UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

(Mark One)

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

For the Quarterly Period Ended March 31, 2021

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: 001-38228

Maxar Technologies Inc.

Delaware	**83-2809420**
(State or jurisdiction of incorporation)	(IRS Employer Identification Number)
1300 W. 120th Avenue, Westminster, Colorado	**80234**
(Address of principal executive offices)	(Zip Code)

303-684-7660

(Registrant's telephone number, including area code)

N/A

(Former name, former address and former fiscal year, if changed since last report)

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common stock par value of $0.0001 per share	MAXR	New York Stock Exchange Toronto Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act 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 Act). Yes ☐ No ☒

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

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

As of April 26, 2021, there were 71,862,210 shares of the registrant's common stock, at $0.0001 par value, outstanding, and zero shares of the registrant's Series A Junior Participating Preferred Stock, at par value $0.01 per share, outstanding.

Maxar Technologies Inc.
Quarterly Report on Form 10-Q
For the period ended March 31, 2021

Item Number

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PART I. FINANCIAL INFORMATION

MAXAR TECHNOLOGIES INC.

Unaudited Condensed Consolidated Statements of Operations
(In millions, except per share amounts)

	Three Months Ended March 31, 2021	Three Months Ended March 31, 2020
Revenues:		
Product	$ 142	$ 107
Service	250	274
Total revenues	392	381
Costs and expenses:		
Product costs, excluding depreciation and amortization	148	145
Service costs, excluding depreciation and amortization	93	93
Selling, general and administrative	84	68
Depreciation and amortization	74	90
Impairment loss	—	14
Operating loss	(7)	(29)
Interest expense, net	78	49
Other income, net	(1)	(3)
Loss before taxes	(84)	(75)
Income tax expense	—	2
Equity in loss from joint ventures, net of tax	—	1
Loss from continuing operations	(84)	(78)
Income from discontinued operations, net of tax	—	30
Net loss	$ (84)	$ (48)
Basic net income (loss) per common share:		
Loss from continuing operations	$ (1.30)	$ (1.30)
Income from discontinued operations, net of tax	—	0.50
Basic net loss per common share	$ (1.30)	$ (0.80)
Diluted net income (loss) per common share:		
Loss from continuing operations	$ (1.30)	$ (1.30)
Income from discontinued operations, net of tax	—	0.50
Diluted net loss per common share	$ (1.30)	$ (0.80)

See accompanying notes to the Unaudited Condensed Consolidated Financial Statements.

MAXAR TECHNOLOGIES INC.

Unaudited Condensed Consolidated Statements of Comprehensive (Loss) Income
(In millions)

	Three Months Ended March 31, 2021	Three Months Ended March 31, 2020
Net loss	$ (84)	$ (48)
Other comprehensive income (loss), net of tax:		
Foreign currency translation adjustments	(1)	(49)
Unrealized gain (loss) on interest rate swaps	6	(15)
Gain on pension and other postretirement benefit plans	1	1
Other comprehensive income (loss), net of tax	6	(63)
Comprehensive loss, net of tax	$ (78)	$ (111)

See accompanying notes to the Unaudited Condensed Consolidated Financial Statements.

MAXAR TECHNOLOGIES INC.
Unaudited Condensed Consolidated Balance Sheets
(In millions)

	March 31, 2021	December 31, 2020
Assets		
Current assets:		
Cash and cash equivalents	$ 22	$ 27
Trade and other receivables, net	318	327
Inventory	38	31
Advances to suppliers	27	24
Prepaid and other current assets	58	59
Total current assets	463	468
Non-current assets:		
Orbital receivables, net	339	361
Property, plant and equipment, net	889	883
Intangible assets, net	867	895
Non-current operating lease assets	156	163
Goodwill	1,627	1,627
Other non-current assets	84	86
Total assets	$ 4,425	$ 4,483
Liabilities and stockholders' equity		
Current liabilities:		
Accounts payable	$ 104	$ 115
Accrued liabilities	77	65
Accrued compensation and benefits	76	105
Contract liabilities	284	278
Current portion of long-term debt	8	8
Current operating lease liabilities	41	41
Other current liabilities	48	51
Total current liabilities	638	663
Non-current liabilities:		
Pension and other postretirement benefits	189	192
Contract liabilities	1	1
Operating lease liabilities	151	158
Long-term debt	2,098	2,414
Other non-current liabilities	101	119
Total liabilities	3,178	3,547
Commitments and contingencies		
Stockholders' equity:		
Common stock ($0.0001 par value, 240 million common shares authorized; 71.7 million and 61.2 million outstanding at March 31, 2021 and December 31, 2020, respectively)	—	—
Additional paid-in capital	2,207	1,818
Accumulated deficit	(847)	(763)
Accumulated other comprehensive loss	(114)	(120)
Total Maxar stockholders' equity	1,246	935
Noncontrolling interest	1	1
Total stockholders' equity	1,247	936
Total liabilities and stockholders' equity	$ 4,425	$ 4,483

See accompanying notes to the Unaudited Condensed Consolidated Financial Statements.

MAXAR TECHNOLOGIES INC.

Unaudited Condensed Consolidated Statements of Cash Flows
(In millions)

	Three Months Ended March 31, 2021	Three Months Ended March 31, 2020
Cash flows (used in) provided by:		
Operating activities:		
Net loss	$ (84)	$ (48)
Income from operations of discontinued operations, net of tax	—	30
Loss from continuing operations	(84)	(78)
Adjustments to reconcile net income (loss) to net cash (used in) provided by operating activities:		
Impairment loss	—	14
Depreciation and amortization	74	90
Amortization of debt issuance costs and other non-cash interest expense	4	4
Stock-based compensation expense	11	3
Loss from early extinguishment of debt	41	—
Cumulative adjustment to SXM-7 revenue	25	—
Other	4	(1)
Changes in operating assets and liabilities:		
Trade and other receivables	3	47
Accounts payable and liabilities	(49)	(39)
Contract liabilities	6	(52)
Other	(8)	(1)
Cash provided by (used in) operating activities - continuing operations	27	(13)
Cash used in operating activities - discontinued operations	—	(2)
Cash provided by (used in) operating activities	27	(15)
Investing activities:		
Purchase of property, plant and equipment and development or purchase of software	(50)	(60)
Return of capital from discontinued operations	—	11
Cash used in investing activities - continuing operations	(50)	(49)
Cash used in investing activities - discontinued operations	—	(3)
Cash used in investing activities	(50)	(52)
Financing activities:		
Net proceeds of revolving credit facility	25	15
Repurchase of 2023 Notes, including premium	(384)	—
Net proceeds from issuance of common stock	380	—
Repayments of long-term debt	(2)	(7)
Settlement of securitization liability	(3)	(4)
Other	1	—
Cash provided by financing activities - continuing operations	17	4
Cash used in financing activities - discontinued operations	—	(15)
Cash provided by (used in) financing activities	17	(11)
Decrease in cash, cash equivalents, and restricted cash	(6)	(78)
Cash, cash equivalents, and restricted cash, beginning of year	32	109
Cash, cash equivalents, and restricted cash, end of period	$ 26	$ 31
Reconciliation of cash flow information:		
Cash and cash equivalents	$ 22	$ 27
Restricted cash included in prepaid and other current assets	4	1
Restricted cash included in other non-current assets	—	3
Total cash, cash equivalents, and restricted cash	$ 26	$ 31

See accompanying notes to the Unaudited Condensed Consolidated Financial Statements.

MAXAR TECHNOLOGIES INC.

Unaudited Condensed Consolidated Statements of Changes in Stockholders' Equity
(In millions)

Three months ended March 31, 2021:

	Common Stock		Additional	Accumulated	Accumulated other	Noncontrolling	Total stockholders'
	Shares	Amount	paid-in capital	Deficit	comprehensive income (loss)	interest	equity
Balance as of December 31, 2020	61.2	$ —	$ 1,818	$ (763)	$ (120)	$ 1	$ 936
Common stock issuance, net of transaction fees	10.0	—	380	—	—	—	380
Common stock issued under employee stock purchase plan	0.1	—	2	—	—	—	2
Equity classified stock-based compensation expense	0.4	—	7	—	—	—	7
Dividends ($0.01 per common share)	—	—	—	—	—	—	—
Comprehensive loss	—	—	—	(84)	6	—	(78)
Balance as of March 31, 2021	71.7	$ —	$ 2,207	$ (847)	$ (114)	$ 1	$ 1,247

Three months ended March 31, 2020:

	Common Stock		Additional	Accumulated	Accumulated other	Noncontrolling	Total stockholders'
	Shares	Amount	paid-in capital	Deficit	comprehensive income (loss)	interest	equity
Balance as of December 31, 2019	59.9	$ —	$ 1,784	$ (1,064)	$ 41	$ 1	$ 762
Common stock issued under employee stock purchase plan	0.2	—	2	—	—	—	2
Equity classified stock-based compensation expense	—	—	4	—	—	—	4
Dividends ($0.01 per common share)	—	—	—	—	—	—	—
Comprehensive loss	—	—	—	(48)	(63)	—	(111)
Balance as of March 31, 2020	60.1	$ —	$ 1,790	$ (1,112)	$ (22)	$ 1	$ 657

See accompanying notes to the Unaudited Condensed Consolidated Financial Statements.

MAXAR TECHNOLOGIES INC.
Notes to the Unaudited Condensed Consolidated Financial Statements
(Tabular amounts in millions of United States dollars, except per share amounts)

1. GENERAL BUSINESS DESCRIPTION

Maxar Technologies Inc. (the "Company" or "Maxar") is a partner and innovator in Earth Intelligence and Space Infrastructure. Maxar delivers value to government and commercial customers to help them monitor, understand and navigate our changing planet; deliver global broadband communications; and explore and advance the use of space. The Company's approach combines decades of deep mission understanding and a proven commercial and defense foundation to deploy solutions and deliver insights with speed, scale and cost effectiveness. Maxar's stock trades on the New York Stock Exchange and Toronto Stock Exchange under the symbol "MAXR."

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The Unaudited Condensed Consolidated Financial Statements include the accounts of Maxar Technologies Inc., and all consolidated subsidiary entities. The Company's Unaudited Condensed Consolidated Financial Statements have been prepared in accordance with U.S. GAAP, and the rules and regulations of the U.S. Securities and Exchange Commission ("SEC"). All intercompany balances and transactions are eliminated on consolidation.

The Company's Unaudited Condensed Consolidated Financial Statements are presented in U.S. dollars and have been prepared on a historical cost basis, except for certain financial assets and liabilities including derivative financial instruments which are stated at fair value. References to "C$" refer to Canadian currency.

The Unaudited Condensed Consolidated Financial Statements should be read in conjunction with the Company's annual audited consolidated financial statements and notes thereto included in the Company's most recent Annual Report on Form 10-K filed with the SEC. Unless otherwise indicated, amounts provided in the Notes to the Unaudited Condensed Consolidated Financial Statements pertain to continuing operations (See Note 3 for information on discontinued operations). Certain amounts in the prior year financial statements have been reclassified to conform to the current year presentation. In management's opinion, all adjustments of a normal recurring nature that are necessary for a fair statement of the accompanying Unaudited Condensed Consolidated Financial Statements have been included.

Use of estimates, assumptions and judgments

The preparation of the Unaudited Condensed Consolidated Financial Statements in accordance with U.S. GAAP requires the Company to make estimates and judgments that affect the reported amounts of assets and liabilities and the disclosure of contingencies at the reporting date, as well as the reported amounts of revenues and expenses during the reporting period. Estimates have been prepared using the most current and best available information; however, actual results could differ materially from those estimates.

Purchase Price Allocation

On July 1, 2020, the Company closed the acquisition of Vricon, Inc. During the three months ended March 31, 2021, the Company finalized the purchase price allocation related to the acquisition. There were no adjustments from the preliminary purchase price allocation determined as of December 31, 2020.

Recent Accounting Guidance Not Yet Adopted

Reference Rate Reform

In March 2020, FASB issued ASU 2020-04, Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting ("ASU 2020-04"), which together with subsequent amendments is intended to provide temporary optional expedients and exceptions to the U.S. GAAP guidance on contract modifications and hedge accounting to ease the financial reporting burdens related to the expected market transition from the London Interbank Offered Rate and other interbank offered rates to alternative reference rates. This guidance was effective beginning on March 12, 2020, and the Company may elect to apply the amendments prospectively through December 31, 2022. The Company expects that it will elect to apply some of the expedients and exceptions in ASU 2020-04. However, the Company is still evaluating the guidance and the impact that adoption of ASU 2020-04 will have on the Company's financial statements.

3. **DISCONTINUED OPERATIONS**

On April 8, 2020, the Company completed the sale of the Company's former Canadian subsidiary ("MDA Business"), to Neptune Acquisition Inc., a corporation existing under the laws of the Province of British Columbia and an affiliate of Northern Private Capital Ltd. ("MDA Purchaser"), for an aggregate purchase price of $729 million (C$1.0 billion) ("MDA Transaction"). The Company recognized an after-tax gain on disposal of discontinued operations of $317 million, net of $12 million in taxes, on the MDA Transaction for the year ended December 31, 2020. The operating results and cash flows related to the MDA Business are reflected as discontinued operations in the Unaudited Condensed Consolidated Statements of Operations and the Unaudited Condensed Consolidated Statements of Cash Flows for the three months ended March 31, 2020. There was no activity within discontinued operations for the three months ended March 31, 2021.

In addition, the Company and the MDA Purchaser entered into a Transition Services Agreement pursuant to which the MDA Purchaser would receive certain services ("Services"). The Services were provided based on an agreed upon fee arrangement through April 8, 2021.

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Notes to the Unaudited Condensed Consolidated Financial Statements
(Tabular amounts in millions of United States dollars, except per share amounts)

Income from discontinued operations, net of tax for the MDA Business in the Unaudited Condensed Consolidated Statement of Operations consists of the following:

	Three Months Ended March 31, 2020
Revenues:	
Product	$ 39
Service	36
Total revenues	75
Costs and expenses:	
Product costs, excluding depreciation and amortization	34
Service costs, excluding depreciation and amortization	21
Selling, general and administrative	13
Depreciation and amortization	4
Impairment loss	12
Operating loss	(9)
Interest expense, net	1
Other income, net [1]	(36)
Income before taxes	26
Income tax benefit	(4)
Income from discontinued operations, net of tax	$ 30

[1] Other income, net includes the $39 million recovery of the previously recorded liability in relation to the Company's dispute with a customer for the three months ended March 31, 2020.

4. TRADE AND OTHER RECEIVABLES, NET

	March 31, 2021	December 31, 2020
Billed	$ 158	$ 181
Unbilled	111	95
Total trade receivables	269	276
Orbital receivables, current portion	49	49
Other	1	3
Allowance for doubtful accounts	(1)	(1)
Trade and other receivables, net	$ 318	$ 327

During the first quarter of 2021, the Company reduced its outstanding receivables related to the SXM-7 satellite for the final milestone and expected orbital payments of $15 million and $14 million, respectively.

The Company had orbital receivables from 14 customers for which the largest customer's value represents 22% and 19% of the stated balance sheet value as of March 31, 2021 and December 31, 2020, respectively.

As of March 31, 2021 and December 31, 2020, non-current orbital receivables, net of allowance for expected credit losses were $339 million and $361 million, respectively.

MAXAR TECHNOLOGIES INC.
Notes to the Unaudited Condensed Consolidated Financial Statements
(Tabular amounts in millions of United States dollars, except per share amounts)

The changes in allowance for expected credit losses related to non-current orbital receivables for the three months ended March 31, 2021, consist of the following:

	Orbital Receivables Allowance
Allowance as of December 31, 2020	$ (49)
Additions	—
Allowance as of March 31, 2021	$ (49)

Securitization liabilities as of March 31, 2021 and December 31, 2020, are as follows:

	March 31, 2021	December 31, 2020
Current portion	$ 14	$ 14
Non-current portion	44	47
Total securitization liabilities	$ 58	$ 61

5. INVENTORY

	March 31, 2021	December 31, 2020
Raw materials	$ 27	$ 22
Work in process	11	9
Inventory	$ 38	$ 31

6. PROPERTY, PLANT AND EQUIPMENT, NET

	March 31, 2021	December 31, 2020
Satellites	$ 397	$ 397
Equipment	213	207
Computer hardware	91	78
Leasehold improvements	82	81
Furniture and fixtures	15	15
Construction in process[1]	579	572
Property, plant and equipment, at cost	1,377	1,350
Accumulated depreciation	(488)	(467)
Property, plant and equipment, net	$ 889	$ 883

1 Construction in process is primarily related to the construction of the Company's WorldView-Legion satellite constellation.

Depreciation expense for property, plant and equipment was $23 million and $24 million for the three months ended March 31, 2021 and 2020, respectively.

MAXAR TECHNOLOGIES INC.
Notes to the Unaudited Condensed Consolidated Financial Statements
(Tabular amounts in millions of United States dollars, except per share amounts)

7. INTANGIBLE ASSETS

	March 31, 2021			December 31, 2020		
	Gross carrying value	Accumulated amortization	Net carrying value	Gross carrying value	Accumulated amortization	Net carrying value
Customer relationships	$ 615	$ (157)	$ 458	$ 615	$ (146)	$ 469
Technologies	369	(228)	141	369	(211)	158
Software	320	(135)	185	298	(125)	173
Backlog	129	(87)	42	129	(79)	50
Image library	80	(61)	19	80	(58)	22
Trade names and other	38	(16)	22	38	(15)	23
Intangible assets	$ 1,551	$ (684)	$ 867	$ 1,529	$ (634)	$ 895

Amortization expense related to intangible assets was $51 million and $66 million for the three months ended March 31, 2021 and 2020, respectively.

8. LONG-TERM DEBT AND INTEREST EXPENSE, NET

	March 31, 2021	December 31, 2020
Syndicated Credit Facility:		
Revolving Credit Facility	$ 25	$ —
Term Loan B	1,444	1,444
2023 Notes	500	850
2027 Notes	150	150
Deferred financing	30	32
Debt discount and issuance costs	(47)	(57)
Obligations under finance leases and other	4	3
Total long-term debt	2,106	2,422
Current portion of long-term debt	(8)	(8)
Non-current portion of long-term debt	$ 2,098	$ 2,414

The Company’s senior secured syndicated credit facility (“Syndicated Credit Facility”) is composed of: (i) a senior secured first lien revolving credit facility in an aggregate capacity of up to $500 million maturing in December 2023 (“Revolving Credit Facility”) and (ii) a senior secured first lien term B facility in an original aggregate principal amount of $2.0 billion maturing in October 2024 (“Term Loan B”).

The maximum consolidated debt leverage ratios permitted under the Original Syndicated Credit Facility are 7.50x at the end of each fiscal quarter until the fiscal quarter ending September 30, 2021, 7.25x at the end of each fiscal quarter thereafter until the quarter ending September 30, 2022, 6.25x at the end of each fiscal quarter thereafter until the fiscal quarter ending March 31, 2023, and 5.50x for each fiscal quarter thereafter (subject to a 0.25x reduction in each maximum level upon a disposition of a business line for greater than $500 million).

The Revolving Credit Facility includes an aggregate $200 million sub limit under which letters of credit can be issued. As of March 31, 2021 and December 31, 2020, the Company had $25 million and $31 million, respectively, of issued and undrawn letters of credit outstanding under the Revolving Credit Facility.

(Tabular amounts in millions of United States dollars, except per share amounts)

In December 2019, the Company issued $1.0 billion in principal amount of 9.75% Senior Secured Notes due 2023 ("2023 Notes"). The 2023 Notes were offered and sold to qualified institutional buyers in the U.S. pursuant to Rule 144A and outside the U.S. pursuant to Regulation S under the Securities Act of 1933, as amended. The 2023 Notes were issued at a price of 98% and are recorded as long-term debt in the consolidated financial statements. The 2023 Notes bear interest at the rate of 9.75% per year, payable semi-annually in cash in arrears, which interest payments commenced in June 2020.

