January 1, 2028. Early adoption is permitted. The Company is currently evaluating the timing and method of adopting the new accounting guidance on the Company's Consolidated Financial Statements.

In November 2024, the FASB issued ASU No. 2024-03, *Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures* ("ASU 2024-03"). This update enhances annual and interim disclosures, in the notes to financial statements, of specified information about certain costs and expenses. ASU 2024-03 will be effective for annual periods beginning January 1, 2027 and interim periods beginning January 1, 2028. Early adoption is permitted. The Company is currently evaluating the impact of adopting the new accounting guidance on the Company's Consolidated Financial Statements.

NOTE 3 – SUPPLEMENTAL CASH FLOW INFORMATION

dollars in thousands	For the six months ended June 30,	
	2026	2025
Cash paid for interest	\$ 11,710	\$ 11,247
Cash paid for income taxes, net of refunds	171	—
Fixed assets in accounts payable	610	—
Non-cash investing and financing activities:		
Series A Preferred Stock - adjustment to maximum redemption value	14,137	13,197
Issuance of Common Shares upon settlement of liability-classified award	883	—
Recognition of new right-of-use asset and corresponding operating lease liabilities	2,339	2,217
Recognition of new right-of-use asset and corresponding financing lease liabilities	15	69
Reduction in right-of-use asset and lease liability from operating lease modification	508	—
Derecognition or modification of right-of-use assets and corresponding finance lease liabilities	—	13
Purchase consideration of Ignis acquisition paid in Common Stock (Note 12)	1,669	1,191

NOTE 4 – CASH EQUIVALENTS

Cash equivalents consist of the following:

dollars in thousands	As of June 30, 2026	As of December 31, 2025
	Carrying Value	
Cash equivalents:		
Money market fund	\$ 4,981	\$ 25,035

NOTE 5 – ACCOUNTS RECEIVABLE

Accounts receivable consist of the following:

dollars in thousands	As of June 30, 2026	As of December 31, 2025
Trade accounts receivable	\$ 15,369	\$ 835
Contract assets	3,865	2,250
Unbilled receivable	1,106	—
Foreign tax receivable	161	105
Total accounts receivable	\$ 20,501	\$ 3,190

Substantially all accounts receivable as of June 30, 2026 are expected to be collected in the next twelve months. The Company does not believe it has significant exposure to credit risk, as accounts receivable and the contract assets amounts are primarily from contracts associated with the U.S. Government. Unbilled receivable consists of earned revenue that has not yet been billed on the Company's contracts. Foreign tax receivable consists primarily of value-added taxes charged by the Spanish government. Refer to "Note 2 – Summary of Significant Accounting Policies" for further discussion on Contract assets.

NOTE 6 – AIRCRAFT SUPPORT PARTS

Aircraft support parts consist of the following:

dollars in thousands	As of June 30, 2026	As of December 31, 2025
Repairables and expendables	\$ 575	\$ 623
Other	496	1,031
Total aircraft support parts	<u>\$ 1,071</u>	<u>\$ 1,654</u>

NOTE 7 – PREPAID EXPENSES AND OTHER CURRENT ASSETS

Prepaid expenses and other current assets consist of the following:

dollars in thousands	As of June 30, 2026	As of December 31, 2025
Prepaid insurance	\$ 1,887	\$ 1,546
Deposits	619	1,639
Prepaid subscriptions	766	518
Other	372	291
Total prepaid expenses and other current assets	<u>\$ 3,644</u>	<u>\$ 3,994</u>

NOTE 8 – PROPERTY, PLANT AND EQUIPMENT, NET

Property, plant and equipment, net consist of the following:

dollars in thousands	As of June 30, 2026	As of December 31, 2025
Aircraft	\$ 269,291	\$ 262,013
Less: Accumulated depreciation	(54,100)	(48,607)
Aircraft, net	<u>215,191</u>	<u>213,406</u>
Construction in progress	52	—
Vehicles and equipment	7,597	7,049
Buildings	1,165	1,200
Leasehold improvements	684	645
Licenses	235	235
Finance lease right-of-use asset	132	117
Capitalized software and development costs	39	35
Less: Accumulated depreciation	<u>(4,418)</u>	<u>(3,873)</u>
Leasehold improvements and equipment, net	<u>5,486</u>	<u>5,408</u>
Total property, plant and equipment, net	<u>\$ 220,677</u>	<u>\$ 218,814</u>

For the three and six months ended June 30, 2026, the Company recorded \$4.4 million and \$6.0 million of depreciation expense in Cost of revenues, respectively, and \$0.1 million of depreciation expense in Selling, general and administrative expense. For the three and six months ended June 30, 2025, the Company recorded \$3.3 million and \$4.6 million of depreciation expense in Cost of revenues, respectively, and \$0.3 million and \$0.7 million of depreciation expense in Selling, general and administrative expense, respectively.

Asset groups are evaluated for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset or asset group may not be recoverable. For the three and six months ended June 30, 2026 and 2025, the Company recorded no impairment charges.

For the three and six months ended June 30, 2026, the Company recorded a loss on disposal of assets of zero and \$0.1 million, respectively, and for the three and six months ended June 30, 2025, the Company recorded a gain on disposal of assets of zero and \$0.1 million, respectively, in Selling, general and administrative expense in the Condensed Consolidated Statements of Operations.

NOTE 9 – ACQUISITION ACTIVITY

2024 Acquisition Activity

On June 28, 2024, the Company completed the acquisition of all the outstanding equity interests of Flight Test & Mechanical Solutions, Inc. (“FMS” and the “FMS Acquisition”), a turn-key provider of integration solutions for government and commercial customers including instrumentation, flight testing and airworthiness certification, for total initially estimated fair value consideration of \$21.2 million, payable in unregistered shares of Bridger’s Common Stock, with \$19.0 million fair value of Common Stock consideration paid at closing and upon settlement of certain post-closing purchase price adjustments to the former stockholders of FMS (consisting of 3,867,289 restricted shares of Common Stock determined based upon a volume-weighted average per-share price (“VWAP”) of the Common Stock for the 90 consecutive trading days ended June 27, 2024). The shares issued at close were issued at the fair value upon the closing date. The remaining \$2.2 million of fair value Common Stock consideration is contingent upon the achievement of certain earnout conditions and, assuming achievement of such conditions, will be issued to the former stockholders of FMS in the third quarter of 2026 and fiscal year 2027 based on the 2025 and 2026 results, respectively, with the price per share determined based upon a trailing 90-day VWAP of the Common Stock at the time of each issuance. During the measurement period, the Company revised the total purchase consideration of the FMS Acquisition due to changes in working capital adjustments, closing price adjustments and a deferred tax liability adjustment. As a result, total consideration decreased by \$4.8 million. These adjustments resulted in a corresponding decrease in goodwill of \$3.9 million. The maximum number of shares of Common Stock issuable to the former FMS stockholders as contingent earnout consideration will not exceed 5,754,165 shares in the aggregate. All of the shares of Common Stock to be issued in the FMS Acquisition will be subject to transfer restrictions for an 18-month period after each issuance, with the transfer restrictions expiring with respect to 1/18th of the total shares of Common Stock each month over the 18-month period following such issuance.

None of the shares of Common Stock issued or issuable in connection with the FMS Acquisition were registered under the Securities Act of 1933, as amended (the “Securities Act”), on the FMS Acquisition date in reliance on the exemption from registration provided by Section 4(a)(2) of the Securities Act. Recipients of shares of Common Stock in connection with the FMS Acquisition will have customary resale registration rights with respect to such shares of Common Stock pursuant to the terms and conditions of the FMS Acquisition.

The Company accounted for the FMS Acquisition under the acquisition method of accounting and has reported the results of operations of the FMS Acquisition as of the respective date of the FMS Acquisition. The Company based the estimated fair values of intangible assets on an income approach utilizing the relief from royalties and excess earnings methods. The income approach utilizes management’s estimates of future operating results and cash flows using a weighted average cost of capital that reflects market participant assumptions. For all other assets acquired and liabilities assumed, the fair value reflects the carrying value of the asset or liability due to their short maturity. The Company recorded the excess of the fair value of the consideration transferred in the FMS Acquisition over the fair value of net assets acquired as goodwill. The goodwill reflects our expectations of favorable future growth opportunities.

The Company has not presented pro forma combined results for the FMS Acquisition because the impact on previously reported statements of operations was not material.

As of March 31, 2025, the Company finalized the purchase accounting for the FMS Acquisition. The following table summarizes the final purchase price allocation:

dollars in thousands	As of March 31, 2025
Common Stock	\$ 13,061
Working Capital Excess Shares	174
Closing Cash Shares Adjustment	143
Accrued Dividends Payable Adjustment	800
Earnout Shares	2,164
Total purchase price	<u>\$ 16,342</u>

dollars in thousands	As of December 31, 2024	Adjustments	As of March 31, 2025
Cash and cash equivalents	\$ 2,592	\$ —	\$ 2,592
Accounts receivable ¹	2,701	—	2,701
Aircraft support parts	265	—	265
Prepaid expenses and other current assets	124	—	124
Intangible assets	3,900	—	3,900
Property, plant and equipment	1,014	—	1,014
Other noncurrent assets	1,854	—	1,854
Accounts payable	(259)	—	(259)
Dividends payable	(800)	—	(800)
Deferred revenue	(180)	—	(180)
Accrued expenses and other current liabilities	(170)	(139)	(309)
Operating right-of-use current liability	(56)	—	(56)
Operating right-of-use noncurrent liability	(960)	—	(960)
Deferred tax liability	(1,269)	—	(1,269)
Total identifiable net assets	8,756	(139)	8,617
Goodwill	7,586	139	7,725
Total purchase price	<u>\$ 16,342</u>	<u>\$ —</u>	<u>\$ 16,342</u>

¹ Balance includes \$1.0 million in unbilled receivable. Fair value of accounts receivable approximates the contractual amount.

Purchase price allocation adjustments related primarily to net working capital, closing price and deferred tax liability adjustments.

Goodwill of \$7.7 million arising from the FMS Acquisition is primarily attributable to the assembled workforce of FMS and expected synergies from combining operations. None of the acquired goodwill is expected to be deductible for income tax purposes. Acquired intangible assets consist of the following:

- **Trade name:** expected to be amortized over its useful life of 9.5 years as of the date of the FMS Acquisition. The fair value of the trade name was determined using the relief from royalty method.
- **Customer relationships:** expected to be amortized over its useful life of 3.5 years as of the date of the FMS Acquisition. The fair value of the customer relationships were determined using the multi-period excess earnings method.
- **Contracts:** expected to be amortized over its useful life of 5.5 years when placed into service. The fair value of the contracts were determined using the multi-period excess earnings method.

The transaction costs related to the acquisition were not material. The operating results of the acquisition have been included in the Company's results of operations from the effective date of the acquisition.

NOTE 10 – GOODWILL AND INTANGIBLE ASSETS, NET

There were no changes to the carrying amount of goodwill during the three and six months ended June 30, 2026. Goodwill was \$0.9 million as of June 30, 2026 and December 31, 2025. As of June 30, 2026 and December 31, 2025, goodwill of \$2.4 million was allocated to the Company's BAGH reporting unit, which has a negative carrying amount of net assets as of June 30, 2026 and December 31, 2025, due to the inclusion of the mezzanine equity, refer to "Note 18 – Mezzanine Equity." There were no impairment charges recorded for goodwill for the three and six months ended June 30, 2026 and 2025.

Intangible assets consisted of the following:

dollars in thousands	Estimated Life (Years)	As of June 30, 2026		
		Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
In-process research and development ("IPR&D")	5	\$ 4,840	\$ (1,392)	\$ 3,448
Contracts	5.5	3,400	(1,236)	2,164
Trade name	9.5	300	(64)	236
Internal-use software	3	297	(297)	—
Customer relationships	3.5	200	(114)	86
Licenses	10	68	(68)	—
Total intangible assets		<u>\$ 9,105</u>	<u>\$ (3,171)</u>	<u>\$ 5,934</u>

dollars in thousands	Estimated Life (Years)	As of December 31, 2025		
		Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
IPR&D	5	4,109	(926)	3,183
Contracts	5.5	\$ 3,400	\$ (927)	\$ 2,473
Trade name	9.5	300	(47)	253
Internal-use software	3	297	(297)	—
Customer relationships	3.5	200	(86)	114
Licenses	10	68	(68)	—
Total intangible assets		<u>\$ 8,374</u>	<u>\$ (2,351)</u>	<u>\$ 6,023</u>

IPR&D is the historical know-how, software, formula protocols, designs and procedures expected to be needed to complete the development of the technology asset and receive regulatory approval. The Company amortizes the IPR&D over its useful life of five years when placed into service. For the six months ended June 30, 2026 and 2025, the Company capitalized costs of \$0.7 million and \$0.6 million related to IPR&D, respectively.

Amortization expense for intangible assets and other noncurrent assets was \$0.5 million and \$0.9 million for the three and six months ended June 30, 2026, respectively, and \$0.3 million and \$0.6 million for the three and six months ended June 30, 2025, respectively. Amortization expense is included in Selling, general and administrative expense in the Condensed Consolidated Statements of Operations.

NOTE 11 – OTHER NONCURRENT ASSETS

Other noncurrent assets consisted of the following:

dollars in thousands	As of June 30, 2026	As of December 31, 2025
Operating lease right-of-use asset	\$ 31,629	\$ 31,416
Investment in MAB	4,000	4,000
Deferred debt issuance costs	3,205	4,150
Deposits	2,726	1,937
Investment in Overwatch Imaging, Inc.	1,000	1,000
Prepaid expenses	756	986
Other	867	873
Total other noncurrent assets	<u>\$ 44,183</u>	<u>\$ 44,362</u>

NOTE 12 – ACCRUED EXPENSES AND OTHER LIABILITIES

Accrued expenses and other liabilities consisted of the following:

dollars in thousands	As of June 30, 2026	As of December 31, 2025
Warrant liabilities	\$ 7,462	\$ 5,330
Accrued salaries, wages and bonuses	3,669	2,548
Deferred revenue	1,897	3,434
Deferred underwriting fee payable	1,500	1,500
Contingent consideration	1,011	2,743
Accrued foreign tax	925	925
Finance right-of-use liability	98	96
Accrued interest expense	16	52
Other	332	742
Total accrued expenses and other liabilities	16,910	17,370
Less: Current accrued expenses and other current liabilities	(7,876)	(9,794)
Total long-term accrued expenses and other noncurrent liabilities	<u>\$ 9,034</u>	<u>\$ 7,576</u>

Warrant liabilities

The warrant liabilities consist of the following Warrants issued by the Company in connection with the Reverse Recapitalization:

Public Warrants

The Company issued Public Warrants to purchase 17,250,000 shares of Common Stock at an exercise price of \$11.50 per share in exchange for the 17,250,000 JCIC warrants originally issued by JCIC in its initial public offering. The Warrants may only be exercised for a whole number of shares of Common Stock. The exercise price and number of shares of Common Stock issuable upon exercise of the Warrants may also be adjusted in certain circumstances including in the event of a share dividend, recapitalization, reorganization, merger or consolidation. In no event will the Company be required to net cash settle any Warrant.

The Warrants became exercisable 30 days following the Reverse Recapitalization and will expire January 24, 2028.

Under certain circumstances, the Company may elect to redeem the Public Warrants at a redemption price of \$0.01 per Public Warrant at any time during the term of the warrant in which the Common Stock trading price has been at least \$18.00 per share for 20 trading days within the 30 trading-day period ending on the third trading day prior to the date on which the Company sends the notice of redemption to the Warrant holders. If the Company elects to redeem the Public Warrants, it must notify the Public Warrant holders in advance, who would then have at least 30 days from the date of notification to exercise their respective warrants. If the warrant is not exercised within that 30-day period, it will be redeemed pursuant to this provision. The Company may also elect to redeem the outstanding Warrants at a redemption price of \$0.10 per Warrant at any time during the term of the Warrant in which the Common Stock trading price is between \$10.00 per share and \$18.00 per share (as adjusted for share splits, share dividends, rights issuances, subdivisions, reorganization, recapitalizations and the like) for any 20 trading days within the 30 trading-day period ending on the third trading day prior to the date on which the Company sends the notice of redemption to the Warrant holders. In such case, the Warrant holders will be able to exercise their Warrants on a cashless basis prior to the redemption for a number of shares of our Common Stock determined based on the redemption date and the fair market value of the Common Stock.

As of June 30, 2026 and December 31, 2025, 17,249,874 Public Warrants remain outstanding. The Public Warrants are liability-classified with a balance of \$4.9 million and \$3.4 million, respectively, and a fair value of \$0.28 and \$0.20 per warrant as of June 30, 2026 and December 31, 2025, respectively.

Private Placement Warrants

The Company issued Private Placement Warrants to purchase 9,400,000 shares of Common Stock at an exercise price of \$1.50 per share in exchange for the 9,400,000 JCIC warrants originally purchased in a private placement by JCIC Sponsor, LLC ("JCIC Sponsor") contemporaneously with JCIC's initial public offering. JCIC Sponsor, or its permitted transferees, has the option to exercise the Private Placement Warrants on a cashless basis. If the Private Placement Warrants are held by holders other than JCIC Sponsor or its permitted transferees, the Private Placement Warrants will be redeemable by the Company in all redemption scenarios and exercisable by the holders on the same basis as the Public Warrants.

As of June 30, 2026 and December 31, 2025, the Company had 9,400,000 outstanding Private Placement Warrants to purchase 9,400,000 shares of Common Stock. The Private Placement Warrants are liability-classified with a balance of \$2.6 million and \$1.9 million, respectively, and a fair value of \$0.28 and \$0.20 per warrant as of June 30, 2026 and December 31, 2025, respectively.

