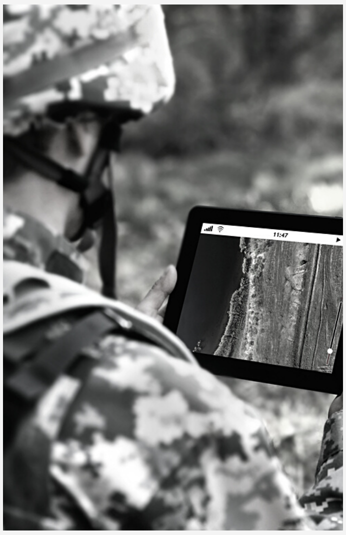
ANDURIL

INVESTMENT MEMORANDUM

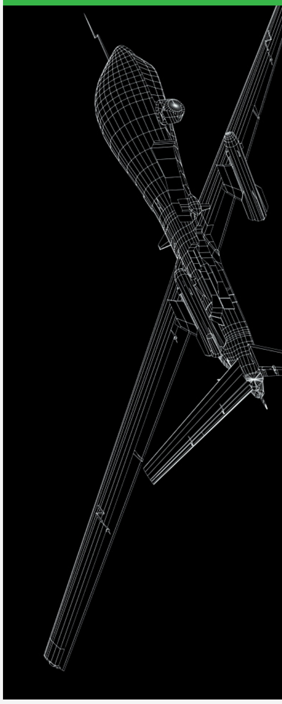
THE SPAVENTA GROUP



CONTENTS

Disclaimer: Although TSG provides an in-depth investment thesis within this memorandum that utilizes the best available data, the information contained within this memorandum is NOT exhaustive. TSG reserves the right to exclude selected metrics, catalysts and other pertinent investment data to protect its research processes from competitors.

1. THE SPAVENTA GROUP ("TSG") SUMMARY



The Spaventa Group ("TSG") is a premier alternative investment firm and leader in financial innovation that provides compelling, high-growth investment opportunities for its clients.

TSG provides its clients with access to unique investment classes, including venture capital (early to late-stage), digital assets, cryptocurrencies, and alternative business partnerships. TSG focuses its investments across a range of cutting-edge industries, including Space, Life Sciences, Robotics, Artificial Intelligence, FinTech, FoodTech and Diversified Real Estate.

This Investment Memorandum is based on TSG's investment due diligence and pertains specifically to the secondary market for late-stage, VC-backed private companies. TSG maintains a strict, disciplined approach when conducting its investment due diligence in the private secondary market, and factors in both fixed and variable criteria to decide which companies in which to invest. The private secondary market (which is generally considered to be illiquid) is not as transparent as the public markets and lacks certain information that is typically presented to "primary" investors. As such, there exist certain obstacles to achieving "price discovery" and the related assumptions and representations of private company valuations. With regards to private company valuations, "you are what the market says you are" (as observed in the continued strong demand for secondary shares of private companies) and company valuations can be affected by conditions in the private market (such as shareholders selling at premiums to the last known funding round). TSG goes to extraordinary lengths to understand the market mechanisms and catalysts which affect these private market valuations so that TSG can accurately predict (to the best extent possible) both a fair valuation of the company and subsequent public market demand.

TSG predominantly invests in "high growth" companies (which can be defined as companies that are expected to achieve superior growth as compared to larger, more established enterprises). Most of these companies spend large amounts of cash (typically funded by VC money) to achieve substantial year-over-year growth while operating "in the red" for large stretches of time. TSG believes that alternative data sets and valuation methods are required to arrive at proper valuations for any given high growth company in the private market. The question is: how does one accurately value a private, high growth company with limited financial information and (at times) unreliable pricing data?

Below, TSG offers a glimpse into its investment process and methodology. TSG utilizes a combination of traditional valuation analysis, alternative data metrics (which may offer hints into the potential investment merits of a company), and overall investor sentiment, which includes current investor demand in the private market as well as potential demand in the public markets once a company is publicly traded*.

*TSG assumes that each portfolio company will eventually go public and constructs internal investment scenarios. TSG also considers alternative scenarios such as mergers, acquisitions, and / or an extended state as a private company.

LATE STAGE VC SECONDARY INVESTING STRATEGY

TSG maintains a strict, disciplined approach to its investment due diligence process for each portfolio company:

1. Target List

TSG commences investment due diligence by building a targeted list of companies of interest, and specifically focuses on two types of companies:

- *Dominators:* companies that are dominating a specific emerging market or vertical (potentially "first movers" in an industry)
- *Disruptors:* emerging companies that are exerting pressure on established leaders within a certain market or vertical

2. Characteristics

The target list is then distilled down further using the following:

- Is the company a household name? Does it have high brand equity / awareness?
- Innovative product or service that 1) dominates a market or vertical, or 2) puts pressure on established market leaders
- Significant TAM / SAM
- Operates in a high growth, emerging industry

3. Top-Level Investment Points

All of TSG's portfolio companies display:

- *Fundamentals:* 1) must be a viable long-term investment as a standalone company (projected to achieve superior growth over the next 2 decades), or 2) must be a viable candidate for a merger or acquisition over the next 5 - 10 years
- *Demand:* has substantial demand in the private markets (institutional) and displays positive characteristics of potentially high public demand (retail investor sentiment); process explained below

4. In-Depth Analysis

Once the target list is pared down to a few select opportunities, TSG conducts in-depth analysis using a combination of the following:

- Institutional investor sentiment
- Deeper fundamental analysis (i.e., traditional valuation analysis*, comps, ability to maintain going-concern, ability to raise capital, historical valuation step-up analysis, etc.)
- Product / service sentiment analysis
- IP research
- Acquisition history / trends
- Industry / technology potential
- Other industry-specific and "alternative" data such as web traffic, app downloads, recruitment analysis, geographical / digital footprint growth, mining anonymous employee networks, etc.

While TSG does have access to financial data in select and specific circumstances, TSG is generally limited by NDA terms in these scenarios. This is further reason to back up all traditional analysis with alternative data and analysis

LATE STAGE VC SECONDARY INVESTING STRATEGY (CONT'D)

TSG's ultimate investment objective is simple: ownership.

TSG does not view any portfolio company as a "trade" with an end date or target hurdle rate. TSG expects to hold all portfolio companies for the long term (5+ years post-IPO). The next, natural question might be: *"Why invest in a private company prior to an IPO when one can invest once the company is public?"*. This is a valid question. By waiting for an IPO, you avoid the illiquidity of the private markets, and you gain the ability to see audited financial information once a company is publicly listed. That said, investors can experience potentially substantial upside by investing while a company is still private. Because results / returns are not guaranteed, it is crucial to conduct thorough quantitative and qualitative research to determine the most promising companies in which to invest.

TSG's perspective is simple: "If the objective is long-term ownership, TSG prefers to take a position while the company is still private". TSG prefers its portfolio companies to stay private for at least 2 - 3 years so they can continue to focus on overall growth while simultaneously building up investor demand leading up to an IPO. If TSG's strategy is successful, it could lead to an attractive reference price, an opening trade significantly over TSG's cost, and / or a very strong first day close for a traditional or direct listing. In the event of a SPAC, TSG's strategy could lead to substantial demand over the acquisition price and / or an attractive conversion rate (i.e., private market investors receiving "extra shares" for their original investment position).

Because of these potential advantages, TSG believes in taking positions in companies while they are still private (as opposed to waiting for a public market debut).