On June 25, 2020, the Company repurchased $150 million aggregate principal amount of its 9.75% Senior Secured Notes due 2023 ("2023 Notes") using proceeds from the MDA Transaction. The 2023 Notes were repurchased ("2023 Notes Repurchase") at approximately 112.45% of the principal amount thereof, subject to customary closing conditions.

On June 25, 2020, the Company issued $150 million in principal amount of 7.54% Senior Secured Notes due 2027 ("2027 Notes"). The 2027 Notes were offered and sold to qualified institutional buyers in the U.S. pursuant to Rule 144A and outside the U.S. pursuant to Regulation S under the Securities Act of 1933, as amended. The 2027 Notes were issued at a price of 98.25% and bear interest at the rate of 7.54% per annum, payable semi-annually in cash in arrears, for which interest payments commenced December 2020. The 2027 Notes are guaranteed on a senior secured basis by each of the Company's existing and future subsidiaries that guarantee the Syndicated Credit Facility and the 2023 Notes.

The Company accounted for the 2027 Notes and 2023 Notes Repurchase as debt modifications. As a result, the 12.45% premium paid on the repurchase of the $150 million of 2023 Notes is accounted for as an incremental discount that is amortized over the life of the 2027 Notes. Separately, the previously incurred unamortized debt discount and debt issuance costs are amortized over the remaining life of the outstanding 2023 Notes.

On March 26, 2021, the Company redeemed $350 million aggregate principal of its 2023 Notes using a portion of the net proceeds from the common stock offering ("Offering"). The Company paid premiums of approximately $34 million related to the early redemption. This resulted in a loss on debt extinguishment of $41 million for the three months ended March 31, 2021, which is included as part of Interest expense, net within the Unaudited Condensed Consolidated Statements of Operations. See Note 10 for additional details on the Offering.

Interest expense, net on long-term debt and other obligations is as follows:

	Three Months Ended March 31,	
	2021	2020
Interest on long-term debt	$ 44	$ 54
Loss on debt extinguishment	41	—
Interest on orbital securitization liability	1	1
Imputed interest and other	1	—
Interest expense on advance payments from customers	—	2
Capitalized interest	(9)	(8)
Interest expense, net	$ 78	$ 49

9. FINANCIAL INSTRUMENTS AND FAIR VALUE DISCLOSURES

Factors used in determining the fair value of financial assets and liabilities are summarized into three categories in accordance with ASC 820 - Fair Value Measurements:

Level 1: Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities

MAXAR TECHNOLOGIES INC.
Notes to the Unaudited Condensed Consolidated Financial Statements
(Tabular amounts in millions of United States dollars, except per share amounts)

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)

Level 3: Inputs for the asset or liability that are based on unobservable inputs

The following tables present assets and liabilities that are measured at fair value on a recurring basis (at least annually) by level within the fair value hierarchy. A financial asset or liability's classification within the hierarchy is determined based on the lowest level input that is significant to the fair value measurement. The Company had no assets measured at fair value as of March 31, 2021 and December 31, 2020, respectively.

	Recurring Fair Value Measurements of as of March 31, 2021			
	Level 1	**Level 2**	**Level 3**	**Total**
Liabilities				
Interest rate swaps	$ —	$ 14	$ —	$ 14
Long-term debt[1]	—	2,157	—	2,157
	$ —	$ 2,171	$ —	$ 2,171

	Recurring Fair Value Measurements of as of December 31, 2020			
	Level 1	**Level 2**	**Level 3**	**Total**
Liabilities				
Interest rate swaps	$ —	$ 20	$ —	$ 20
Long-term debt[1]	—	2,556	—	2,556
	$ —	$ 2,576	$ —	$ 2,576

[1] Long-term debt excludes finance leases, borrowings under the Revolving Credit Facility, deferred financing and other and is carried at amortized cost. The outstanding carrying value was $2,047 million and $2,387 million at March 31, 2021 and December 31, 2020, respectively. The carrying value of borrowings under the Revolving Credit Facility approximates their fair value.

In April 2021 and 2022, the Company will have interest rate swap maturities of $500 million, respectively.

The Company determines fair value of its derivative financial instruments based on internal valuation models, such as discounted cash flow analysis, using management estimates and observable market-based inputs, as applicable. Management estimates include assumptions concerning the amount and timing of estimated future cash flows and application of appropriate discount rates. Observable market-based inputs are sourced from third parties and include interest rates and yield curves, currency spot and forward rates and credit spreads, as applicable.

The Company determines fair value of long-term debt that is actively traded in the secondary market using external pricing data, including any available quoted market prices and other observable inputs from available market information. For debt that is not actively traded in the secondary market, the fair value is based on the Company's indicative borrowing cost derived from dealer quotes or discounted cash flows.

Cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities are all short-term in nature; therefore, the carrying value of these items approximates their fair value.

There were no transfers into or out of each of the levels of the fair value hierarchy during the periods ended March 31, 2021 and December 31, 2020.

MAXAR TECHNOLOGIES INC.
Notes to the Unaudited Condensed Consolidated Financial Statements
(Tabular amounts in millions of United States dollars, except per share amounts)

10. STOCKHOLDERS' EQUITY

On March 22, 2021, the Company completed the Offering of 10 million shares of common stock, par value $0.0001 per share, at a public offering price of $40 per share. The Company received proceeds of $380 million, net of $20 million of transaction fees as of March 31, 2021.

As of March 31, 2021 and December 31, 2020, the Company had 2.4 million shares authorized and no shares outstanding of the Series A Preferred stock.

Changes in the components of Accumulated other comprehensive (loss) income are as follows:

	Foreign Currency Translation Adjustments	Unrealized Loss on Interest Rate Swaps	Loss on Pension and Other Postretirement Plans	Total Accumulated Other Comprehensive Loss
Balance as of December 31, 2020	$ 1	$ (20)	$ (101)	$ (120)
Other comprehensive (loss) income	(1)	6	1	6
Tax benefit (expense)	—	—	—	—
Balance as of March 31, 2021	$ —	$ (14)	$ (100)	$ (114)

11. REVENUE

On March 31, 2021, the Company had $1.8 billion of remaining performance obligations, which represents the transaction price of firm orders less inception-to-date revenues recognized. Remaining performance obligations generally exclude unexercised contract options and indefinite delivery/indefinite quantity contracts. The Company expects to recognize revenues relating to existing performance obligations of approximately $1.0 billion, $0.5 billion and $0.3 billion for the remaining nine months ended December 31, 2021, the year ending December 31, 2022 and thereafter, respectively.

Contract liabilities by segment are as follows:

As of March 31, 2021	Earth Intelligence	Space Infrastructure	Total
Contract liabilities	$ 42	$ 243	$ 285

As of December 31, 2020	Earth Intelligence	Space Infrastructure	Total
Contract liabilities	$ 45	$ 234	$ 279

The increase in contract liabilities is primarily due to cash received on a commercial contract in the Space Infrastructure segment in advance of services performed. The increase is partially offset by revenues recognized based upon the satisfaction of performance obligations.

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The Company's primary sources of revenues are as follows:

Three Months Ended March 31, 2021	Earth Intelligence	Space Infrastructure	Eliminations	Total
Product revenues	$ —	$ 142	$ —	$ 142
Service revenues	250	—	—	250
Intersegment	—	13	(13)	—
	$ 250	$ 155	$ (13)	$ 392

Three Months Ended March 31, 2020	Earth Intelligence	Space Infrastructure	Eliminations	Total
Product revenues	$ —	$ 107	$ —	$ 107
Service revenues	271	3	—	274
Intersegment	—	22	(22)	—
	$ 271	$ 132	$ (22)	$ 381

Certain of the Company's contracts with customers in the Space Infrastructure segment include a significant financing component since payments are received from the customer more than one year after delivery of the promised goods or services. The Company recognized orbital interest revenue of $7 million for both the three months ended March 31, 2021 and 2020, respectively, related to these contracts, which is included in product revenues.

Revenue in the Space Infrastructure segment is primarily generated from long-term construction contracts. Due to the long-term nature of these contracts, the Company generally recognizes revenue over time using the cost-to-cost method of accounting to measure progress. Under the cost-to-cost method of accounting, revenue is recognized based on the proportion of total costs incurred to estimated total costs-at-completion ("EAC"). An EAC includes all direct costs and indirect costs directly attributable to a program or allocable based on program cost pooling arrangements. Estimates regarding the Company's cost associated with the design, manufacture and delivery of products and services are used in determining the EAC. Changes to an EAC are recorded as a cumulative adjustment to revenue.

For the three months ended March 31, 2021, the Company recognized a $25 million cumulative adjustment to revenue related to the Sirius XM contract with Sirius XM Holdings Inc. ("Sirius XM"). This resulted primarily from adjusting the EAC transaction price for the amount of the final milestone and expected orbital payments due to the non-performance of the SXM-7 satellite and other adjustments. In addition to the cumulative adjustment, incremental costs of $3 million were incurred related to the SXM-7 recovery efforts during the three months ended March 31, 2021. See Note 4 for additional details regarding the adjustment to trade and other receivables.

The Company did not incur COVID-19 related EAC growth during the three months ended March 31, 2021, compared to $18 million of COVID-19 related EAC growth for the three months ended March 31, 2020. The Company's current estimates at completion on the Company's satellite manufacturing contracts assume, among other things, that the Company remains in a COVID-19 operating posture in the factories through the spring of 2021.

The Company has certain programs in the Space Infrastructure segment which contain significant development efforts that have experienced delays and cost growth primarily due to the complexity of the programs resulting in an overall loss position. During the three months ended March 31, 2021, the Company recorded $10 million in EAC adjustments on loss contracts. During the three months ended March 31, 2020, the Company recorded $19 million in EAC adjustments on a commercial satellite loss contract which included significant development efforts further delayed by COVID-19.

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Revenues based on the geographic location of customers are as follows:

	Three Months Ended March 31, 2021	2020
United States	$ 323	$ 302
Asia	22	27
Europe	15	18
Middle East	14	13
Australia	11	7
South America	2	9
Other	5	5
Total revenues	$ 392	$ 381

Revenues from significant customers are as follows:

Three Months Ended March 31, 2021	Earth Intelligence	Space Infrastructure	Eliminations	Total
U.S. federal government and agencies	$ 171	$ 66	$ —	$ 237
Commercial and other	79	89	(13)	155
Total revenues	$ 250	$ 155	$ (13)	$ 392

Three Months Ended March 31, 2020	Earth Intelligence	Space Infrastructure	Eliminations	Total
U.S. federal government and agencies	$ 199	$ 65	$ —	$ 264
Commercial and other	72	67	(22)	117
Total revenues	$ 271	$ 132	$ (22)	$ 381

The Company had revenues from a commercial customer in the Space Infrastructure segment that represented 19% of total revenues for the three months ended March 31, 2021. The revenues from this commercial customer in the Space Infrastructure segment were less than 10% of the Company's total revenues for the three months ended March 31, 2020.

12. SEGMENT INFORMATION

The Company's business is organized into two reportable segments: Earth Intelligence and Space Infrastructure. The Earth Intelligence reportable segment is a supplier of high-resolution space-based optical and radar imagery products and analytics. The Space Infrastructure reportable segment is a provider of Space Infrastructure that designs, builds, integrates and tests solutions for space-based communication satellites, on-orbit servicing, robotic assembly and space exploration.

The Company's Chief Operating Decision Maker ("CODM") measures the performance of each segment based on revenue and Adjusted EBITDA. Adjusted EBITDA is defined as earnings before interest, tax, depreciation and amortization ("EBITDA") adjusted for certain items affecting comparability as specified in the calculation. Certain items affecting comparability include restructuring, impairments, satellite insurance recovery, gain (loss) on sale of assets, CEO severance and transaction and integration related expense. Transaction and integration related expense includes costs associated with de-leveraging activities, acquisitions and dispositions and the integration of acquisitions. Corporate and other expenses include items such as corporate office costs, regulatory costs, executive and director compensation, foreign exchange gains and losses, and fees for audit, legal and consulting services.

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Intersegment sales are generally recorded at cost plus a specified margin, which may differ from what the segment may be able to obtain on sales to external customers.

The following table summarizes the operating performance of the Company's segments:

	Three Months Ended March 31, 2021	Three Months Ended March 31, 2020
Revenues:		
Earth Intelligence	$ 250	$ 271
Space Infrastructure	155	132
Intersegment eliminations	(13)	(22)
Total revenues	$ 392	$ 381
Adjusted EBITDA:		
Earth Intelligence	$ 107	$ 133
Space Infrastructure	(12)	(39)
Intersegment eliminations	(5)	(7)
Corporate and other expenses	(23)	(10)
Transaction and integration related expense	—	(1)
Impairment loss	—	(14)
Depreciation and amortization	(74)	(90)
Interest expense, net	(78)	(49)
Interest income [1]	1	1
Equity in income from joint ventures, net of tax	—	1
(Loss) income from continuing operations before taxes	$ (84)	$ (75)

[1] Included in Other (income) expense, net on the Unaudited Condensed Consolidated Statements of Operations.

The Company's capital expenditures are as follows:

Three Months Ended March 31, 2021	Earth Intelligence	Space Infrastructure	Corporate and Eliminations	Total
Capital expenditures:				
Property, plant and equipment	$ 13	$ 4	$ 9	$ 26
Intangible assets	20	—	4	24
	$ 33	$ 4	$ 13	$ 50

Three Months Ended March 31, 2020	Earth Intelligence	Space Infrastructure	Corporate and Eliminations	Total
Capital expenditures:				
Property, plant and equipment	$ 34	$ 3	$ 7	$ 44
Intangible assets	16	—	—	16
	$ 50	$ 3	$ 7	$ 60

Substantially all of the Company's long-lived tangible assets were in the United States as of March 31, 2021 and December 31, 2020.

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13. EMPLOYEE BENEFIT PLANS

The following table summarizes the components of net periodic benefit cost for the Company's pension plans:

	Three Months Ended March 31,	
	2021	2020
Interest cost	$ 3	$ 4
Expected return on plan assets	(7)	(6)
Amortization of net loss	1	—
Expenses paid	1	1
Net periodic benefit cost	$ (2)	$ (1)

Contributions

The funding policy for the Company's pension plans is to contribute at least the minimum required by applicable laws and regulations or to directly make benefit payments where appropriate. In December 2020, the Company prefunded approximately $16 million to its qualified pension plan. Due to the December 2020 prefunding, there are no further required contributions for the Company's qualified pension plan for the year ended December 31, 2021.

14. INCOME TAXES

For the three months ended March 31, 2021 and 2020, the effective tax rate on pre-tax continuing operations was 0.0% and (2.7)%, respectively. The effective tax rates for the three months ended March 31, 2021 and 2020 differ from the statutory U.S. federal income tax rate of 21.0% primarily due to the estimated Base Erosion and Anti-Abuse Tax, estimated permanent differences and changes in valuation allowance. The Company does not anticipate a significant change to the Company's gross unrecognized tax benefits within the next 12 months.

The Company assesses the deferred tax assets for recoverability on a quarterly basis. Based upon all available positive and negative evidence, the Company maintains a valuation allowance to reduce the net deferred tax asset to the amount that is more-likely-than-not realizable.

The Company computes an estimated annual effective tax rate ("AETR") each quarter based on the current and forecasted continuing operating results. The income tax expense or benefit associated with the interim period is computed using the most recent estimated AETR applied to the year-to-date ordinary income or loss, plus the tax effect of any significant or infrequently occurring items recorded during the interim period. The computation of the estimated AETR at each interim period requires certain estimates and significant judgments including, but not limited to, the expected operating income (loss) for the year, projections of the proportion of income earned and taxed in various jurisdictions, permanent differences and the likelihood of recovering deferred tax assets generated in the current year. The accounting estimates used to compute the provision for income taxes may change as new events occur and additional information becomes known or as the tax environment changes.

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15. NET INCOME (LOSS) PER COMMON SHARE

The following table includes the calculation of basic and diluted net income (loss) per common share:

	Three Months Ended March 31, 2021	Three Months Ended March 31, 2020
Loss from continuing operations	$ (84)	$ (78)
Income from discontinued operations, net of tax	—	30
Net loss	$ (84)	$ (48)
Weighted average number of common shares outstanding-basic	64.8	60.1
Weighted dilutive effect of equity awards	—	—
Weighted average number of common shares outstanding-diluted	64.8	60.1
Basic net income (loss) per common share:		
Loss from continuing operations	$ (1.30)	$ (1.30)
Income from discontinued operations, net of tax	—	0.50
Basic net loss per common share	$ (1.30)	$ (0.80)
Diluted net income (loss) per common share:		
Loss from continuing operations	$ (1.30)	$ (1.30)
Income from discontinued operations, net of tax	—	0.50
Diluted net loss per common share	$ (1.30)	$ (0.80)

The weighted average number of common shares outstanding for the three months ended March 31, 2021 includes 10 million shares of the Company's common stock issued in connection with the Offering. See Note 10 for further details.

For the three months ended March 31, 2021 and 2020 approximately 5 million and 4 million awards, respectively, were excluded from the diluted weighted average number of ordinary common shares outstanding calculation because their effect would have been anti-dilutive.

16. COMMITMENTS AND CONTINGENCIES

Contingencies in the Normal Course of Business

Satellite construction contracts may include performance incentives whereby payment for a portion of the purchase price of the satellite is contingent upon in-orbit performance of the satellite. The Company's ultimate receipt of orbital performance incentives is subject to the continued performance of its satellites generally over the contractually stipulated life of the satellites. A complete or partial loss of a satellite's functionality can result in loss of orbital receivable payments or repayment of amounts received by the Company under a warranty payback arrangement. The Company generally receives the present value of the orbital receivables if there is a launch failure or a failure caused by a customer error, but will forfeit some or all of the orbital receivables if the loss is caused by satellite failure or as a result of Company error. The Company recognizes orbital performance incentives in the financial statements based on the amounts that are expected to be received and believes that it will not incur a material loss relating to the incentives recognized. With respect to the Company's securitized liability for the orbital receivables, upon the occurrence of an event of default under the securitization facility agreement or upon the occurrence of limited events, the Company may be required to repurchase on demand any effected receivables at their then net present value.

The Company may incur liquidated damages on programs as a result of delays due to slippage, or for programs which fail to meet all milestone requirements as outlined within the contractual arrangements with customers. Losses on programs related to liquidated damages result in a reduction of revenue. Changes in estimates related to contracts accounted for using the cost-to-cost method of accounting are recognized in the period in which such changes are made for the inception-to-date effect of the changes. Unrecoverable costs on contracts that are expected to be incurred in future periods are recorded in program cost in the current period. Additionally, construction contracts may have termination for default clauses, which if triggered, could result in potential losses and legal disputes.

The Company enters into agreements in the ordinary course of business with resellers and others. Most of these agreements require the Company to indemnify the other party against third-party claims alleging that one of its products infringes or misappropriates a patent, copyright, trademark, trade secret or other intellectual property right. Certain of these agreements require the Company to indemnify the other party against claims relating to property damage, personal injury or acts or omissions by the Company, its employees, agents or representatives.

From time to time, the Company has made guarantees regarding the performance of its systems to its customers. Some of these agreements do not limit the maximum potential future payments the Company could be obligated to make. The Company evaluates and estimates potential losses from such indemnification based on the likelihood that the future event will occur. The Company has not incurred any material costs as a result of such obligations and has not accrued any liabilities related to such indemnification and guarantees in the Unaudited Condensed Consolidated Financial Statements.

The Company has entered into industrial cooperation agreements, sometimes referred to as offset agreements, as a condition to entering into contracts for its products and services from certain customers in foreign countries. These agreements are designed to return economic value to the foreign country and may be satisfied through activities that do not require a direct cash payment, including transferring technology and providing manufacturing, training and other consulting support to in-country projects. These agreements may provide for penalties in the event the Company fails to perform in accordance with offset requirements. The Company has historically not been required to pay any such penalties.