Contingent consideration

The Company assumed contingent consideration as part of prior year acquisition activity. The Company is required to make contingent payments to the sellers based on the achievement of certain operational milestones or certain earnout conditions. The fair value of the liability for the contingent payments was recognized upon acquisition as part of the purchase accounting opening balance sheet. The initial cost was recognized at fair value on the closing date with subsequent changes in estimated fair value recognized as Selling, general and administrative expenses in the Condensed Consolidated Statements of Operations.

As part of the Company's acquisition of Ignis Technologies, Inc. in 2023 ("Ignis" and the "Ignis Acquisition"), the Company agreed to pay contingent consideration based on the achievement of certain operational milestones. The final milestone was completed during 2024, which triggered a series of three annual contingent consideration payments. The first two payments were made as of the quarters ended June 30, 2024 and 2025. The third and final payment was made during the second quarter of 2026, in which the Company issued 869,036 restricted shares of Common Stock to the former Ignis shareholders (determined based upon a trailing 120-day VWAP of the Common Stock for the 120 consecutive trading days ended June 30, 2026). The shares were issued at fair value, resulting in a total issuance value of approximately \$7 million. This amount was previously recognized as part of the contingent consideration liability as of March 31, 2026, and the issuance did not result in any additional expense during the period.

Pursuant to the agreement, the maximum number of shares of Common Stock issuable to the former Ignis shareholders as contingent earnout consideration was 8,399,198. As of June 30, 2026, the Company had issued 2,566,138 total shares of Common Stock to the former Ignis shareholders across all three payments, which did not exceed the shares authorized in the aggregate.

All of the shares of Common Stock to be issued as part of the Ignis Acquisition will be subject to transfer restrictions for a 12-month period after each issuance, with 1/12th of the total shares of Common Stock transferring each month over the one-year period after each issuance. None of the shares of Common Stock issued or issuable in connection with the Ignis Acquisition were registered under the Securities Act on the Ignis Acquisition date in reliance on the exemption from registration provided by Section 4(a)(2) of the Securities Act. Recipients of shares of Common Stock in connection with the Ignis Acquisition will have customary resale registration rights with respect to such shares of Common Stock pursuant to the terms and conditions of the Ignis Acquisition.

As part of the June 2024 FMS Acquisition, the Company agreed to pay contingent earnout consideration to the former stockholders of FMS contingent upon the achievement of certain earnout conditions based on 2025 and 2026 results. The earnout consideration, if earned, will be settled in shares of Common Stock, with the price per share determined based upon a trailing 90-day VWAP of the Common Stock at the time of each issuance, with payments expected to be made in the third quarter of 2026 and fiscal year 2027, respectively. The maximum number of shares of Common Stock issuable to the former FMS stockholders as contingent earnout consideration will not exceed 5,754,165 shares in the aggregate. All shares issued will be subject to an 18-month transfer restriction period, with 1/18th of the total shares transferring each month over the 18-month period following each issuance. None of the shares of Common Stock issued or issuable in connection with the FMS Acquisition were registered under the Securities Act in reliance on the exemption provided by Section 4(a)(2) of the Securities Act. Recipients of shares will have customary resale registration rights pursuant to the terms of the FMS Acquisition.

As of June 30, 2026, the Company recognized \$1.0 million in Accrued expenses and other current liabilities in the Condensed Consolidated Balance Sheets and zero in Long-term accrued expenses and other noncurrent liabilities in the Condensed Consolidated Balance Sheets. As the final Ignis issuance occurred during the period, the June 30, 2026 balance reflects only the FMS-related liability. As of December 31, 2025, the Company recognized \$2.0 million in Accrued expenses and other current liabilities in the Condensed Consolidated Balance Sheets and \$0.7 million in Long-term accrued expenses and other noncurrent liabilities in the Condensed Consolidated Balance Sheets. The December 31, 2025 balance reflects liabilities related to both Ignis and FMS.

The change in contingent consideration for the six months ended June 30, 2026 and year ended December 31, 2025 was as follows:

dollars in thousands	As of June 30, 2026	As of December 31, 2025
Contingent consideration, beginning of period	\$ 2,743	\$ 6,219
Change in fair value of contingent consideration	(63)	(2,285)
Settlement of contingent consideration (related to Ignis)	(1,669)	(1,191)
Contingent consideration, end of period	<u>\$ 1,011</u>	<u>\$ 2,743</u>

NOTE 13 – INTEREST RATE SWAP

The Company previously held an interest rate swap with UMB Bank (“UMB”), entered into on March 12, 2020, which was designated as a cash flow hedge under ASC 815 to reduce exposure to variable-rate interest risk on its prior term loan with UMB. Fair value adjustments were recorded within Accumulated other comprehensive (loss) income on the Condensed Consolidated Balance Sheets.

Concurrent with the October 2025 refinancing, refer to “Note 15 – Long-Term Debt,” the Company used a portion of the refinancing proceeds to retire the outstanding balance of the prior UMB term loan, which resulted in the termination of the swap agreement. Upon termination, the life-to-date accumulated gain of \$0.7 million was reclassified from Accumulated other comprehensive income to Other income on the Consolidated Statements of Operations during the year ended December 31, 2025. No derivative instruments related to the swap remain outstanding as of June 30, 2026.

NOTE 14 – FAIR VALUE MEASUREMENTS

Long-term debt

As of June 30, 2026 and December 31, 2025, the Company had \$0.1 million of fixed rate debt outstanding and \$245.0 million and \$222.4 million of variable rate debt outstanding, respectively. The Company’s debt approximates fair value based on current rates and terms available to the Company for similar debt as of June 30, 2026 and December 31, 2025. Debt financing activities and loan agreements are further described in “Note 15 – Long-Term Debt” in this Quarterly Report on Form 10-Q for additional details.

Recurring Fair Value Measurement

Our cash and cash equivalents, accounts receivable, accounts payable, accrued expenses and other current assets and liabilities are carried at amounts which reasonably approximate their fair values due to their short-term nature.

The following tables summarize the Company's assets and liabilities that are measured at fair value on a recurring basis, by level, within the fair value hierarchy:

		As of June 30, 2026		
dollars in thousands		Level 1	Level 2	Level 3
Assets				
Cash	\$	7,241	\$ —	\$ —
Total Assets	\$	7,241	\$ —	\$ —
Liabilities				
Warrant liabilities - Public Warrants	\$	4,830	\$ —	\$ —
Warrant liabilities - Private Placement Warrants		—	2,632	—
Contingent consideration		—	—	1,011
Total liabilities	\$	4,830	\$ 2,632	\$ 1,011
		As of December 31, 2025		
dollars in thousands		Level 1	Level 2	Level 3
Assets				
Cash	\$	31,381	\$ —	\$ —
Total Assets	\$	31,381	\$ —	\$ —
Liabilities				
Warrant liabilities - Public Warrants	\$	3,450	\$ —	\$ —
Warrant liabilities - Private Placement Warrants		—	1,880	—
Contingent consideration		—	—	2,743
Total liabilities	\$	3,450	\$ 1,880	\$ 2,743

Warrant Liabilities

The Company issued Warrants in connection with the Reverse Recapitalization. The Company classifies the Warrants as liabilities at their fair value and adjusts the Warrants to fair value at each reporting period. The warrant liabilities are subject to remeasurement at each balance sheet date until exercised, and any change in fair value is recorded in earnings through Selling, general and administrative expense on the Condensed Consolidated Statements of Operations included in this Quarterly Report on Form 10-Q.

The Public Warrants are publicly traded under the symbol "BAERW," and the fair value of the Public Warrants at a specific date is determined by the closing price of the Public Warrants as of that date. Therefore, the Public Warrants are classified as Level 1 of the fair value hierarchy. The Public Warrants are redeemable at any time during the term of the warrant in which the Common Stock share trading price has been at least \$18.00 per share for 20 trading days within the 30 trading-day period. The Company can redeem both the Private Placement Warrants and the Public Warrants when the stock price is between \$ 10.00 to \$18.00. As such, it is economically beneficial for the Company to redeem the Private Placement Warrants any time before the stock price crosses the \$18.00 threshold. Therefore, the Warrants have similar economic value, hence Private Placement Warrants are deemed to have the same value as the Public Warrants and are classified Level 2 of the fair value hierarchy. Refer to "Note 12 – Accrued Expenses and Other Liabilities" included in this Quarterly Report on Form 10-Q for additional details.

Contingent Consideration

In connection with prior year acquisition activity, the Company is required to make contingent payments to the sellers based on the achievement of certain operational milestones or based on the achievement of certain earnout conditions. The fair value of the contingent consideration was determined using the Monte-Carlo simulation-based model discounted to present value. Assumptions used in this calculation are equity volatility, estimated future stock prices and various probability factors, including management's estimate of the likelihood of meeting certain operational milestones and earnout conditions. The ultimate settlement of the contingent consideration could deviate from current estimates based on the actual results of these financial measures. This liability is considered to be a Level 3 financial liability that is remeasured each reporting period. Changes in estimated fair value of contingent consideration are recognized as Selling, general and administrative expenses within the Condensed Consolidated Statements of Operations. Refer to "Note 12 – Accrued Expenses and Other Liabilities" included in this Quarterly Report on Form 10-Q for additional details.

Non-Recurring Fair Value Measurements

The Company measures certain assets at fair value on a non-recurring basis, including long-lived assets and goodwill and cost method investments, which are evaluated for impairment. Long-lived assets include property, plant and equipment, net and certain intangible assets. The inputs used to determine the fair value of long-lived assets are considered Level 3 measurements due to their subjective nature.

As of June 30, 2026 and December 31, 2025, the Company did not have any significant assets or liabilities that were remeasured at fair value on a non-recurring basis in periods subsequent to initial recognition.

NOTE 15 – LONG-TERM DEBT

October 2025 Refinancing

On October 28, 2025, the Company completed the refinancing of its then outstanding \$160.0 million Series 2022 bonds with a Credit Agreement (the "Credit Agreement"), consisting of \$210.0 million Initial Term Loans (the "Initial Term Loans"), a \$21.5 million Revolver, and a \$100.0 million DDTL. The Company incurred debt issuance costs of \$4.9 million and lender fees of \$4.2 million associated with the Credit Agreement. The Company has drawn \$210.0 million under the Initial Term Loans and \$24.3 million under the DDTL, with \$75.7 million remaining in borrowing capacity on the DDTL, and has drawn \$10.0 million under the Revolver, with \$11.5 million remaining in borrowing capacity on the Revolver as of June 30, 2026.

The Company evaluated the transaction under the guidance in ASC 470-50, Debt—Modifications and Extinguishments, and determined that the refinancing resulted in extinguishment accounting, as the Credit Agreement was entered into with a new lending group. In connection with the repayment the Company incurred a loss on the extinguishment of debt of \$7.8 million, which included a \$3.0 million write-off of unamortized debt issuance costs. The loss was recorded as a loss on extinguishment of debt within "Other expense, net" in the Consolidated Statements of Operations for the year ended December 31, 2025.

2025 Credit Agreement

The Credit Agreement is secured by first-priority security interests in substantially all tangible and intangible assets, including aircraft, real property, and intellectual property of the Company and subsidiary guarantors. The Credit Agreement requires annual prepayment from an Excess Cash Flow assessment, requiring prepayment of a percentage of annual excess cash flow, as defined within the Credit Agreement, with an assessment date beginning with the fiscal year ending December 31, 2026, and from certain asset sales above a specific threshold, with certain reinvestment provisions. The Credit Agreement requires the Company to pay a prepayment premium on certain voluntary or mandatory prepayments of the term loans equal to (i) 3.0% if repaid on or prior to the first anniversary of the closing date, (ii) 2.0% if repaid after the first anniversary but on or prior to the second anniversary, and (iii) 1.0% if repaid after the second anniversary but on or prior to the third anniversary. After the third anniversary, no prepayment premium applies. Typical events of default include nonpayment, covenant breach, insolvency, and cross-defaults, which may result in acceleration and obligation to pay all outstanding principal, accrued interest, and fees.

The Credit Agreement contains certain covenants, which include, but are not limited to, restrictions on indebtedness, liens, fundamental changes, restricted payments, asset sales, and investments, and places limits on various other payments.

The Credit Agreement is also subject to financial covenants requiring the Company to maintain (i) a Total Leverage Ratio not exceeding specified limits on various compliance dates, e.g., 7.00x through December 31, 2026, decreasing to 6.00x from March 31, 2027 through December 31, 2027, decreasing to 5.50x from March 31, 2028, onwards (generally calculated as the ratio of consolidated total debt outstanding (calculated as consolidated total debt net unrestricted cash) to consolidated adjusted EBITDA (calculated as per the terms of the credit agreement)) and (ii) a minimum operating cash flow of not less than \$30.0 million (generally calculated as consolidated adjusted EBITDA (calculated as per the terms of the credit agreement) minus consolidated capitalized expenses (calculated as per the terms of the Credit agreement)). The Company was in compliance with the financial covenants as of June 30, 2026.

Initial Term Loans

The Initial Term Loans consist of an original principal of \$210.0 million, maturing on October 28, 2030. Borrowings under the Credit Agreement bear interest at either (i) Term SOFR rate plus 6.00% or (ii) an Alternative Base Rate ("ABR"), plus 5.00%. The ABR is determined as the greatest of (a) the federal funds effective rate, plus 0.50%, (b) adjusted term SOFR plus 1.00%, (c) the prime rate and (d) 2.00%. The Company elected the SOFR rate plus 6.00% for the Initial Term Loans as of the commencement date.

The Initial Term Loans require quarterly principal payments equal to 0.25% of the original principal amount, with the remaining outstanding balance payable at maturity. Interest is payable at the end of the interest period, and any unpaid and accrued interest is due at the time of final repayment.

Revolver

The Revolver provides for borrowings, repayments, and re-borrowings up to a total commitment of \$21.5 million. Revolving loans bear interest at the same rate options applicable to the Initial Term Loans. The Revolver matures on October 28, 2030. The Revolver requires payment of a commitment fee of 0.50% per annum based on the average daily amount of the unused Revolver. The fee is payable quarterly in arrears on the last business day of March, June, September, and December. Commitment fees totaled \$19,000 and \$46,000 for the three and six months ended June 30, 2026 and are included in interest expense. The Company recorded \$0.9 million of upfront fees and issuance costs allocated to the Revolver as a deferred asset.

On March 27, 2026, the Company drew \$6.0 million from the Revolver, for working capital needs at an elected rate of SOFR plus 6.00%. In connection with the draw, \$0.3 million of previously deferred upfront fees and issuance costs allocated to the Revolver were reclassified as a debt discount to the drawn amount as of March 31, 2026.

On June 28, 2026, the Company drew an additional \$4.0 million from the Revolver for working capital needs, at an elected rate of SOFR plus 6.00%. In connection with the draw, \$0.1 million of previously deferred upfront fees and issuance costs allocated to the Revolver were reclassified as a debt discount to the drawn amount as of June 30, 2026.

The remaining deferred asset related to the Revolver was \$0.4 million as of June 30, 2026.

As of June 30, 2026, total outstanding borrowings under the Revolver were \$10.0 million, with \$11.5 million of remaining availability under the facility. The total unamortized debt discount and deferred issuance costs associated with the Revolver were \$0.4 million as of June 30, 2026.

DDTL

The DDTL facility permits the Company to draw up to ten tranches, each in a minimum amount of \$2.5 million and increments of \$250,000, subject to customary conditions, up to \$100.0 million. The DDTL will remain available until October 28, 2027. Amounts drawn under the DDTL mature on October 28, 2030. The DDTL bears interest at the same rate options applicable to the Initial Term Loans. The DDTL requires payment of a commitment fee of 1.00% per annum based on the average daily amount of the unused DDTL Commitment. The fee is payable quarterly in arrears on the last business day of March, June, September, and December. Commitment fees totaled \$0.2 million and \$0.4 million for the three and six months ended June 30, 2026 and are included in interest expense. The Company recorded \$0.8 million of upfront fees and issuance costs allocated to the DDTL as a deferred asset.

On December 17, 2025, the Company drew \$10.3 million from the DDTL to fund the purchase of two Pilatus aircraft, at an elected rate of SOFR plus 6.00%. In connection with the draw, \$0.4 million of previously deferred upfront fees and issuance costs allocated to the DDTL were reclassified as a debt discount to the drawn amount.

On April 14, 2026, the Company drew an additional \$14.0 million from the DDTL, at an elected rate of SOFR plus 6.00%. In connection with the draw, \$0.5 million of previously deferred upfront fees and issuance costs allocated to the DDTL were reclassified as a debt discount to the drawn amount.

The remaining deferred asset related to the DDTL was \$2.9 million as of June 30, 2026.

As of June 30, 2026, total outstanding borrowings under the DDTL were \$24.3 million, with \$75.7 million of remaining availability under the facility. The total unamortized debt discount and deferred issuance costs associated with the DDTL were \$0.9 million as of June 30, 2026.

The DDTL requires quarterly principal payments equal to 0.25% of the original principal amount, with the remaining outstanding balance payable at maturity. Interest is payable monthly, and any unpaid and accrued interest is due at the time of final repayment.

Other Indebtedness

UMB Loan - UMB Daher Kodiak Aircraft

On February 3, 2020, the Company entered into a credit facility with UMB to finance in part the purchase of four Daher Kodiak aircraft. A promissory note was issued for \$5.6 million, established as a 7-year maturity, first 8 months interest only payments monthly, 60 day draw period, then 76-month term plus principal interest due monthly on a 10-year amortization at the rate of 1 month SOFR plus 2.61448%. Debt issuance costs for this loan were \$0.1 million.