CURRENT INVESTOR SENTIMENT RESEARCH PROCESS

TSG utilizes several different methodologies to deduce overall investor sentiment for its portfolio companies. And although TSG conducts extensive research to determine investor sentiment, sentiment can change year-over-year, month-over-month, and even week-to-week. Various factors affect investor sentiment toward any particular company, including major breaking news (both positive and negative), capital raises, IPO announcements, strength of the industry / vertical in which the company operates, the availability of other promising companies and overall economic conditions.

TSG combines several methodologies to gauge investor sentiment and increase the accuracy of its price discovery efforts. These efforts include contacting TSG's professional network, utilizing Level 2 private market data, observing investor demand within the public sphere, sourcing available public and non-public information on institutional holdings,[1] and utilizing proprietary data extraction efforts. It should be noted that although TSG exhausts its resources to increase price discovery and pinpoint investor sentiments, TSG's efforts do not provide a complete and total view on overall investor sentiment. So-called "dark pools" of investor money still dominate the private secondary market and as a result, the margin of error of price discovery is typically 5% - 10%.

[1] We use available public data from various sources.

CURRENT INVESTOR SENTIMENT RESEARCH PROCESS (CONT'D)

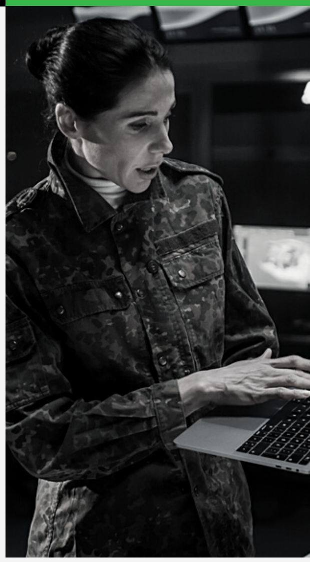
TSG uses the following metrics to gauge investor demand:

Level of Interest: combines total interest between buyers and sellers of the company
Demand Volume: only measures bids for the company
Demand as % of Total Volume: includes both buyers and sellers, and overall demand is gauged as a percentage; TSG views any demand over 50% as bullish
Price Discovery: utilizing Level 2 data and its extensive network of direct sellers and SPV's, TSG extrapolates a range of secondary prices for the company; TSG also factors in a 5-10% margin of error to arrive at a secondary price. This price does not include any fees incurred by TSG to acquire shares or interest in the company
Search Trends: compare web searches of the company within investing metrics of other high demand, late-stage, VC-backed companies in the private market. TSG does not utilize comparisons to public companies in this area as public companies almost always have a higher level of awareness due to more extensive media coverage. Although not indicative of institutional demand, search trends can offer insight into retail investor awareness and demand
Social Investor Sentiment: TSG monitors "conversations" across various media platforms, including social networks, blogs, podcasts and forums from both average individuals as well as prolific investors and influencers; it is important to note that private companies receive less media coverage and have lower investor awareness compared with their public market counterparts

DATA AGGREGATION METHODS

TSG utilizes numerous data resources combined with traditional and alternative methodologies to conduct its investment due diligence. TSG compiles this data to analyze each portfolio company's industry, competitors, and other key data / performance metrics as described below.

TSG utilizes data from a variety of quality sources to arrive at its investment conclusions. This includes paid and unpaid information sources / databases, technological research, industry-specific literature, information within the public domain, and various other software technologies that TSG considers proprietary and does not disclose.



2. ANDURIL OVERVIEW

Anduril Industries, Inc. (“Anduril”) is a disruptive defense technology company that specializes in the design and manufacturing of cutting-edge military software and hardware. According to the company, **“Anduril Industries is on a mission to transform U.S. and allied military capabilities with advanced technology”**. Anduril’s defense products include sentry towers, unmanned aerial systems, autonomous underwater vehicles, and advanced artificial intelligence (“AI”) software touted as “the operating system” for the military. Currently, Anduril’s military systems are deployed for static locations, including military bases, encampments, and national borders. However, the company is expanding to offer its systems for on-demand military surveillance in active combat situations. Anduril also applies virtual and augmented reality technologies to both military training and active combat.

Founded in 2017, Anduril’s mission is to provide advanced defense technology products and systems to America and its allies. The company is the brainchild of CEO Brian Schimpf, COO Mathew Grimm, and Executive Chairman Trae Stephens (who are all former employees of another defense company, Palantir Technologies), Oculus product lead Joseph Chen, and Oculus Founder Palmer Luckey. Anduril garnered extensive media attention during the last presidential administration when the company was rumored to have been in talks to develop a high-tech “smart wall” that would have replaced a physical border wall with Mexico (the smart wall was projected to cost just 2% of the average of physical wall proposals). Since then, Anduril has experienced substantial success and was awarded contracts with multiple governmental agencies, including the US Marines, the US Air Force, the US Special Operations Command, Customs and Border Protection, the UK Royal Marines, the UK Ministry of Defense, and most recently, the Australian Defense Force (the company’s first foray into the Australian market). Following the significant success of its proprietary defense software system, Lattice, as well as its advanced unmanned aerial systems, Anduril has completed a series of highly publicized acquisitions to further strengthen its military product pipeline.

Anduril has been one of the most active acquirors over the last 18 months:

- April 2021: acquired Area-I, developer of ALTIUS unmanned aerial systems
- June 2021: raised a $450M funding round at a valuation of $4.5B
- July 2021: awarded a nearly $100M contract from the DoD to provide counter-drone system technology
- September 2021: acquired Copious Imaging, developer of advanced sensor technology
- January 2022: awarded a nearly $1B contract with the US Special Operations Command (“USSOCOM”). Anduril beat out 11 other bidders and will provide USSOCOM with its proprietary defense software, Lattice, both inside and outside of the continental US. Anduril will also be assisting USSOCOM with counter unmanned systems efforts such as autonomous detection, target tracking, and military threat alerts
- January 2022: acquired Dive Technologies, manufacturer of autonomous underwater vehicles

2. ANDURIL OVERVIEW (CONT'D)

Anduril is a true disruptor in the defense industry and recently claimed the #23 spot on the CNBC 2022 Top Disruptor list.

Anduril's suite of defense technology products is segmented between software and hardware:

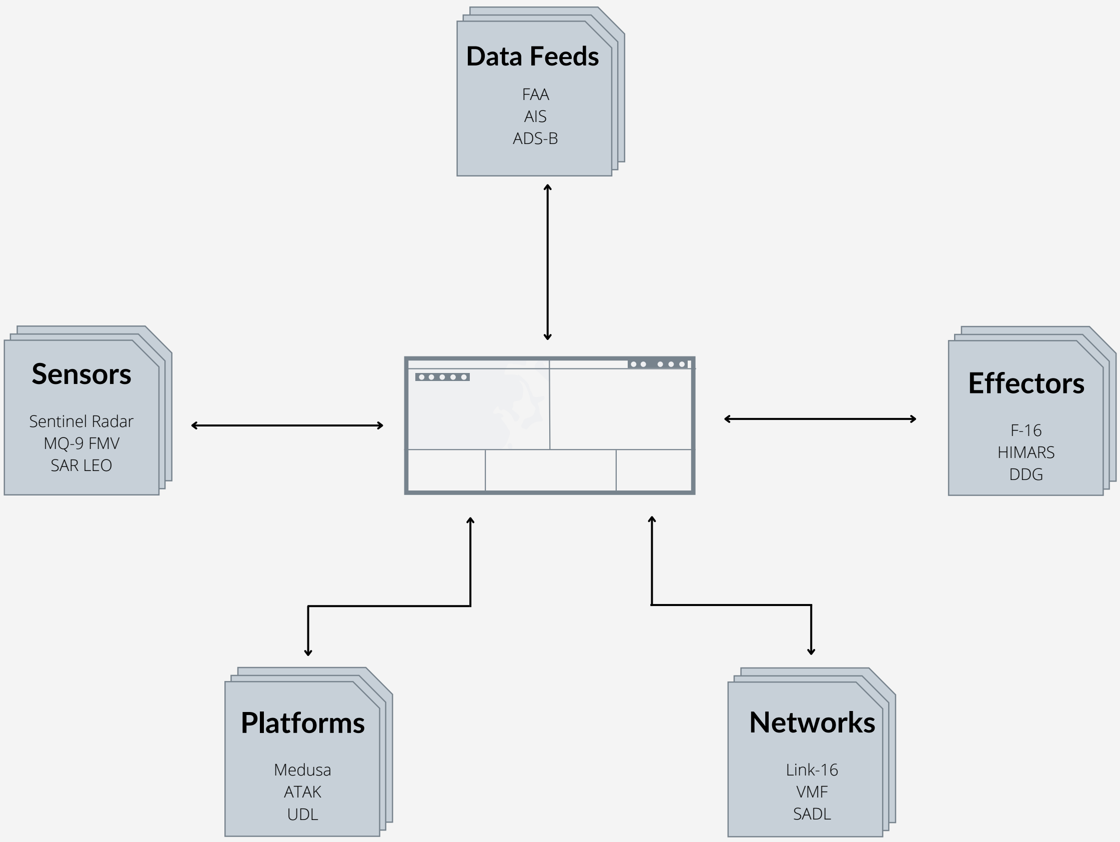
Software

Anduril built its cutting-edge reputation off the success of Lattice, the company's proprietary open architecture software that integrates Anduril's own products and third-party systems.

Lattice

Anduril's flagship product is an AI-focused operating system that incorporates sensor fusion, machine learning, and mesh networking to control autonomous systems. In simple terms, Lattice provides the ability to combine an array of military products (such as drones and sensor towers) into a single entity, allowing users to control all defense systems from one centralized platform. Lattice operates its own hardware and, importantly, provides the capability to connect to third-party hardware and systems.

The comprehensive, AI-powered Lattice system provides users with a significant military advantage and is the focal point of Anduril's entire product line. Essentially, Lattice provides the ability to control a multitude of technologies (both internal and external) from a single, centralized platform (a sort of "internet of things" for the military).



2. ANDURIL OVERVIEW (CONT'D)

Hardware

Anduril has made significant inroads in increasing the amount of military hardware that it offers directly to military clients. Anduril's hardware works off of the backbone of Lattice, connecting advanced hardware with cutting-edge AI software.

Unmanned Aerial System ("UAS")
Most people are already familiar with unmanned aerial vehicles ("UAV"): put simply, they're drones. Militaries utilize UAVs for several purposes, including reconnaissance, surveillance, and combat. A UAS, on the other hand, is comprised of an entire range of products, including the UAV itself, the operating software, the ground control system, and various other tools required for operations and maintenance. Connected and controlled by its proprietary Lattice system, Anduril's UAS products offer best-in-class real-time intelligence, surveillance, search-and-rescue, and reconnaissance capabilities.

1. Ghost: considered the most intelligent vertical take-off and landing ("VTOL") small UAS, the Ghost system features a near-silent tactical drone capable of operating for nearly two hours. Ghost systems are fully autonomous, even having the ability to cue other drones to continue an assigned mission if it detects faulty hardware as part of the complete aerial system. Controlled by the Lattice software platform, the Ghost UAS is extremely advanced and features an AI core that is nearly 100x faster than the computational speeds of other small UAS systems that are currently available on the defense market.
2. ALTIUS: an acronym for Agile-Launched, Tactically-Integrated, Unmanned System, ALTIUS is a family of UAS products that can be launched from the air, sea, and ground. Anduril's ALTIUS system came by way of the company's acquisition of Area-I, which currently operates as its own subsidiary within Anduril. This product combines Anduril's Lattice AI technology with Area-I's cutting-edge ALTIUS systems. ALTIUS drones can operate for up to 15 hours and can travel distances up to 600 miles. Because it utilizes Lattice's AI systems, Anduril's ALTIUS system (which includes the 500, 600, 700, and 900 platforms) is widely considered as one of the most formidable UAS' on the market.
3. Anvil: a counter unmanned aerial system ("CUAS") that is used to intercept and destroy drone threats. Anduril is currently refining its anti-drone technology even further to make larger, faster versions of Anvil that are capable of targeting small aircraft and cruise missiles.

Sensors
Anduril also provides a suite of surveillance and threat detection products:

1. Sentry Towers: deployable towers that use AI to autonomously detect threats across land, sea, and air. The towers are outfitted with radars, cameras, and software, and are capable of identifying motion within a 2 mile radius. These towers range in height from 9 feet to upwards of 30 feet.
2. WISP: Anduril's Wide-Area Infrared System is a flexible, non-detectable full motion sensor that provides threat detection and situational awareness.
3. DUST: a portable ground sensor for areas with limited visibility.

2. ANDURIL OVERVIEW (CONT'D)

Autonomous Underwater Vehicle (“AUV”)
With the recent acquisition of Dive Technologies, Anduril added the Dive-LD to its product suite. Dive-LD is a 19 foot long, 6,000 pound AUV that is capable of conducting ocean missions at depths of nearly 4 miles. Dive-LD can be utilized for undersea battlespace intelligence, anti-submarine warfare, surveillance and reconnaissance, and mine counter-warfare. The product also has practical commercial applications such as seafloor mapping as well as water survey and inspection.

Management Team

Anduril’s management team is the embodiment of everything the company represents: disruptive technology merging with defense. Two of Anduril’s co-founders joined from Oculus VR (one of the most successful VR startups in the world) and several members of its management team come from a hugely successful defense company, Palantir Technologies. Contributing to the stellar management is the financial backing of none other than Peter Thiel, successful Palantir and Facebook investor, and a Partner at Founders Fund. Through its highly respected management team and renowned investors, Anduril boasts the deep government connections that are key in the defense industry.