Risks and uncertainties related to COVID-19

The near and long-term impacts of the current pandemic on the cost and schedule of the numerous programs in the Company's existing backlog and the timing of new awards remain uncertain. The Company is observing stress in its supplier base inside and outside the U.S. and will continue to monitor and assess the actual and potential COVID-19 impacts on employees, customers, suppliers and the productivity of the work being done, all of which to some extent will affect revenues, estimated costs to complete projects, earnings and cash flow. The Company's current estimates at completion on the Company's satellite manufacturing contracts assume, among other things, that the Company remains in a COVID-19 operating posture in the Company's factories through the spring of 2021.

COVID-19 represents a force majeure event and as such, the Company has notified certain customers that it will be exercising its legal rights given the uncertain nature of the current pandemic and the near and long-term impacts on the cost and schedule of the numerous programs in the existing backlog.

Legal proceedings

On January 14, 2019, a Maxar stockholder filed a putative class action lawsuit captioned *Oregon Laborers Employers Pension Trust Fund, et al. v. Maxar Technologies Inc.*, No. 1:19-cv-00124-WJM-SKC in the United States District Court for the District of Colorado ("Colorado Action"), naming Maxar and members of management as defendants alleging, among other things, that the Company's public disclosures were deficient in violation of the federal securities laws and seeking monetary damages. On October 7, 2019, the lead plaintiff filed a consolidated amended complaint alleging violations of Sections 10(b) and 20(a) of the Securities Exchange Act of 1934 against the Company and members of management in connection with the Company's public disclosures between March 26, 2018 and January 6, 2019. The consolidated complaint alleges that the Company's statements regarding the AMOS-8 contract, accounting for its GEO communications assets, and WorldView-4 were allegedly false and/or misleading during the class period. On September 11, 2020, the court granted in part, and denied in part, defendants' motion to dismiss. Also, in January 2019, a Maxar stockholder resident in Canada issued a putative class action lawsuit captioned *Charles O'Brien v. Maxar Technologies Inc.*, No. CV-19-00613564-00CP in the Ontario Superior Court of Justice against Maxar and members of management claiming misrepresentations in Maxar's public disclosures and seeking monetary damages. On November 15, 2019, Mr. O'Brien and another Maxar stockholder resident in Canada issued a new putative class action lawsuit captioned *Charles O'Brien v. Maxar Technologies Inc.*, No. CV-19-00631107-00CP, naming Maxar and certain members of management and the board of directors as defendants as well as Maxar's auditor, KPMG LLP. On February 7, 2020, the January 2019 lawsuit was discontinued. The Statement of Claim alleges that the Company's statements regarding the AMOS-8 contract, accounting for its GEO communications assets, and WorldView-4 were false and/or misleading during the class period and claims damages of $700 million. On April 24, 2020, the plaintiffs served their motion record for leave under the Securities Act (Ontario) and to certify the action as a class proceeding, which motion is currently pending. The Company believes that these cases are without merit and intends to vigorously defend against them.

On October 21, 2019, a Maxar stockholder filed a putative class action lawsuit captioned *McCurdy v. Maxar Technologies Inc., et al.*, No. I9CV35070 in the Superior Court of the State of California, County of Santa Clara, naming Maxar, and certain members of management and the board of directors as defendants. The lawsuit alleges violations of Sections 11, 12(a)(2) and 15 of the Securities Act of 1933 in connection with the Company's June 2, 2017 Registration Statement and prospectus filed in anticipation of its October 5, 2017 merger with DigitalGlobe, Inc. On April 30, 2020, the plaintiff filed an amended complaint alleging the same causes of action against the same set of defendants as set forth in his original complaint. The lawsuit is based upon many of the same underlying factual allegations as the Colorado Action. Specifically, the lawsuit alleges the Company's statements regarding its accounting methods and risk factors, including those related to the GEO communications business, were false and/or misleading when made. On January 24, 2021, the court granted in part, and denied in part, defendants' motion to dismiss. The Company believes that this lawsuit is without merit and intends to vigorously defend against it.

On November 14, 2019, a derivative action was filed against Maxar and certain current and former members of management and the board of directors in United States District Court for the District of Delaware, captioned as *Dorling, Derivatively on Behalf of Nominal Defendant Maxar Technologies Inc. v. Lance, et al.*, No. 19-cv-02134-UNA. On September 18, 2020, another purported derivative action was filed in the same court against Maxar and certain current and former members of management and the board of directors, captioned as *Golub, Derivatively on Behalf of Maxar Technologies Inc. v. Lance, et al.*, No. 20-cv-01251-UNA. Both complaints concern the same factual allegations as asserted in the Colorado Action. The court has consolidated and stayed both derivative cases.

The Company is a party to various other legal proceedings and claims that arise in the ordinary course of business as either a plaintiff or defendant. As a matter of course, the Company is prepared both to litigate these matters to judgment, as well as to evaluate and consider all reasonable settlement opportunities. The Company has established accrued liabilities for these matters where losses are deemed probable and reasonably estimable. The outcome of any of these other proceedings, either individually or in the aggregate, is not expected to have a material adverse effect on the Company's financial position, results of operations or liquidity. The Company expenses legal fees related to contingencies as incurred.

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17. SUPPLEMENTAL CASH FLOW

Selected cash payments and non-cash activities are as follows:

	Three Months Ended March 31,	
	2021	2020
Supplemental cash flow information:		
Cash paid for interest	$ 27	$ 51
Supplemental non-cash investing and financing activities:		
Accrued capital expenditures	13	19

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

This management's discussion and analysis ("MD&A") contains "forward-looking statements" as defined in Section 27A of the United States Securities Act of 1933, as amended, and Section 21E of the United States Securities Exchange Act of 1934, as amended ("Exchange Act"). Forward-looking statements usually relate to future events and anticipated revenues, earnings, cash flows or other aspects of our operations or operating results. Forward-looking statements are often identified by the words "believe," "expect," "anticipate," "plan," "intend," "foresee," "should," "would," "could," "may," "estimate," "outlook" and similar expressions, including the negative thereof. The absence of these words, however, does not mean that the statements are not forward-looking. These forward-looking statements are based on our current expectations, beliefs and assumptions concerning future developments and business conditions and their potential effect on us. While management believes that these forward-looking statements are reasonable as and when made, there can be no assurance that future developments affecting us will be those that we anticipate.

All of our forward-looking statements involve risks and uncertainties (some of which are significant or beyond our control) and assumptions that could cause actual results to differ materially from our historical experience and our present expectations or projections. Known material factors that could cause actual results to differ materially from those contemplated in the forward-looking statements include those set forth in Part II, Item 1A, *"Risk Factors"* and elsewhere in this MD&A. We caution you not to place undue reliance on any forward-looking statements, which speak only as of the date hereof. We undertake no obligation to publicly update or revise any of our forward-looking statements after the date they are made, whether as a result of new information, future events or otherwise, except to the extent required by law.

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Unless stated otherwise or the context otherwise requires, references to the terms "Company," "Maxar," "we," "us," and "our" refer collectively to Maxar Technologies Inc. and its consolidated subsidiaries.

OVERVIEW

We are a partner and innovator in Earth Intelligence and Space Infrastructure. We help government and commercial customers monitor, understand and navigate our changing planet; deliver global broadband communications; and explore and advance the use of space. Our approach combines decades of deep mission understanding and a proven commercial and defense foundation to deploy solutions and deliver insights with speed, scale and cost effectiveness. Our businesses are organized and managed in two reportable segments: Earth Intelligence and Space Infrastructure, as described below under "Segment Results".

Unless otherwise indicated, our significant accounting policies and estimates, contractual obligations, commitments, contingencies and business risks and uncertainties as described in our MD&A and consolidated financial statements for the year ended December 31, 2020, are substantially unchanged.

RECENT DEVELOPMENTS

Common stock offering

On March 17, 2021, we entered into an Underwriting Agreement with Goldman Sachs & Co. LLC as representative of the several underwriters listed therein ("Underwriting Agreement"), pursuant to which we agreed to sell, and the underwriters agreed to purchase, subject to certain terms and conditions, 10 million shares of our common stock and, at the option of the underwriters, an additional 1.5 million shares of our common stock. The Underwriting Agreement contains customary representations, warranties and agreements of the Company, conditions to closing, indemnification rights and obligations of the parties and termination provisions.

On March 22, 2021, we completed the public offering of 10 million shares of our common stock, par value $0.0001 per share, at a public offering price of $40 per share ("Offering"). We received proceeds of $380 million, net of $20 million of transaction fees as of March 31, 2021. We completed the Offering pursuant to the Underwriting Agreement. The underwriters did not exercise the option to purchase the additional 1.5 million shares of our common stock prior to the expiration of the option.

On March 26, 2021, we redeemed $350 million aggregate principal of our 2023 Notes using a portion of the net proceeds from the Offering. Additionally, we paid premiums of approximately $34 million related to the early redemption.

COVID-19 operational posture and current impact

We activated our standing pandemic crisis response plan to protect the health and safety of our team members, families, customers and communities while continuing to meet our commitments to customers. All our locations continue to operate through a combination of work from home and limited personnel working on-site for essential operations, though in some cases capacity utilization and productivity are below normalized levels. As aerospace manufacturing, communications and defense are federal critical infrastructure sectors, we are allowed to keep some of our workforce on-site to maintain critical operations. And in doing so, we continue to diligently follow safety protocols including social distancing, alternating shifts, temperature checks, deep cleaning and isolation strategies for essential personnel working at our sites. We continue to monitor and assess the actual and potential COVID-19 impacts on employees, customers, suppliers and the productivity of the work being done, all of which, to some extent, will affect revenues, estimated costs to complete projects, earnings and cash flow. Our current estimates at completion on our satellite manufacturing contracts assume, among other things, that we remain in a COVID-19 operating posture in our factories through the spring of 2021. Our results of operations for the three months ended March 31, 2021, were not materially impacted by COVID-19.

WorldView Legion satellite constellation construction update

We recently have encountered certain issues with component suppliers and subsystems related to our WorldView Legion satellite constellation, which could lead to launch and service delays from our expected timetable. We continue to anticipate a second half of 2021 launch date for our first two WorldView Legion satellites, but anticipate that these issues likely will push the launch into the fourth quarter of this year.

Segment Results

Our Chief Operating Decision Maker ("CODM") measures performance of our reportable segments based on revenue and Adjusted EBITDA. Our operating and reportable segments are: Earth Intelligence and Space Infrastructure.

Earth Intelligence

In the Earth Intelligence segment, we are a global leader in high resolution space-based Earth observation imagery products and analytics. We launched the world's first high resolution commercial imaging satellite in 1999 and currently operate a four-satellite imaging constellation, providing us with 20 years and 125 petabytes of imagery over our history (referred to as our "ImageLibrary") of the highest-resolution, commercially available imagery. Our imagery solutions provide customers with timely, accurate and mission-critical information about our changing planet and support a wide variety of government and commercial applications, including mission planning, mapping and analysis, environmental monitoring, disaster management, crop management, oil and gas exploration and infrastructure management. Our principal customers in the Earth Intelligence segment are U.S. and other international government agencies (primarily defense and intelligence agencies), as well as a wide variety of commercial customers in multiple markets. We are a market leader in the commercial satellite Earth observation industry.

We also provide geospatial services that combine imagery, analytic expertise and innovative technology to deliver intelligence solutions to customers. Our cleared developers, analysts and data scientists provide analytic solutions that accurately document change and enable geospatial modeling and analysis that help predict where events will occur. Our primary customer of geospatial services is the U.S. government, but we also support intelligence requirements for other U.S. allied governments, global development organizations and commercial customers.

Space Infrastructure

In the Space Infrastructure segment, we design, build, integrate and test solutions for space-based communications satellites, Earth observation, on-orbit servicing, robotic assembly and space exploration. We address a broad spectrum of needs for our customers, including mission systems engineering, product design, spacecraft manufacturing, assembly integration and testing. We provide advanced, reliable and affordable spacecraft that enable our commercial customers to deliver valuable global services. We are successfully partnering with the U.S. government in new space opportunities leveraging our high-performance spacecraft subsystems. Our principal customers in the Space Infrastructure segment are commercial satellite operators and government agencies worldwide.

RESULTS OF OPERATIONS

	Three Months Ended March 31,		$	%
	2021	2020	Change	Change
($ millions)				
Revenues:				
Product	$ 142	$ 107	$ 35	33 %
Service	250	274	(24)	(9)
Total revenues	392	381	11	3
Costs and expenses:				
Product costs, excluding depreciation and amortization	148	145	3	2
Service costs, excluding depreciation and amortization	93	93	—	-
Selling, general and administrative	84	68	16	24
Depreciation and amortization	74	90	(16)	(18)
Impairment loss	—	14	(14)	(100)
Operating loss	(7)	(29)	22	(76)
Interest expense, net	78	49	29	59
Other income, net	(1)	(3)	2	(67)
Loss before taxes	(84)	(75)	(9)	12
Income tax expense	—	2	(2)	(100)
Equity in loss from joint ventures, net of tax	—	1	(1)	(100)
Loss from continuing operations	(84)	(78)	(6)	8
Income from discontinued operations, net of tax	—	30	(30)	(100)
Net loss	$ (84)	$ (48)	$ (36)	75 %

Product and service revenues

	Three Months Ended March 31,		$	%
	2021	2020	Change	Change
($ millions)				
Product revenues	$ 142	$ 107	$ 35	33 %
Service revenues	250	274	(24)	(9)
Total revenues	$ 392	$ 381	$ 11	3 %

Total revenues increased to $392 million from $381 million, or by $11 million, for the three months ended March 31, 2021, compared to the same period of 2020. The increase was primarily driven by an increase in revenue in our Space Infrastructure segment partially offset by a decrease in revenue in our Earth Intelligence segment. The decrease was primarily driven by a $30 million decrease in the recognition of deferred revenue related to the EnhancedView Contract.

Further discussion of the drivers behind changes in revenues is included within the "Results by Segment" section below.

See Note 11, "Revenue" to the Unaudited Condensed Consolidated Financial Statements in Part I, Item 1, *"Financial Information"* for product and service revenue by segment.

Product and service costs

($ millions)	Three Months Ended March 31, 2021	Three Months Ended March 31, 2020	$ Change	% Change
Product costs, excluding depreciation and amortization	$ 148	$ 145	$ 3	2 %
Service costs, excluding depreciation and amortization	93	93	—	—
Total costs	$ 241	$ 238	$ 3	1 %

Total costs of product and services increased to $241 million from $238 million, or by $3 million, for the three months ended March 31, 2021, compared to the same period of 2020. The increase in costs was primarily driven by an increase in products costs within our Space Infrastructure segment.

Selling, general and administrative

($ millions)	Three Months Ended March 31, 2021	Three Months Ended March 31, 2020	$ Change	% Change
Selling, general and administrative	$ 84	$ 68	$ 16	24 %

Selling, general and administrative costs increased to $84 million from $68 million, or by $16 million, for the three months ended March 31, 2021, compared to the same period of 2020. The increase is primarily due to an increase in stock-based compensation expense and labor related expenses of $8 million, respectively. Stock-based compensation expense increased primarily due to a higher stock price which increased the fair market value of equity awards granted in addition to the incremental expense related to liability classified awards for the three months ended March 31, 2021. The increase in labor related expenses was primarily driven by an increase in headcount and employee compensation.

Depreciation and amortization

($ millions)	Three Months Ended March 31, 2021	Three Months Ended March 31, 2020	$ Change	% Change
Property, plant and equipment	$ 23	$ 24	$ (1)	(4)%
Intangible assets	51	66	(15)	(23)
Depreciation and amortization expense	$ 74	$ 90	$ (16)	(18)%

Depreciation and amortization expense decreased to $74 million from $90 million, or by $16 million, for the three months ended March 31, 2021, compared to the same period of 2020. The decrease was primarily driven by a decrease in amortization expense for backlog acquired as part of the acquisition of DigitalGlobe, Inc. on October 5, 2017. We recognized a full quarter of amortization expense for the three months ended March 31, 2020, compared to none for the three months ended March 31, 2021, as all of the U.S. government acquired backlog was fully amortized in October 2020. These decreases were partially offset by the inclusion of depreciation and amortization expense from property, plant and equipment and intangible assets acquired as part of Vricon, Inc. ("Vricon Acquisition") on July 1, 2020, compared to no such expense in the same period of 2020.

Impairment loss

	Three Months Ended March 31,						$ Change	% Change
	2021		2020					
($ millions)								
Impairment loss	$	—	$	14	$		(14)	(100)%

There were no impairment losses recorded for the three months ended March 31, 2021. For the three months ended March 31, 2020, the impairment loss of $14 million related to our orbital receivables. This impairment loss was primarily due to a decrease in credit ratings associated with our largest orbital customer.

Interest expense, net

	Three Months Ended March 31,						$ Change	% Change
	2021		2020					
($ millions)								
Interest expense:								
Interest on long-term debt	$	44	$	54	$		(10)	(19)%
Loss on debt extinguishment		41		—			41	*
Interest on orbital securitization liability		1		1			—	—
Imputed interest and other		1		—				*
Interest expense on advance payments from customers[1]		—		2			(2)	(100)
Capitalized interest		(9)		(8)			(1)	13
Interest expense, net	$	78	$	49	$		29	59 %

* Not meaningful.

[1] Under the EnhancedView Follow-On ("EnhancedView Contract"), we received advanced payments from the U.S. government during the construction phase of the WorldView-1 satellite, which was more than one year before capacity was made available to them. The effect of imputing interest on these advanced payments was to increase contract liabilities with an offsetting charge to interest expense. As capacity was provided to the customer, revenue was recognized and the contract liabilities balance decreased. There was no contract liability balance associated with our EnhancedView Contract as of March 31, 2021 and the remaining revenue was fully recognized as of August 31, 2020.

Interest expense, net increased to $78 million from $49 million, or by $29 million, for the three months ended March 30, 2021, compared to the same period in 2020. The increase was primarily due to a $41 million loss on debt extinguishment from the partial redemption of our 2023 Notes using proceeds from the Offering. The increase was partially offset by a $10 million decrease in interest on long-term debt primarily driven by a lower principal balance on Term Loan B due to repayments made on these borrowings in the second quarter of 2020.

Income tax expense

	Three Months Ended March 31,						$ Change	% Change
	2021		2020					
($ millions)								
Income tax (benefit) expense	$	—	$	2	$		(2)	(100)%

Income tax expense changed to $0 million from an expense of $2 million, or by $2 million, for the three months ended March 31, 2021, compared to the same period in 2020, primarily due to the estimated Base Erosion and Anti-Abuse Tax calculated for the three months ended March 31, 2020. During both comparative quarters, we have a valuation allowance recorded for the deferred tax assets that are more likely to not be recognized. In computing income tax expense for the three months ended March 31, 2021 and March 31, 2020, we applied the estimated AETR to the pre-tax loss and adjusted the valuation allowance accordingly.

Discontinued operations

	Three Months Ended March 31, 2021	Three Months Ended March 31, 2020	$ Change	% Change
($ millions)				
Income from discontinued operations, net of tax	$ —	$ 30	$ (30)	(100)%

There was no income from discontinued operations, net of tax for the three months ended March 31, 2021 as the MDA Business was disposed of in the second quarter of 2020. There was $30 million in income from discontinued operations, net of tax for the three months ended March 31, 2020 driven by a $39 million recovery of a previously recorded liability in relation to the Company's dispute with a Ukrainian customer. The recovery was partially offset by decreases in program margins driven by EAC growth and lower volumes and an impairment loss of $12 million related to MDA's investment in a privately held company.

RESULTS BY SEGMENT

We analyze financial performance by segments, which group related activities within our business. We report our financial performance based on two reportable segments: Earth Intelligence and Space Infrastructure. Intrasegment transactions have been eliminated from the segmented financial information discussed below.