Other loans

The Company maintains various other term loan agreements with aggregate outstanding principal balances not material to the consolidated financial statements. These loans commenced as early as September 9, 2021, bear interest at fixed rates ranging from 3.89% to 5.5% per annum, and mature as late as November 17, 2027.

Debt Issuance Costs

Amortization of debt issuance costs was \$0.6 million and \$1.1 million for the three and six months ended June 30, 2026, respectively, and \$0.2 million and \$0.5 million for the three and six months ended June 30, 2025, respectively. Unamortized debt issuance costs and original issue discounts are presented as a direct deduction from the carrying amount of the associated debt obligations in the balance sheet. These costs are amortized to interest expense over the life of the related debt using the straight-line method, which approximates the effective interest method.

Pledged Assets

As of June 30, 2026, the Company pledged or restricted substantially all of the assets (consisting principally of aircraft, real property, and intellectual property of the Company and subsidiary guarantors) as collateral for the outstanding debt related to the 2025 Credit Agreement.

Long-term debt consisted of the following:

dollars in thousands	As of June 30, 2026	As of December 31, 2025
Initial Term Loan	\$ 208,425	\$ 209,475
DDTL	24,138	10,224
Revolver	10,000	—
UMB Loan (Kodiak Aircraft)	2,418	2,697
Other	56	96
Loans payable	245,037	222,492
Less: noncurrent debt issuance costs	(7,032)	(7,276)
Less: current debt issuance costs	(2,118)	(1,910)
Less: current portion of long-term debt, net of debt issuance costs	(2,795)	(926)
Total long-term debt, net of debt issuance costs	<u>\$ 233,092</u>	<u>\$ 212,380</u>

NOTE 16 – LEASES

Under ASC 842, leases are separated into two classifications: operating leases and financial leases. For a lease to be classified as a finance lease, it must meet one of the five finance lease criteria: (1) transference of title/ownership to the lessee, (2) reasonably certain to exercise a purchase option, (3) lease term for major part of the remaining economic life of the asset, (4) present value represents substantially all of the fair value of the asset and (5) asset specialization. Any lease that does not meet these criteria is classified as an operating lease. ASC 842 requires all leases to be recognized on the Company's balance sheet. Specifically, for operating leases, the Company recognizes a right-of-use asset and a corresponding lease liability upon lease commitment.

Company as a lessee

The Company is the lessee in a lease contract when the Company obtains the right to use the asset. The right-of-use asset represents the Company's right to use an underlying asset for the lease term and lease obligations represent the Company's obligations to make lease payments arising from the lease, both of which are recognized based on the present value of the future minimum lease payments over the lease term at the commencement date. The Company has also elected the short-term lease exception whereby leases with a term of 12 months or less at inception are not recorded on the Consolidated Balance Sheets and are expensed on a straight-line basis over the lease term in our Consolidated Statements of Operations. The Company determines the lease term by agreement with the lessor. Options to renew are considered in lease terms if reasonably expected to be exercised.

ASC 842 requires a lessee to use the rate implicit in the lease whenever that rate is readily determinable, otherwise the incremental borrowing rate ("IBR") should be used. Given the nature of the Company's lease portfolio, which consists of leases of hangar spaces, aircraft, vehicles, copiers, buildings, aircraft equipment, the implicit rate is often unavailable. In such cases, the Company uses its incremental borrowing rate as the discount rate. The IBR is the rate of interest that a lessee would have to pay to borrow on a collateralized basis over a similar term an amount equal to the lease payments in a similar economic environment. The determination of the IBR requires judgment and is determined based on the Company's credit rating and term of the lease adjusted for the effects of collateral.

Sale-Leaseback Transaction

The Company completed a sale-leaseback transaction on October 28, 2025. As such, we assessed the sale-leaseback arrangement to determine whether a sale has occurred under Accounting Standards Codification ("ASC") Topic 606: Revenue from Contracts with Customers ("ASC 606"), as well as assess whether the classification of the lease and/or the terms preclude sale accounting under ASC 842, Leases ("ASC 842"). These assessments involve a determination of whether or not control of the underlying property has been transferred to the buyer. If we determine control of the underlying property has been transferred to the buyer, we account for the arrangement as a sale and leaseback transaction. If we determine control of the underlying property has not been transferred to the buyer, we account for the arrangement as a financing transaction.

The determination of the fair values of the properties related to our sale-leaseback arrangement required subjectivity and estimates, including the use of valuation techniques and uncertain inputs, such as market price per square foot, where applicable. The valuation method used was the depreciated cost method. Where real estate valuation expertise is required, we obtained independent third-party appraisals to determine the fair value of the underlying asset. While determining fair value requires a variety of input assumptions and judgment, we believe our estimates of fair value are reasonable.

Under the sale-leaseback transaction, the Company terminated and ultimately reassigned its previous ground leases with the Gallatin Airport Authority and sold three properties with a combined net book value of \$30.0 million for gross proceeds of \$49.3 million, which was reduced by transaction costs of \$2.5 million for net cash proceeds of approximately \$46.8 million. The properties in the sale-leaseback transaction are comprised of three hangars located in Bozeman, MT, totaling approximately 120,000 square feet of hangar and office space. The lease agreement has a stated ten-year term. The lease includes an option to terminate after seven years without penalty and a five-year renewal option at the end of the initial term. In determining the lease term for accounting purposes, the Company concluded it is reasonably certain not to exercise the termination option and therefore included the full ten-year stated term in the lease term. The Company is not reasonably certain to exercise the renewal option, and accordingly, the renewal period is excluded from the lease term. We recognized a gain of \$16.9 million on this transaction, which was included in Gain on sale-leaseback transaction in Other income in the Form 10-K. Right-of-use assets and lease liabilities recognized related to this sale-leaseback transaction were \$28.0 million, respectively.

Components of the Company's operating and finance lease assets and liabilities as of June 30, 2026 and December 31, 2025 are as follows:

dollars in thousands	Financial Statement Line Item	As of June 30, 2026	As of December 31, 2025
Assets			
Operating lease right-of-use asset	Other noncurrent assets	\$ 31,629	\$ 31,416
Finance lease right-of-use asset, net	Property, plant and equipment, net	85	92
Liabilities			
Operating lease right-of-use liabilities (current)	Operating lease right-of-use liability (current)	\$ 3,033	\$ 2,384
Finance lease right-of-use liabilities (current)	Accrued expenses and other current liabilities	27	23
Operating lease right-of-use liabilities (non-current)	Operating lease right-of-use liability (noncurrent)	28,995	29,163
Finance lease right-of-use liabilities (non-current)	Accrued expenses and other noncurrent liabilities	71	73

The Company leases various property and premises on a short-term basis and leases some of its premises under non-cancelable operating leases that expire on various dates through October 2035.

During the quarter ended June 30, 2026, the Company reassessed its lease term for one of its operating leases and concluded it was no longer reasonably certain to exercise the renewal option previously included in the lease term, in accordance with ASC 842. As a result, the Company remeasured the associated lease liability and corresponding right-of-use asset, resulting in a decrease of approximately \$0.5 million to both the lease liability and the right-of-use asset. The reassessment did not result in a gain or loss.

The Company recorded \$1.5 million and \$2.9 million of expenses associated with these operating leases in Cost of revenues and Selling, general and administrative expense in the Consolidated Statements of Operations for the three and six months ended June 30, 2026, respectively, and \$0.8 million and \$1.5 million of expenses associated with these operating leases in Cost of revenues and Selling, general and administrative expense in the Consolidated Statements of Operations for the three and six months ended June 30, 2025, respectively. The Company recorded expenses associated with finance leases in Cost of revenues and Selling, general and administrative expense in the Consolidated Statements of Operations.

Supplemental cash flow information related to leases is as follows:

dollars in thousands	For the six months ended June 30,	
	2026	2025
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating leases	\$ 2,603	\$ 1,430
Right-of-use assets obtained in exchange for lease liabilities:		
Operating leases	\$ 2,339	\$ 2,217
Finance leases	15	69

Cash paid for amounts included in the measurement of finance lease liabilities was immaterial for the three and six months ended June 30, 2026 and 2025.

As of June 30, 2026, future minimum lease payments are as follows:

dollars in thousands	Operating Leases	Finance Leases
Year Ending December 31:		
Remainder of 2026	\$ 2,716	\$ 18
2027	5,306	36
2028	5,085	36
2029	5,126	25
2030	4,629	1
Thereafter	21,613	—
Total lease payments	44,475	116
Less: interest	(12,447)	(18)
Total lease liabilities	\$ 32,028	\$ 98
Weighted average remaining lease term:	8.7 years	3.5 years
Weighted average discount rate:	8.1 %	10.3 %

NOTE 17 – COMMITMENTS AND CONTINGENCIES

Legal Matters

From time to time, the Company is subject to various litigation and other claims in the normal course of business. No amounts have been accrued in the Condensed Consolidated Financial Statements with respect to any matters.

Due to the nature of our business, we may become, from time to time, involved in routine litigation or subject to disputes or claims related to our business activities. In the opinion of our management, there are no pending litigation, disputes or claims against us which, if decided adversely, will have a material adverse effect on our financial condition, cash flows or results of operations. In the ordinary course of its operations, the Company will continue to vigorously enforce its legal and contractual rights to ensure that its business and operations continue on an unimpaired basis.

Contingencies

On November 17, 2023, the Company entered into a series of agreements with MAB and its subsidiary designed to facilitate the purchase and return to service of four Spanish Scoopers originally awarded to the Company in September 2023 via a public tender process from the Government of Spain. The terms of the agreements provide that the Company will manage the return to service upgrades of the Spanish Scoopers while they are owned and funded by MAB. The Company has the right, but not the obligation, to acquire each plane as it is ready to be contracted and returned to service. In the event that Bridger does not purchase the aircraft within the time periods set forth in the agreements, then either party may initiate a sales process for the sale of all aircraft that have not been purchased by the Company, which sales process the Company will oversee and manage. If the aircraft are sold to a third party through such process, then the Company must pay MAB's subsidiary a cash fee equal to the amount, if any, by which the aggregate price of the Company's purchase options for such aircraft exceeds the consideration paid by the third-party purchaser for the same aircraft, not to exceed \$15.0 million in aggregate. If the aircraft are not sold to a third party and MAB's subsidiary has not otherwise entered into an operating lease with a third party for the aircraft, then the Company must pay MAB's subsidiary \$15.0 million. On December 23, 2025, we purchased two of the Spanish Scoopers from MAB for an aggregate purchase price of \$50.0 million, allocating \$25.0 million per aircraft. Accordingly, no liability has been recorded in the condensed consolidated financial statements as of June 30, 2026. The Company will continue to monitor the situation and assess the need for recognition or further disclosure in future periods.

NOTE 18 – MEZZANINE EQUITY

The Company's shares of Series A Preferred Stock are convertible at the election of the holders into shares of Common Stock, without the payment of additional consideration by the holders into such number of shares of Common Stock as determined by dividing the original issue price, plus accrued interest by a conversion price equal to \$11.00 per share at the time of conversion.

Shares of Series A Preferred Stock are mandatorily redeemable by the Company on April 25, 2032 at a redemption amount that is equal to the stated value, plus accrued but unpaid interest. Accrued interest for the Series A Preferred Stock was \$ 14.1 million and \$13.2 million for the six months ended June 30, 2026 and 2025, respectively. Shares of Series A Preferred Stock are also redeemable upon certain triggering events outside of the control of the Company, including that shares of Series A Preferred Stock may be redeemed by the Company (a) on or after April 25, 2027 or (b) in connection with the consummation of a fundamental change in the Company's voting and governance structure such as the sale of the Company or its subsidiaries representing more than 50% of the Company's voting stock or a similar liquidity event. Shares of Series A Preferred Stock may be redeemed by the holder upon the consummation of a fundamental change, such as the sale of the Company or a similar liquidity event.

Given the conversion feature is considered substantive, the mandatory redemption on April 25, 2032 is not certain and accordingly, the Series A Preferred Stock are classified as mezzanine equity.

As of June 30, 2026, it is probable that the Series A Preferred Stock may become redeemable on April 25, 2032. The Company has elected to recognize changes in redemption value immediately, adjusting the preferred stock to the maximum redemption value at each reporting date. Upon Closing, the Series A Preferred Stock had both a carrying value and redemption value of \$332.7 million. As of June 30, 2026 and December 31, 2025, the Series A Preferred Stock had both a carrying value and redemption value of \$421.4 million and \$407.3 million, respectively. Refer to the table below.

As of June 30, 2026 and December 31, 2025, the fair value of the embedded derivative related to an event of default is zero, as there have been no triggering events.

The Company determined the fair value of the other features requiring bifurcation, both individually and in the aggregate were immaterial at June 30, 2026 and December 31, 2025. The fair value of these features will be assessed at each reporting date and will be recognized and remeasured at fair value, if material.

dollars in thousands	Redeemable Series A Preferred Stock	
	Shares	Amounts
Balance as of December 31, 2025	315,789.473684	\$ 407,257
Adjustment to maximum redemptions value	—	14,137
Balance as of June 30, 2026	315,789.473684	\$ 421,394
Balance as of December 31, 2024	315,789.473684	\$ 380,179
Adjustment to maximum redemptions value	—	13,197
Balance as of June 30, 2025	315,789.473684	\$ 393,376

NOTE 19 – STOCKHOLDERS' DEFICIT

Common Stock

In connection with the Reverse Recapitalization, the Company issued 43,769,290 shares of Common Stock, of which 39,081,744 shares were issued to Legacy Bridger Common shareholders, 2,084,357 shares were issued to the public shareholders of JCIC and 2,603,189 shares were issued to JCIC Sponsor and independent directors of JCIC upon Closing. Of the shares issued to Legacy Bridger Common shareholders and JCIC Sponsor, 233,323 and 855,000 shares are subject to continuing vesting conditions, respectively.

Restricted Common Stock

During the three months ended March 31, 2026, the Company granted 303,890 shares of restricted Common Stock to Alder Securities LLC, a non-employee capital structure advisor, with a grant-date fair value of \$750,000. The award is subject to performance conditions tied to specified reductions in the Company's Series A Preferred Stock.

As of June 30, 2026, management concluded that achievement of the performance condition was not probable and, accordingly, no stock-based compensation expense was recognized for this award during the three and six months ended June 30, 2026. The total unrecognized compensation cost related to this award was \$750,000 as of June 30, 2026.

Restricted Common Stock activity for the six months ended June 30, 2026 is as follows:

	Number of Awards	Weighted average grant date fair value
Outstanding as of December 31, 2025	—	\$ —
Granted	303,890	2.49
Vested	—	—
Forfeited/Cancelled	—	—
Outstanding as of June 30, 2026	303,890	\$ 2.49

Restricted Stock Units

In January 2023, in connection with the Closing, the Company and its Board established and approved and assumed the Omnibus Plan, which allowed the Company to grant RSUs to Bridger employees (the “Participants”). RSUs are settled in shares of Common Stock as the RSUs vest. The RSUs accrue dividend equivalents associated with the underlying shares of Common Stock as the Company declares dividends. Dividends are paid to holders of RSUs in cash upon the vesting date of the associated RSU and are forfeited if the RSU does not vest. For the purposes of calculating compensation expense, the fair value of RSUs is the closing stock price on the date of grant. Generally, RSUs vest over a period of six years, subject to the Participant’s continued employment. Upon vesting of each RSU, the Company will issue one share of Common Stock to the RSU holder.

RSU activity for the six months ended June 30, 2026 and 2025 is as follows:

	Number of Awards	Weighted average grant date fair value
Outstanding as of December 31, 2025	5,526,665	\$ 5.06
Granted	4,658,717	2.13
Vested	(1,489,912)	4.02
Forfeited/Cancelled	(547,360)	8.53
Outstanding as of June 30, 2026	8,148,110	\$ 2.94
Outstanding as of December 31, 2024	4,472,950	\$ 6.94
Granted	778,000	3.07
Vested	(908,668)	5.84
Forfeited/Cancelled	(372,910)	4.10
Outstanding as of June 30, 2025	3,969,372	\$ 6.70

The total fair value of RSUs vested during the six months ended June 30, 2026 and 2025 was \$0.6 million and \$2.5 million, respectively, based on the closing stock price on the date of vesting.

For the three and six months ended June 30, 2026, the Company recorded stock-based compensation expense related to RSUs of \$0.4 million and \$0.7 million, respectively, within Total cost of revenues on the Condensed Consolidated Statements of Operations.

As discussed in “*Note 1 – Organization and Basis of Presentation*,” in connection with a separation agreement with a former executive, the Company recorded two adjustments to previously recognized stock-based compensation expense related to outstanding RSU awards. The Company accelerated the vesting of a portion of the executive's unvested RSU awards, which was accounted for as a Type III modification under ASC 718, resulting in the recognition of the remaining unrecognized compensation cost for those awards immediately. The remaining unvested RSU awards that did not vest under the terms of the separation agreement were forfeited, resulting in the reversal of previously recognized stock-based compensation expense for those awards. These two events resulted in a net reduction of approximately \$3.3 million to stock-based compensation expense for the three months ended June 30, 2026. As such, for the three months ended June 30, 2026, the Company recognized a net credit to stock-based compensation expense of \$1.1 million within Selling, general, and administrative expense on the Condensed Consolidated Statements of Operations. This reversal exceeded the Company's normal ongoing stock-based compensation expense for the quarter, resulting in a net credit position. The Company does not expect this to recur at a similar magnitude in future periods. For the six months ended June 30, 2026, the Company recorded stock-based compensation expense related to RSUs of \$0.3 million within Selling, general, and administrative expense on the Condensed Consolidated Statements of Operations.

For the three and six months ended June 30, 2025, the Company recorded stock-based compensation expense related to RSUs of \$0.3 million and \$0.6 million, respectively, within Total cost of revenues and \$1.4 million and \$3.1 million, respectively, within Selling, general and administrative expense on the Condensed Consolidated Statements of Operations.