Palmer Luckey, Founder: Founder of Oculus VR, the maker of virtual reality headsets which was acquired by Facebook for $2.3B

Brian Schimpf, Co-Founder & CEO: formerly the Director of Engineering at Palantir Technologies

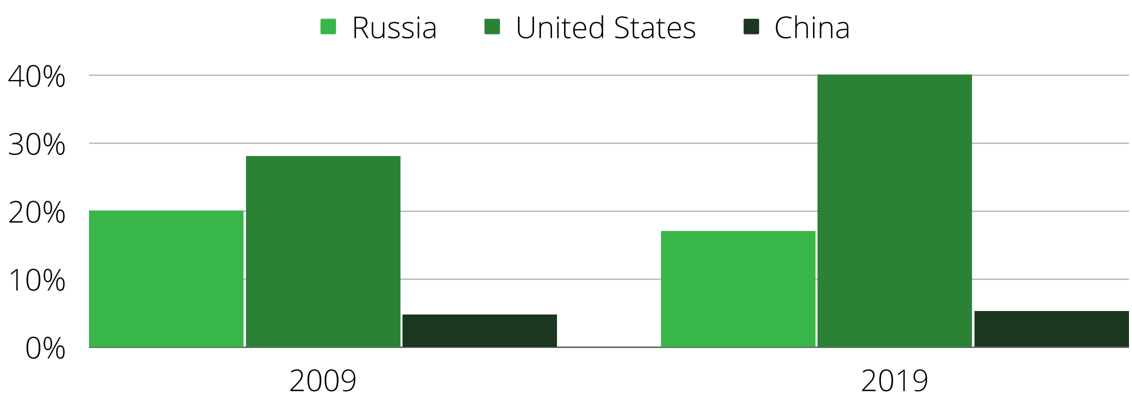
Trae Stephens, Co-Founder & Executive Chairman: Partner at venture capital firm, Founders Fund, and early employee at Palantir Technologies

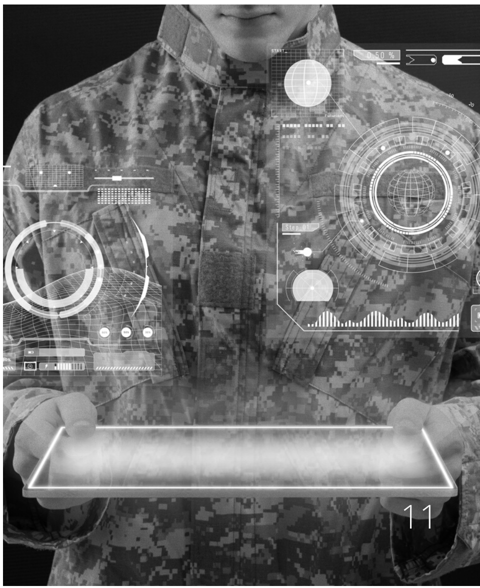
Matt Grimm, Co-Founder & COO: Early employee at Palantir Technologies and was a Principal at Mithril Capital Management. Previously a consultant for Booz Allen Hamilton and advisor to the Defense Intelligence Agency and the United States Navy

Joseph Chen, Co-Founder: Product Lead at Oculus VR

3. INDUSTRY AND COMPETITIVE LANDSCAPE

Anduril, and its management team to a greater extent, has built a reputation as a pro-military, pro-USA organization, a significant outlier when it comes to Silicon Valley and its predominantly consumer-tech focus. As for the broader defense industry, global military spending continues to increase and the United States still maintains its status as the largest purchaser of military goods and services in the world. The United States, along with Russia, are still the leading exporters of armed goods in the world. However, Russia has experienced a gradual decline in its global military export market share from 20% in 2009 to 17% in 2019, while the United States has seen an increase in its global market share from 28% in 2009 to nearly 40% in 2019. China, the world's third largest exporter of arms, represents a miniscule market share of only 5.2%, which is actually an increase from 4.7% in 2009.





3. INDUSTRY AND COMPETITIVE LANDSCAPE (CONT'D)

The “Big Six” of the defense industry (which includes Lockheed Martin, Boeing, Northrop Grumman, Raytheon, General Dynamics, and BAE Systems) spend an average of just 2.5% of their annual revenues on R&D, with 25 other mid-tier defense companies spending half as much on R&D as the Big Six. In fact, the R&D budgets of the Big Six are so small (relatively speaking) that they trail the Dow Jones’ average R&D spending. Further analysis of the Big Six’s R&D spending patterns shows a strong correlation to the research expenditure of the US Department of Defense (“DoD”). What exactly does this mean? Analysis suggests that the defense industry’s largest players rely on guidance from the DoD when it comes to innovation and research.

This is a major advantage for disruptors in the defense space like Anduril, who seek to take advantage of defense incumbents' inability to further innovation. Unlike the Big Six and other defense sector stalwarts, Anduril is not a traditional defense contractor. Instead, Anduril seeks to combine traditional defense with a constant focus on new generation technology. In other words, Anduril is disrupting the industry, much like Palantir Technologies was able to do with “Big Data” for military and law enforcement. Unlike Palantir, however, Anduril incorporates its proprietary AI software with its own hardware, potentially providing higher growth prospects.

While the sales multiples of large defense contractors has decreased considerably since the start of 2022 (an average of ~3x as of this IM’s release), forward-thinking military technology hybrids (like Palantir) still command a higher multiple (~15x as of this release), implying a continued appetite for companies that are focused on innovation. Anduril is well-positioned to command a higher valuation due to a combination of strong catalysts, including innovative products and services, disruptive efforts in the defense sector, a strong management team, its ability to effortlessly raise capital, and, ultimately, the continued strong appetite for next generation military technology by the United States and its allies.

Prior to 2022, the United States was already positioned to continue its reign as the world’s dominant military purchaser and exporter. With Russia’s invasion of Ukraine and the growing tensions with North Korea and China, the US is poised to maintain its status as the global superpower regarding military spending. Taken in tandem with market trends, the future appears bullish for Anduril and its outlook going forward.

4. COMPANY AND RELATED DATA

Below is a breakdown Anduril's financial health, its ability to remain a going concern as it continues to scale, and other variables which contribute to the value of the overall enterprise.

4A: KEY INFORMATION

Legal Name: Anduril Industries, Inc.
Headquarters: Irvine, CA USA
Year Founded: 2017
Industry: Aerospace and Defense
Verticals: Artificial Intelligence, VR
Number of Employees: 950
Current VC Stage: Later-Stage

Est. Valuation: 7B
Est. Revenue: $100-$500M
Total Funding: $830M
Recent Funding Date: June 2021
Recent Funding Amount: $450M
Recent Valuation Step-up: 1.4x
Avg. Valuation Step-up: 1.3x

4B: CAPITAL RAISING HISTORY

#	Deal Type	Date	Amount	Raised to Date	Pre-Val	Post-Val	Status	Stage
7	Later Stage VC (Series E)	27-Apr-2022					Rumor/Speculation	Generating Revenue
6	Later Stage VC (Series D)	17-Jun-2021	$450.00M	$835.10M	$4.15B	$4.60B	Completed	Generating Revenue
5	Grant	10-Sep-2020	$36.00M	$385.10M			Completed	Generating Revenue
4	Later Stage VC (Series C)	01-Jul-2020	$200.00M	$385.10M	$1.70B	$1.90B	Completed	Generating Revenue
3	Early Stage VC (Series B)	11-Sep-2020	$126.00M	$185.10M	$900.00M	$1.03B	Completed	Generating Revenue
2	Early Stage VC (Series A)	18-May-2018	$41.00M	$58.50M	$209.00M	$250.00M	Completed	Generating Revenue
1	Seed Round	25-Aug-2017	$17.50M	$17.50M	$80.00M	$97.50M	Completed	Startup

Financials are estimates based on available data and correlate to Anduril's last round of financing

4C: INVESTORS

VALOR EQUITY PARTNERS

137 VENTURES

THE SPAVENTA GROUP

FOUNDERS FUND

andreessen horowitz

*Either primary or secondary investors

4D. ACQUISITIONS / SUBSIDIARIES

Jan 2022: Dive Technologies - manufacturer of autonomous underwater vehicles
Sep 2021: Copious Imaging - an advanced sensor technology company
Apr 2021: Area-I - drone technology company used by the US Army, Air Force, Navy, NASA, and US Special Operations Command

4E: INTELLECTUAL PROPERTY

As part of the valuation process, TSG considers any intellectual property which could provide a substantial competitive advantage in any of its primary industries. IP, particularly in the tech industry, can strengthen its “competitive moat” and ultimately contribute to valuation growth.