	Three Months Ended March 31, 2021	Three Months Ended March 31, 2020	$ Change	% Change
($ millions)				
Revenues:				
Earth Intelligence	$ 250	$ 271	$ (21)	(8)%
Space Infrastructure	155	132	23	17
Intersegment eliminations	(13)	(22)	9	(41)
Total revenues	$ 392	$ 381	$ 11	3 %
Adjusted EBITDA:				
Earth Intelligence	$ 107	$ 133	$ (26)	(20)%
Space Infrastructure	(12)	(39)	27	(69)
Intersegment eliminations	(5)	(7)	2	(29)
Corporate and other expenses	(23)	(10)	(13)	130
Total Adjusted EBITDA	$ 67	$ 77	$ (10)	(13)%

Total Adjusted EBITDA is a non-GAAP measure. See *"Non-GAAP Financial Measures"* below for further discussion of Adjusted EBITDA disclosures.

Earth Intelligence

The following table provides selected financial information for the Earth Intelligence segment.

	Three Months Ended March 31, 2021	Three Months Ended March 31, 2020	$ Change	% Change
($ millions)				
Total revenues	$ 250	$ 271	$ (21)	(8)%
Adjusted EBITDA	$ 107	$ 133	$ (26)	(20)%
Adjusted EBITDA margin percentage	42.8 %	49.1 %		

For the three months ended March 31, 2021, Earth Intelligence segment revenues decreased to $250 million from $271 million, or by $21 million, compared to the same period in 2020. The decrease was primarily driven by a $30 million decrease in the recognition of deferred revenue related to the EnhancedView Contract. We recognized $30 million of deferred revenue from the EnhancedView Contract for the three months ended March 31, 2020, compared to none for the three months ended March 31, 2021, as it was fully recognized as of August 31, 2020. The decrease was partially offset by a $4 million increase in new commercial programs and a $4 million increase in revenue from international defense and intelligence customers.

Adjusted EBITDA decreased to $107 million from $133 million, or by $26 million, for the three months ended March 31, 2021, as compared to the same period of 2020. The decrease was primarily driven by a decrease in the recognition of revenue related to the EnhancedView Contract as mentioned above. The decrease was partially offset by higher margins due to a favorable program mix.

Space Infrastructure

The following table provides selected financial information for the Space Infrastructure segment.

	Three Months Ended March 31,		$	%
	2021	**2020**	**Change**	**Change**
($ millions)				
Total revenues	$ 155	$ 132	$ 23	17 %
Adjusted EBITDA	$ (12)	$ (39)	$ 27	(69)
Adjusted EBITDA margin percentage	(7.7)%	(29.5)%		

Changes in revenues from year to year are influenced by the size, timing and number of satellite contracts awarded in the current and preceding years and the length of the construction period for satellite contracts awarded. Revenues on satellite contracts are recognized using the cost-to-cost method of accounting to determine the percentage of completion over the construction period, which typically ranges between 20 to 36 months, and up to 48 months in certain situations. Adjusted EBITDA margins can vary from quarter to quarter due to the mix of our revenues and changes in our estimated total costs-at-completion (“EAC”) as our risks are retired and as our EACs are increased or decreased based on contract performance.

Revenues from the Space Infrastructure segment increased to $155 million from $132 million, or by $23 million, for the three months ended March 31, 2021, compared to the same period in 2020. Revenues increased primarily as a result of an increase in revenues from commercial programs of $37 million due to higher volumes related to new programs and lower EAC growth primarily due to no COVID-19 program impacts for the three months ended March 31, 2021. Revenues were negatively impacted by a $14 million decrease year over year related to our contract with Sirius XM Holdings Inc. (“Sirius XM”). The three months ended March 31, 2021, included a $25 million cumulative adjustment to revenue primarily related to the loss of final milestone and expected orbital payments due to the non-performance of the SXM-7 satellite and other adjustments. After exhausting efforts to fully recover the satellite and further discussions with Sirius XM, in April 2021, we made the determination to record the cumulative adjustment to revenue. In addition, there were $3 million of costs incurred in the first quarter related to attempts to repair and fully recover the SXM-7 satellite. The aggregate impact for the three months ended March 31, 2021, was $28 million which compares favorably to the previously disclosed potential exposure of $38 million. The $28 million decrease was partially offset by the non-reoccurrence of a $14 million adjustment to revenue due to the identification of a design anomaly on the commercial satellite program, which was recorded for the three months ended March 31, 2020.

Adjusted EBITDA changed to a loss of $12 million from a loss of $39 million, or by $27 million, for the three months ended March 31, 2021, compared to the same period of 2020. The increase in the Space Infrastructure segment was primarily related to a $44 million increase in commercial program margins due to new programs and fewer negative EAC impacts during the period as compared to the three months ended March 31, 2020, which included negative EAC impacts due to COVID-19. The increase in commercial program margins has been driven by a change in program mix related to the completion of less profitable programs offset by new, more profitable programs. These increases were partially offset by the $14 million reduction in revenue related to the above-mentioned SXM-7 satellite impacts.

Corporate and other expenses

Corporate and other expenses include items such as corporate office costs, regulatory costs, executive and director compensation, foreign exchange gains and losses, retention costs and fees for legal and consulting services.

Corporate and other expenses for the three months ended March 31, 2021 increased to $23 million from $10 million, or by $13 million, compared to the same period in 2020. The increase was driven by a $4 million increase in stock-based compensation expense primarily driven by a higher stock price and a $3 million increase in labor related expenses primarily driven by an increase in headcount and employee compensation related to the shift of our information technology function to corporate effective January 1, 2021, as we have centralized this function. The increase was also driven by a $2 million foreign exchange loss for the three months ended March 31, 2021, compared to a $2 million foreign exchange gain for the three months ended March 31, 2020.

Intersegment eliminations

Intersegment eliminations are related to projects between our segments, including our WorldView Legion satellite constellation. Intersegment eliminations have decreased to $5 million from $7 million, or by $2 million, for the three months ended March 31, 2021, compared to the same period in 2020, primarily related to a decrease in intersegment satellite construction activity.

BACKLOG

Our backlog by segment from continuing operations is as follows:

	March 31, 2021	December 31, 2020
($ millions)		
Earth Intelligence	$ 869	$ 880
Space Infrastructure	945	1,024
Total backlog	1,814	1,904
Unfunded contract options	865	856
Total	$ 2,679	$ 2,760

Order backlog, representing the estimated dollar value of firm contracts for which work has not yet been performed (also known as the remaining performance obligations on a contract), was $1.8 billion as of March 31, 2021 compared to $1.9 billion as of December 31, 2020. Order backlog generally does not include unexercised contract options and potential orders under indefinite delivery/indefinite quantity contracts.

Backlog in the Space Infrastructure segment is primarily comprised of multi-year awards, such as satellite builds. Fluctuations in backlog are driven primarily by the timing of large program wins. Backlog in the Earth Intelligence segment consists of both multi-year and annual contracts, which renew at various times throughout the year. As a result, the timing of when contracts are awarded and when option years are exercised may cause backlog to fluctuate significantly from period to period.

Although backlog reflects business that is considered to be firm, terminations, amendments or cancellations may occur, which could result in a reduction in our total backlog.

Unfunded contract options represent estimated amounts of revenue to be earned in the future from negotiated contracts with unexercised contract options and indefinite delivery/indefinite quantity contracts. Unfunded contract options as of March 31, 2021 were primarily comprised of the option years in the EnhancedView Contract (September 1, 2021 through August 31, 2023). This contract may be replaced by other contracting vehicles prior to the exercise of existing contract options.

LIQUIDITY & CAPITAL RESOURCES

Our sources of liquidity include cash provided by operations, access to existing credit facilities, collection or securitization of orbital receivables and, when available and efficient, access to the capital markets. We generally maintain limited cash on hand and use available cash to pay down borrowings on our Syndicated Credit Facility. Our primary short-term cash requirements are to fund working capital, including requirements on long-term construction contracts (including our geostationary satellite contracts), fixed overhead costs, and to fund increased capital expenditures, including the construction of our WorldView Legion satellite constellation. Working capital requirements can vary significantly from period to period, particularly as a result of the timing of receipts and disbursements related to long-term construction contracts.

Our medium-term to long-term cash requirements are to service and repay debt and to invest, including in facilities, equipment, technologies, and research and development for growth initiatives. These capital investments include investments to replace the capability or capacity of satellites which have or will go out of service in the future. Over the near-term to medium-term, it is also possible that our customers may fully or partially fund the construction of additional Legion satellites. Cash is also used to pay dividends and finance other long-term strategic business initiatives.

While our first maturity of long-term debt is in the fourth quarter of 2023, we had a significant debt repayment in the first quarter of 2021 using proceeds from our Offering. On March 26, 2021, we redeemed $350 million aggregate principal of our 2023 Notes using a portion of the net proceeds from the Offering.

We have significant purchase obligations in the normal course of business for goods and services, under agreements with defined terms as to quantity, price and timing of delivery. Purchase obligations represent open purchase orders and other commitments for the purchase or construction of property, plant and equipment or intangible assets, operational commitments related to remote ground terminals, or with subcontractors on long-term construction contracts that we have with customers in the normal course of business.

We also have short and long-term requirements to fund our pension plans within the Space Infrastructure segment. Funding requirements under applicable laws and regulations are a major consideration in making contributions to our pension plans. Failure to satisfy the minimum funding thresholds with respect to appropriate laws and regulations could result in restrictions on our ability to amend the plans or make benefit payments. With respect to our qualified pension plan, we intend to contribute annually not less than the required minimum funding thresholds. In December 2020, we prefunded $16 million related to our qualified pension plan. Due to the December 2020 prefunding, there are no further required contributions for our qualified pension plan for the year ended December 31, 2021.

Our ability to fund our cash needs will depend, in part, on our ability to generate cash in the future, which depends on our future financial results. Our future results are subject to general economic, financial, competitive, legislative and regulatory factors that may be outside of our control. Our future access to, and the availability of credit on acceptable terms and conditions is impacted by many factors, including capital market liquidity and overall economic conditions.

We believe that our cash from operating activities generated from continuing operations during the year, together with available borrowings under our Revolving Credit Facility, will be adequate for the next twelve months to meet our anticipated uses of cash flow, including working capital, capital expenditure, debt service costs, dividend and other commitments. While we intend to reduce debt over time using cash provided by operations, we may also seek to meet long-term debt obligations, if necessary, by obtaining capital from a variety of additional sources or by refinancing existing obligations. These sources include public or private capital markets, bank financings, proceeds from dispositions or other third-party sources.

Summary of cash flows

	Three Months Ended March 31,	
($ millions)	2021	2020
Cash provided by (used in) operating activities - continuing operations	$ 27	$ (13)
Cash used in operating activities - discontinued operations	—	(2)
Cash provided by (used in) operating activities	27	(15)
Cash used in investing activities - continuing operations	(50)	(49)
Cash used in investing activities - discontinued operations	—	(3)
Cash used in investing activities	(50)	(52)
Cash provided by financing activities - continuing operations	17	4
Cash used in financing activities - discontinued operations	—	(15)
Cash provided by (used in) financing activities	17	(11)
Effect of foreign exchange on cash, cash equivalents and restricted cash	—	—
Cash, cash equivalents, and restricted cash, beginning of year	32	109
Cash, cash equivalents, and restricted cash, end of period	$ 26	$ 31

Operating activities

Cash flows from operating activities can vary significantly from period to period as a result of our working capital requirements, given our portfolio of large construction programs and the timing of milestone receipts and payments with customers and suppliers in the ordinary course of business. Investment in working capital is also necessary to build our business and manage lead times in construction activities. We expect working capital account balances to continue to vary from period to period. We fund our working capital requirements with the Revolving Credit Facility (as defined below).

Cash provided by operating activities from continuing operations for the three months ended March 31, 2021 was $27 million compared to cash used in operating activities from $13 million for the same period in 2020, or by $40 million, for the three months ended March 31, 2021, compared to the same period in 2020. This change was primarily driven by a decrease in cash paid interest for the three months ended March 31, 2021, compared to the same period in 2020.

Investing activities

Cash used in investing activities from continuing operations increased to $50 million from $49 million, or by $1 million, for the three months ended March 31, 2021 compared to the corresponding period in 2020, respectively. The primary investing activities included expenditures on property, plant and equipment of $26 million and $44 million for the three months ended March 31, 2021 and 2020, respectively, and investments in software of $24 million and $16 million for the three months ended March 31, 2021 and 2020, respectively. Property, plant and equipment expenditures for the three months ended March 31, 2021 and 2020 primarily related to the build of our WorldView Legion satellite constellation. Cash used in investing activities for the three months ended March 31, 2020 was partially offset by a return of capital from discontinued operations of $11 million.

Financing activities

Cash provided by financing activities from continuing operations increased to $17 million from $4 million, or by $13 million, for the three months ended March 31, 2021 compared to the corresponding period in 2020. During the three months ended March 31, 2021, cash provided by financing activities from continuing operations primarily included net proceeds from the issuance of stock of $380 million and $25 million in net proceeds from the Revolving Credit Facility. These were partially offset by cash used from financing activities from the partial redemption of the 2023 Notes of $384 million including approximately $34 million related to the early redemption, settlement of the securitization liability of $3 million, repayments of long term debt of $2 million and payments of dividends of $1 million. During the three months ended March 31, 2020, cash used in financing activities from continuing operations included net proceeds from bank borrowings of $15 million partially offset by debt repayments of $5 million, settlement of securitization liability of $4 million, payment of finance leases of $2 million and payment of dividends of $1 million.

Long-term debt

The following table summarizes our long-term debt:

($ millions)	March 31, 2021	December 31, 2020
Syndicated Credit Facility:		
Revolving Credit Facility	$ 25	$ —
Term Loan B	1,444	1,444
2023 Notes	500	850
2027 Notes	150	150
Deferred financing	30	32
Debt discount and issuance costs	(47)	(57)
Obligations under finance leases and other	4	3
Total long-term debt	$ 2,106	$ 2,422

As of March 31, 2021 and December 31, 2020, we were in compliance with our debt covenants.

Syndicated Credit Facility

As of March 31, 2021, the senior secured syndicated credit facility ("Original Syndicated Credit Facility", as amended prior to December 31, 2019, including as described below, the "Syndicated Credit Facility") is composed of: (i) a senior secured first lien revolving credit facility maturing in December 2023 ("Revolving Credit Facility") and (ii) a senior secured first lien term B facility maturing in October 2024 ("Term Loan B"). The Revolving Credit Facility includes an aggregate $200 million sub limit under which letters of credit can be issued. As of March 31, 2021 and December 31, 2020, we had $25 million and $31 million, respectively, of issued and undrawn letters of credit outstanding under the Revolving Credit Facility.

Senior Secured Notes due 2023

In December 2019, we issued $1.0 billion in principal amount of 2023 Notes in a private placement to institutional buyers. The 2023 Notes were issued at a price of 98% and are recorded as long-term debt in our consolidated financial statements. The 2023 Notes bear interest at the rate of 9.75% per year, payable semi-annually in cash in arrears, for which interest payments commenced in June 2020. The 2023 Notes are guaranteed on a senior secured basis by each of the Company's existing and future subsidiaries that guarantee the Syndicated Credit Facility.

Senior Secured Notes due 2027

On June 25, 2020, we issued $150 million in principal amount of 2027 Notes in a private placement to institutional buyers. The 2027 Notes were issued at a price of 98.25% and bear interest at the rate of 7.54% per annum, payable semi-annually in cash in arrears, for which interest payments commenced in December 2020. The 2027 Notes are guaranteed on a senior secured basis by each of the Company's existing and future subsidiaries that guarantee the Syndicated Credit Facility and the 2023 Notes.

Leaseback Deferred Financing

In December 2019, we completed the sale and subsequent leaseback of our owned properties in Palo Alto, California for proceeds of $291 million. We determined that the leaseback terms were off-market. In accordance with ASC 842 – Leases, we accounted for the excess of the leaseback payments over the present value of market rental payments as additional financing, separate from the lease liability. This resulted in recognition of deferred financing liability of $33 million which is repayable over the 10-year leaseback term.

See Note 8, “Long-term debt and interest expense, net” to the Consolidated Financial Statements in Part I, Item 1, “Financial Information” for further details on our long-term debt.

Securitization liability

We have in place, a revolving securitization facility agreement with an international financial institution. Under the terms of the Syndicated Credit Facility, we may offer to sell eligible orbital receivables from time to time with terms of seven years or less, discounted to face value using prevailing market rates. There were no sales of eligible receivables executed in the three months ended March 31, 2021 or 2020, respectively.

The orbital receivables that were securitized remain on our balance sheet because the accounting criteria for surrendering control of the orbital receivables were not met. The net proceeds received have been recognized as a securitization liability that has been subsequently measured at amortized cost using the effective interest rate method. The securitized orbital receivables and the securitization liability are being drawn down as payments are received from customers and passed on to the international financial institution. We continue to recognize orbital interest revenue on the orbital receivables that are subject to the securitization transactions and recognize interest expense to accrete the securitization liability.

Off-balance sheet arrangements

As of March 31, 2021, we had no outstanding foreign exchange sales contracts. As of March 31, 2021, we had certain letters of credit guaranteed by the Syndicated Credit Facility, while indemnified by us. Such arrangements are not expected to have a material effect on our liquidity or capital resources, financial position or results of operations.

We use, from time to time, derivative financial instruments to manage existing foreign currency exposures. We consider the management of financial risks to be an important part of our overall corporate risk management policy. Foreign exchange forward contracts are used to hedge our exposure to currency risk on sales, purchases, cash, net investments and loans denominated in a currency other than the functional currency of our domestic and foreign operations.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

There were no material changes to our critical accounting policies, estimates or judgments, that occurred in the period covered by this report from those discussed in our Annual Report on Form 10-K for the year ended December 31, 2020.

RECENT ACCOUNTING PRONOUNCEMENTS

See Note 2, “Summary of Significant Accounting Policies” to the Unaudited Condensed Consolidated Financial Statements in Part I, Item I, *“Financial Information”* in this Quarterly Report on Form 10-Q for a discussion of recent accounting pronouncements.

NON-GAAP FINANCIAL MEASURES

In addition to results reported in accordance with U.S. GAAP, we use certain non-GAAP financial measures as supplemental indicators of our financial and operating performance. These non-GAAP financial measures include EBITDA and Adjusted EBITDA.

We define EBITDA as earnings before interest, taxes, depreciation and amortization, and Adjusted EBITDA as EBITDA adjusted for certain items affecting comparability as specified in the calculation. Certain items affecting comparability include restructuring, impairments, satellite insurance recovery, gain (loss) on sale of assets, CEO severance and transaction and integration related expense. Transaction and integration related expense includes costs associated with de-leveraging activities, acquisitions and dispositions and the integration of acquisitions. Management believes that exclusion of these items assists in providing a more complete understanding of our underlying results and trends, and management uses these measures along with the corresponding U.S. GAAP financial measures to manage our business, evaluate our performance compared to prior periods and the marketplace, and to establish operational goals. Adjusted EBITDA is a measure being used as a key element of our incentive compensation plan. The Syndicated Credit Facility also uses Adjusted EBITDA in the determination of our debt leverage covenant ratio. The definition of Adjusted EBITDA in the Syndicated Credit Facility includes a more comprehensive set of adjustments that may result in a different calculation therein.

We believe that these non-GAAP measures, when read in conjunction with our U.S. GAAP results, provide useful information to investors by facilitating the comparability of our ongoing operating results over the periods presented, the ability to identify trends in our underlying business, and the comparison of our operating results against analyst financial models and operating results of other public companies.

The table below reconciles our net income to EBITDA and Adjusted EBITDA for the three months ended March 31, 2021 and 2020:

	Three Months Ended March 31,	
	2021	2020
($ millions)		
Net loss	$ (84)	$ (48)
Income tax expense	—	2
Interest expense, net	78	49
Interest income	(1)	(1)
Depreciation and amortization	74	90
EBITDA	$ 67	$ 92
(Income) loss from discontinued operations, net of tax	—	(30)
Transaction and integration related expense	—	1
Impairment loss	—	14
Adjusted EBITDA	$ 67	$ 77
Adjusted EBITDA:		
Earth Intelligence	107	133
Space Infrastructure	(12)	(39)
Intersegment eliminations	(5)	(7)
Corporate and other expenses	(23)	(10)
Adjusted EBITDA	$ 67	$ 77

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

There have been no material changes to our market risks from those discussed in our Annual Report on Form 10-K for the year ended December 31, 2020 and as updated in this Quarterly Report on Form 10-Q.