As of June 30, 2026, there was \$12.4 million of unrecognized total compensation expense related to unvested RSUs, which is expected to be recognized over a weighted-average period of 1.7 years.

For the three months ended March 31, 2026, the Company issued and settled liability-classified stock-based compensation awards to certain employees, which were settled through the issuance of common shares. The awards vested immediately upon issuance. Liability-classified awards are measured at fair value at the grant date and remeasured to fair value at each subsequent reporting date until settlement. Changes in fair value are recognized as compensation expense or a reduction thereof in the period of change. There was no change in fair value between the grant date and settlement date during the three months ended March 31, 2026. As of June 30, 2026, no liability-classified awards remained outstanding.

The settlement of these awards through the issuance of common shares is treated as a non-cash financing activity. Refer to “*Note 3 – Supplemental Cash Flow Information*” included in this Quarterly Report on Form 10-Q.

For the three and six months ended June 30, 2026, the Company recorded stock-based compensation expense related to liability-classified awards for common shares of zero and \$0.2 million, respectively, within Total cost of revenues and zero and \$0.5 million, respectively, within Selling, general and administrative expense on the Condensed Consolidated Statements of Operations. For the three and six months ended June 30, 2025, the Company recorded stock-based compensation expense related to liability-classified awards for common shares of zero within Total cost of revenues and Selling, general and administrative expense on the Condensed Consolidated Statements of Operations.

Incentive Units

Prior to the adoption of the Omnibus Plan, during the year ended December 31, 2022, the Company granted Incentive Units to selected board members and executives. Within each grant, 80% of the Incentive Units vest annually over a four-year period subject to continued service by the grantee (the “Time-Vesting Incentive Units”), and the remaining 20% of the Incentive Units vest upon a qualifying change of control event (the “Exit-Vesting Incentive Units”). For the Time-Vesting Incentive Units, compensation cost is recognized over the requisite service period on a straight-line basis. For the Exit-Vesting Incentive Units, expense is recognized when a qualifying change of control event is considered probable, which has not occurred as of June 30, 2026. As of June 30, 2026, 40,404 Exit-Vesting Incentive Units with a weighted-average grant date fair value of \$0.01 remain outstanding. Upon vesting of each Incentive Unit, the Company will issue 0.96246 shares of Common Stock to the Incentive Unit holder.

2025 At the Market (“ATM”) Offering

On March 18, 2025, the Company entered into a sales agreement (“ATM Agreement”) with Stifel, Nicolaus & Company, Incorporated (“Stifel”) and Canaccord Genuity LLC (together with Stifel, the “Agents”) under which we may offer and sell, from time to time, shares of our Common Stock (the “ATM Shares”) having an aggregate offering price of up to \$100.0 million through the Agents in negotiated transactions that are deemed to be an “at the market offering” (the “ATM Offering”).

The ATM offering was registered under the Securities Act, pursuant to our shelf registration statement on Form S-3 (Registration Statement No. 333-276721), as previously filed with the SEC and declared effective on February 6, 2024, under which the Company filed a new prospectus supplement with the SEC with respect to the ATM Offering on March 19, 2025.

Under the ATM Agreement, the Agents may sell the ATM Shares by any method permitted by law and deemed to be an “at the market offering” as defined in Rule 415 promulgated under the Securities Act, including sales made directly on or through the Nasdaq Global Market, or any other existing trading market for the ATM Shares or in negotiated transactions at market prices prevailing at the time of sale or at prices related to such prevailing market prices. Actual sales will depend on a variety of factors to be determined by the Company from time to time, including, among other things, market conditions, the trading price of the Common Stock, capital needs and determinations by the Company of the appropriate sources of funding for the Company.

The Company is not obligated to make any sales of the ATM Shares under the ATM Agreement. The offering of the ATM Shares pursuant to the ATM Agreement will terminate upon the termination of the ATM Agreement by the Agents or us, as permitted therein.

The ATM Agreement contains customary representations, warranties and agreements by the Company, and customary indemnification and contribution rights and obligations of the parties. The Company agreed to pay the Agents an aggregate commission of up to 3.0% of the aggregate gross proceeds from each sale of the ATM Shares. The Company also agreed to reimburse the Agents for certain specified expenses in connection with entering into the ATM Agreement.

During the six months ended June 30, 2026, the Company did not sell any shares of Common Stock under the ATM Agreement.

NOTE 20 – RELATED PARTY TRANSACTIONS

During the year ended December 31, 2025, the Company engaged Venable LLP, a law firm at which Dean Heller, a member of our Board of Directors, serves as a Senior Policy Advisor, for corporate litigation and regulatory compliance services. Mr. Heller recused himself from all related approval discussions. The Company incurred professional service expenses of approximately \$0.2 million and \$0.5 million for the three and six months ended June 30, 2026, respectively, and zero for the three and six months ended June 30, 2025. The Company had approximately zero and \$0.4 million in Accrued expenses related to professional services as of June 30, 2026 and December 31, 2025, respectively.

As of May 28, 2025, Mr. Timothy Sheehy, the Company’s founder and former Chief Executive Officer, President and director, has placed his ownership interests in the Company into an independently managed blind trust. Blind trusts are governed by legal agreements that assign full investment and voting discretion to independent trustees who are neither affiliated with the Company nor under the influence or control of the beneficiaries.

In accordance with ASC 850, the Company evaluated whether the beneficiaries of the blind trusts retain the ability to exercise significant influence over the Company through their ownership or other means. Based on the structure of the blind trusts, including the absence of decision-making authority or access to information regarding trust-held assets, management has concluded that such trusts do not meet the criteria of a related party under GAAP.

Accordingly, no related party transactions or balances were identified with respect to these blind trusts after the transfer date. Transactions with the Company prior to the transfer are included in these related party disclosures for the periods presented.

The Company incurred related party training expenses, provided by an entity in which Mr. Timothy Sheehy has partial ownership, of zero for the three and six months ended June 30, 2026, and zero and \$0.6 million for the three and six months ended June 30, 2025, respectively.

On November 17, 2023, the Company entered into a series of agreements designed to facilitate the purchase and return-to-service of the Spanish Scoopers originally awarded to our wholly-owned subsidiary, BAE, in September 2023 via a public tender process from the Government of Spain for €40.3 million. Under the terms of the agreements, we agreed to sell the entire outstanding equity interest in BAE to MAB and purchase \$4.0 million of non-voting Class B units of MAB. ASSF Holdings LP (now managed by Eyre Street Capital, LLC, “ESC Investor”) made capital contributions totaling \$13.0 million in exchange for 13,031 voting Class A Units of MAB. ESC Investor holds approximately 10% of Bridger’s outstanding convertible Series A Preferred Stock which represents approximately 6.2% interest in BAER Common Stock on a fully diluted basis.

On July 10, 2023, the Company entered into two operating lease agreements, each for a Pilatus under the ownership of Mr. Timothy Sheehy. The Company incurred related party lease expense of approximately zero for the three and six months ended June 30, 2026, and \$0.3 million and \$0.7 million for the three and six months ended June 30, 2025, respectively.

NOTE 21 – INCOME TAXES

As a result of the Business Combination, the Company became the successor of Legacy Bridger, as discussed in “*Note 1 – Organization and Basis of Presentation*” included in this Quarterly Report on Form 10-Q, which is treated as a partnership for U.S. federal income tax purposes. As a partnership, Legacy Bridger’s net income or loss is allocated among the members in accordance with the Company’s operating agreement, and federal income taxes are not payable or provided for by Legacy Bridger. Members are taxed individually on their pro rata ownership share of the Legacy Bridger’s earnings. Bridger is subject to U.S. federal income taxes, in addition to state and local income taxes, with respect to net taxable income or loss and any related tax credits of the Company. Bridger is also subject to taxes in foreign jurisdictions in which it operates.

For the three and six months ended June 30, 2026, the Company recorded income tax benefit of \$,000 and income tax expense of \$23,000, respectively. The effective tax rate for the three and six months ended June 30, 2026 was 1.0% and (0.1)%, respectively. The effective tax rate differs from the statutory rate primarily as a result of having a full valuation allowance in the U.S. and a state tax expense accrual in separate company filings with forecasted income.

For the three and six months ended June 30, 2025, the Company recorded income tax expense of \$0.2 million and \$0.4 million, respectively. The effective tax rate for the three and six months ended June 30, 2025 was (1.3)% and (2.9)%, respectively. The effective tax rate differs from the statutory rate primarily as a result of having a full valuation allowance in the U.S., a state tax expense accrual in separate company filings with forecasted income, and the impact of forecasted loss in the foreign jurisdiction in which the Company conducts business.

The Company has assessed the realizability of the net deferred tax assets and in that analysis has considered the relevant positive and negative evidence available to determine whether it is more likely than not that some portion or all of the deferred tax assets will be realized.

The Company’s income tax filings will be subject to audit by various taxing jurisdictions. The Company will monitor the status of U.S. federal, state and local income tax returns that may be subject to audit in future periods. No U.S. federal, state and local income tax returns are currently under examination by the respective taxing authorities.

NOTE 22 – LOSS PER SHARE

Loss per share of Common Stock is calculated in accordance with ASC 260, *Earnings per share*. Loss per share – basic is calculated by dividing Loss attributable to Common Stockholders - basic and diluted by the Weighted average Common Stock outstanding - basic.

Loss per share – diluted is based on the weighted average number of shares of Common Stock used for the Loss per share - basic calculation, adjusted for the weighted-average number of common share equivalents outstanding for the period determined using the treasury stock method and if-converted method, as applicable. Loss attributable to Common Stockholders – basic and diluted is adjusted for the impact of changes in the fair value of the Public Warrants and Private Placement Warrants, to the extent they are dilutive.

Subsequent to the Closing, Loss per share is calculated based on the Weighted average Common Stock outstanding.

Restricted common stock issued to Alder Securities LLC during the three months ended March 31, 2026 was excluded from both basic and diluted weighted-average shares outstanding, as the applicable performance condition had not been satisfied as of June 30, 2026. In addition, inclusion of these shares would have been anti-dilutive given the net loss reported for the period.

The following table sets forth the computation of the Company’s Loss per share:

dollars in thousands, except per share amounts	For the three months ended June 30,		For the six months ended June 30,	
	2026	2025	2026	2025
Net (loss) income	\$ (498)	\$ 308	\$ (31,802)	\$ (15,230)
Adjustments to Net (loss) income:				
Series A Preferred Stock—adjustment to maximum redemptions value	(7,109)	(6,636)	(14,137)	(13,197)
Loss attributable to Common stockholders – basic and diluted	<u>\$ (7,607)</u>	<u>\$ (6,328)</u>	<u>\$ (45,939)</u>	<u>\$ (28,427)</u>
Weighted average Common Stock outstanding - basic and diluted	56,439,564	53,878,966	55,867,575	53,846,770
Loss per share - basic and diluted	\$ (0.13)	\$ (0.12)	\$ (0.82)	\$ (0.53)

The following table summarizes the potentially dilutive common shares that were excluded from diluted Loss per share - diluted computations because the effect would have been anti-dilutive:

	For the three months ended June 30,		For the six months ended June 30,	
	2026	2025	2026	2025
Series A Preferred Stock	38,308,545	35,761,440	38,308,545	35,761,440
Unvested Restricted Stock Units	8,148,110	3,969,372	8,148,110	3,969,372
Performance-Based Restricted Common Stock	303,890	—	303,890	—
Public Warrants	17,249,874	17,249,874	17,249,874	17,249,874
Private Placement Warrants	9,400,000	9,400,000	9,400,000	9,400,000
Unvested Legacy Bridger Incentive Units	40,404	40,404	40,404	40,404
Sponsor Earnout Shares	855,000	855,000	855,000	855,000

NOTE 23 – SEGMENT AND GEOGRAPHIC INFORMATION

The Company operates as a single operating segment. Our revenues are primarily derived from aerial wildfire management, relief and suppression and the delivery of specialty aviation services. The Company's Chief Executive Officer is the Company's Chief Operating Decision Maker ("CODM"), who reviews the financial performance of the Company on a consolidated basis. The CODM uses consolidated revenues, loss before income taxes and Adjusted EBITDA to assess financial performance and allocate resources. Additionally, significant expenses, such as Cost of revenues and Selling, general and administrative expenses, are closely monitored as part of the performance evaluation and resource allocation process. These financial metrics are used by the CODM to make key operating decisions, such as the determination of the rate at which the Company seeks to grow revenues and operating margin and the allocation of budget between Cost of revenues and Selling, general and administrative expenses.

The following table presents selected financial information with respect to the Company's single operating segment for the three and six months ended June 30, 2026 and 2025:

dollars in thousands	For the three months ended June 30,		For the six months ended June 30,	
	2026	2025	2026	2025
Revenues	\$ 30,494	\$ 30,751	\$ 39,006	\$ 46,397
Cost of revenues:				
Flight operations	10,059	7,856	16,620	14,108
Maintenance	9,113	10,844	19,600	21,799
Total cost of revenues	19,172	18,700	36,220	35,907
Gross income	11,322	12,051	2,786	10,490
Selling, general and administrative expense	(5,309)	(6,524)	(22,039)	(15,114)
Interest expense	(6,607)	(5,737)	(12,757)	(11,472)
Other income	91	700	231	1,299
(Loss) income before income taxes	(503)	490	(31,779)	(14,797)
Income tax benefit (expense)	5	(182)	(23)	(433)
Net (loss) income	\$ (498)	\$ 308	\$ (31,802)	\$ (15,230)

See the Condensed Consolidated Financial Statements for other financial information regarding the Company's operating segment.

Total United States revenues were \$29.7 million and \$36.5 million for the three and six months ended June 30, 2026, respectively, and \$25.7 million and \$35.4 million for the three and six months ended June 30, 2025, respectively. Refer to "Note 2 – Summary of Significant Accounting Policies" included in this Quarterly Report on Form 10-Q for additional information about revenue by geographic location. The Company had two customers who individually accounted for 71% and 16% of total revenues for the three months ended June 30, 2026, and two customers who individually accounted for 61% and 16% of total revenues for the six months ended June 30, 2026. The Company had three customers who individually accounted for 51%, 23% and 17% of total revenues for the three months ended June 30, 2025, and three customers who individually accounted for 47%, 24% and 17% of total revenues for the six months ended June 30, 2025.

The Company’s long-lived tangible assets, as well as the Company’s operating lease right-of-use assets recognized on the Condensed Consolidated Balance Sheets were located as follows:

dollars in thousands	As of June 30, 2026		As of December 31, 2025	
United States	\$	202,135	\$	198,301
Spain		50,171		51,928

NOTE 24 – SUBSEQUENT EVENTS

Management has evaluated subsequent events and transactions that occurred after June 30, 2026 up to the date of issuance of these Condensed Consolidated Financial Statements.

On July 22, 2026, the Company repaid \$4.0 million of the outstanding balance under its Revolver, reducing the outstanding Revolver balance from \$10.0 million to \$6.0 million. Following the repayment, the Company had \$15.5 million of remaining availability under the Revolver.

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

The following discussion and analysis is intended to help you understand our business, financial condition, results of operations, liquidity and capital resources. The discussion and analysis should be read together with the Condensed Consolidated Financial Statements as of June 30, 2026 and December 31, 2025, for the three and six months ended June 30, 2026 and 2025, and the related notes thereto, that are included elsewhere in this Quarterly Report on Form 10-Q (this "Quarterly Report"). This discussion and analysis should also be read together with the historical audited annual Consolidated Financial Statements as of and for the years ended December 31, 2025 and 2024, included in the Annual Report on Form 10-K (the "Form 10-K"). This discussion and analysis contains forward-looking statements based upon our current expectations, estimates and projections that involve risks and uncertainties. Actual results could differ materially from those anticipated in these forward-looking statements due to, among other considerations, the matters discussed in the sections entitled "Risk Factors" and "Cautionary Statement Regarding Forward-Looking Statements."

BUSINESS OVERVIEW

Bridger provides aerial wildfire surveillance, relief and suppression, and aerial firefighting services using next-generation technology and environmentally friendly and sustainable firefighting methods primarily throughout the United States, as well as airframe modification and integration solutions for governmental and commercial customers. Our mission is to deploy the most advanced technologies in aviation to protect lives, property, critical infrastructure, and the environment, delivering these capabilities where they are needed most, from wildfire response to defense and beyond. Through innovation and the use of advanced technology and software, focusing on aerial firefighting, disaster response, government applications and public safety, Bridger aims to set the global standard in aviation services.

Our portfolio is organized across three core offerings:

- **Fire Suppression:** Consists of deploying CL-415EAF ("Super Scooper") aircraft to drop large amounts of water as part of the initial and direct attack to slow, contain, and extinguish wildfires.
- **Aerial Surveillance:** Consists of providing aerial surveillance via manned ("Air Attack") aircraft for fire suppression aircraft over an incident and providing tactical coordination with the incident commander.
- **Maintenance, Repair and Overhaul ("MRO"):** Consists of maintenance and repair services for return-to-service upgrades of certain Canadair CL-215T Amphibious ("Spanish Scoopers") aircraft as well as airframe modification and integration solutions for governmental and commercial customers.

We manage our operations as a single segment for purposes of assessing performance, making operating decisions and allocating resources.

We have made and will continue to make significant investments in capital expenditures to build and expand our integrated response solutions. We expect that our existing cash and cash equivalents, available borrowing capacity, and cash generated from our operations will be sufficient to meet our current working capital and capital expenditure requirements for a period of at least 12 months from the date of this Quarterly Report.