Total Patents: **6 (excluding subsidiaries)**

Anduril’s list of patents encompass various technologies for its proprietary Lattice system in addition to sensor and battery technology, and UAV and counter UAV systems.

4F. EMPLOYMENT DATA

Employment data should not be disregarded when conducting investment due diligence, whether investigating a company in its infancy, or analyzing a large, established enterprise. Though employment data is not directly indicative of the value a company may provide investors, this data can be useful in valuing a company from a holistic perspective. It is important to keep in mind that a company's employees are in the best position to intimately know the company's operations and culture.

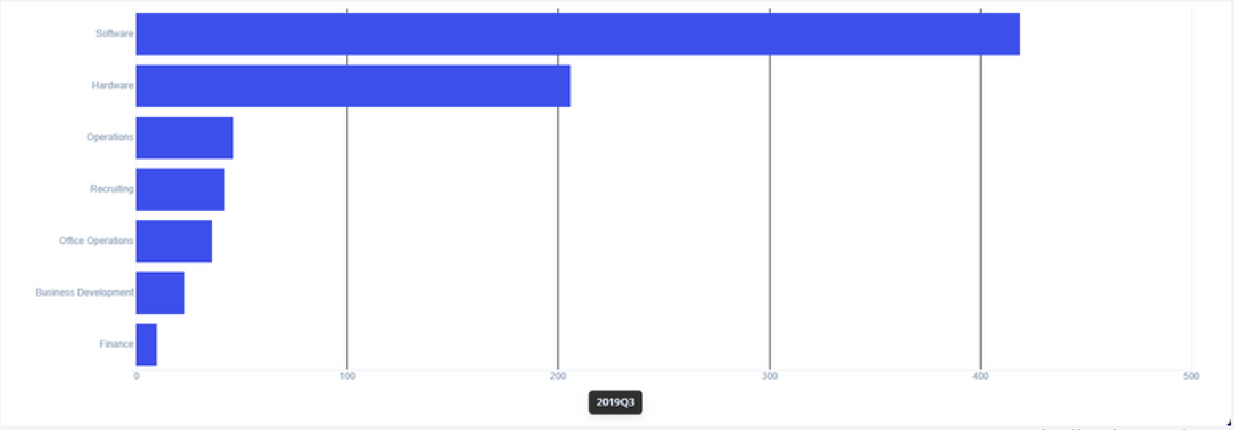
In its employment data analysis, TSG monitors the following data:

1. Exhibit 4F(A) - Employee Growth: total employee growth measured as an absolute number between 2019 and 2022
2. Exhibit 4F(B) - Job Posting Growth : total growth of the number of job openings and new job titles
3. Exhibit 4F(C) - Employment Network Research: actual conversations viewed and overall employee sentiment in relation to other technology jobs

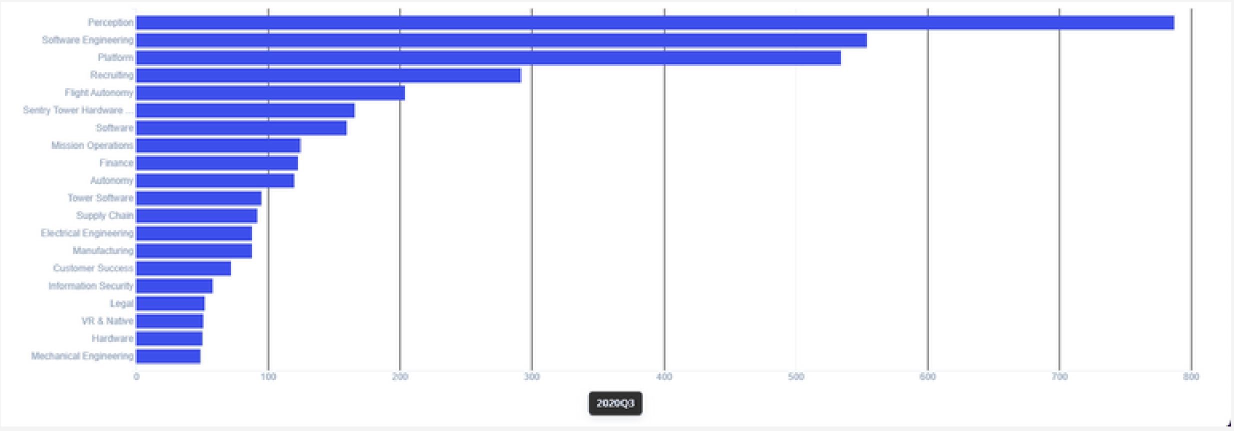
EXHIBIT 4F(A). ANDURIL EMPLOYEE GROWTH

Observation: Anduril has experienced substantial growth in its workforce over the last three years. Our data shows 91 employees in August 2019 with an increase of 695% to 724 as of May 2022 (representing a doubling of its employee headcount on an annual basis).

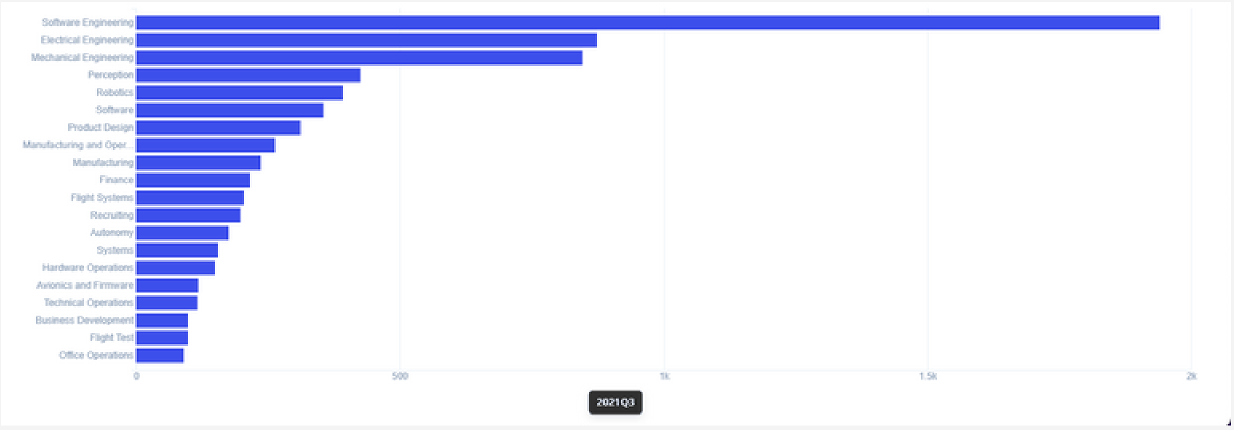
EXHIBIT 4F(B). JOB POSTING GROWTH



2019 Q3: Anduril Job Postings



2020 Q3: Anduril Job Postings



2021 Q3: Anduril Job Postings

Observation: Anduril began 2019 by focusing its recruiting efforts in just seven dominant fields (mostly hardware and software positions). Since then, Anduril has expanded its scope nearly three-fold to include more engineering, robotics, recruiting, and operations positions. The combination of an expanded scope of job listings with increasing employee headcount points to healthy growth for the company.