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

We performed an evaluation of the effectiveness of our disclosure controls and procedures as of March 31, 2021. The evaluation was performed with the participation of senior management of each business segment and key corporate functions, under the supervision of the Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO"). Based on this evaluation, the CEO and CFO concluded that our disclosure controls and procedures were effective as of March 31, 2021.

Changes in Internal Control over Financial Reporting

There were no changes that occurred during the first quarter of 2021 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

Currently, we are involved in a number of legal proceedings. For a discussion of contingencies related to legal proceedings, see Note 16, “Commitments and Contingencies” to the Unaudited Condensed Consolidated Financial Statements in Part I, Item I, *“Financial Information”* in this Quarterly Report on Form 10-Q, which is hereby incorporated by reference.

ITEM 1A. RISK FACTORS

We operate in a changing global environment that involves numerous known and unknown risks and uncertainties that could materially adversely affect our business, financial condition and results of operations. The occurrence of any of the following risks could materially and adversely affect our business, financial condition, prospects, results of operations and cash flows. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial may also materially adversely affect our business, prospects, financial condition, results of operations and cash flows.

Risk Factors Summary

Below is a summary of the principal risk factors that could adversely affect our business. This summary does not address all the risks that we face. Additional discussion of the risks summarized in this risk factor summary, and other risks, can be found after this summary in Item 1A of this Quarterly Report on Form 10-Q.

- We are unable to predict the extent to which the global COVID-19 pandemic may adversely impact our business operations, financial performance, results of operations and stock price.
- The future revenue and operating results of the Space Infrastructure segment are dependent on our ability to generate a sustainable order rate for the satellite and space manufacturing operations and develop new technologies to meet the needs of our customers or potential new customers.
- Our business with various governmental entities is subject to the policies, priorities, regulations, mandates and funding levels of such governmental entities and may be negatively or positively impacted by any change thereto.
- Our revenue, results of operations and reputation may be negatively impacted if our programs fail to meet contractual requirements or our products contain defects or fail to operate in the expected manner.
- Satellites are subject to construction and launch delays, launch failures, damage or destruction during launch, the occurrence of which can materially and adversely affect our operations.
- If our satellites fail to operate as intended, it could have a material adverse effect on our business, financial condition and results of operations.
- Loss of, or damage to, a satellite and the failure to obtain data or alternate sources of data for our products may have an adverse impact on our results of operations and financial condition.
- Interruption or failure of our infrastructure could hurt our ability to effectively perform our daily operations and provide and produce our products and services, which could damage our reputation and harm our operating results.
- Any significant disruption in or unauthorized access to our computer systems or those of third parties that we utilize in our operations, including those relating to cybersecurity or arising from cyber-attacks, and security

threats could result in a loss or degradation of service, unauthorized disclosure of data, or theft or tampering of intellectual property, any of which could materially adversely impact our business.

- We are a party to legal proceedings, investigations and other claims or disputes, which are costly to defend and, if determined adversely to us, could require us to pay fines or damages, undertake remedial measures or prevent us from taking certain actions, any of which could adversely affect our business.
- Acquisitions or divestitures could result in adverse impacts on our operations.
- Our business with various governmental entities is concentrated in a small number of primary contracts. The loss or reduction in scope of any one of our primary contracts would materially reduce our revenue.
- Disruptions in U.S. government operations and funding could have a material adverse effect on our revenues, earnings and cash flows and otherwise adversely affect our financial condition.
- Changes in U.S. government policy regarding use of commercial data or Space Infrastructure providers, or material delay or cancellation of certain U.S. government programs, may have a material adverse effect on our revenue and our ability to achieve our growth objectives.
- We face competition that may cause us to have to either reduce our prices for imagery and related products and services or to lose market share.
- We operate in highly competitive industries and in various jurisdictions across the world, which may cause us to have to reduce our prices.
- We may be required to recognize impairment charges.
- Uncertain global macro-economic and political conditions could materially adversely affect our results of operations and financial condition.
- Our business involves significant risks and uncertainties that may not be covered by insurance.
- We often rely on a single vendor or a limited number of vendors to provide certain key products or services and the inability of these key vendors to meet our needs could have a material adverse effect on our business.
- Disruptions in the supply of key raw materials or components and difficulties in the supplier qualification process, as well as increases in prices of raw materials, could adversely impact us.
- We are dependent on our ability to attract, train and retain employees. Our inability to do so, or the loss of key personnel, would cause serious harm to our business.
- Changes in our accounting estimates and assumptions could negatively affect our financial position and results of operations.
- Our business is capital intensive, and we may not be able to raise adequate capital to finance our business strategies, including funding future satellites, or we may be able to do so only on terms that significantly restrict our ability to operate our business.
- Our ability to obtain additional debt or equity financing or government grants to finance operating working capital requirements and growth initiatives may be limited or difficult to obtain, which could adversely affect our operations and financial condition.
- Our indebtedness and other contractual obligations could adversely affect our financial condition, our ability to raise additional capital to fund our operations, our ability to operate our business, our ability to react to changes in the economy or our industry and our ability to pay our debts and could divert our cash flow from operations for debt payments.
- Our current financing arrangements contain certain restrictive covenants that impact our future operating and financial flexibility.
- Our actual operating results may differ significantly from our guidance.

- We could be adversely impacted by actions of activist stockholders, and such activism could impact the value of our securities.
- The price of our common stock has been volatile and may fluctuate substantially.
- Our operations in the U.S. government market are subject to significant regulatory risk.
- Failure to comply with the requirements of the National Industrial Security Program Operating Manual could result in interruption, delay or suspension of our ability to provide our products and services, and could result in loss of current and future business with the U.S. government.
- Our business is subject to various regulatory risks that could adversely affect our operations.
- Changes in tax law, in our tax rates or in exposure to additional income tax liabilities or assessments may materially and adversely affect our financial condition, results of operations and cash flows.
- Our ability to use our U.S. federal and state net operating loss carryforwards and certain other tax attributes may be limited.
- Our operations are subject to governmental law and regulations relating to environmental matters, which may expose us to significant costs and liabilities that could negatively impact our financial condition.

Risks Related to Our Business

We are unable to predict the extent to which the global COVID-19 pandemic may adversely impact our business operations, financial performance, results of operations and stock price.

The COVID-19 outbreak, declared a pandemic by the World Health Organization, has surfaced in nearly all regions of the world. Preventative measures taken to contain or mitigate the outbreak have affected, and continue to affect, the global economy, the U.S. economy and the global financial markets causing significant volatility, including the market price of our common stock, and have raised the prospect of an extended global recession. Public health problems resulting from COVID-19 and precautionary measures instituted by governments and businesses to mitigate its spread, including travel restrictions and quarantines, have resulted in a general slowdown in the global economy, the effects of which have adversely impacted our business and the businesses of our customers, including the U.S. and foreign governments, and suppliers.

Our supply chain is under stress inside and outside of the U.S., and we continue to monitor and assess the actual and potential COVID-19 or related force majeure impacts on the supply chain, our operations and customer commitments. There is a risk that these schedule delays could result in obligations for material liquidated damages owed to our customers.

Our customers have been, and may continue to be, affected by COVID-19 and the business slowdown caused by preventative measures, which has resulted in a variation in the consumption of access minutes; however, this could be more significant in the future, which could negatively impact revenue. Additionally, to the extent our international customers are dependent on oil prices or experience political disruption as a result of increased economic pressure, their funding for our products and services could be materially impacted. We believe that COVID-19 represents a force majeure event and as such, we have notified certain customers that we will be exercising our contractual legal rights given the uncertain nature of the current pandemic and its near and long-term impacts on the cost and schedule of the numerous programs in our existing backlog. Additionally, our customers may slow down their development of new projects or may be in financial difficulties impacting their ability to fund projects already in backlog.

We are both receiving and seeking reimbursement of COVID-19-related costs under our U.S. Government contracts under Section 3610 of the Coronavirus Aid, Relief and Economic Security Act (“CARES Act”), which allows federal agencies to reimburse contractors at the minimum applicable contract billing rate for costs to keep its employees or subcontractors in a ready state. Reimbursement of any costs under Section 3610 of the CARES Act increases sales, but is not fee bearing. On March 11, 2021 the American Rescue Plan Act of 2021 was enacted which extended Section 3610 of the CARES Act through September 30, 2021.

Changes in our operations in response to COVID-19 or employee illnesses resulting from the pandemic may result in inefficiencies or delays of our projects, impacts to service level contracts, including in sales and product development efforts and additional costs related to business continuity initiatives, that cannot be fully mitigated through succession planning or employees working remotely.

We cannot predict the degree to which, or the time period that, global economic conditions and our sales and operations will continue to be affected by this outbreak and the resulting preventative measures. We also cannot predict the degree to which the disruption of global financial markets could have a negative impact on our ability to raise capital in the future. The long-term impacts of COVID-19 on government budgets and funding priorities that impact demand for our products and services are difficult to predict. As a result, the effects on our business, sales, financial condition, liquidity and results of operations could be material.

The future revenue and operating results of the Space Infrastructure segment are dependent on our ability to generate a sustainable order rate for the satellite and space manufacturing operations and develop new technologies to meet the needs of our customers or potential new customers.

The Space Infrastructure segment's financial performance is dependent on its ability to generate a sustainable order rate for its satellite and space manufacturing operations. This can be challenging and may fluctuate on an annual basis as the number of satellite construction contracts awarded varies and in 2018 there was a substantial step down in the total number and dollar value of geostationary communication satellite contracts awarded compared to such historical averages prior to 2015. Many satellite operators in the communications industry have continued to defer new satellite construction awards to evaluate geostationary and other competing satellite system architectures and other market factors. If we are unable to win new awards or execute existing contracts as expected, our business, results of operations and financial position could be further adversely affected.

The cyclical nature of the commercial satellite market could negatively impact our ability to accurately forecast customer demand. The markets that we serve may not grow in the future and we may not be able to maintain adequate gross margins or profits in these markets. Specifically, sales of the 1300 bus have historically been important to our results and there is no assurance that this market will continue to grow or demand levels will increase, nor is there assurance that the market for the smaller bus, which spans a range from 500kg to 1300kg, will offset any decreases in the market for the 1300 bus or provide future growth. Our growth is dependent on the growth in the sales of services provided by our customers, our customers' ability to anticipate market trends and our ability to anticipate changes in the businesses of our customers and to successfully identify and enter new markets. If we fail to anticipate such changes in demand, our business, results of operations and financial position could be adversely affected.

On January 1, 2019, we completed a reorganization of our corporate structure pursuant to which we directly acquired all of the issued and outstanding shares of Maxar Technologies Ltd. ("Maxar Canada") and we replaced Maxar Canada as the publicly-held parent company of the Maxar group ("U.S. Domestication"). As part of our U.S. Domestication we believe that we will continue to capitalize on projected benefits within the Space Infrastructure segment. These benefits include anticipated growth within our U.S. government customer base as well as diversifying into national and civil missions. The failure to do so may have a material adverse effect on our business, results of operations and financial condition.

The satellite manufacturing industry is driven by continued investment in technologies to meet changing customer demand for complex and reliable services. Our satellite systems embody complex technologies and may not always be compatible with current and evolving technical standards and systems developed by others. Other satellite manufacturers have developed or are developing digital payloads which increase flexibility for geostationary satellites in circumstances with unpredictable demand. We plan to team with providers of this technology to enhance our offering if our customers express interest in it.

Failure or delays to develop technologies or team with providers to obtain technologies to meet the requisite and evolving industry or user standards could have a material adverse effect on our business, results of operations and financial condition. Failure of suppliers to deliver against end customer requirements could lead to a material adverse effect on our financial results within the Space Infrastructure segment.

Our business with various governmental entities is subject to the policies, priorities, regulations, mandates and funding levels of such governmental entities and may be negatively or positively impacted by any change thereto.

Changes in government policies, priorities, regulations, use of commercial data providers to meet U.S. government imagery needs, government agency mandates, funding levels through agency budget reductions, the imposition of budgetary constraints or a decline in government support or deferment of funding for programs in which we or our customers participate could result in contract terminations, delays in contract awards, reduction in contract scope, performance penalties or breaches of our contracts, the failure to exercise contract options, the cancellation of planned procurements and fewer new business opportunities, all of which could negatively impact our business, financial condition, results of operations and cash flows.

We are subject to the procurement policies and procedures set forth in the Federal Acquisition Regulation (“FAR”). FAR governs all aspects of government contracting, including contractor qualifications and acquisition procedures. The FAR provisions in U.S. government contracts must be complied with in order for the contract to be awarded and provides for audits and reviews of contract procurement, performance and administration. Failure to comply with the provisions of the FAR could result in contract termination.

In addition, contracts with any government, including the U.S. government, may be terminated or suspended by the government at any time and could result in significant liability obligations for us. We seek to have in place as standard provisions, termination for convenience language which reimburses us for reasonable costs incurred, subcontractor and employee termination and wind-down costs plus a reasonable amount of profit thereon. However, reparations for termination may fall short of the financial benefit associated with full completion and operation of a contract. In addition, we may not be able to procure new contracts to offset the revenue or backlog lost as a result of any termination of government contracts. The loss of one or more large contracts could have a material adverse impact on our business, financial condition, results of operations and cash flows.

Our revenue, results of operations and reputation may be negatively impacted if our programs fail to meet contractual requirements or our products contain defects or fail to operate in the expected manner.

We sell complex and technologically advanced systems, including satellites, products, hardware and software. Sophisticated software, including software developed by us, may contain defects that can unexpectedly interfere with the software’s intended operation. Defects may also occur in components and products that we manufacture or purchase from third parties. Most of the satellites and systems we have developed must function under demanding and unpredictable operating conditions and in harsh and potentially destructive environments. In addition, we may agree to the in-orbit delivery of a satellite, adding further risks to our ability to perform under a contract. Failure to achieve successful in-orbit delivery could result in significant penalties and other obligations on us.

We employ sophisticated design and testing processes and practices, which include a range of stringent factory and on-site acceptance tests with criteria and requirements that are jointly developed with customers. Our systems may not be successfully implemented, pass required acceptance criteria, or operate or give the desired output, or we may not be able to detect and fix all defects in the satellites, products, hardware and software we sell or resolve any delays or availability issues in the launch services we procure. Failure to do so could result in increased costs, lost revenue and damage to our reputation and may adversely affect our ability to win new contract awards. We manufacture satellites with the intention of receiving full contractual value for builds; however, due to the inherent complexity, a number of adverse variables could negatively impact our ability to collect on the full amount of contractual consideration. Such variables include, among others, schedule delays, including those caused by suppliers or major subcontractors, contractual disputes, failure to meet technological requirements and customer solvency concerns. These variables could lead to termination for convenience or default on our contracts which could have a material adverse effect on our financial results. Historically, we have experienced significant delays in the building of certain satellites. We are currently experiencing a number of schedule delays, some of which are significant, in our satellite builds due to a number of factors, inclusive of COVID-19 delays, subcontractor issues and technological requirements and we are working closely with our customers as we continue to address these delays. We have, where appropriate, asserted force majeure provisions in our contracts but these can be subject to dispute.

Satellites are subject to construction and launch delays, launch failures, damage or destruction during launch, the occurrence of which can materially and adversely affect our operations.

Delays in the construction of future satellites and the procurement of requisite components and launch vehicles, limited availability of appropriate launch windows, possible delays in obtaining regulatory approvals, satellite damage or destruction during launch, launch failures, or incorrect orbital placement could have a material adverse effect on our business, financial condition and results of operations. The loss of, or damage to, a satellite due to a launch failure could result in significant delays in anticipated revenue to be generated by that satellite. Any significant delay in the commencement of service of a satellite would delay or potentially permanently reduce the revenue anticipated to be generated by that satellite. In addition, if the loss of a satellite were to occur, we may not be able to accommodate affected customers with our other satellites or data from another source until a replacement satellite is available, and we may not have on hand, or be able to obtain in a timely manner, the necessary funds to cover the cost of any necessary satellite replacement. Any launch delay, launch failure, underperformance, delay or perceived delay could have a material adverse effect on our results of operations, business prospects and financial condition.

If our satellites fail to operate as intended, it could have a material adverse effect on our business, financial condition and results of operations.

The manufacturing, testing, launching and operation of satellites involves complex processes and technology. Our satellites employ advanced technologies and sensors that are exposed to severe environmental stresses in space that have and could affect the performance of our satellite. Hardware component problems in space could lead to deterioration in performance or loss of functionality of a satellite. In addition, human operators may execute improper implementation commands that may negatively impact a satellite's performance. Exposure of our satellites to an unanticipated catastrophic event, such as a meteor shower or a collision with space debris, could reduce the performance of, or completely destroy, the affected satellite. In December 2018, our WorldView-4 satellite experienced a failure in its control moment gyros, preventing the satellite from collecting imagery.

We cannot provide assurances that our satellites will continue to operate successfully in space throughout their expected operational lives. Even if a satellite is operated properly, technical flaws in that satellite's sensors or other technical deficiencies or anomalies could significantly hinder its performance, which could materially affect our ability to collect imagery and market our products and services successfully. While some anomalies are covered by insurance policies, others are not or may not be covered, or may be subject to large deductibles.

If we suffer a partial or total loss of a deployed satellite, we would need a significant amount of time and would incur substantial expense to replace that satellite. We may experience other problems with our satellites that may reduce their performance. During any period of time in which a satellite is not fully operational, we may lose most or all of the revenue that otherwise would have been derived from that satellite. Our inability to repair or replace a defective satellite or correct any other technical problem in a timely manner could result in a significant loss of revenue. If a satellite experiences a significant anomaly such that it becomes impaired or is no longer functional, it would significantly impact our business, prospects and profitability. Additionally, our review of satellite lives could extend or shorten the depreciable lives of our satellites, which would have an impact on the depreciation we recognize.

Loss of, or damage to, a satellite and the failure to obtain data or alternate sources of data for our products may have an adverse impact on our results of operations and financial condition.

In the Earth Intelligence segment, we rely on data collected from a number of sources including data obtained from satellites. We may become unable or limited in our ability to collect such data. For example, satellites can temporarily go out of service and be recovered, or cease to function for reasons beyond our control, including the quality of design and construction, the supply of fuel, the expected gradual environmental degradation of solar panels, the durability of various satellite components and the orbits and space environments in which the satellites are placed and operated. Electrostatic storms, collisions with other objects or actions by malicious actors, including cyber related, could also damage the satellites. Additionally, in certain instances, governments may discontinue for periods of time the access to or operation of a satellite for any particular area on the Earth and for various reasons may not permit transmission of certain data, whether from a satellite owned by the government or not.

We cannot offer assurances that each of our satellites will remain in operation. Our satellites have certain redundant systems which can fail partially or in their entirety and accordingly satellites may operate for extended periods without all redundant systems in operation, but with single points of failure. The failure of satellite components could cause damage to or loss of the use of a satellite before the end of its expected operational life. Certain of our satellites are nearing the end of their expected operational lives and we expect the performance of each satellite to decline gradually near the end of its expected operational life. We can offer no assurance that our satellites will maintain their prescribed orbits or remain operational and we may not have replacement satellites that are immediately available.

Interruption or failure of our infrastructure could hurt our ability to effectively perform our daily operations and provide and produce our products and services, which could damage our reputation and harm our operating results.

We are vulnerable to natural disasters and significant disruptions including tsunamis, floods, earthquakes, fires, water shortages, other extreme weather conditions, epidemics or pandemics, acts of domestic or foreign terrorism, workplace violence, power shortages and blackouts, aging infrastructures and telecommunications failures. Furthermore, climate change has, and may continue to, increased the rate, size and scope of these natural disasters. In the event of such a natural disaster or other disruption, we could experience: disruptions to our operations or the operations of suppliers, subcontractors, distributors or customers; destruction of facilities; and/or loss of life.