The Reverse Recapitalization

On January 24, 2023 (the "Closing Date"), Jack Creek Investment Corp ("JCIC") completed the reverse recapitalization (the "Closing" and the "Reverse Recapitalization") with the Company's predecessor, Bridger Aerospace Group Holdings, LLC and its subsidiaries (collectively, "Legacy Bridger"). As a result of the Reverse Recapitalization, JCIC and Legacy Bridger each became wholly-owned subsidiaries of a new public company that was renamed Bridger Aerospace Group Holdings, Inc, and JCIC shareholders and Legacy Bridger equity holders converted their equity ownership in JCIC and Legacy Bridger, respectively, into equity ownership in Bridger. Legacy Bridger was determined to be the accounting acquirer as of the Closing Date with respect to the Reverse Recapitalization, which has been accounted for as a reverse recapitalization, with no goodwill or other intangible assets recorded, in accordance with GAAP.

KEY FACTORS AFFECTING OUR RESULTS OF OPERATIONS

We are exposed to certain risks inherent to an aerial firefighting business. These risks are further described in the section entitled "Risk Factors" in the Form 10-K, filed with the SEC on March 6, 2026.

Seasonality Due to the North American Fire Season

Because wildfires occur at different times in different parts of the country, we operate on a year-round basis. However, historically the majority of wildfires occur in the second and third quarters, so the demand for our services has generally been higher in the second and third quarters of each fiscal year due to the timing and duration of the North American wildfire season with lower demand in the winter months. As a result, seasonality and the varying intensity of the fire season have caused, and may continue to cause, our operating results to fluctuate significantly from quarter to quarter and year to year.

Weather Conditions and Climate Trends

Our business is highly dependent on the needs of government agencies to surveil and suppress fires. As such, our financial condition and results of operations are significantly affected by the weather, as well as environmental and other factors affecting climate change, which impact the number and severity of fires in any given period. The intensity and duration of the North American fire season is affected by multiple factors, some of which, according to a 2023 article by Climate Central, a nonprofit climate science news organization, are weather patterns including warmer springs and longer summers, decreasing relative humidity which lead to drier soils and vegetation and frequency of lightning strikes. Based on the climate change indicators published by the Environmental Protection Agency (“EPA”), these factors have shown year-over-year increases linked to the effects of climate change and the overall trend in increased temperatures. We believe that rising global temperatures have been, and in the future are expected to be, one factor contributing to increasing rates and severity of wildfires. Historically, our revenue has been higher in the summer season of each fiscal year due to weather patterns which are generally correlated to a higher prevalence of wildfires in North America. Larger wildfires and longer seasons are expected to continue as droughts increase in frequency and duration, according to a 2024 article by the EPA.

Per the 2025 National Interagency Coordination Center (“NICC”) annual report, the total number of wildfires during 2025 was 78,000, approximately 15.0% above the number wildfires reported in 2024. Additionally, according to data from the NICC, the national wildland fire preparedness level reached Level 4 in 2025 and Level 5 in 2024.

Limited Supply of Specialized Aircraft and Replacement and Maintenance Parts

Our results of operations are dependent on sufficient availability of aircraft, raw materials and supplied components provided by a limited number of suppliers. Our reliance on limited suppliers exposes us to volatility in the prices and availability of these materials which may lead to increased costs and delays in operations.

Economic and Market Factors

Our operations, supply chain, partners and suppliers are subject to various global macroeconomic factors. We expect to continue to remain vulnerable to a number of industry-specific and global macroeconomic factors that may cause our actual results of operations to differ from our historical results of operations or current expectations. The factors and trends that we currently believe are or will be most impactful to our results of operations and financial condition include, but are not limited to, the impact on us of significant operational challenges by third parties on which we rely, inflationary pressures, short-term and long-term weather patterns, potential labor and supply chain shortages affecting us and our partners, volatile fuel prices, aircraft delivery delays and changes in general economic conditions in the markets in which we operate.

Historically, our results of operations have not been materially impacted by other factors. We continue to monitor the potential favorable or unfavorable impacts of these and other factors on our business, operations, financial condition and future results of operations, which are dependent on future developments. Our future results of operations may be subject to volatility and our growth plans may be delayed, particularly in the short term, due to the impact of the above factors and trends. However, we believe that our long-term outlook remains positive due to the increasing demand for our services and our ability to meet those demands consistently, despite adverse market factors. We believe that this expected long-term increase in demand will offset increased costs and that the operational challenges we may experience in the near term can be managed in a manner that will allow us to support increased demand, though we cannot provide any assurances.

KEY COMPONENTS OF OUR RESULTS OF OPERATIONS

Revenues

Our primary source of revenues is from providing services, which are disaggregated into fire suppression, aerial surveillance, MRO and other services. Revenues and growth for our fire suppression and aerial surveillance services are driven by climate trends, specifically the intensity and timing of the North American fire season. MRO includes revenue from return-to-service and maintenance and repair services performed externally for third parties. Other services primarily consist of extraneous fulfillment of contractual services such as extended availability and mobilizations.

Cost of Revenues

Cost of revenues includes costs incurred directly related to flight operations including expenses associated with operating the aircraft on revenue generating contracts. These include labor, depreciation, fees, travel and fuel. Cost of revenues also includes routine aircraft maintenance expenses and repairs, including maintenance and modification repair work for third-party aircraft, consisting primarily of labor, parts, consumables and travel unique to each airframe. Cost of revenues also includes lease expense for hangar facilities used to house and maintain aircraft supporting revenue-generating operations.

Selling, General and Administrative Expense

Selling, general and administrative expenses include all costs that are not directly related to satisfaction of customer contracts. Selling, general and administrative expenses include costs for our administrative functions, such as finance, legal, human resources, and IT support, and business development costs that include contract procurement, public relations and business opportunity advancement. These functions include costs for items such as salaries, benefits, stock-based compensation and other personnel-related costs, maintenance and supplies, professional fees for external legal, accounting, and other consulting services, insurance, intangible asset amortization and depreciation expense. Selling, general and administrative expenses also include lease expense for corporate and administrative office space and gains or losses on the disposal of fixed assets.

Interest Expense

Interest expense consists of interest costs related to the prior Gallatin municipal bonds (the “Series 2022 bonds”), that were refinanced during 2025 and the new debt issued in connection with that refinancing, as well as our other various loan agreements. Interest expense also reflects the net effect of the interest rate swap prior to its termination and also includes amortization of debt issuance costs associated with our loan agreements. Refer to “*Liquidity and Capital Resources—Indebtedness*” included in this Quarterly Report for a discussion of our loan commitments.

RESULTS OF OPERATIONS

Comparison of the Three Months ended June 30, 2026 to the Three Months Ended June 30, 2025

The following table sets forth our Condensed Consolidated Statements of Operations information for the three months ended June 30, 2026 and 2025 and should be reviewed in conjunction with the financial statements and notes included elsewhere in this Quarterly Report.

dollars in thousands	For the three months ended June 30,		Period Over Period Change (\$)	Period Over Period Change (%)
	2026	2025		
Revenues	\$ 30,494	\$ 30,751	\$ (257)	(1%)
Cost of revenues:				
Flight operations	10,059	7,856	2,203	28%
Maintenance	9,113	10,844	(1,731)	(16%)
Total cost of revenues	19,172	18,700	472	3%
Gross income	11,322	12,051	(729)	(6%)
Selling, general and administrative expense	(5,309)	(6,524)	(1,215)	(19%)
Interest expense	(6,607)	(5,737)	870	15%
Other income	91	700	(609)	(87%)
(Loss) income before income taxes	(503)	490	(993)	(203%)
Income tax benefit (expense)	5	(182)	(187)	(103%)
Net (loss) income	\$ (498)	\$ 308	\$ (806)	(262%)

Revenues

Revenues decreased by \$0.3 million, or 1%, to \$30.5 million for the three months ended June 30, 2026, from \$30.8 million for the three months ended June 30, 2025.

Revenues by service offering for the three months ended June 30, 2026 and 2025 were as follows:

dollars in thousands	For the three months ended June 30,		Period Over Period Change (\$)	Period Over Period Change (%)
	2026	2025		
Fire suppression	\$ 21,533	\$ 18,075	\$ 3,458	19%
Aerial surveillance	5,459	4,023	1,436	36%
MRO	3,481	5,356	\$ (1,875)	(35)%
Other services	21	3,297	(3,276)	(99)%
Total revenues	\$ 30,494	\$ 30,751	\$ (257)	(1)%

Fire suppression revenue increased by \$3.5 million, or 19%, to \$21.5 million for the three months ended June 30, 2026, from \$18.1 million for the three months ended June 30, 2025. The increase was primarily driven by increased flight hours for our Super Scoopers for the three months ended June 30, 2026 compared to the three months ended June 30, 2025.

Aerial surveillance revenue increased by \$1.4 million, or 36%, to \$5.5 million for the three months ended June 30, 2026, from \$4.0 million for the three months ended June 30, 2025. The increase was primarily driven by increased flight hours for our surveillance aircraft for the three months ended June 30, 2026 compared to the three months ended June 30, 2025.

Maintenance repair revenue decreased by \$1.9 million, or 35%, to \$3.5 million for the three months ended June 30, 2026, from \$5.4 million for the three months ended June 30, 2025. The decrease was primarily driven by a decrease in the return-to-service work performed on the Spanish Scoopers in connection with the MAB services agreement for the three months ended June 30, 2026 compared to the three months ended June 30, 2025. Refer to "Note 2 – Summary of Significant Accounting Policies" of the Notes to Unaudited Condensed Consolidated Financial Statements included in this Quarterly Report for additional details.

Other services revenue decreased by \$3.3 million, or 99%, to \$21,000 for the three months ended June 30, 2026, from \$3.3 million for the three months ended June 30, 2025. The decrease was primarily due to non-recurring third-party training and flight operations services utilizing our aircraft for the three months ended June 30, 2025 that did not occur for the three months ended June 30, 2026.

Revenues by geographic area for the three months ended June 30, 2026 and 2025 were as follows:

dollars in thousands	For the three months ended June 30,		Period Over Period Change (\$)	Period Over Period Change (%)
	2026	2025		
United States	\$ 29,678	\$ 25,669	\$ 4,009	16%
Spain	816	5,082	(4,266)	(84)%
Total revenues	\$ 30,494	\$ 30,751	\$ (257)	(1)%

United States revenue increased by \$4.0 million, or 16%, to \$29.7 million for the three months ended June 30, 2026, from \$25.7 million for the three months ended June 30, 2025. The increase was primarily driven by increased flight hours for our Super Scoopers and surveillance aircraft for the three months ended June 30, 2026 compared to the three months ended June 30, 2025.

Spain revenue decreased by \$4.3 million, or 84%, to \$0.8 million for the three months ended June 30, 2026, from \$5.1 million for the three months ended June 30, 2025. The decrease was primarily driven by a decrease in the return-to-service work performed on the Spanish Scoopers in connection with the MAB services agreement for the three months ended June 30, 2026 compared to the three months ended June 30, 2025. Refer to "Note 2 – Summary of Significant Accounting Policies" of the Notes to Unaudited Condensed Consolidated Financial Statements included in this Quarterly Report for additional details.

Cost of Revenues

Total cost of revenues increased by \$0.5 million, or 3%, to \$19.2 million for the three months ended June 30, 2026, from \$18.7 million for the three months ended June 30, 2025.

Flight Operations

Flight operations expenses increased by \$2.2 million, or 28%, to \$10.1 million for the three months ended June 30, 2026, from \$7.9 million for the three months ended June 30, 2025. The increase reflects an increase in aircraft depreciation and fuel expense of \$1.4 million and personnel costs necessary to support operational growth of \$1.0 million. The increase was partially offset by a decrease in aircraft lease expense of \$0.2 million for the three months ended June 30, 2026 compared to the three months ended June 30, 2025.

Maintenance

Maintenance expenses decreased by \$1.7 million, or 16%, to \$9.1 million for the three months ended June 30, 2026, from \$10.8 million for the three months ended June 30, 2025. The decrease was primarily driven by a decrease in return-to-service work performed on the Spanish Scoopers in connection with the MAB services agreement of \$2.6 million. The decrease was partially offset by an increase in hangar lease expense of \$0.7 million and an increase in depreciation expense of \$0.2 million, for the three months ended June 30, 2026 compared to the three months ended June 30, 2025.

Selling, General and Administrative Expense

Selling, general and administrative expense decreased by \$1.2 million, or 19%, to \$5.3 million for the three months ended June 30, 2026, from \$6.5 million for the three months ended June 30, 2025. The decrease was primarily attributable to a change in the fair value of the Warrants of \$3.7 million. In addition, there was a decrease in stock-based compensation of \$2.4 million, mainly attributable to adjustments in connection with a separation agreement with a former executive. Refer to “*Note 19 – Stockholders’ Deficit*”. The decrease was partially offset by a decrease in the fair value of the contingent consideration of \$2.6 million in the three months ended June 30, 2025 that did not occur in the three months ended June 30, 2026, an increase in higher workforce costs of \$1.5 million and an increase in non-recurring deal and organizational costs of \$0.8 million, for the three months ended June 30, 2026 compared to the three months ended June 30, 2025.

Interest Expense

Interest expense increased by \$0.9 million, or 15%, to \$6.6 million for the three months ended June 30, 2026, from \$5.7 million for the three months ended June 30, 2025. The increase was driven by increased borrowings offset by favorable changes in financing terms related to the October 2025 debt refinancing.

Other Income

Other income decreased by \$0.6 million, or 87%, to \$0.1 million for the three months ended June 30, 2026, from \$0.7 million for the three months ended June 30, 2025. The decrease was partially driven by a decrease in dividend income on cash equivalents of \$0.3 million and a decrease in foreign currency gains of \$0.3 million, for the three months ended June 30, 2026 compared to the three months ended June 30, 2025.

Income Tax Benefit (Expense)

Income tax expense decreased by \$0.2 million, or 103%, to an income tax benefit of \$5,000 for the three months ended June 30, 2026, from an income tax expense of \$0.2 million for the three months ended June 30, 2025. The decrease was driven by a decrease in the state taxes for the three months ended June 30, 2026 compared to the three months ended June 30, 2025.

Comparison of the Six Months Ended June 30, 2026 to the Six Months Ended June 30, 2025

The following table sets forth our unaudited condensed consolidated statements of operations information for the six months ended June 30, 2026 and 2025 and should be reviewed in conjunction with the financial statements and notes included elsewhere in this Quarterly Report.

dollars in thousands	For the six months ended June 30,		Period Over Period Change (\$)	Period Over Period Change (%)
	2026	2025		
Revenues	\$ 39,006	\$ 46,397	\$ (7,391)	(16%)
Cost of revenues:				
Flight operations	16,620	14,108	2,512	18%
Maintenance	19,600	21,799	(2,199)	(10%)
Total cost of revenues	36,220	35,907	313	1%
Gross income	2,786	10,490	(7,704)	(73%)
Selling, general and administrative expense	(22,039)	(15,114)	6,925	46%
Interest expense	(12,757)	(11,472)	1,285	11%
Other income	231	1,299	(1,068)	(82%)
Loss before income taxes	(31,779)	(14,797)	(16,982)	(115)%
Income tax expense	(23)	(433)	(410)	(95)%
Net loss	\$ (31,802)	\$ (15,230)	\$ 16,572	109%

Revenues

Revenues decreased by \$7.4 million, or 16%, to \$39.0 million for the six months ended June 30, 2026, from \$46.4 million for the six months ended June 30, 2025.

Revenues by service offering for the six months ended June 30, 2026 and 2025 were as follows:

dollars in thousands	For the six months ended June 30,		Period Over Period Change (\$)	Period Over Period Change (%)
	2026	2025		
Fire suppression	\$ 23,798	\$ 23,858	\$ (60)	—%
Aerial surveillance	7,040	5,734	1,306	23%
MRO	8,129	13,246	(5,117)	(39)%
Other services	39	3,559	(3,520)	(99)%
Total revenues	\$ 39,006	\$ 46,397	\$ (7,391)	(16)%

Fire suppression revenue decreased by \$0.1 million, to \$23.8 million for the six months ended June 30, 2026, from \$23.9 million for the six months ended June 30, 2025. The decrease was driven by normal fluctuations in fire suppression revenue.

Aerial surveillance revenue increased by \$1.3 million, or 23%, to \$7.0 million for the six months ended June 30, 2026, from \$5.7 million for the six months ended June 30, 2025. The increase was primarily driven by increased flight hours for our surveillance aircraft for the six months ended June 30, 2026 compared to the six months ended June 30, 2025.

Maintenance repair revenue decreased by \$5.1 million, or 39%, to \$8.1 million for the six months ended June 30, 2026, compared to \$13.2 million for the six months ended June 30, 2025. This amount is primarily due to the return-to-service work performed on the Spanish Scoopers in connection with the MAB services agreement. Refer to “*Note 2 – Summary of Significant Accounting Policies*” of the Notes to Unaudited Condensed Consolidated Financial Statements included in this Quarterly Report for additional details.

Other services revenue decreased by \$3.5 million, or 99%, to \$39,000 for the six months ended June 30, 2026, from \$3.6 million for the six months ended June 30, 2025. The decrease was primarily due to non-recurring third-party training and flight operations services utilizing our aircraft for the six months ended June 30, 2025 that did not occur for the six months ended June 30, 2026.

Revenues by geographic area for the six months ended June 30, 2026 and 2025 were as follows:

dollars in thousands	For the six months ended June 30,		Period Over Period Change (\$)	Period Over Period Change (%)
	2026	2025		
United States	\$ 36,497	\$ 35,406	\$ 1,091	3%
Spain	2,509	10,991	(8,482)	(77)%
Total revenues	\$ 39,006	\$ 46,397	\$ (7,391)	(16)%

United States revenue increased by \$1.1 million, or 3%, to \$36.5 million for the six months ended June 30, 2026, from \$35.4 million for the six months ended June 30, 2025. The increase was primarily driven by increased flight hours for our Super Scoopers and surveillance aircraft for the six months ended June 30, 2026 compared to the six months ended June 30, 2025.