EXHIBIT 4F(C). EMPLOYMENT DISCUSSION RESEARCH

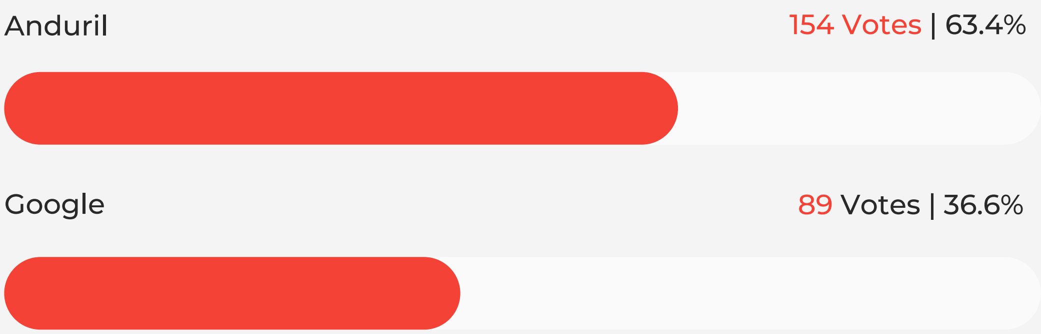
To compile this data, TSG monitored posts with several thousand views and comments. Combined, these posts have experienced engagement north of 20,000 individuals, signaling a nice base case for sentiment of professionals with industry experience.

> Anduril has dozens of ex-pltr OGs that left to be here instead. I'm not aware of anyone who's gone the other direction. That was a big factor in my own decision to turn down a palantir offer.

Observation: one of many comments comparing the advantages of being employed with Anduril as opposed to other tech companies like Palantir Technologies.

> Anduril without question. Anduril is SWE so you'll be working on core backend and infra services rather than on explaining exisiting products with customers. Anduril recently raised a huge new round despite the ongoing market downturn and will likely 2-3x in the next few years.

Observation: another software engineer commenting on the attractive long-term outlook of Anduril.



Observation: of the 243 tech professionals surveyed, 63.4% would prefer to be employed at Anduril versus Google.

5. CURRENT INVESTOR SENTIMENT

Unless stated otherwise, the below information is based off of the last 12 months of data

Level of Interest: Anduril has fluctuated between being in the top 5% and top 20% ranking in total interest

Bid% of Volume: an average of 94% of total volume is attributable to open bids for secondary shares, representing significantly more demand for shares than there are sellers (an extremely bullish sentiment). There were only three months dating back to April 2021 where bids as a percentage of total volume fell below 90%. 62% of total volume is due to demand - a bullish signal

Price Discovery[1]: best bids for the 12 month period have ranged from $12 to $29.50, excluding SPV or brokerage fees. Asks for secondary shares have seen prices as high as the mid-$30s. With a Series D round of financing at $12.29 / share valuing Anduril at $4.9B, secondary pricing action has seen asks at a valuation as high as $14B, with the best bid at a valuation of $12B. Note: secondary shares are typically priced at a premium to last known funding rounds / valuations in the private market

Search Trends: Anduril does not maintain significant awareness as a well-known, late-stage venture-backed company as of yet. Taken in tandem with other metrics, TSG does not see this as problematic due to the covert nature of the defense industry and companies that operate within it

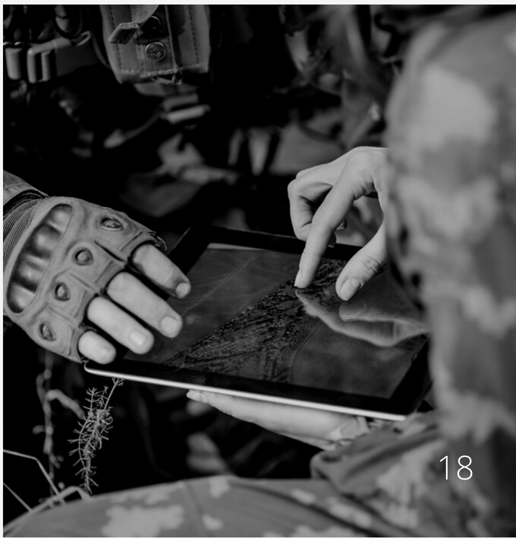
Social Investor Awareness: to provide an accurate representation of social sentiment regarding Anduril as an investment, TSG monitored the following over a 12 -month period (May 2021 to May 2022):

1. **Exhibit 5A: Mentions by Source:** which sources mentioned Anduril and any variation of "investment"

2. **Exhibit 5B: Twitter Analytics:** Twitter remains a valuable source of news and commentary, particularly in the world of finance and investing. TSG segments Twitter from other sources and monitors the reach and impressions of mentions[2]

3. **Exhibit 5C: Twitter Professions:** which types of profiles are tweeting about Anduril; a good measure of the quality of conversations to make sure more sophisticated accounts are mentioning the company

4. **Exhibit 5D: Other Twitter Data:** includes the amount of Twitter accounts that have tweeted, percentage of accounts that are verified and the top 5 locations where most of these mentions occur[3]

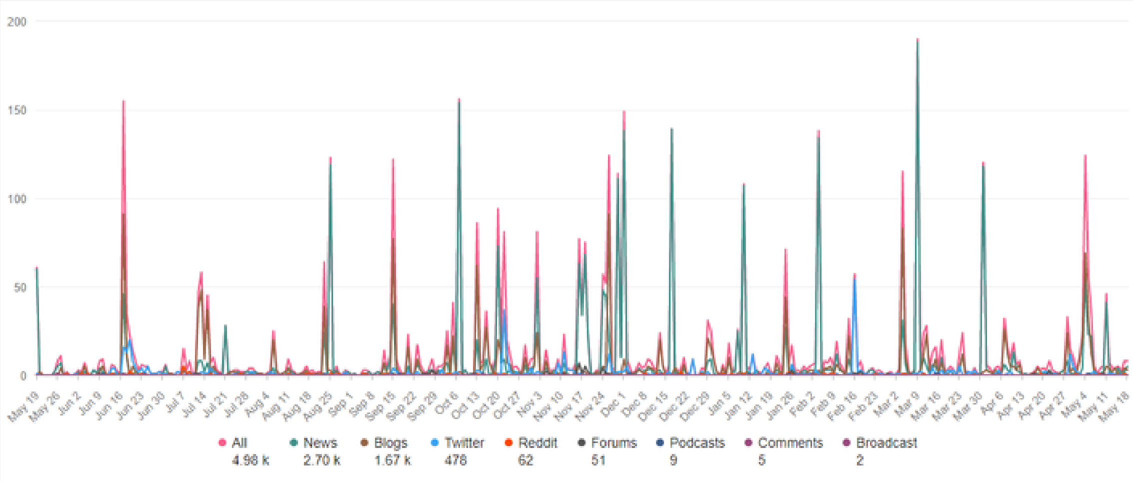


[1] We utilize data provided from a partnership with one of the world's largest exchanges for private market secondary shares when referencing concrete numbers; we use a "range" when referencing this data in addition to our professional network

[2] Mentions are the amount of times Anduril and variations of "invest'" are mentioned; Reach is the amount of other accounts this mention will reach; Impressions is the amount of times this mention will be viewed once the mention reaches the account