The availability of many of our products and services depends on the continuing operation of our satellite operations infrastructure, satellite manufacturing operations, information technology and communications systems. Any downtime, damage to or failure of our systems could result in interruptions in our service, which could reduce our revenue and profits. Our systems are vulnerable to damage or interruption from floods, fires, power loss, aging infrastructure, telecommunications failures, computer viruses, computer denial of service attacks or other attempts to harm our systems. We do not currently maintain a back-up production facility from which we can continue to collect, process and deliver imagery in the event of the loss of our primary facility. In the event we are unable to collect, process and deliver imagery from our facility, our daily operations and operating results would be materially and adversely affected. In addition, our ground terminal centers are vulnerable to damage or interruption from human error, intentional bad acts, earthquakes, hurricanes, floods, fires, war, terrorist attacks, power losses, hardware failures, systems failures, aging infrastructure, telecommunications failures and similar events. Our satellite manufacturing operations are located in California in proximity to the San Andreas fault line, one of the longest and most heavily populated earthquake-prone rifts in the world. Our satellite manufacturing facilities are also subject to risks associated with an aging infrastructure. An infrastructure failure could result in the destruction of satellites under construction or inventory, manufacturing delays or additional costs incurred. We do not maintain back-up manufacturing facilities or operations. The occurrence of any of the foregoing could result in lengthy interruptions in our services and/or damage our reputation, which could have a material adverse effect on our financial condition and results of operations.

Any significant disruption in or unauthorized access to our computer systems or those of third parties that we utilize in our operations, including those relating to cybersecurity or arising from cyber-attacks, and security threats could result in a loss or degradation of service, unauthorized disclosure of data, or theft or tampering of intellectual property, any of which could materially adversely impact our business.

Our operations, products, solutions, analysis and intellectual property are inherently at risk of loss, inappropriate access, or tampering by both insider threats and external bad actors. In particular, our operations face various cyber and other security threats, including attempts to gain unauthorized access to sensitive information, intellectual property, mission operations and networks. Our systems (internal, customer and partner systems) and assets may also be subject to damage or interruption from natural and other disaster events or disruptions including tsunamis, floods, earthquakes, fires, water shortages, other extreme weather conditions, epidemics or pandemics, acts of domestic or foreign terrorism, workplace violence, power shortages and blackouts, aging infrastructures and telecommunications failures. In addition, insider threats, threats to the safety of our directors and employees, threats to the security of our facilities, infrastructure and supply chain and threats from terrorist acts or other acts of aggression, including the spreading of inaccurate, misleading or deceptive information, could have a material adverse impact on our business.

Our products, solutions and analysis that we develop and or delivery to our customers are also at risk of disruption, loss, or tampering. The integrity of the data (e.g., pixels), information and analysis in our products and services is at risk to be manipulated either before or after delivery to a customer. Our products with derived information characteristics are also at risk of being incorrect due to deceptive practices by others or errors.

Our customers and partners (including our supply chain and joint ventures) face similar threats. Customer or partner proprietary, classified, or sensitive information stored on our networks is at risk. Assets and intellectual property and products in customer or partner environments are also inherently at risk. We also have risk where we have access to customer and partner networks and face risks of breach, disruption or loss as well. Our supply chain for products and services also is becoming more diverse and therefore the risk is growing.

While we have implemented certain systems and processes to help thwart bad actors and protect our data and our systems and assets, the techniques used to gain unauthorized access are constantly evolving, and we may be unable to anticipate or prevent all unauthorized access, disruption, loss, or harm. Because of our highly desired intellectual property and our support of the U.S. government and other governments, we (and/or partners we use) may be a particularly attractive target for such attacks by advanced, persistent and highly organized adversaries, including nation states and hostile foreign governments. From time to time, we have experienced attacks on our systems from bad actors that, to date, have not had a material adverse effect on our business. We cannot offer assurances, however, that future attacks will not materially adversely affect our business.

A security event or other significant disruption of our systems, assets, products or solutions could:

- disrupt the proper functioning of our networks, applications and systems and therefore our operations and/or those of certain of our customers, or partners;
- result in the unauthorized access to, and destruction, loss, theft, misappropriation or release of, our or our customers' proprietary, confidential, sensitive or otherwise valuable information, including trade secrets, which others could use to compete against us or for disruptive, destructive or otherwise harmful purposes and outcomes;
- destroy or degrade assets including space, ground and intellectual property assets;
- manipulate or tamper with our products, solutions, analysis, or other systems delivered to our customers or partners;
- compromise other sensitive government functions; and
- damage our reputation with our customers (particularly agencies of various governments) and the public generally.

A security event that involves classified or other sensitive government information or certain controlled technical information, could subject us to civil or criminal penalties and could result in loss of our secure facility clearance and other accreditations, loss of our government contracts, loss of access to classified information, loss of export privileges or debarment as a government contractor. The risk that these types of events could seriously harm our business is likely to increase as we expand the number of web-based products and services we offer as well as increase the number of countries within which we do business.

We are a party to legal proceedings, investigations and other claims or disputes, which are costly to defend and, if determined adversely to us, could require us to pay fines or damages, undertake remedial measures or prevent us from taking certain actions, any of which could adversely affect our business.

We are, and in the future may be, a party to legal proceedings, investigations and other claims or disputes, which may relate to subjects including commercial transactions, intellectual property, securities, employee relations, or compliance with applicable laws and regulations.

For instance, in January 2019, a Maxar stockholder filed a putative class action lawsuit in the Federal District Court of Colorado, naming Maxar and members of management as defendants alleging, among other things, that our public disclosures were false or misleading in violation of the Securities and Exchange Act of 1934 and seeking monetary damages. An amended consolidated complaint was filed in that case in October 2019. On September 11, 2020, the court granted in part, and denied in part, Maxar's motion to dismiss. Also, in January 2019, a Maxar stockholder resident in Canada issued a putative class action lawsuit in the Ontario Superior Court of Justice against Maxar and members of management claiming misrepresentations in our public disclosures and seeking monetary damages under Canadian securities laws. In November 2019, a second putative class action lawsuit was issued by the same Maxar stockholder resident in Canada, adding a second representative plaintiff and three additional defendants, including Maxar's auditor KPMG LLP. The second claim expands the proposed class period and the breadth of the allegations against us. In February 2020, the January 2019 Canadian lawsuit was discontinued. In October 2019, a Maxar stockholder filed a putative class action lawsuit in California state court, naming Maxar and certain members of management and the board of directors as defendants. The lawsuit is based upon many of the same underlying factual allegations as the federal putative class action but asserts claims under the Securities Act of 1933. An amended complaint was filed in April 2020. In November 2019, a purported derivative complaint was filed against Maxar, certain current and former members of management and the board of directors in the Federal District Court of Delaware, also based on the same factual allegations as the federal putative class action. On September 18, 2020, a second purported derivative case was filed in the Federal District Court of Delaware, based on the same allegations as the earlier derivative case. The two derivative cases have been consolidated and are stayed.

These legal proceedings could result in substantial costs and diversion of management's attention and resources and could harm our stock price, business, prospects, results of operations and financial condition. These and other legal proceedings and investigations are inherently uncertain and we cannot predict their duration, scope, outcome or consequences. There can be no assurance that these or any such matters that have been or may in the future be brought against us will be resolved favorably. In connection with any government investigations, in the event the government takes action against us or the parties resolve or settle the matter, we may be required to pay substantial fines or civil and criminal penalties and/or be subject to equitable remedies, including disgorgement or injunctive relief. Other legal or regulatory proceedings, including lawsuits filed by private litigants, may also follow as a consequence. These matters are likely to be expensive and time-consuming to defend, settle and/or resolve and may require us to implement certain remedial measures that could prove costly or disruptive to our business and operations. They may also cause damage to our business reputation. The unfavorable resolution of one or more of these matters could have a material adverse effect on our business, results of operations, financial condition or cash flows.

Acquisitions or divestitures could result in adverse impacts on our operations.

In order to grow our business, we may acquire additional assets or companies, including for example, our recent Vricon Acquisition completed on July 1, 2020. In connection with the Vricon Acquisition or any future acquisitions, there can be no assurance that we will be able to identify, acquire, or obtain the required regulatory approvals, or profitably manage the additional businesses or successfully integrate any acquired businesses, products or technologies without substantial expenses, delays or other operational, regulatory, or financial problems. In addition, any acquired businesses, products or technologies may not achieve anticipated revenues and income growth.

Further, acquisitions may involve a number of additional risks, including diversion of management's attention, failure to retain key personnel, or failure to attract the necessary talent to manage organizational growth. We may become responsible for unexpected liabilities that were not discovered or disclosed in the course of due diligence in connection with historical acquisitions and any future acquisitions. Additionally, acquisitions with international operations such as the Vricon Acquisition with operations in Sweden, expose us to greater international business risks. If we do not realize the expected benefits or synergies of an acquisition, such as revenue gains or cost reductions, there could be a material adverse effect on our business, results of operations and financial condition.

We may also seek to divest portions of our businesses which may no longer be aligned with our strategic initiatives and long-term objectives. Various factors could materially affect our ability to successfully do so, including the availability of buyers willing to purchase the assets on terms acceptable to us, difficulties in the separation of operations, the diversion of management's attention from other business concerns, the disruption of our business, the potential loss of key employees and the retention of uncertain contingent liabilities related to the divested business. We cannot assure that we will be successful in managing these or any other significant risks that we encounter in divesting a business or product line, and any divestiture we undertake could materially and adversely affect our business, financial condition, results of operations and cash flows.

Our business with various governmental entities is concentrated in a small number of primary contracts. The loss or reduction in scope of any one of our primary contracts would materially reduce our revenue.

Our business with various governmental entities is concentrated in a small number of primary contracts. We recognize significant revenue from U.S. government agencies and a significant amount of our U.S. government revenue is generated from a single contract, the EnhancedView Contract. The EnhancedView Contract is a service level agreement to provide image-tasking capacity on our satellites, and other imagery-derived products and services to the U.S. government. Our ability to service other customers could be negatively impacted if we are unable to maintain our current collection capacity. In addition, any inability on our part to meet the performance requirements of the EnhancedView Contract could result in a performance penalty or breach of that contract. A breach of our contract with government customers or reduction in service to our other customers could have a material adverse effect on our business, financial condition and results of operations. The U.S. government may also terminate or suspend our contracts, including the EnhancedView Contract, at any time with or without cause. Additionally, any changes in the size, scope or term of the EnhancedView Contract could impact our satellite replenishment strategy and our ability to repay or refinance our long-term debt. Although our contracts generally involve fixed annual minimum commitments, such commitments, along with all other contracts with the U.S. government, are subject to annual Congressional appropriations and the federal budget process, and as a result, the U.S. government may not continue to fund these contracts at current or anticipated levels. Similarly, our contracts in other jurisdictions are also subject to government procurement policies and procedures.

Disruptions in U.S. government operations and funding could have a material adverse effect on our revenues, earnings and cash flows and otherwise adversely affect our financial condition.

Any disruptions in federal government operations could have a material adverse effect on our revenues, earnings and cash flows. A prolonged failure to maintain significant U.S. government operations, particularly those pertaining to our business, could have a material adverse effect on our revenues, earnings and cash flows. Continued uncertainty related to recent and future U.S. federal government shutdowns, the U.S. budget and/or failure of the U.S. government to enact annual appropriations, such as long-term funding under a continuing resolution, could have a material adverse effect on our revenues, earnings and cash flows. Additionally, disruptions in federal government operations may negatively impact regulatory approvals and guidance that are important to our operations.

Changes in U.S. government policy regarding use of commercial data or Space Infrastructure providers, or material delay or cancellation of certain U.S. government programs, may have a material adverse effect on our revenue and our ability to achieve our growth objectives.

Current U.S. government policy encourages the U.S. government's use of commercial data and Space Infrastructure providers to support U.S. national security objectives. Under the EnhancedView Contract, our contractual counterparty acquires imagery and imagery-derived products on behalf of our customers within the U.S. government. We are considered by the U.S. government to be a commercial data provider. U.S. government policy is subject to change and any change in policy away from supporting the use of commercial data and Space Infrastructure providers to meet U.S. government imagery and Space Infrastructure needs, or any material delay or cancellation of planned U.S. government programs, including the EnhancedView Contract, could materially adversely affect our revenue and our ability to achieve our growth objectives.

We face competition that may cause us to have to either reduce our prices for imagery and related services or to lose market share.

Our services compete with satellite and aerial imagery and related services offered by a range of private and government providers. Our current or future competitors may have superior technologies or greater financial, personnel and other resources than we have. The value of our imagery may also be diluted by Earth imagery that is available free of charge.

The U.S. government and foreign governments may develop, construct, launch and operate their own imagery satellites, which could reduce their need to rely on us and other commercial suppliers. In addition, such governments could sell or provide free of charge Earth imagery from their satellites and thereby compete with our imagery and related services. Also, governments may at times make our imagery freely available for humanitarian purposes, which could impair our revenue growth with non-governmental organizations. These governments could also subsidize the development, launch and operation of imagery satellites by our current or future competitors.

Our competitors or potential competitors could, in the future, offer satellite-based imagery or other services with more attractive features than our services. The emergence of new remote imaging technologies or the continued growth of low-cost imaging satellites, could negatively affect our marketing efforts. More importantly, if competitors develop and launch satellites or other imagery-content sources with more advanced capabilities and technologies than ours, or offer services at lower prices than ours, our business and results of operations could be harmed. Due to competitive pricing pressures, such as new product introductions by us or our competitors or other factors, the selling price of our services may further decrease. If we are unable to offset decreases in our average selling prices by increasing our sales volumes or by adjusting our service mix, our revenue and operating margins may decline and our financial position may be harmed.

We operate in highly competitive industries and in various jurisdictions across the world, which may cause us to have to reduce our prices.

We operate in highly competitive industries and many of our competitors are larger and have substantially greater resources than we have. Our primary competitors for satellite manufacturing contracts include the Boeing Company, Lockheed Martin Corporation, Northrop Grumman Corporation in the United States and Thales S.A. and Airbus Defence and Space, a subsidiary of the Airbus Group, in Europe. We may also face competition in the future from emerging low-cost competitors in India, Russia and China. Competition in our Earth Intelligence segment is highly diverse, and while our competitors offer different products, there is often competition for contracts that are part of governmental budgets. Our major existing and potential competitors for our Earth Intelligence segment include commercial satellite imagery companies, state-owned imagery providers, aerial imagery companies, free sources of imagery and unmanned aerial vehicles. Our Earth Intelligence segment faces competition from companies that provide geospatial analytic information and services to the U.S. government, including defense prime contractors such as L3Harris and Booz Allen Hamilton.

In addition, some of our foreign competitors currently benefit from, and others may benefit in the future from, protective measures by their home countries where governments are providing financial support, including significant investments in the development of new technologies. Government support of this nature greatly reduces the commercial risks associated with satellite development activities for these competitors. This market environment may result in increased pressures on our pricing and other competitive factors.

We may be required to recognize impairment charges.

Long-lived assets, including goodwill and intangible assets, are tested annually for impairment in the fourth quarter or whenever there is an indication that an asset may be impaired. In the past, we have recognized significant impairment losses related to goodwill, intangible assets, property, plant and equipment, inventory and orbital receivables.

Disruptions to our business, unexpected significant declines in our operating results, adverse technological events or changes in the regulatory markets in which we operate, and significant declines in our stock price have resulted and may result in further impairment charges to our tangible and intangible assets. Any future impairment charges could substantially affect our reported results.

Uncertain global macro-economic and political conditions could materially adversely affect our results of operations and financial condition.

Our results of operations are materially affected by economic and political conditions in the United States and internationally, including inflation, deflation, interest rates, availability of capital, energy and commodity prices, trade laws and the effects of governmental initiatives to manage economic conditions. Current or potential customers may delay or decrease spending on our products and services as their business and/or budgets are impacted by economic conditions. The inability of current and potential customers to pay us for our products and services may adversely affect our earnings and cash flows.

Our business involves significant risks and uncertainties that may not be covered by insurance.

A significant portion of our business relates to designing, developing and manufacturing advanced space technology products and systems. New technologies may be untested or unproven. Failure of some of these products and services could result in extensive property damage. Accordingly, we may incur liabilities that are unique to our products and services.

We endeavor to obtain insurance coverage from established insurance carriers to cover these risks and liabilities. However, the amount of insurance coverage that we maintain may not be adequate to cover all claims or liabilities. Existing coverage may be canceled while we remain exposed to the risk and it is not possible to obtain insurance to protect against all operational risks, natural hazards and liabilities.

We have historically insured satellites in our constellation to the extent that insurance was available on acceptable premiums and other terms. The insurance proceeds received in connection with a partial or total loss of the functional capacity of any of our satellites would not be sufficient to cover the replacement cost, if we choose to do so, of an equivalent high-resolution satellite. In addition, this insurance will not protect us against all losses to our satellites due to specified exclusions, deductibles and material change limitations and it may be difficult to insure against certain risks, including a partial deterioration in satellite performance and satellite re-entry.

The price and availability of insurance fluctuate significantly. Although we have historically been able to obtain insurance coverage for in-orbit satellites, we cannot guarantee that we will be able to do so in the future. We intend to maintain insurance for our operating satellites, but any determination we make as to whether to obtain insurance coverage will depend on a variety of factors, including the availability of insurance in the market, the cost of available insurance and the redundancy of our operating satellites. Insurance market conditions or factors outside our control at the time we are in the market for the required insurance, such as failure of a satellite using similar components, could cause premiums to be significantly higher than current estimates and could reduce amounts of available coverage. The cost of our insurance has been increasing and may continue to increase. Higher premiums on insurance policies will reduce our operating income by the amount of such increased premiums. If the terms of in-orbit insurance policies become less favorable than those currently available, there may be limits on the amount of coverage that we can obtain, or we may not be able to obtain insurance at all.

In addition, even though we carry business interruption insurance policies, any business interruption losses could exceed the coverage available or be excluded from our insurance policies. Any disruption of our ability to operate our business could result in a material decrease in our revenues or significant additional costs to replace, repair or insure our assets, which could have a material adverse impact on our financial condition and results of operations.

We often rely on a single vendor or a limited number of vendors to provide certain key products or services and the inability of these key vendors to meet our needs could have a material adverse effect on our business.

Historically, we have contracted with a single vendor or a limited number of vendors to provide certain key products or services, such as construction of satellites and launch vehicles and management of certain remote ground terminals and direct access facilities. In addition, our manufacturing operations depend on specific technologies and companies for which there may be a limited number of vendors. If these vendors are unable to meet our needs because they fail to perform adequately, are unable to match new technological requirements or problems, or are unable to dedicate engineering and other resources necessary to provide the services contracted for, our business, financial position and results of operations may be adversely affected. While alternative sources for these products, services and technologies may exist, we may not be able to develop these alternative sources quickly and cost-effectively, which could materially impair our ability to operate our business. Furthermore, these vendors may request changes in pricing, payment terms or other contractual obligations, which could cause us to make substantial additional investments.

Additionally, some of our suppliers' employees are represented by labor unions. Labor union actions at suppliers can also affect us. Work stoppages and instability in our relationships with labor unions could delay the production and/or development of our products, which could strain relationships with customers, cause a loss of revenues and adversely affect our operations.

Disruptions in the supply of key raw materials or components and difficulties in the supplier qualification process, as well as increases in prices of raw materials, could adversely impact us.

Many raw materials, major components and product equipment items, particularly in our Space Infrastructure segment, are procured or subcontracted on a single or sole-source basis. Although we maintain a qualification and performance surveillance process and we believe that sources of supply for raw materials and components are generally adequate, it is difficult to predict what effects shortages or price increases may have in the future. Our ability to manage inventory and meet delivery requirements may be constrained by our suppliers' inability to scale production and adjust delivery of long-lead time products during times of volatile demand. Our inability to fill our supply needs would jeopardize our ability to fulfill obligations under commercial and government contracts, which could, in turn, result in reduced sales and profits, contract penalties or terminations and damage to customer relationships and could have a material adverse effect on our operating results, financial condition, or cash flows.