Spain revenue decreased by \$8.5 million, or 77%, to \$2.5 million for the six months ended June 30, 2026, from \$11.0 million for the six months ended June 30, 2025. The decrease is due to the return-to-service work performed on the Spanish Scoopers in connection with the MAB services agreement. Refer to "Note 2 – Summary of Significant Accounting Policies" of the Notes to Unaudited Condensed Consolidated Financial Statements included in this Quarterly Report for additional details.

Cost of Revenues

Total cost of revenues increased by \$0.3 million, or 1%, to \$36.2 million for the six months ended June 30, 2026, from \$35.9 million for the six months ended June 30, 2025.

Flight Operations

Flight operations expenses increased by \$2.5 million, or 18%, to \$16.6 million for the six months ended June 30, 2026, from \$14.1 million for the six months ended June 30, 2025. The increase reflects an increase in personnel costs necessary to support operational growth of \$2.1 million and aircraft depreciation of \$1.0 million. The increase was partially offset by a decrease in aircraft lease expense of \$0.6 million for the six months ended June 30, 2026 compared to the six months ended June 30, 2025.

Maintenance

Maintenance expenses decreased by \$2.2 million, or 10%, to \$19.6 million for the six months ended June 30, 2026, from \$21.8 million for the six months ended June 30, 2025. The decrease was primarily driven by a decrease in return-to-service work performed on the Spanish Scoopers in connection with the MAB services agreement of \$4.2 million. The decrease was partially offset by an increase in hangar lease expense of \$1.5 million and an increase in depreciation expense of \$0.4 million for the six months ended June 30, 2026 compared to the six months ended June 30, 2025.

Selling, General and Administrative Expense

Selling, general and administrative expense increased by \$6.9 million, or 46%, to \$22.0 million for the six months ended June 30, 2026, from \$15.1 million for the six months ended June 30, 2025. The increase was primarily attributable to an increase in higher workforce costs of \$2.4 million, a decrease in the fair value of the contingent consideration of \$2.7 million in the six months ended June 30, 2025 that did not occur in the six months ended June 30, 2026, a change in the fair value of the Warrants of \$1.1 million, and an increase in non-recurring deal and organizational costs of \$0.4 million. The increase is partially offset by a decrease in stock-based compensation of \$2.6 million mainly attributable to adjustments in connection with a separation agreement with a former executive (refer to "Note 19 – Stockholders' Deficit" for additional details), for the six months ended June 30, 2026 compared to the six months ended June 30, 2025.

Interest Expense

Interest expense increased by \$1.3 million, or 11%, to \$12.8 million for the six months ended June 30, 2026, from \$11.5 million for the six months ended June 30, 2025. The increase was driven by increased borrowings offset by favorable changes in financing terms related to the October 2025 debt refinancing.

Other Income

Other income decreased by \$1.1 million, or 82%, to \$0.2 million for the six months ended June 30, 2026, from \$1.3 million for the six months ended June 30, 2025. The decrease was partially driven by a decrease in dividend income on cash equivalents of \$0.6 million and a decrease in foreign currency gains of \$0.5 million, for the six months ended June 30, 2026 compared to the six months ended June 30, 2025.

Income Tax Expense

Income tax expense decreased by \$0.4 million, or 95%, to \$23,000 for the six months ended June 30, 2026, from \$0.4 million for the six months ended June 30, 2025. The decrease was driven by a decrease in the state taxes for the six months ended June 30, 2026 compared to the six months ended June 30, 2025.

NON-GAAP FINANCIAL MEASURES

Although we believe that net income or loss, as determined in accordance with GAAP, is the most appropriate earnings measure, we use EBITDA and Adjusted EBITDA as key profitability measures to assess the performance of our business. We believe these measures help illustrate underlying trends in our business and use the measures to establish budgets and operational goals, and communicate internally and externally, in managing our business and evaluating its performance. We also believe these measures help investors compare our operating performance with its results in prior periods in a way that is consistent with how management evaluates such performance.

Each of the profitability measures described below is not recognized under GAAP and does not purport to be an alternative to net income or loss determined in accordance with GAAP as a measure of our performance. Such measures have limitations as analytical tools, and should not be considered in isolation or as substitutes for our results as reported under GAAP. EBITDA and Adjusted EBITDA exclude items that can have a significant effect on our profit or loss and should, therefore, be used only in conjunction with our GAAP profit or loss for the period. Our management compensates for the limitations of using non-GAAP financial measures by using them to supplement GAAP results to provide a more complete understanding of the factors and trends affecting the business than GAAP results alone. Because not all companies use identical calculations, these measures may not be comparable to other similarly titled measures of other companies.

EBITDA and Adjusted EBITDA

EBITDA is a non-GAAP profitability measure that represents net income or loss for the period before the impact of the interest expense, income tax expense and depreciation and amortization of property, plant and equipment and intangible assets. EBITDA eliminates potential differences in performance caused by variations in capital structures (affecting financing expenses), the cost and age of tangible assets (affecting relative depreciation expense) and the extent to which intangible assets are identifiable (affecting relative amortization expense).

Adjusted EBITDA is a non-GAAP profitability measure that represents EBITDA before certain items that are considered to hinder comparison of the performance of our businesses on a period-over-period basis or with other businesses. During the periods presented, we exclude from Adjusted EBITDA certain costs that are required to be expensed in accordance with GAAP, including non-cash stock-based compensation, business development and integration expenses, offering costs, non-cash adjustments to the fair value of earnout consideration, and non-cash adjustments to the fair value of Warrants issued in connection with the Reverse Recapitalization. Our management believes that the inclusion of supplementary adjustments to EBITDA applied in presenting Adjusted EBITDA are appropriate to provide additional information to investors about certain material non-cash items and about unusual items that we do not expect to continue at the same level in the future.

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The reconciliation of Net (loss) income, the most directly comparable GAAP measure, to EBITDA and Adjusted EBITDA for the three months ended June 30, 2026 and 2025 is as follows:

dollars in thousands	For the three months ended June 30,		Period Over Period Change (\$)	Period Over Period Change (%)
	2026	2025		
Net (loss) income	\$ (498)	\$ 308	\$ (806)	(262%)
Income tax (benefit) expense	(5)	182	(187)	(103%)
Depreciation and amortization	4,837	4,019	818	20%
Interest expense	6,607	5,737	870	15%
EBITDA	10,941	10,246	695	7%
Stock-based compensation ¹	(655)	1,737	(2,392)	(138)%
Business development & integration expenses ²	598	355	243	68%
Change in fair value of earnout consideration ³	(33)	(2,597)	2,564	99%
Change in fair value of Warrants ⁴	(2,931)	799	(3,730)	(467%)
Offering costs ⁵	—	279	(279)	(100%)
Non-recurring executive transition costs ⁶	220	—	220	100%
Adjusted EBITDA	\$ 8,140	\$ 10,819	\$ (2,679)	(25%)
Net (loss) income margin ⁷	(2 %)	1 %		
Adjusted EBITDA margin ⁷	27 %	35 %		

¹ Represents non-cash stock-based compensation expense associated with employee and non-employee equity and liability classified awards.

² Represents expenses related to integration costs for completed acquisitions and expenses related to potential acquisition targets and additional business lines.

³ Represents non-cash fair value adjustment for earnout consideration issued in connection with the acquisitions of Ignis Technologies, Inc. and Flight Test & Mechanical Solutions, Inc.

⁴ Represents the non-cash fair value adjustment for Warrants issued in connection with the Reverse Recapitalization.

⁵ Represents one-time costs for professional service fees related to the preparation for potential offerings that have been expensed during the period.

⁶ Represents expenses associated with the build out and transition of the executive leadership team.

⁷ Net (loss) income margin calculated as Net (loss) income divided by Total revenue and Adjusted EBITDA margin calculated as Adjusted EBITDA divided by Total revenue.

The reconciliation of Net loss, the most directly comparable GAAP measure, to EBITDA and Adjusted EBITDA for the six months ended June 30, 2026 and 2025 is as follows:

dollars in thousands	For the six months ended June 30,		Period Over Period Change (\$)	Period Over Period Change (%)
	2026	2025		
Net loss	\$ (31,802)	\$ (15,230)	\$ (16,572)	109%
Income tax expense	23	433	(410)	(95%)
Depreciation and amortization	6,888	5,999	889	15%
Interest expense	12,757	11,472	1,285	11%
EBITDA	(12,134)	2,674	(14,808)	(554%)
Stock-based compensation ¹	1,777	3,728	(1,951)	(52)%
Business development & integration expenses ²	1,402	587	815	139%
Change in fair value of earnout consideration ³	(63)	(2,748)	2,685	(98%)
Change in fair value of Warrants ⁴	2,132	1,066	1,066	100%
Offering costs ⁵	42	437	(395)	(90%)
Non-recurring executive transition costs ⁶	504	—	504	100%
Adjusted EBITDA	<u>\$ (6,340)</u>	<u>\$ 5,744</u>	<u>\$ (12,084)</u>	(210%)
Net loss margin ⁷	(82 %)	(33 %)		
Adjusted EBITDA margin ⁷	(16 %)	12 %		

¹ Represents non-cash stock-based compensation expense associated with employee and non-employee equity and liability classified awards.

² Represents expenses related to integration costs for completed acquisitions and expenses related to potential acquisition targets and additional business lines.

³ Represents non-cash fair value adjustment for earnout consideration issued in connection with the acquisitions of Ignis Technologies, Inc. and Flight Test & Mechanical Solutions, Inc.

⁴ Represents the non-cash fair value adjustment for Warrants issued in connection with the Reverse Recapitalization.

⁵ Represents one-time costs for professional service fees related to the preparation for potential offerings that have been expensed during the period.

⁶ Represents expenses associated with the build out and transition of the executive leadership team.

⁷ Net loss margin calculated as Net loss divided by Total revenue and Adjusted EBITDA margin calculated as Adjusted EBITDA divided by Total revenue.

LIQUIDITY AND CAPITAL RESOURCES

For the three and six months ended June 30, 2026, the Company had net loss of \$0.5 million and \$31.8 million, respectively. For the six months ended June 30, 2026, the Company had cash flow used in operating activities of \$36.8 million. In addition, as of June 30, 2026, the Company had unrestricted cash of \$7.2 million.

On March 18, 2025, the Company entered into a sales agreement (“ATM Agreement”) under which we may offer and sell, from time to time, shares of our Common Stock having an aggregate offering price of up to \$100.0 million by any method permitted by law and deemed to be an “at the market offering” as defined in Rule 415 promulgated under the Securities Act, including sales made directly on or through the Nasdaq Global Market, or any other existing trading market for such shares or in negotiated transactions at market prices prevailing at the time of sale or at prices related to such prevailing market prices. As of August 3, 2026, \$100.0 million remains available for potential future sales under the ATM Agreement, which may be utilized for future financings under our effective shelf registration statement. Refer to “Note 19 – Stockholders’ Deficit” of the Notes to Unaudited Condensed Consolidated Financial Statements included in this Quarterly Report on Form 10-Q.

Cash and Marketable Securities

As of June 30, 2026, our principal sources of liquidity were cash and cash equivalents of \$7.2 million which were held for working capital purposes. From time to time, the Company invests its excess cash in highly rated available-for-sale securities, with the primary objective of minimizing the potential risk of principal loss.

We may receive up to \$306.5 million from the exercise of the 9,400,000 private placement warrants and 17,249,874 public warrants of the Company outstanding (collectively, the “Warrants”), assuming the exercise in full of all the Warrants for cash, but not from the sale of the shares of Common Stock issuable upon such exercise. On June 30, 2026, the closing price of our Common Stock was \$1.92 per share. For so long as the market price of our Common Stock is below the exercise price of our Warrants (\$11.50 per share), our Warrants remain “out-of-the money,” and holders of our Warrants are unlikely to cash exercise their Warrants, resulting in little or no cash proceeds to us. There can be no assurance that our Warrants will be in the money prior to their January 24, 2028 expiration date, and therefore, we may not receive any cash proceeds from the exercise of our Warrants to fund our operations. Accordingly, we have not relied on the receipt of proceeds from the exercise of our Warrants in assessing our capital requirements and sources of liquidity.

We may in the future seek to raise additional funds through various potential sources, such as equity and debt financing for general corporate purposes or for specific purposes, including in order to pursue growth initiatives. Based on our unrestricted cash and cash equivalents balance as of June 30, 2026, and our projected cash use, we would anticipate the need to raise additional funds through equity or debt financing (or the issuance of stock as acquisition consideration) to pursue any significant acquisition opportunity, at the time of such acquisition opportunity. Our ability to generate proceeds from equity financings will significantly depend on the market price of our Common Stock.

We believe our cash on hand, cash expected to be generated from operating activities and available borrowing capacity under the Credit Agreement will be sufficient to fund our operations for the next twelve months. As described in “*Item 1A. Risk Factors*” included in this Quarterly Report on Form 10-Q, our quarterly and annual operating results have fluctuated in the past and may vary in the future due to a variety of factors, many of which are external to our control. If the conditions in our industry deteriorate (such as due to the seasonality of our business), or if we are unable to sufficiently increase our revenues or further reduce our expenses, we may experience, in the future, a significant negative impact to our financial results and cash flows from operations. In such a situation, we could need to seek liquidity from sources other than our operations.

Indebtedness

October 2025 Refinancing

In October 2025, the Company completed a comprehensive refinancing designed to strengthen its liquidity profile and extend its debt maturity schedule. On October 28, 2025, the Company replaced its then-outstanding \$160.0 million Series 2022 Bonds with a new Credit Agreement providing for (i) \$210.0 million in Initial Term Loans, (ii) a \$21.5 million Revolving Credit Facility (“Revolver”), and (iii) a \$100.0 million Delayed Draw Term Loan (“DDTL”). The transaction increased total borrowing capacity and reduced near-term refinancing risk. The Company incurred approximately \$9.1 million in debt issuance costs and lender fees in connection with the new facilities.

Proceeds from the refinancing, together with \$9.3 million of restricted cash previously held for debt service, were used to (i) repay the Series 2022 Bonds, including the 3% prepayment penalty, (ii) retire the UMB Bank loan of \$9.3 million, and (iii) settle two credit facilities with Live Oak Bank totaling approximately \$33.7 million. The refinancing resulted in a loss on extinguishment of debt of \$7.8 million, which includes a write off of \$3.0 million in unamortized issuance costs. Refer to “*Note 15 – Long-Term Debt*” of the Notes to Unaudited Condensed Consolidated Financial Statements included in this Quarterly Report on Form 10-Q for additional details.

The refinancing improved the Company’s liquidity position by consolidating multiple obligations into a single credit structure with extended maturities and more flexible covenant terms. Management believes the transaction provides sufficient liquidity to fund near-term operating needs and supports the Company’s long-term growth plan. As of June 30, 2026, the Company had drawn \$210.0 million on the Initial Term Loans, \$24.3 million under the DDTL, and \$10.0 million under the Revolver, with remaining availability of \$75.7 million on the DDTL and \$11.5 million on the Revolver.

Credit Agreement Overview

The Credit Agreement is secured by first-priority liens on substantially all tangible and intangible assets of the Company and its material subsidiaries, including aircraft, real property, and intellectual property. The agreement includes customary mandatory prepayment provisions, including annual prepayments based on a percentage of Excess Cash Flow, beginning with the fiscal year ending December 31, 2026, and from certain asset sale proceeds, subject to reinvestment rights.

The agreement also provides for prepayment premiums of 3.0%, 2.0%, and 1.0% if loans are repaid within one, two, or three years, respectively, after the closing date, with no premium thereafter. Events of default include nonpayment, covenant breaches, insolvency, and cross-defaults, which may result in acceleration of outstanding obligations.

The Credit Agreement contains customary restrictive covenants limiting additional indebtedness, liens, asset sales, dividends, and investments. The Credit Agreement also includes financial covenants requiring the Company to maintain:

- A Total Leverage Ratio not to exceed 7.00x through December 31, 2026, decreasing to 6.00x for the periods ending March 31, 2027 through December 31, 2027, and 5.50x thereafter; and
- Minimum Operating Cash Flow (as defined in the agreement) of at least \$30.0 million.

The Company was in compliance with all financial covenants under the Credit Agreement as of June 30, 2026.

The Credit Agreement consists of the following three instruments:

Initial Term Loans

The Initial Term Loans totaled \$210.0 million at issuance and mature on October 28, 2030. Borrowings bear interest, at the Company's election, at either (i) the Term SOFR rate plus 6.00%, or (ii) the Alternate Base Rate ("ABR") plus 5.00%, where the ABR is defined as the highest of the federal funds effective rate plus 0.50%, the adjusted Term SOFR rate plus 1.00%, the prime rate, or 2.00%. The Company elected the Term SOFR plus 6.00% option at inception.

Principal amortizes quarterly at 0.25% of the original principal balance, with the remaining outstanding balance due at maturity. Interest is payable at the end of the interest period.

Revolver

The \$21.5 million Revolver allows for borrowings, repayments, and re-borrowings through its maturity on October 28, 2030. Revolving loans bear interest at the same rate options as the Initial Term Loans. As of June 30, 2026, the Company had drawn \$10.0 million for working capital needs with \$11.5 million remaining under the facility.

DDTL

The DDTL provides up to \$100.0 million in additional term loan commitments, available through October 28, 2027. Draws are permitted in up to ten tranches of at least \$2.5 million each, subject to customary conditions precedent. Amounts drawn under the DDTL mature on October 28, 2030. Borrowings under the DDTL bear interest at the same rate options applicable to the Initial Term Loans. As of June 30, 2026, the Company had drawn \$24.3 million, with \$75.7 million remaining available under the facility.