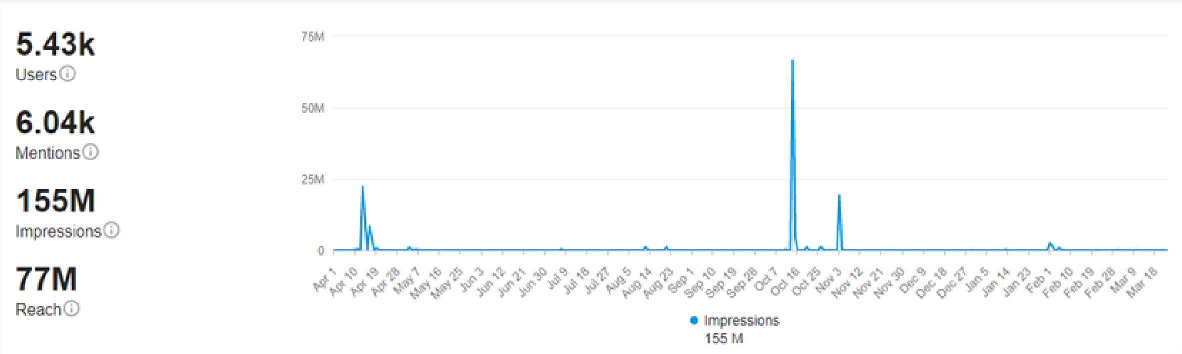
[3] Verified Twitter accounts are prominent accounts such as celebrities, companies, etc. The majority of Verified Accounts have a large amount of followers and a greater reach

EXHIBIT 5A. MENTIONS BY SOURCE



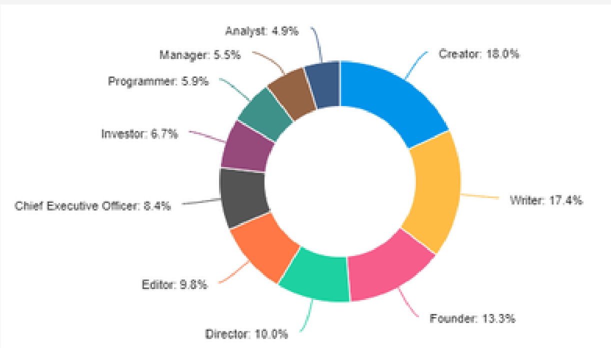
Observation: Blogs and News sources account for 87% of all mentions of Anduril with a variation of the word “investment”.

EXHIBIT 5B. TWITTER ANALYTICS



Observation: 6k mentions had a reach of 77M accounts with 155M impressions; this is bullish for the company’s investor awareness as these metrics are expected to increase with the announcement of an IPO or other liquidity event. A larger conversation = larger awareness = larger awareness amongst the investment community = potentially more inflow of investment dollars

EXHIBIT 5C.



Observation: Most accounts belong to the more sophisticated investor-type.

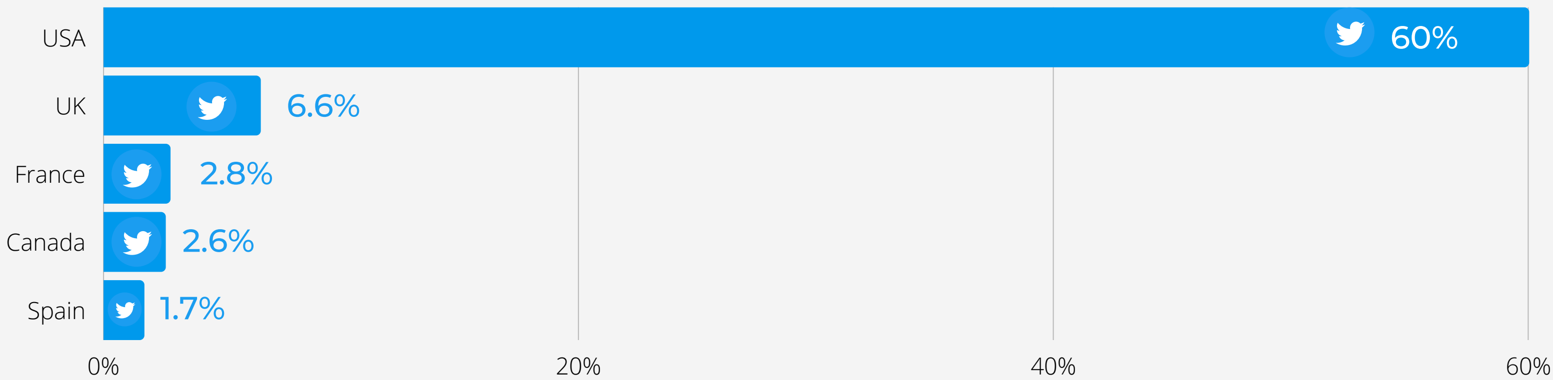
EXHIBIT 5D. OTHER TWITTER DATA

3.5%

Percentage Verified Twitter Accounts

5.3K

Number of Twitter Accounts Mentioning Anduril



From this data, TSG confidently concludes that Anduril maintains substantial investor awareness (especially for a private entity). Awareness is expected to surge if / when Anduril becomes publicly traded.

Note: TSG has studied the effects of these and other "social sentiment" metrics on past IPOs, and has found the results consistent and significant enough to warrant them becoming a part of TSG's overarching investment thesis. TSG has omitted some data points to protect its investment strategy.

6. RISKS AND MITIGANTS

- RISK: Defense Budgets May Decrease
  - Mitigant: The US DoD (one of Anduril's major clients) has increased its defense budget every year since 2015. Defense spending in the US is projected to increase every year from now until 2032, with defense outlays in the US amounting to $742B in 2021 and expected to increase up to $998B in 2032. With the war in Ukraine and tensions rising around the world, there is little reason to believe that defense spending will decrease in any capacity for the foreseeable future. With the US DoD's increasing focus on innovation and technology, Anduril is perfectly placed to take advantage of the projected growth in defense spending.

- RISK: Comparison to Entrenched Defense Companies
  - Mitigant: Anduril has clearly established itself as a disruptor and innovator in defense technology and products. As stated earlier in this IM, the Big Six and other large defense players move at a glacial pace when it comes to new product launches and landscape-altering technology, devoting less than 2.5% of annual revenues to R&D. Anduril is in a completely different category with its AI-focused Lattice software and revolutionary hardware extensions. It is highly unlikely that educated investors will see Anduril as "just another defense company" given its history / management team, dedicated focus on innovation, and its ability to combine defense with cutting-edge technology.