Key raw materials used in our operations include metals such as aluminum and titanium, which are usually procured by our suppliers who manufacture parts in accordance with our drawings. We also purchase materials such as chemicals; composites; electronic, electro-mechanical and mechanical components; subassemblies; and subsystems that are integrated with the manufactured parts for final assembly into finished products and systems. We are impacted by increases in the prices of raw materials used in production on fixed-price business.

We monitor sources of supply to attempt to assure that adequate raw materials and other supplies needed in manufacturing processes are available.

Although we have not experienced significant difficulty in our ability to procure raw materials, components, sub-assemblies and other supplies required in our manufacturing processes, prolonged disruptions in the supply of any of our key raw materials or components, difficulty completing qualification of new sources of supply, implementing use of replacement materials, components or new sources of supply, or a continuing increase in the prices of raw materials, energy or components could have a material adverse effect on our operating results, financial condition, or cash flows.

We are dependent on resellers of our services for a portion of our revenue. If these resellers fail to market or sell our services successfully, our business could be harmed.

The Earth Intelligence segment has historically generated a portion of its revenue from foreign and domestic resellers. In the Earth Intelligence segment, we rely on foreign resellers and partners to market and sell the majority of our services in the international market. Our foreign resellers and partners may not have the skill or experience to develop regional commercial markets for our services, or may have competing interests that negatively affect their sales of our services. If we fail to enter into reseller agreements on a timely basis or if our resellers and partners fail to market and sell our services successfully, these failures could negatively impact our business, financial condition and results of operations.

We may not be successful in developing new technology and the technology we are successful in developing may not meet the needs of our customers or potential new customers.

The markets in which we operate are characterized by changing technology and evolving industry standards. Despite years of experience in meeting customer systems requirements with the latest in technological solutions, we may not be successful in identifying, developing and marketing products or systems that respond to rapid technological change, evolving technical standards and systems developed by others. Our competitors may develop technology that better meets the needs of our customers. If we do not continue to develop, manufacture and market innovative technologies or applications that meet customers' requirements, sales may suffer and our business may not continue to grow in line with historical rates or at all. If we are unable to achieve sustained growth, we may be unable to execute our business strategy, expand our business or fund other liquidity needs and our business prospects, financial condition and results of operations could be materially and adversely affected.

Our technology may violate the proprietary rights of third parties and our intellectual property may be misappropriated or infringed upon by third parties, each of which could have a negative impact on our operations.

If any of our technology violates proprietary rights, including copyrights and patents, third parties may assert infringement claims against us. Certain software modules and other intellectual property used by us or in our satellites, systems and products make use of or incorporate licensed software components and other licensed technology. These components are developed by third parties over whom we have no control. Any claims brought against us may result in limitations on our ability to use the intellectual property subject to these claims. We may be required to redesign our satellites, systems or products or to obtain licenses from third parties to continue offering our satellites, systems or products without substantially re-engineering such products or systems.

Our intellectual property rights may be invalidated, circumvented, challenged, infringed or required to be licensed to others. An infringement or misappropriation could harm any competitive advantage we currently derive or may derive from our proprietary rights.

To protect our proprietary rights, we rely on a combination of patent protections, copyrights, trade secrets, trademark laws, confidentiality agreements with employees and third parties and protective contractual provisions such as those contained in license agreements with consultants, subcontractors, vendors and customers. Although we apply rigorous standards, documents and processes to protect our intellectual property, there is no absolute assurance that the steps taken to protect our technology will prevent misappropriation or infringement. Litigation may be necessary to enforce or protect our intellectual property rights, our trade secrets or determine the validity and scope of the proprietary rights of others. Such litigation may be time-consuming and expensive to prosecute or defend and could result in the diversion of our time and resources. In addition, competitors may design around our technology or develop competing technologies.

The market may not accept our imagery services. Our historic growth rates should not be relied upon as an indicator of future growth.

We cannot accurately predict whether our services will achieve significant market acceptance or whether there will be a market for our services on terms we find acceptable. Market acceptance of our commercial high-resolution Earth imagery and related services depends on a number of factors, including the quality, scope, timeliness, sophistication, price and the availability of substitute services. Lack of significant market acceptance of our offerings, or other services that utilize our imagery, delays in acceptance, failure of certain markets to develop or our need to make significant investments to achieve acceptance by the market would negatively affect our business, financial condition and results of operations. We may not continue to grow in line with historical rates or at all. If we are unable to achieve sustained growth, we may be unable to execute our business strategy, expand our business or fund other liquidity needs and our business prospects, financial condition and results of operations could be materially and adversely affected.

We are dependent on our ability to attract, train and retain employees. Our inability to do so, or the loss of key personnel, would cause serious harm to our business.

Our success is largely dependent on the abilities and experience of our executive officers and other key personnel to oversee all aspects of our operations and to deliver on our corporate strategies. Competition for highly skilled management, technical, research and development and other personnel is intense in our industry. In order to maintain our ability to compete, we must continuously retain the services of a core group of specialists in a wide variety of disciplines. To the extent that the demand for qualified personnel exceeds supply, we could experience higher labor, recruiting or training costs in order to attract and retain such employees, or could experience difficulties in performing under contracts if our need for such employees is unmet. We may not be able to retain our current executive officers or key personnel or attract and retain additional executive officers or key personnel as needed to deliver on our corporate strategy. Furthermore, the recent volatility in our stock price may undermine the use of our equity as a retention tool and may make it more difficult to retain key personnel.

Changes in our accounting estimates and assumptions could negatively affect our financial position and results of operations.

We prepare our consolidated financial statements in accordance with U.S. GAAP. These accounting principles require us to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of our financial statements. We are also required to make certain judgments that affect the reported amounts of revenues and expenses during each reporting period. We periodically evaluate our estimates and assumptions including, but not limited to, those relating to business acquisitions, revenue recognition, including our long-term contracts accounted for utilizing the cost-to-cost method, restructuring costs, recoverability of assets including customer receivables, valuation of goodwill and intangibles, contingencies, stock-based compensation and income taxes. We base our estimates on historical experience and various assumptions that we believe to be reasonable based on specific circumstances. These assumptions and estimates involve the exercise of judgment and discretion, which may evolve over time in light of operational experience, regulatory direction, developments in accounting principles and other factors. Actual results could differ from these estimates as a result of changes in circumstances, assumptions, policies or developments in the business, which could materially affect our consolidated financial statements.

Pension and other postretirement benefit obligations may materially impact our earnings, stockholders' equity and cash flows from operations, and could have significant adverse impacts in future periods.

We maintain defined benefit pension and other postretirement benefits plans for some of our employees. Potential pension contributions include discretionary contributions to improve the plans' funded status. The extent of future contributions depends heavily on market factors such as the discount rate and the actual return on plan assets. We estimate future contributions to these plans using assumptions with respect to these and other items. Changes to those assumptions could have a significant effect on future contributions, annual pension and other postretirement costs, the value of plan assets and our benefit obligations.

Significant changes in actual return on pension assets, discount rates and other factors could adversely affect our results of operations and require cash pension contributions in future periods. Changes in discount rates and actual asset returns different than our expected asset returns can result in significant non-cash actuarial gains or losses which we record in the fourth quarter of each fiscal year and, if applicable, in any quarter in which an interim re-measurement is triggered. With regard to cash pension contributions, funding requirements for our pension plans are largely dependent upon interest rates, actual investment returns on pension assets and the impact of legislative or regulatory changes related to pension funding obligations.

We also provide other postretirement benefits to certain of our employees, consisting principally of health care, dental and life insurance for eligible retirees and qualifying dependents. Our estimates of future costs associated with these benefits are also subject to assumptions, including estimates of the level of medical cost increases and discount rates.

For a discussion regarding how our financial statements can be affected by pension and other postretirement plan accounting policies, see Part II, Item 7, "*Management's Discussion and Analysis—Critical Accounting Policies and Estimates*" in our Annual Report on Form 10-K for the year ended December 31, 2020.

Fluctuations in foreign exchange rates could have a negative impact on our business.

Our revenues, expenses, assets and liabilities denominated in currencies other than the U.S. dollar are translated into U.S. dollars for the purposes of compiling our consolidated financial statements. We have in the past and may in the future, use hedging strategies to manage and minimize the impact of exchange rate fluctuations on our cash flow and economic profits. There are complexities inherent in determining whether and when foreign exchange exposures will materialize, in particular given the possibility of unpredictable revenue variations arising from schedule delays and contract postponements. Furthermore, if we use hedging strategies in the future, we could be exposed to the risk of non-performance of our hedging counterparties. We may also have difficulty with our hedging strategy in the future depending on the willingness of hedging counterparties to extend credit. Accordingly, no assurances may be given that our exchange rate hedging strategy would protect us from significant changes or fluctuations in revenues and expenses denominated in U.S. dollars.

Our restructuring activities and cost saving initiatives may not achieve the results we anticipate.

We have previously and may in the future undertake cost reduction initiatives and organizational restructurings to improve operating efficiencies, optimize our asset base and generate cost savings. For example, in 2018 and 2019 we undertook restructuring plans intended to reduce headcount and implement other efficiency initiatives. We cannot be certain that these initiatives have been or will be completed as planned or without business interruption, that these initiatives will not generate additional costs, such as severance or other charges, or that the estimated operating efficiencies or cost savings from such activities will be fully realized or maintained over time.

Risks Related to Our Indebtedness and Our Common Stock

Our business is capital intensive, and we may not be able to raise adequate capital to finance our business strategies, including funding future satellites, or we may be able to do so only on terms that significantly restrict our ability to operate our business.

The implementation of our business strategies, such as expanding our satellite constellation and our products and services offerings, requires a substantial outlay of capital. As we pursue our business strategies and seek to respond to opportunities and trends in our industry, our actual capital expenditures may differ from our expected capital expenditures, and there can be no assurance that we will be able to satisfy our capital requirements in the future. We are highly leveraged, but we currently expect that our ongoing liquidity requirements for sustaining our operations will be satisfied by cash on hand and cash generated from our existing and future operations supplemented, where necessary, by available credit. However, we cannot provide assurances that our businesses will generate sufficient cash flow from operations in the future or that additional capital will be available in amounts sufficient to enable us to execute our business strategies. Our ability to increase our debt financing and/or renew existing credit facilities may be limited by our existing financial and non-financial covenants, credit objectives, or the conditions of the debt capital market generally. Furthermore, our current financing arrangements contain certain restrictive financial and non-financial covenants (e.g., the achievement or maintenance of stated financial ratios) that may impact our access to those facilities and significantly limit future operating and financial flexibility.

Our ability to obtain additional debt or equity financing or government grants to finance operating working capital requirements and growth initiatives may be limited or difficult to obtain, which could adversely affect our operations and financial condition.

We need capital to finance operating working capital requirements and growth initiatives and to pay our outstanding debt obligations as they become due for payment. If the cash generated from our businesses, together with the credit available under existing bank facilities, is not sufficient to fund future capital requirements, we will require additional debt or equity financing. Our ability to access capital markets on terms that are acceptable to us will be dependent on prevailing market conditions, as well as our future financial condition. Further, our ability to increase our debt financing and/or renew existing facilities may be limited by our existing leverage, financial and non-financial covenants, credit objectives and debt capital market conditions.

We have in the past, and may continue in the future to, receive government grants for research and development activities and other business initiatives. Any agreement or grant of this nature with government may be accompanied by contractual obligations applicable to us, which may result in the grant money becoming repayable if certain requirements are not met. A failure to meet contractual obligations under such agreements and grants and a consequent requirement to repay money received could negatively impact our results of operations and financial condition.

Our indebtedness and other contractual obligations could adversely affect our financial condition, our ability to raise additional capital to fund our operations, our ability to operate our business, our ability to react to changes in the economy or our industry and our ability to pay our debts and could divert our cash flow from operations for debt payments.

We have a significant amount of indebtedness and leverage. Our level of indebtedness increases the possibility that we may be unable to generate cash sufficient to pay the principal of, interest on, or other amounts due with respect to our indebtedness. Our long-term debt under our Syndicated Credit Facility bears interest at floating rates related to U.S. LIBOR (for U.S. dollar borrowings), plus a margin. As a result, our interest payment obligations on such indebtedness will increase if such interest rates increase. Our leverage and debt service obligations could adversely impact our business, including by:

- impairing our ability to meet one or more of the financial ratios contained in our credit facilities or to generate cash sufficient to pay interest or principal, including periodic principal payments;
- increasing our vulnerability to general adverse economic and industry conditions;
- limiting our ability to obtain additional debt or equity financing on favorable terms, if at all;
- requiring the dedication of a portion of our cash flow from operations to service our debt, thereby reducing the amount of our cash flow available for other purposes, including capital expenditures, dividends to stockholders or to pursue future business opportunities;
- requiring us to sell debt or equity securities or to sell some of our core assets, possibly on unfavorable terms, to meet payment obligations;
- limiting our flexibility in planning for, or reacting to, changes in our business and the industries in which we compete; and
- placing us at a possible competitive disadvantage with less leveraged competitors and competitors that may have better access to capital resources.

Any of the forgoing factors could have negative consequences on our financial condition and results of operation.

Our current financing arrangements contain certain restrictive covenants that impact our future operating and financial flexibility.

Our current financing arrangements contain certain restrictive covenants that may impact our future operating and financial flexibility. Our debt funding is provided under our financing agreements, which contains a series of positive and negative covenants with which we must comply, including financial and non-financial covenants. If we fail to comply with any covenants and are unable to obtain a waiver or other cure thereof, the lenders under the Syndicated Credit Facility or under the 2023 or 2027 bond issuances may be able to take certain actions with respect to the amounts owing under such agreements, including requiring early payment thereof. Any such actions could have a material adverse effect on our financial condition. These covenants could also have the effect of limiting our flexibility in planning for or reacting to changes in our business and the markets in which we compete.

Our actual operating results may differ significantly from our guidance.

From time to time, we release guidance regarding our future performance that represents our management's estimates as of the date of release. This guidance, which consists of forward-looking statements, is prepared by our management and is qualified by, and subject to, the assumptions and the other information contained or referred to in the release. Our guidance is not prepared with a view toward compliance with published guidelines of the American Institute of Certified Public Accountants, and neither any independent registered public accounting firm nor any other independent expert or outside party compiles, examines or reviews the guidance and, accordingly, no such person expresses any opinion or any other form of assurance with respect thereto.

Guidance is based upon a number of assumptions and estimates that, while presented with numerical specificity, is inherently subject to significant business, economic and competitive uncertainties and contingencies, many of which are beyond our control and are based upon specific assumptions with respect to future business decisions, some of which will change. We generally state possible outcomes as high and low ranges which are intended to provide a sensitivity analysis as variables are changed but are not intended to represent that actual results could not fall outside of these ranges. The principal reason that we release this data is to provide a basis for our management to discuss our business outlook with analysts and investors. We do not accept any responsibility for any projections or reports published by any such persons.

Guidance is necessarily speculative in nature, and it can be expected that some or all of the assumptions of the guidance furnished by us will not materialize or will vary significantly from actual results, particularly any guidance relating to the results of operations of acquired businesses or companies as our management will be less familiar with their business, procedures and operations. Accordingly, our guidance is only an estimate of what management believes is realizable as of the date of release. Actual results will vary from the guidance and the variations may be material. Investors should also recognize that the reliability of any forecasted financial data will diminish the farther in the future that the data are forecast. In light of the foregoing, investors are urged to put the guidance in context and not to place undue reliance on it.

Any failure to successfully implement our operating strategy or the occurrence of any of the events or circumstances set forth in our Quarterly Report on Form 10-Q for the quarter ended March 31, 2021 could result in the actual operating results being different than the guidance, and such differences may be adverse and material.

We could be adversely impacted by actions of activist stockholders, and such activism could impact the value of our securities.

We value constructive input from our stockholders and the investment community. However, there is no assurance that the actions taken by our Board of Directors and management in seeking to maintain constructive engagement with our stockholders will be successful. Certain of our stockholders have expressed views with respect to the operation of our business, our business strategy, corporate governance considerations or other matters. Responding to actions by activist stockholders can be costly and time-consuming, disrupting our operations and diverting the attention of management and our employees. The perceived uncertainties as to our future direction due to activist actions could affect the market price of our stock, result in the loss of potential business opportunities and make it more difficult to attract and retain qualified personnel, board members and business partners.

The price of our common stock has been volatile and may fluctuate substantially.

Our common stock is listed on the NYSE and the TSX and the price for our common stock has historically been volatile. The market price of our common stock may continue to be highly volatile and may fluctuate substantially due to the following factors (in addition to the other risk factors described in this section):

- general economic conditions;
- fluctuations in our operating results;
- variance in our financial performance from the expectations of equity and/or debt research analysts;
- techniques employed by short sellers to drive down the market price of our common stock;
- conditions and trends in the markets we serve;
- additions of or changes to key employees;
- changes in market valuations or earnings of our competitors;
- trading volumes of our common stock;
- future sales of our equity securities and/or future issuances of indebtedness;
- changes in the estimation of the future sizes and growth rates of our markets; and
- legislation or regulatory policies, practices or actions.

In addition, the stock markets in general have experienced extreme price and volume fluctuations that have at times been unrelated or disproportionate to the operating performance of the particular companies affected. These market and industry factors may materially harm the market price of our common stock irrespective of our operating performance.

A significant or prolonged decrease in our market capitalization, including a decline in stock price, or a negative long-term performance outlook, could result in an impairment of our assets which results when the carrying value of our assets exceed their fair value.

In the past several years, our securities have been the subject of short selling. Reports and information have been published about us that we believe are mischaracterized or incorrect, and which have in the past been followed by a decline in our stock price. If there are short seller allegations in the future, we may have to expend a significant amount of resources to investigate such allegations and/or defend ourselves.

In addition, in the first quarter of 2019, we became subject to certain securities class action litigation as a result of volatility in the price of our common stock, which could result in substantial costs and diversion of management's attention and resources and could harm our stock price, business, prospects, results of operations and financial condition. See Part II, Item 1, "*Legal Proceedings*" in this Quarterly Report on Form 10-Q for additional information.

Uncertainty with respect to the cessation of the London Interbank Offered Rate ("LIBOR") at the end of 2021 could impact our cost of borrowing and interest rate risk

We have outstanding debt and interest rate swaps with variable interest rates using LIBOR as a factor to determine the interest rates. In July 2017, the United Kingdom's Financial Conduct Authority announced that it intends to stop persuading or compelling banks to submit LIBOR rates after 2021. It is unclear if at that time whether or not LIBOR will cease. Recent proposals for alternative overnight and term rates may result in the establishment of new methods of calculating one or more alternative benchmark rates.

In the United States, the Alternative Reference Rate Committee ("ARRC"), a group of diverse private-market participants assembled by the Federal Reserve Board and the Federal Reserve Bank of New York, has begun publishing a Secured Overnight Financing Rate ("SOFR"), and has emerged as the ARRC's preferred alternative rate upon cessation of LIBOR. SOFR is a broad measure of the cost of borrowing cash overnight collateralized by Treasury securities in the repurchase agreement market. At this time, it is not possible to predict how markets will respond to SOFR.

The cessation of LIBOR, including the exact timing of its cessation, as well as its transition to another benchmark rate, or rates, could have adverse impacts on our outstanding interest rate swaps maturing in 2022 and our Syndicated Credit Facility maturing in 2023. This change may necessitate updates to our swaps and Syndicated Credit Facility, and ultimately, adversely affect our financial condition and results of operations.

If securities or industry analysts discontinue publishing research or reports about our business, or publish negative reports about our business, our stock price and trading volume could decline.

The trading market for our common stock depends in part on the research and reports that securities or industry analysts publish about us, our business, our market and our competitors. We do not have any control over these analysts. If one or more of the analysts who cover us downgrade our stock or change their opinion of our stock, our stock price would likely decline. If one or more of these analysts cease coverage of our company or fail to regularly publish reports on us, we could lose visibility in the financial markets, which could cause our stock price or trading volume to decline.