Other Indebtedness

UMB Bank ("UMB") Loan – On February 3, 2020, the Company entered into a credit facility with UMB (formerly known as Rocky Mountain Bank) to finance the purchase of four aircraft, issuing a \$5.6 million promissory note with a ten-year amortization and interest equal to one-month SOFR plus 2.61448%. Debt issuance costs totaled \$0.1 million.

Other Loans – The Company also maintains several smaller term loans with immaterial aggregate principal balances. These loans bear fixed interest rates of 3.89% to 5.50% and mature at various dates through November 17, 2027.

Mezzanine and Permanent Equity

Preferred Shares

Shares of Series A Preferred Stock are mandatorily redeemable by the Company on April 25, 2032 at a redemption amount that is equal to the stated value, plus accrued but unpaid interest. Shares of Series A Preferred Stock are also redeemable upon certain triggering events outside of the control of the Company, including that shares of Series A Preferred Stock may be redeemed by the Company (a) on or after April 25, 2027 or (b) in connection with the consummation of a fundamental change in the Company's voting and governance structure such as the sale of the Company or its subsidiaries representing more than 50% of the Company's voting stock or a similar liquidity event. Shares of Series A Preferred Stock may be redeemed by the holder upon the consummation of a fundamental change, such as the sale of the Company or a similar liquidity event.

Given there is a conversion feature, which is considered substantive, the mandatory redemption on April 25, 2032 is not certain and accordingly, the Series A Preferred Stock are classified as mezzanine equity. For additional information regarding the terms and conditions of the Series A Preferred Stock, see "Note 18 – Mezzanine Equity" for additional details.

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As of June 30, 2026, it was probable that the Series A Preferred Stock may become redeemable on April 25, 2032. As of June 30, 2026, the Series A Preferred Stock had both a carrying value and redemption value of \$421.4 million.

Historical Cash Flows

Our consolidated cash flows from operating, investing and financing activities for the six months ended June 30, 2026 and 2025 were as follows:

dollars in thousands	For the six months ended June 30,	
	2026	2025
Net cash used in operating activities	\$ (36,822)	\$ (16,215)
Net cash used in investing activities	(9,189)	(3,890)
Net cash provided by (used in) financing activities	21,961	(2,010)
Effects of exchange rate changes	(90)	(95)
Net change in cash and cash equivalents	\$ (24,140)	\$ (22,210)

Operating Activities

Net cash used in operating activities was \$36.8 million for the six months ended June 30, 2026, compared to Net cash used in operating activities of \$16.2 million for the six months ended June 30, 2025. Net cash used in operating activities reflects Net loss of \$31.8 million for the six months ended June 30, 2026 compared to Net loss of \$15.2 million for the six months ended June 30, 2025. Net cash used in operating activities for the six months ended June 30, 2026 reflects add-backs to Net loss for non-cash charges totaling \$11.9 million, primarily attributable to depreciation and amortization expense of \$6.9 million, a change in fair value of warrants of \$2.1 million, stock-based compensation expense of \$1.8 million, and amortization of debt issuance costs and revolver asset of \$1.1 million, net of changes in working capital. Net cash used in operating activities for the six months ended June 30, 2025 reflects add-backs to Net loss for non-cash charges totaling \$8.4 million, primarily attributable to depreciation and amortization expense of \$6.0 million and stock-based compensation expense of \$3.7 million, and partially offset by change in fair value of earnout consideration of \$2.7 million, net of changes in working capital.

Investing Activities

Net cash used in investing activities was \$9.2 million for the six months ended June 30, 2026, compared to Net cash used in investing activities of \$3.9 million for the six months ended June 30, 2025. Net cash used in investing activities for the six months ended June 30, 2026 reflects purchases of property, plant and equipment of \$8.5 million, which is primarily comprised of aircraft purchases and aircraft improvements, and capitalized costs related to IPR&D of \$0.7 million. Net cash used in investing activities for the six months ended June 30, 2025 reflects purchases of property, plant and equipment of \$4.2 million, capitalized costs related to IPR&D of \$0.6 million and partially offset by sales of property, plant and equipment of \$1.0 million.

Financing Activities

Net cash provided by financing activities was \$22.0 million for the six months ended June 30, 2026, compared to Net cash used in financing activities of \$2.0 million for the six months ended June 30, 2025. Net cash provided by financing activities for the six months ended June 30, 2026 primarily reflects a drawdown of the DDTL of \$14.0 million and drawdowns of the Revolver totaling \$10.0 million, partially offset by repayments on debt of \$1.5 million. Net cash used in financing activities for the six months ended June 30, 2025 primarily reflects repayments of debt of \$1.6 million and restricted stock units settled in cash of \$0.4 million.

Contractual Obligations

Our principal contractual commitments consist of obligations for outstanding leases and debt. The following table summarizes our contractual obligations as of June 30, 2026:

dollars in thousands	Payments Due by Period		
	Total	Current	Noncurrent
Lease obligations	\$ 32,126	\$ 3,057	\$ 29,069
Debt obligations	245,037	4,913	240,124
Total	\$ 277,163	\$ 7,970	\$ 269,193

On November 17, 2023, the Company entered into a series of agreements with MAB and its subsidiary designed to facilitate the purchase and return-to-service of four Spanish Scoopers originally awarded to the Company in September 2023 via a public tender process from the Government of Spain. The terms of the agreements provide that the Company will manage the return-to-service upgrades of the Spanish Scoopers while they are owned and funded by MAB. The Company has the right, but not the obligation, to acquire each plane as it is ready to be contracted and returned to service. In the event that the Company does not purchase the aircraft within the time periods set forth in the agreements, then either party may initiate a sales process for the sale of all aircraft that have not been purchased by the Company, which sales process the Company will oversee and manage. If the aircraft are sold to a third party through such process, then the Company must pay MAB's subsidiary a cash fee equal to the amount, if any, by which the aggregate price of the Company's purchase options for such aircraft exceeds the consideration paid by the third-party purchaser for the same aircraft, not to exceed \$15.0 million in aggregate. If the aircraft are not sold to a third party and MAB's subsidiary has not otherwise entered into an operating lease with a third party for the aircraft, then the Company must pay MAB's subsidiary \$15.0 million. On December 23, 2025, we purchased two of the Spanish Scoopers from MAB for an aggregate purchase price of \$50.0 million, allocating \$25.0 million per aircraft. Accordingly, no liability has been recorded in the consolidated financial statements as of June 30, 2026. The Company will continue to monitor the situation and assess the need for recognition or further disclosure in future periods.

Off-Balance Sheet Arrangements

On November 17, 2023, we entered into a series of agreements designed to facilitate the purchase and return-to-service of the Spanish Scoopers originally awarded to our wholly-owned subsidiary, BAE, in September 2023 via a public tender process from the Government of Spain for €40.3 million. Under the terms of the agreements, we agreed to sell the entire outstanding equity interest in BAE to MAB and purchase \$4.0 million of non-voting Class B units of MAB. We also entered into a services agreement with MAB whereby we will manage the return-to-service upgrades of the Spanish Scoopers through our wholly-owned Spanish subsidiary, Albacete Aero, S.L., while they are owned and funded by MAB. The service agreement also provides that we have the right, but not the obligation, to acquire each Spanish Scooper as it is ready to be contracted and returned to service. On December 23, 2025, we purchased two of the Spanish Scoopers from MAB for an aggregate purchase price of \$50.0 million, allocating \$25.0 million per aircraft. The Company assessed both MAB and BAE for variable interest entity accounting under ASC 810-10-15 and determined that MAB is a voting interest entity and BAE is a variable interest entity. However, neither entity is consolidated in the consolidated financial statements as the Company does not have a controlling financial interest in MAB and the Company is not the primary beneficiary of BAE.

As of June 30, 2026 and December 31, 2025, we did not have any other relationships with special purpose or variable interest entities which have been established for the purpose of facilitating off-balance sheet arrangement, which have not been consolidated in the consolidated financial statements of the Company. Refer to "Note 2 – Summary of Significant Accounting Policies" of the Notes to Unaudited Condensed Consolidated Financial Statements included in this Quarterly Report for additional information.

Other Liquidity Matters

We believe our cash on hand, cash expected to be generated from operating activities and available borrowing capacity under the Credit Agreement will be sufficient to fund our operations for the next twelve months. As discussed below and in Part I, Item 1A, "Risk Factors" of our Form 10-K, our quarterly and annual operating results have fluctuated in the past and may vary in the future due to a variety of factors, many of which are external to our control. If the conditions in our industry deteriorate (such as due to the seasonality of our business), or if we are unable to sufficiently increase our revenues or further reduce our expenses, we may experience a significant negative impact to our financial results and cash flows from operations. In such a situation, we could fall out of compliance with our financial covenants, which, if not waived, could limit our liquidity and capital resources.

QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Bridger is a smaller reporting company as defined by Rule 12b-2 of the Securities Exchange Act of 1934, as amended (the "Exchange Act") and is not required to provide the information otherwise required under this item.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

Our Condensed Consolidated Financial Statements and the related notes included elsewhere in this Quarterly Report are prepared in accordance with GAAP. The preparation of these Condensed Consolidated Financial Statements requires us to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue, costs and expenses, provision for income taxes and related disclosures. We base our estimates on historical experience and on various other assumptions that we believe to be reasonable under the circumstances. Changes in accounting estimates are reasonably likely to occur from period to period. Accordingly, actual results could differ significantly from the estimates made by our management. We evaluate our estimates and assumptions on an ongoing basis. To the extent that there are material differences between these estimates and actual results, our future financial statement presentation, financial condition, results of operations and cash flows will be affected.

We believe that the following critical accounting policies involve a greater degree of judgment or complexity than our other accounting policies. Accordingly, these are the policies we believe are the most critical to aid in fully understanding and evaluating our condensed consolidated financial condition and results of operations.

Revenue Recognition

We enter into short, medium and long-term contracts with customers, primarily with government agencies to deploy aerial fire management assets during the firefighting season. Contracts with our customers generally include a termination for convenience clause. The majority of our contracts are started and completed within the same year. We recognize revenue under Accounting Standards Codification 606, “Revenue from Contracts with Customers” (“ASC 606”), which utilizes a five-step model.

The definition of a contract for us is typically defined as a customer purchase order as this is when we achieve an enforceable right to payment. The deliverables within a customer purchase order are analyzed to determine the number of performance obligations.

A performance obligation is a promise in a contract to transfer a distinct good or service to the customer and is the unit of account under ASC 606. A contract’s transaction price is allocated to each distinct performance obligation and recognized as revenue when, or as, control is transferred and the performance obligation is satisfied. The majority of our contracts have a single performance obligation as the promise to transfer the individual goods or services are highly interrelated or meet the series guidance. For contracts with multiple performance obligations, we allocate the contract transaction price to each performance obligation using our best estimate of the standalone selling price of each distinct good or service in the contract. The primary method used to estimate the standalone selling price is the expected cost plus a margin approach, under which we forecast our expected costs of satisfying a performance obligation and then add an appropriate margin for that distinct good or service.

For Aerial firefighting contracts, the Company primarily performs the following activities as part of a stand-ready obligation: (i) providing our aircraft, pilot, and field maintenance personnel necessary to operate the aircraft and (ii) performing the services required on the contract, whether it be fire suppression or aerial surveillance services. The integrated firefighting services that we perform under each contract represent a single performance obligation satisfied over time, as a series of distinct time increments. The amounts billed to the customer are determined based on varying rates applicable to the specific activities performed on a daily basis. Such consideration is allocated to the distinct daily increment it relates to within the contract and therefore, recognized as we perform the daily firefighting services on the contract. We utilize the output method to recognize revenue over time as this depicts the Company’s performance toward complete satisfaction of the performance obligation.

Maintenance repair revenue consists of maintenance repair and return-to-service work performed on customer aircraft. For maintenance repair contracts, we manufacture products to customer specifications and the product cannot be easily modified to satisfy another customer’s order or we perform return-to-service work on customer aircraft. As such, these products are deemed to have no alternative use once the manufacturing process begins. In the event the customer invokes a termination for convenience clause, we would be entitled to costs incurred to date plus a reasonable profit. Contract costs typically include labor, materials, overhead, and when applicable, subcontractor costs. For most of our products, we are building assets with no alternative use and have enforceable right to payment, and thus, we recognize revenue using the over-time method. For return-to-service contracts, the customer maintains control of the asset as we perform the services.

The majority of our performance obligations are satisfied over time as work progresses. Typically, revenue is recognized over time using an input measure (i.e., costs incurred to date relative to total estimated costs at completion, also known as cost-to-cost plus reasonable profit) to determine progress.

Contract estimates are based on various assumptions to project the outcome of future events that can span multiple months or years. These assumptions include labor productivity and availability; the complexity of the work to be performed; the cost and availability of materials; and the performance of subcontractors.

As a significant change in one or more of these estimates could affect the progress completed (and related profitability) on our MRO contracts, we review and update our contract-related estimates on a regular basis. We recognize such adjustments under the cumulative catch-up method. Under this method, the impact of the adjustment is recognized in the period the adjustment is identified. Revenue and profit in future periods of contract performance is recognized using the adjusted estimate. The impact of adjustments in contract estimates on our operating earnings can be reflected in either operating costs and expenses or revenue.

Business Combinations

The Company records tangible and intangible assets acquired and liabilities assumed in business combinations under the acquisition method of accounting in accordance with ASC 805, *Business Combinations*. Under the acquisition method of accounting, amounts paid for the acquisition are allocated to the assets acquired and liabilities assumed based on their estimated fair values at the date of acquisition inclusive of identifiable intangible assets. Acquisition consideration includes contingent consideration with payment terms based on the achievement of certain targets of the acquired business. The estimated fair value of identifiable assets and liabilities, including intangibles, are based on valuations that use information and assumptions available to management. The Company allocates any excess purchase price over the fair value of the tangible and identifiable intangible assets acquired and liabilities assumed to goodwill. Significant management judgments and assumptions are required in determining the fair value of assets acquired and liabilities assumed, particularly acquired intangible assets, including estimated useful lives. The valuation of purchased intangible assets is based upon estimates of the future performance and discounted cash flows of the acquired business. Each asset acquired or liability assumed is measured at estimated fair value from the perspective of a market participant.

Contingent consideration represents an obligation of the acquirer to transfer additional assets or equity interests to the seller if future events occur or conditions are met and is recognized when probable and reasonably estimable. Contingent consideration recognized is included in the initial cost of the assets acquired. Subsequent changes in the estimated fair value of contingent consideration are recognized as Selling, general and administrative expenses within the Condensed Consolidated Statements of Operations.

Stock-Based Compensation

In January 2023, the Company along with its board of directors established and approved and assumed the Bridger Aerospace Group Holdings, Inc. 2023 Omnibus Incentive Plan (the “Omnibus Plan”). The Omnibus Plan was developed to motivate and reward employees and other individuals to perform at the highest level and contribute significantly to the success of the Company, thereby furthering the best interests of the Company and its shareholders. The Omnibus Plan provides, among other things, the ability for the Company to grant options, stock appreciation rights, restricted stock, RSUs, performance awards and other stock-based and cash-based awards to employees, consultants and non-employee directors.

The Omnibus Plan expires on January 23, 2033. As of June 30, 2026, the Omnibus Plan authorized an aggregate of 18,196,755 shares of Common Stock for issuance. As of June 30, 2026, 6,429,306 shares of Common Stock remain available under the Omnibus Plan.

As of June 30, 2026, the Company has granted participants RSUs under the Omnibus Plan. The fair value of RSUs is determined based on the quoted market price of the Common Stock on the date of grant. Compensation cost for the RSUs is recognized over the requisite service period based on a graded-vesting method. The Company accounts for forfeitures as they occur. Stock-based compensation is included in both Cost of revenues and Selling, general and administrative expense in the Condensed Consolidated Statements of Operations. Upon vesting of each RSU, the Company will issue one share of Common Stock to the RSU holder.

Compensation cost for performance-based restricted common stock awards is recognized over the requisite service period only when achievement of the applicable performance condition is considered probable. The Company reassesses the probability of achievement at each reporting date and records cumulative catch-up adjustments to compensation cost based on the number of awards expected to vest. Grant-date fair value for such awards is determined based on the fair value of the Company’s common stock on the grant date in accordance with the applicable award terms.

Impairment of Goodwill, Other Intangible Assets and Long-Lived Assets**Goodwill**

Goodwill represents the excess of purchase price over fair value of the net assets acquired in an acquisition. The Company assesses goodwill for impairment as of October 1 annually or more frequently upon an indicator of impairment.

When we elect to perform a qualitative assessment and conclude it is more likely that the fair value of the reporting unit is greater than its carrying value, no further assessment of that reporting unit's goodwill is necessary. Otherwise, a quantitative assessment is performed, and the fair value of the reporting unit is determined. If the carrying value of the reporting unit exceeds its fair value, an impairment loss equal to the excess is recorded. Conditions that would trigger an impairment assessment include, but are not limited to, a significant adverse change in legal factors or the business climate that could affect the value of an asset or an adverse reaction. As of the October 1, 2025 annual goodwill impairment test, the Company's qualitative analysis indicated the fair value of the Company's reporting units exceeded carrying value.

No goodwill impairment charges were recorded for the three and six months ended June 30, 2026 or 2025.