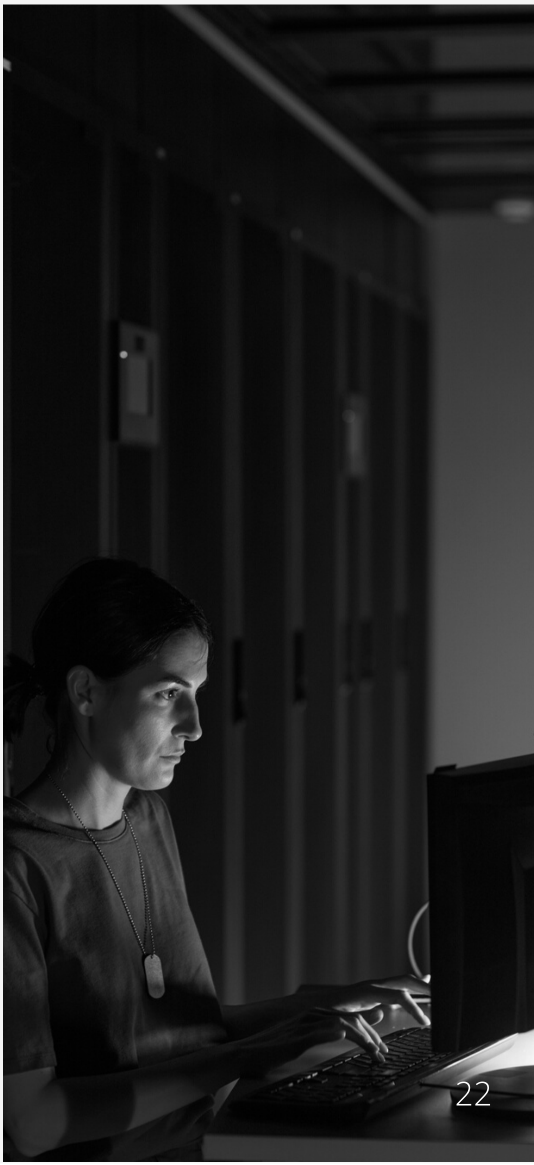
- RISK: Competition from Other Defense Start-ups and Disruptors
  - Mitigant: While the possibility exists that other disruptors could emerge in the defense sector, it is unlikely in the short to medium term. Anduril became a disruptor itself via a "perfect storm" of factors: highly advanced proprietary technology, experienced management team with deep ties to the US government and DoD, and comprehensive military software that integrates third party systems and provides a "one-stop-shop" for defense logistics. It is unlikely that a similar disruptor emerges, particularly given Anduril's swift integration into US defense systems.

- RISK: Current Geopolitical Events and Their Effects on the Markets
  - Mitigant: The war between Russia and Ukraine continues. Taken in tandem with rising inflation, supply chain issues, and extreme volatility in the global public markets, there exist concerns that current geopolitical conditions could potentially affect Anduril's ability to go public in the near term. That said, although Anduril is a relatively young company (it was founded in 2017), it participates in an industry that is notoriously hard to disrupt…and Anduril has already done that with their technology and long-term contracts with the US government and other clients. Even if current global events continue to roil the markets, Anduril can select the optimal timing for an IPO a little further down the road.

7. INVESTMENT SCENARIOS

In its investment analysis and due diligence process, TSG considers a wide range of potential outcomes. After extensive research and analysis, TSG posits the following potential outcomes for an investment in Anduril:

- Base Case: In this most likely investment scenario, TSG projects that Anduril will achieve a $21B valuation within 5 years after listing publicly via an IPO. This would entail a 200%+ ROI for TSG Limited Partners
- Downside Case: In a conservative / low-growth scenario, TSG projects that Anduril will achieve a $15B valuation within 5 years after listing publicly via an IPO. This would entail a 100%+ ROI for TSG Limited Partners
- Upside Case: In an aggressive / high-growth scenario, TSG projects that Anduril will achieve a $38B valuation within 5 years after listing publicly via an IPO. This would entail a 400%+ ROI for TSG Limited Partners



8. INVESTMENT THESIS

At the time of this IM's release (Summer 2022), the U.S. public equity market is experiencing the type of severe volatility that has not been seen since the beginning of the covid pandemic. Several factors have had a detrimental effect on the public markets (punishing growth-focused companies in particular), including the Russian invasion of Ukraine, the continued global supply crunch, and rising inflation. Many high-flying superstars of the past few years have experienced significant valuation cuts, with some company valuations even being cut in half over this timeframe.

Fortunately, Anduril does not fit this bill.

While the markets have been punishing unprofitable companies that are hemorrhaging cash, Anduril (along with another 2022 TSG portfolio company, Epic Games) remains a significant outlier, having raised significant capital during one of the largest market downturns of the past decade (a bullish sentiment for the company's valuation). The market is finally waking up to the fact that many companies, both private and public, do not warrant their overblown valuations.

Not only has Anduril raised significant capital during this market downturn, but the catalysts that are outlined within this IM have combined with a growing appetite within the defense sector to created ample opportunity for Anduril to not only succeed, but flourish. The Big Six defense contractors, along with other mid-tier defense companies, are notorious for lacking the innovation required to adjust to the times and assist the US in continuing its dominance as the global defense superpower.

Anduril's position as a defense industry leader, innovator and disruptor, has created strong demand for the company's shares within the private market. TSG anticipates that this demand will continue in the public market*. Additionally, geopolitical situations such as Russia's invasion of Ukraine and growing tensions with China and North Korea have created a massive opportunity for a cutting-edge defense enterprise like Anduril.

As a forward-thinking disruptor and leader in the defense industry, TSG believes that Anduril can command higher valuation multiples than the Big Six "dinosaurs" that lack the vision and initiative to progress the United States' efforts to incorporate new, innovative technologies into its defense systems. Until 2019, the US utilized physical floppy disks to manage its nuclear arsenal – just one example of the lack of innovation of defense incumbents. Another "interesting" fact: the 10 largest defense contractors comprise over 80% of the industry's overall revenues and approximately 2/3 of major weapons systems contracts have only *one* bidder. Anduril has already begun securing top-notch contracts as a relative newcomer to the defense industry (it was recently awarded a nearly $1B contract by the DoD), which provides clear evidence of Anduril's ability to carve out a significant portion of the massive overall market.

* This scenario assumes that Anduril goes public

8. INVESTMENT THESIS (CONT'D)

Major competitive advantages for Anduril include:

- Delivering superior technology at a fraction of the cost to the government / clients
- Increased speed-to-market, with products introduced in months (as opposed to incumbents that can take upwards of *16 years*)*
- A management team that maintains deep ties to the government, providing it with a significant advantage over other defense startups
- The influx of ex-Palantir employees (a defense-tech company which at its height traded at over 400% above its IPO price and over 800% above its trailing 12-month private secondary market price prior to going public) in addition to overall employee / recruit sentiment that prefers Anduril over other tech companies
- Combining new defense hardware products with next generation technology like artificial intelligence and machine learning

Anduril's inclusion within our TSG Strategic Secondary Fund is the result of our management team securing interest in the company at a discount to the prevailing private secondary market rate at the time of indication submission. As such, TSG's Limited Partners will be investing in the company at a discount to the prevailing private market rate (typically signaling an attractive investment as you are investing at a lower price point).

TSG believes with the continued growth track / execution of Anduril and its management team, our Limited Partners will be able to realize a healthy gain if / when the company goes public and the possible early investor lock-up period expires. TSG believes that the growing focus on defense industry players (and more specifically, disruptors) will be a major catalyst for Anduril's continued valuation growth. Please note that TSG's broader investment strategy is long-term ownership and we believe that Anduril's long-term growth prospects are superior to other late stage, VC-backed companies.

Note: although TSG encourages long-term ownership, our Limited Partners may hold / sell as they please once their interest in our fund(s) is converted to underlying shares.

* In 2018, Secretary of Research and Engineering, Mike Griffin, stated that on average, it takes the US 16 years to bring a defense idea to operation

THE SPAVENTA
GROUP

Society is currently in the golden age of technology, with exciting, unprecedented advancements sprouting forth seemingly every day. This golden age of technology has brought with it an exponential growth in wealth building opportunities in the financial services sector. TSG is a leader in finding these opportunities.

Our services are exclusively for accredited investors