Long-Lived Assets

A long-lived asset (including amortizable identifiable intangible assets) or asset group is tested for recoverability whenever events or changes in circumstances indicate that its carrying amount may not be recoverable. Conditions that may indicate impairment include, but are not limited to, a significant adverse change in customer demand or business climate that could affect the value of an asset, or an adverse action or assessment by a regulator. When indicators of impairment are present, we evaluate the carrying value of the long-lived assets in relation to the operating performance and future undiscounted cash flows of the underlying assets. We adjust the net book value of the long-lived assets to fair value if the sum of the expected future cash flows is less than book value.

Property, Plant and Equipment, Net

Property, plant and equipment is stated at net book value, cost less depreciation. Depreciation for aircraft, engines and rotatable parts is recorded over the estimated useful life based on flight hours. Depreciation for vehicles and equipment, buildings, and leasehold improvements is computed using the straight-line method over the estimated useful lives of the property, plant and equipment. Airplane hangars located on leased airport property are considered leasehold improvements with useful lives determined based on the estimated life of the underlying ground lease. Depreciable lives by asset category are as follows:

	Estimated useful life
Aircraft, engines and rotatable parts	1,500 –6,000 flight hours
Vehicles and equipment	3 – 5 years
Buildings	50 years
Leasehold improvements	10 years

Property, plant and equipment are reviewed for impairment as discussed above under “Long-Lived Assets.”

Investments

We hold equity securities without a readily determinable fair value, which are only adjusted for observable price changes in orderly transactions for the same or similar equity securities or any impairment, totaling \$5.5 million as of June 30, 2026 and December 31, 2025.

Variable Interest Entities

We follow ASC 810-10-15 guidance with respect to accounting for VIEs. These entities do not have sufficient equity at risk to finance their activities without additional subordinated financial support from other parties or whose equity investors lack any of the characteristics of a controlling financial interest. A variable interest is an investment or other interest that will absorb portions of a VIE's expected losses or receive portions of its expected returns and are contractual, ownership or pecuniary in nature and that change with changes in the fair value of the entity's net assets. A reporting entity is the primary beneficiary of a VIE and must consolidate it when that party has a variable interest, or combination of variable interests, that provide it with a controlling financial interest. A party is deemed to have a controlling financial interest if it meets both of the power and loss/benefits criteria. The power criterion is the ability to direct the activities of the VIE that most significantly impact its economic performance. The losses/benefits criterion is the obligation to absorb losses from, or right to receive benefits from, the VIE that could potentially be significant to the VIE. The VIE model requires an ongoing reconsideration of whether a reporting entity is the primary beneficiary of a VIE due to changes in the facts and circumstances. For the three and six months ended June 30, 2026 and 2025, Northern Fire Management Services, LLC, a VIE of which the Company was identified as the primary beneficiary, is consolidated into our financial statements. Refer to "Note 2 – Summary of Significant Accounting Policies" of the Notes to Unaudited Condensed Consolidated Financial Statements included in this Quarterly Report for additional information.

Fair Value of Financial Instruments

We follow guidance in ASC 820, *Fair Value Measurement*, where fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements are determined within a framework that establishes a three-tier hierarchy which maximizes the use of observable market data and minimizes the use of unobservable inputs to establish a classification of fair value measurements for disclosure purposes. Inputs may be observable or unobservable. Observable inputs reflect the assumptions market participants would use in pricing the asset or liability based on market data obtained from sources independent of our business. Unobservable inputs reflect our own assumptions about the assumptions market participants would use in pricing the asset or liability based on the information available.

Warrant Liabilities

We account for the Warrants issued in connection with the Reverse Recapitalization in accordance with the guidance contained in accordance with ASC 480, *Distinguishing Liabilities from Equity* and ASC 815-40, *Derivatives and Hedging—Contracts in Entity's Own Equity*, under which the Warrants do not meet the criteria for equity treatment and must be recorded as liabilities. Accordingly, we classify the Warrants as liabilities at their fair value and adjust the Warrants to fair value at each reporting period. The warrant liabilities are subject to remeasurement at each balance sheet date until exercised. Refer to "Note 12 – Accrued Expenses and Other Liabilities" of the Notes to Unaudited Condensed Consolidated Financial Statements included in this Quarterly Report for additional information.

Income Taxes

We are subject to income taxes in the United States and other jurisdictions in which we conduct business. Our income tax provision consists of an estimate of federal, state and foreign income taxes based on enacted federal, state and foreign tax law, including allowable credits, deductions, changes in the valuation of our deferred tax assets and liabilities, and changes in tax laws.

Significant judgment is required in evaluating our tax positions and in determining income tax benefit (expense), deferred tax assets and liabilities, and any valuation allowance recorded against our deferred tax assets. We evaluate the recoverability of deferred tax assets based on available evidence. This process involves significant management judgment about assumptions that are subject to change from period to period based on changes in tax laws or variances between future projected operating performance and actual results. Under GAAP, we establish a valuation allowance for deferred tax assets if we determine, based on available evidence at the time the determination is made, that it is more likely than not (defined as a likelihood of more than 50%) that all or a portion of the deferred tax assets will not be realized. In making this determination, we evaluate all positive and negative evidence as of the end of each reporting period. Future adjustments (either increases or decreases) to the deferred tax asset valuation allowance are determined based upon changes in the expected realization of the net deferred tax assets. The realization of the deferred tax assets ultimately depends on the existence of sufficient taxable income or tax liability in either the carry-back or carry-forward periods under the tax law. Due to significant estimates used to establish the valuation allowance and the potential for changes in facts and circumstances, it is reasonably possible that we will be required to record additional adjustments to the valuation allowance in future reporting periods that could have a material effect on our results of operations.

RECENT ACCOUNTING PRONOUNCEMENTS

For additional information regarding recent accounting pronouncements adopted and under evaluation, refer to “*Note 2 – Summary of Significant Accounting Policies*” of the Notes to Unaudited Condensed Consolidated Financial Statements included in this Quarterly Report.

EMERGING GROWTH COMPANY AND SMALLER REPORTING COMPANY STATUS

Section 102(b)(1) of the JOBS Act exempts “emerging growth companies” as defined in Section 2(A) of the Securities Act of 1933, from being required to comply with new or revised financial accounting standards until private companies are required to comply with the new or revised financial accounting standards. The JOBS Act provides that a company can choose not to take advantage of the extended transition period and comply with the requirements that apply to non-emerging growth companies, and any such election to not take advantage of the extended transition period is irrevocable. We are an “emerging growth company” and have elected to take advantage of the benefits of this extended transition period.

We will use this extended transition period for complying with new or revised accounting standards that have different effective dates for public business entities and non-public business entities until the earlier of the date that we (a) are no longer an emerging growth company or (b) affirmatively and irrevocably opt out of the extended transition period provided in the JOBS Act. The extended transition period exemptions afforded by our emerging growth company status may make it difficult or impossible to compare our financial results with the financial results of another public company that is either not an emerging growth company or is an emerging growth company that has chosen not to take advantage of this exemption because of the potential differences in accounting standards used. Refer to “*Note 2 – Summary of Significant Accounting Policies*” of the Notes to Unaudited Condensed Consolidated Financial Statements included in this Quarterly Report for the recent accounting pronouncements adopted and the recent accounting pronouncements not yet adopted for the three and six months ended June 30, 2026 and the year ended December 31, 2025.

We will remain an “emerging growth company” under the JOBS Act until the earliest of (a) December 31, 2028, (b) the last date of our fiscal year in which we have total annual gross revenue of at least \$1.235 billion, (c) the last date of our fiscal year in which we are deemed to be a “large accelerated filer” under the rules of the U.S. Securities and Exchange Commission with at least \$700.0 million of outstanding securities held by non-affiliates or (d) the date on which we have issued more than \$1.0 billion in non-convertible debt securities during the previous three years.

We are a “smaller reporting company” as defined in Item 10(f)(1) of Regulation S-K. Smaller reporting companies may take advantage of certain reduced disclosure obligations, including, among other things, providing only two years of audited financial statements. We will remain a smaller reporting company until the last day of the fiscal year in which (i) the market value of our common stock held by non-affiliates is greater than or equal to \$250 million as of the end of that fiscal year’s second fiscal quarter, and (ii) our annual revenues are greater than or equal to \$100 million during the last completed fiscal year or the market value of our common stock held by non-affiliates exceeds \$700 million as of the end of that fiscal year’s second fiscal quarter.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

Certain statements included in this Quarterly Report are not historical facts but are forward-looking statements, including for purposes of the safe harbor provisions under the United States Private Securities Litigation Reform Act of 1995. Forward-looking statements generally are accompanied by words such as “believe,” “may,” “will,” “estimate,” “continue,” “anticipate,” “intend,” “expect,” “should,” “would,” “plan,” “project,” “forecast,” “predict,” “poised,” “positioned,” “potential,” “seem,” “seek,” “future,” “outlook,” “target,” and similar expressions that predict or indicate future events or trends or that are not statements of historical matters, but the absence of these words does not mean that a statement is not forward-looking. These forward-looking statements include, but are not limited to, statements regarding: (1) the anticipated expansion of Bridger’s operations and increased deployment of Bridger’s aircraft fleet, the anticipated benefits therefrom and the ultimate structure of such acquisitions and/or right to use arrangements; (2) Bridger’s business and growth plans and future financial performance; (3) current and future demand for aerial firefighting services, including the duration or severity of any domestic or international wildfire seasons; (4) the magnitude, timing, and benefits from any cost reduction actions; (5) Bridger’s exploration of, need for, or completion of any future financings; (6) Bridger’s potential sources of liquidity and capital resources; and (7) anticipated investments in additional aircraft, capital resources, and research and development and the effect of these investments. These statements are based on various assumptions and estimates, whether or not identified in this Quarterly Report, and on the current expectations of Bridger’s management and are not predictions of actual performance. These forward-looking statements are provided for illustrative purposes only and are not intended to serve as, and must not be relied on by any investor as, a guarantee, an assurance, a prediction or a definitive statement of fact or probability. Actual events and circumstances are difficult or impossible to predict and will differ from assumptions. Many actual events and circumstances are beyond the control of Bridger. These forward-looking statements are subject to a number of risks and uncertainties, including: the duration or severity of any domestic or international wildfire seasons; changes in domestic and foreign business, market, financial, political and legal conditions; Bridger’s failure to realize the anticipated benefits of any acquisitions; Bridger’s successful integration of any aircraft (including achievement of synergies and cost reductions); Bridger’s ability to successfully and timely develop, sell and expand its services, and otherwise implement its growth strategy; risks relating to Bridger’s operations and business, including information technology and cybersecurity risks, loss of requisite licenses, flight safety risks, loss of key customers and deterioration in relationships between Bridger and its employees; risks related to increased competition; risks relating to potential disruption of current plans, operations and infrastructure of Bridger, including as a result of the consummation of any acquisition; risks that Bridger is unable to secure or protect its intellectual property; risks that Bridger experiences difficulties managing its growth and expanding operations; Bridger’s ability to compete with existing or new companies that could cause downward pressure on prices, fewer customer orders, reduced margins, the inability to take advantage of new business opportunities, and the loss of market share; the ability to successfully select, execute or integrate future acquisitions into Bridger’s business, which could result in material adverse effects to operations and financial conditions; and those factors discussed in the sections entitled “Risk Factors” and “Cautionary Statement Regarding Forward-Looking Statements” included in Bridger’s Form 10-K filed with the U.S. Securities and Exchange Commission on March 6, 2026 and in this Quarterly Report. If any of these risks materialize or Bridger management’s assumptions prove incorrect, actual results could differ materially from the results implied by these forward-looking statements. The risks and uncertainties above are not exhaustive, and there may be additional risks that Bridger presently does not know or that Bridger currently believes are immaterial that could also cause actual results to differ from those contained in the forward-looking statements. In addition, forward-looking statements reflect Bridger’s expectations, plans or forecasts of future events and views as of the date of this Quarterly Report. Bridger anticipates that subsequent events and developments will cause Bridger’s assessments to change. However, while Bridger may elect to update these forward-looking statements at some point in the future, Bridger specifically disclaims any obligation to do so. These forward-looking statements should not be relied upon as representing Bridger’s assessments as of any date subsequent to the date of this Quarterly Report. Accordingly, undue reliance should not be placed upon the forward-looking statements contained in this Quarterly Report.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

Pursuant to Item 305(e) of Regulation S-K, the Company is not required to provide the information required by this Item as it is a “smaller reporting company.”

ITEM 4. CONTROLS AND PROCEDURES.

Evaluation of Disclosure Controls and Procedures

Disclosure controls and procedures are designed to provide reasonable assurance that information required to be disclosed in our reports filed under the Exchange Act, such as this Quarterly Report on Form 10-Q, is recorded, processed, summarized, and reported within the time period specified in the SEC's rules and forms. Disclosure controls are also designed to provide reasonable assurance that such information is accumulated and communicated to our management, including the chief executive officer and chief financial officer, as appropriate to allow timely decisions regarding required disclosure.

Our management, with the participation of our chief executive officer and chief financial officer (our "Certifying Officers"), evaluated the effectiveness of our disclosure controls and procedures as of June 30, 2026, pursuant to Rule 13a-15(b) under the Exchange Act. Based upon that evaluation, our Certifying Officers concluded that our disclosure controls and procedures were effective as of June 30, 2026.

Limitations on Effectiveness of Controls

We do not expect that our disclosure controls and procedures will prevent or detect all errors or all instances of fraud. Disclosure controls and procedures, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the disclosure controls and procedures are met. Because of the inherent limitations in all control systems and procedures, there is a risk that misstatements may not be prevented or detected on a timely basis. In addition, projections of any evaluation of effectiveness to future periods are subject to risk that controls may become inadequate because of changes in conditions or that the degree of compliance with the policies or procedures may deteriorate.

Changes in Internal Control over Financial Reporting

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

PART II – OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS.

The Company is involved in legal proceedings and litigation in the ordinary course of business. Other than routine litigation incidental to the Company's business, there are no material pending legal proceedings to which the Company is a party or to which any of the Company's properties are subject.

ITEM 1A. RISK FACTORS.

See Part I, Item 1A of our Annual Report on Form 10-K ("Form 10-K") for the year ended December 31, 2025 for a discussion of our risk factors. There have been no material changes during the three months ended June 30, 2026 to the risk factors disclosed in our Form 10-K for the year ended December 31, 2025.

We may experience additional risks and uncertainties not currently known to us. Furthermore, as a result of developments occurring in the future, conditions that we currently deem to be immaterial may also materially and adversely affect us. Any such risk may materially and adversely affect our business, financial condition, cash flows and results of operations.

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

None.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES.

None.

ITEM 4. MINE SAFETY DISCLOSURES.

Not applicable.

ITEM 5. OTHER INFORMATION.

During the three months ended June 30, 2026, none of the Company's directors or executive officers adopted or terminated a "Rule 10b5-1 trading arrangement" or "non-Rule 10b5-1 trading arrangement," each as defined in Item 408(a) of Regulation S-K.

ITEM 6. EXHIBITS.

Exhibit Number	Description
3.1	<u>Amended and Restated Certificate of Incorporation of Bridger Aerospace Group Holdings, Inc. (incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K filed with the SEC on January 27, 2023).</u>
3.2	<u>Amended and Restated Bylaws of Bridger Aerospace Group Holdings, Inc. (incorporated by reference to Exhibit 3.2 to the Company's Current Report on Form 8-K filed with the SEC on January 27, 2023).</u>
10.1†	<u>Transition Agreement and General Release, dated as of March 25, 2026, by and between Bridger Aerospace Group Holdings, Inc. and James Muchmore (incorporated by reference to Exhibit 10.4 to the Company's Quarterly Report on Form 10-Q filed with the SEC on May 8, 2026).</u>
31.1*	<u>Certification of the Company's Chief Executive Officer Pursuant to Rule 13a-14(a) or Rule 15d-14(a) under the Securities Exchange Act of 1934.</u>
31.2*	<u>Certification of the Company's Chief Financial Officer Pursuant to Rule 13a-14(a) or Rule 15d-14(a) under the Securities Exchange Act of 1934.</u>
32.1**	<u>Certification of the Company's Chief Executive Officer and Chief Financial Officer Pursuant to Section 906 of the Sarbanes Oxley Act of 2002 (18 U.S.C. Section 1350).</u>
101.INS*	XBRL Instance Document – the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document
101.SCH*	Inline XBRL Taxonomy Extension Schema Document
101.CAL*	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF*	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB*	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE*	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104*	Cover Page Interactive Data File (formatted in Inline XBRL and contained in Exhibit 101)

* Filed herewith.

** Furnished herewith.

† Management contract and compensatory plan or arrangement.

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, duly authorized.

Date: August 6, 2026

BRIDGER AEROSPACE GROUP HOLDINGS, INC.

By: /s/ Sam Davis

Name: Sam Davis

Title: President and Chief Executive Officer
(Principal Executive Officer)

By: /s/ Anne Hayes

Name: Anne Hayes

Title: Chief Financial Officer
(Principal Accounting and Financial Officer)

CERTIFICATION

I, Sam Davis, certify that:

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

Dated: August 6, 2026

By: /s/ Sam Davis

Name: Sam Davis

Title: President and Chief Executive Officer

CERTIFICATION

I, Anne Hayes, certify that:

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

Dated: August 6, 2026

By: /s/ Anne Hayes
Name: Anne Hayes
Title: 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**

In connection with the Quarterly Report of Bridger Aerospace Group Holdings, Inc. (the “Company”) on Form 10-Q for the period ended June 30, 2026, as filed with the United States Securities and Exchange Commission on the date hereof, (the “Report”), the undersigned officers of the Company hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of his or her knowledge:

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

Dated: August 6, 2026

By: /s/ Sam Davis

Name: Sam Davis

Title: President and Chief Executive Officer

Dated: August 6, 2026

By: /s/ Anne Hayes

Name: Anne Hayes

Title: Chief Financial Officer