Our amended and restated certificate of incorporation and our amended and restated bylaws may impede or discourage a takeover, changes in management or changes in the Board of Directors, which could reduce the market price of our common stock.

Certain provisions in our amended and restated certificate of incorporation and our amended and restated bylaws may delay or prevent a third-party from acquiring control of us, even if a change in control would be beneficial to our existing stockholders. These provisions include:

- no cumulative voting in the election of directors, which limits the ability of minority stockholders to elect director candidates;

- the exclusive right of the Board of Directors to elect a director to fill a vacancy created by the expansion of the Board of Directors or the resignation, death or removal of a director, which prevents stockholders from being able to fill vacancies on the Board of Directors;
- the ability of the Board of Directors to issue shares of preferred stock and to determine the price and other terms of those shares, including preferences and voting rights, without stockholder approval, which could be used to significantly dilute the ownership of a hostile acquirer;
- a prohibition on stockholder action by written consent, which forces stockholder action to be taken at an annual or special meeting of stockholders;
- the requirement that a special meeting of stockholders may be called only by the chairman of the Board of Directors or two or more stockholders who hold, in the aggregate, at least ten percent (10%) of the voting power of our outstanding shares, which may delay the ability of our stockholders to force consideration of a proposal or to take action, including the removal of directors; and
- advance notice procedures that stockholders must comply with in order to nominate candidates to the Board of Directors or to propose matters to be acted upon at a stockholders' meeting, which may discourage or deter a potential acquirer from conducting a solicitation of proxies to elect the acquirer's own slate of directors or otherwise attempting to obtain control of our business.

These provisions could impede a merger, takeover or other business combination involving us or discourage a potential acquirer from making a tender offer for our common stock, which, under certain circumstances, could reduce the market price of our common stock. In addition, our amended and restated certificate of incorporation requires, to the fullest extent permitted by law, that derivative actions brought in our name, actions against our directors, officers and employees for breach of fiduciary duty and other similar actions may be brought only in the Court of Chancery in the State of Delaware.

There can be no assurance that we will continue to pay dividends on our common stock.

Our Board of Directors significantly reduced our dividends in the first quarter of 2019. Although our Board of Directors has historically declared a quarterly cash dividend which we have paid, the payment of future dividends is subject to a number of risks and uncertainties, and we may not pay quarterly dividends in the same amounts or at all in the future. The declaration, amount and timing of cash dividends are subject to capital availability and determinations by our Board of Directors that such dividends are in the best interest of our stockholders and are in compliance with all respective laws and applicable agreements. Our ability to pay dividends will depend upon, among other factors, our cash balances and potential future capital requirements for strategic transactions, including acquisitions, debt service requirements, results of operations, financial condition and other factors that our Board of Directors may deem relevant. The elimination of our dividend payments and/or our dividend program could have a negative effect on our stock price.

Risks Related to Legal and Regulatory Matters

Our operations in the U.S. government market are subject to significant regulatory risk.

Our operations in the U.S. government market are subject to significant government regulation. A failure by us to maintain the relevant clearances and approvals could limit our ability to operate in the U.S. market. Further, there can be no assurance that we will continue to be awarded contracts by the U.S. government. In addition, a failure by us to keep current and compliant with relevant U.S. regulations could result in fines, penalties, repayments, or suspension or debarment from U.S. government contracting or subcontracting for a period of time and could have an adverse effect on our standing and eligibility for future U.S. government contracts.

Failure to comply with the requirements of the National Industrial Security Program Operating Manual could result in interruption, delay or suspension of our ability to provide our products and services, and could result in loss of current and future business with the U.S. government.

We and our subsidiaries are parties to certain contracts with various departments and agencies of the U.S. government, including the U.S. Department of Defense, which require that certain of our legal entities be issued facility security clearances under the National Industrial Security Program. The National Industrial Security Program requires that a corporation maintaining a facility security clearance be effectively insulated from foreign ownership, control or influence ("FOCI"). Prior to the U.S. Domestication, we were incorporated under the laws of Canada, and had entered into a Security Control Agreement, dated January 26, 2017, by and among us, our wholly owned subsidiary, Maxar Technologies Holdings Inc. and the U.S. Department of Defense ("SCA"), as a suitable FOCI mitigation arrangement under the National Industrial Security Program Operating Manual. Upon U.S. Domestication, the SCA was dissolved and we entered into a Board Resolution to mitigate remaining FOCI risks as seen by the U.S. Government. Failure to maintain an agreement with the U.S. Department of Defense regarding the appropriate FOCI mitigation arrangement could result in invalidation or termination of the facility security clearances, which in turn would mean that our U.S. subsidiaries would not be able to enter into future contracts with the U.S. government requiring facility security clearances, and may result in the loss of the ability of those subsidiaries to complete existing contracts with the U.S. government.

Our business is subject to various regulatory risks that could adversely affect our operations.

The environment in which we operate is highly regulated due to the sensitive nature of our complex and technologically advanced systems, including satellites, products, hardware and software, in addition to those regulations broadly applicable to publicly listed corporations. There are numerous regulatory risks that could adversely affect operations, including but not limited to:

- Changes in laws and regulations. It is possible that the laws and regulations governing our business and operations will change in the future. A substantial portion of our revenue is generated from customers outside of the U.S. There may be a material adverse effect on our financial condition and results of operations if we are required to alter our business to comply with changes in both domestic and foreign regulations, telecommunications standards, foreign policy, tariffs or taxes and other trade barriers that reduce or restrict our ability to sell our products and services on a global basis, or by political and economic instability in the countries in which we conduct business. Any failure to comply with such regulatory requirements could also subject us to various fines, penalties or sanctions.
- Export Restrictions. Certain of our businesses and satellites, systems, products, services or technologies we have developed require the implementation or acquisition of products or technologies from third parties, including those in other jurisdictions. In addition, certain of our satellites, systems, products or technologies may be required to be forwarded or exported to other jurisdictions. In certain cases, if the use of the technologies can be viewed by the jurisdiction in which that supplier or subcontractor resides as being subject to export constraints or restrictions relating to national security, we may not be able to obtain the technologies and products that we require from suppliers or subcontractors who would otherwise be our preferred choice or may not be able to obtain the export permits necessary to transfer or export our technology. To the extent that we are able, we obtain pre-authorization for re-export prior to signing contracts which oblige us to export subject technologies, including specific foreign government approval as needed. In the event of export restrictions, we may have the ability through contract force majeure provisions to be excused from our obligations. Notwithstanding these provisions, the inability to obtain export approvals, export restrictions or changes during contract execution or non-compliance by our customers could have an adverse effect on our revenues and margins.
- U.S. Government Approval Requirements. For certain aspects of our business operations, we are required to obtain U.S. government licenses and approvals to enter into agreements or engage in commercial transactions with various end users (including government bodies) in order to export satellites and related equipment, disclose technical data or provide defense services to foreign persons. The delayed receipt of or the failure to obtain the necessary U.S. government licenses, approvals and agreements may prohibit entry into or interrupt the completion of contracts which could lead to a customer's termination of a contract for default, monetary penalties and/or the loss of incentive payments.
- Competitive Impact of U.S. Regulations on Satellite Sales. Some of our customers and potential customers, along with insurance underwriters and brokers, have asserted that U.S. export control laws and regulations governing disclosures to foreign persons excessively restrict their access to information about the satellite during construction and on-orbit. Office of Foreign Assets Control ("OFAC") sanctions and requirements may

also limit certain business opportunities or delay or restrict our ability to contract with potential foreign customers or operators. To the extent that our non-U.S. competitors are not subject to OFAC or similar export control or economic sanctions laws and regulations, they may enjoy a competitive advantage with foreign customers, and it could become increasingly difficult for the U.S. satellite manufacturing industry, including us, to recapture this lost market share. Customers concerned over the possibility that the U.S. government may deny the export license necessary for us to deliver their purchased satellite to them, or the restrictions or delays imposed by the U.S. government licensing requirements, even where an export license is granted, may elect to choose a satellite that is purportedly free of International Traffic in Arms Regulations ("ITAR") offered by a non-U.S. supplier. We are further disadvantaged by the fact that a purportedly "ITAR-free" satellite may be launched less expensively in China on the Chinese Long March rocket, a launch vehicle that, because of ITAR restrictions, is not available to us.

- Anti-Corruption Laws. As part of the regulatory and legal environments in which we operate, we are subject to global anti-corruption laws that prohibit improper payments directly or indirectly to government officials, authorities or persons defined in those anti-corruption laws in order to obtain or retain business or other improper advantages in the conduct of business. Our policies mandate compliance with anti-corruption laws. Failure by our employees, agents, subcontractors, suppliers and/or partners to comply with anti-corruption laws could impact us in various ways that include, but are not limited to, criminal, civil and administrative fines and/or legal sanctions and the inability to bid for or enter into contracts with certain entities, all of which could have a significant adverse effect on our reputation, operations and financial results.

Changes in tax law, in our tax rates or in exposure to additional income tax liabilities or assessments may materially and adversely affect our financial condition, results of operations and cash flows.

Changes in law and policy relating to taxes may materially and adversely affect our financial condition, results of operations and cash flows. For example, the new Administration and Congress could make changes to existing tax law, such as an increase in the corporate tax rate and enacting a minimum tax on worldwide book income. We continue to monitor tax law developments and assess the impact on the Company.

On March 27, 2020 the U.S. enacted the CARES Act which, among other things, includes provisions relating to refundable payroll tax credits, deferment of employer social security payments, net operating loss carryback periods, alternative minimum tax credit refunds, modification to the net interest deduction limitations and technical corrections to tax depreciation methods for qualified improvement property. The CARES Act did not have a material impact to our income tax expense for the three months ended March 31, 2021.

The U.S. also enacted the Tax Cuts and Jobs Act of 2017 ("2017 Tax Act") on December 22, 2017, which significantly changed the U.S. federal income taxation of U.S. corporations. The 2017 Tax Act remains unclear in many respects and has been, and may continue to be, the subject of amendments and technical corrections, as well as interpretations and implementing regulations by the Treasury and IRS, which have mitigated or increased certain adverse impacts of the 2017 Tax Act and may continue to do so in the future.

We continue to examine the impact the CARES Act and the 2017 Tax Act may have on our business in future periods.

California has temporarily suspended the net operating loss carryover utilization, and capped the use of business incentive tax credits, for three years by the enactment of Assembly Bill 85 on June 29, 2020. This change in California tax law did not have a material impact to our income tax expense for the three months ended March 31, 2021.

Our ability to use our U.S. federal and state net operating loss carryforwards and certain other tax attributes may be limited.

As of December 31, 2020, we had approximately $791 million, $822 million and $16 million of federal, state and foreign net operating loss ("NOL") carryforwards and $93 million tax credit carryforwards related to research and development expenditures and non-U.S. taxes paid.

Under Sections 382 and 383 of the Internal Revenue Code of 1986, as amended ("Code"), if a corporation undergoes an "ownership change," the corporation's ability to use its pre-change U.S. federal NOL carryforwards and other tax attributes (such as research tax credits) to offset its post-change income and taxes may be limited. In general, an "ownership change" occurs if there is a greater than 50 percentage point change (by value) in a corporation's equity ownership by certain stockholders over a rolling three-year period. Similar provisions of state tax law may also apply to limit our use of accumulated state tax attributes. While we do not believe that we have experienced ownership changes in the past that would materially limit our ability to utilize our NOL carryforwards, the Section 382 rules are complex and there is no assurance our view is correct. In the event that we experience ownership changes in the future, our ability to use pre-change NOL carryforwards and other tax attributes to offset post-change taxable income will be subject to limitations. As a result, we may be unable to use a material portion of our NOL carryforwards and other tax attributes, which could adversely affect our future cash flows.

Additionally, the CARES Act has temporarily expanded the available utilization of NOL carryforwards by allowing a five-year carryback for NOL carryforwards arising in tax years 2018, 2019 and 2020 and by suspending the 80%-taxable income limitation on NOL deductions taken in tax years prior to 2021. NOL carryforwards arising in tax years ending after December 31, 2017 can be carried forward indefinitely. There can be no assurance that we will be able to utilize our federal income tax NOL carryforwards to offset future taxable income.

On September 9, 2019 Treasury and the IRS issued proposed regulations regarding the items of income and deduction which are included in the calculation of built-in gains and losses under section 382. The proposed regulations were subject to a 60-day comment period and are proposed to be effective for ownership changes occurring after the effective date of temporary or final regulations. In response to concerns expressed in comment letters, in January 2020 the IRS withdrew a portion of the proposed regulations to provide transition relief for eligible taxpayers. Temporary or final regulations have not yet been issued by Treasury and the IRS.

Our operations are subject to governmental law and regulations relating to environmental matters, which may expose us to significant costs and liabilities that could negatively impact our financial condition.

We are subject to various federal, state, provincial and local environmental laws and regulations relating to the operation of our businesses, including those governing pollution, the handling, storage, disposal and transportation of hazardous substances and the ownership and operation of real property. In addition, we could be affected by future regulations imposed in response to concerns over climate change, other aspects of the environment or natural resources. We have been designated, along with other companies, as a named discharger potentially responsible for the cleanup of groundwater contamination at certain sites in California where we operate and there can be no assurance that the previous owners of those properties strictly complied with such environmental laws and regulations. Such laws and regulations may result in significant liabilities and costs to us due to the actions or inactions of the previous owners. In addition, new laws and regulations, more stringent enforcement of existing laws and regulations or the discovery of previously unknown contamination could result in additional costs.

We have incurred and will continue to incur increased costs and demands in order to comply with laws and regulations applicable to public companies.

In January 2019, we became a "domestic issuer" for SEC reporting purposes and a reporting issuer in each of the jurisdictions in Canada in which Maxar Canada was a reporting issuer. The obligations of being a public company in the U.S. and Canada require significant expenditures and will place significant demands on our management and other personnel, including costs resulting from public company reporting obligations under the U.S. Securities Exchange Act of 1934, as amended, applicable Canadian securities laws, and the rules and regulations regarding corporate governance practices, including those under the Sarbanes-Oxley Act of 2002, the Dodd-Frank Wall Street Reform and Consumer Protection Act, and the listing requirements of the NYSE and the TSX. These rules require that we maintain effective disclosure and financial controls and procedures, internal control over financial reporting and changes in corporate governance practices, among many other complex rules that are often difficult to monitor and maintain compliance with. Our management and other personnel will continue to devote a substantial amount of time to ensure compliance with all of these requirements and to keep pace with new regulations, otherwise we may fall out of compliance and risk becoming subject to reputational damage, litigation or being delisted, among other potential problems.

Our international business exposes us to risks relating to regulation, currency fluctuations and political or economic instability in foreign markets, which could adversely affect our revenue, earnings, cash flows and our financial condition.

A significant portion of our revenue is derived from non-U.S. sales, and we intend to continue to pursue international contracts. International operations are subject to certain risks, such as: changes in domestic and foreign governmental regulations and licensing requirements; deterioration of relations between the U.S. and/or a particular foreign country; increases in tariffs and taxes and other trade barriers; foreign currency fluctuations; changes in political and economic stability both in the U.S. and internationally; effects of austerity programs or similar significant budget reduction programs; potential preferences by prospective customers to purchase from local (non-U.S.) sources; difficulties in obtaining or enforcing judgments in foreign jurisdictions; and unforeseen developments and conditions, including war, epidemics and pandemics and international tensions and conflicts.

In addition, our international contracts may include industrial cooperation agreements requiring specific in-country purchases, investments, manufacturing agreements or other financial obligations, known as offset obligations, and provide for penalties if we fail to meet such requirements. The impact of these factors is difficult to predict, but one or more of them could adversely affect our financial position, results of operations, or cash flows.

Exposure to United Kingdom political developments, including the effect of its withdrawal from the European Union, could be costly and difficult to comply with and could harm our business.

In June 2016, a referendum was passed in the United Kingdom to leave the European Union, commonly referred to as “Brexit.” This decision created an uncertain political and economic environment in the United Kingdom and other European Union countries. The United Kingdom formally left the European Union on January 31, 2020 and the transition period provided for in the withdrawal agreement entered by the United Kingdom and the European Union ended on December 31, 2020. In December 2020, the United Kingdom and the European Union agreed on a trade and cooperation agreement that will apply provisionally after the end of the transition period until it is ratified by the parties to the agreement. On December 31, 2020, the United Kingdom passed legislation giving effect to the trade and cooperation agreement, with the European Union formally adopting the agreement in April 2021. The trade and cooperation agreement covers the general objectives and framework of the relationship between the United Kingdom and the European Union. Depending on the application of the terms of the trade and cooperation agreement, we could face new regulatory costs and challenges.

Our U.K. operations service customers in the U.K. as well as in other countries in the EU, and these operations could be disrupted by Brexit. The political and economic instability created by Brexit has caused and may continue to cause significant volatility in global financial markets and uncertainty regarding the regulation of data protection in the United Kingdom. In particular, although the United Kingdom enacted a Data Protection Act in May 2018 that is consistent with the EU General Data Protection Regulation, uncertainty remains regarding how data transfers to and from the United Kingdom will be regulated. Brexit could also have the effect of disrupting the free movement of goods, services, capital and people between the United Kingdom, the European Union and elsewhere.

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

None.

ITEM 6. EXHIBITS

The exhibits listed in the Exhibit Index are filed with, or incorporated by reference in, this Form 10-Q.

EXHIBIT INDEX

		Incorporated by Reference				
Exhibit No.	**Exhibit Description**	**Form**	**SEC File No.**	**Exhibit**	**Filing Date**	**Filed or Furnished Herewith**
3.1	Amended and Restated Certificate of Incorporation of Maxar Technologies Inc., as filed with the Delaware Secretary of State.	8-K	001-38228	3.1	1/2/2019	
3.2	Second Amended and Restated Bylaws of Maxar Technologies Inc.	8-K	001-38228	3.1	10/29/2020	
3.3	Certificate of Designations of Series A Junior Participating Preferred Stock of Maxar Technologies Inc., filed with the Delaware Secretary of State.	8-K	001-38228	3.1	5/13/2019	
10.1*	Form of 2021 Performance Stock Unit Award Grant Notice					X
31.1	Certification of the Company's Chief Executive Officer, Daniel L. Jablonsky, pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.					X

Exhibit No.	Exhibit Description	Incorporated by Reference Form	SEC File No.	Exhibit	Filing Date	Filed or Furnished Herewith
31.2	Certification of the Company's Chief Financial Officer, Biggs C. Porter, pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.					X
32.1†	Certification of the Company's Chief Executive Officer, Daniel L. Jablonsky, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.					X
32.2†	Certification of the Company's Chief Financial Officer, Biggs C. Porter, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.					X
101	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					X
Exhibit 104	Cover Page Interactive Data File – The cover page interactive data file does not appear in the Interactive Data File because its XBRL tags are embedded within the inline XBRL document					

† Furnished herewith.
* Management contract or compensatory plan 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, thereunto duly authorized.

May 3, 2021	Maxar Technologies Inc.
	By: /s/ Daniel L. Jablonsky Daniel L. Jablonsky Chief Executive Officer (Principal Executive Officer and Duly Authorized Officer)
	By: /s/ Biggs C. Porter Biggs C. Porter Executive Vice President and Chief Financial Officer (Principal Financial Officer and Duly Authorized Officer)
	By: /s/ Carolyn K. Pittman Carolyn K. Pittman Senior Vice President and Chief Accounting Officer (Principal Accounting Officer and Duly Authorized Officer)

EXHIBIT 10.1

MAXAR TECHNOLOGIES INC.
2019 INCENTIVE AWARD PLAN

PERFORMANCE STOCK UNIT AWARD GRANT NOTICE

Maxar Technologies Inc., a Delaware corporation, (the "Company"), pursuant to its 2019 Incentive Award Plan, as amended from time to time (the "Plan"), hereby grants to the holder listed below (the "Participant"), an award of performance stock units ("Performance Stock Units" or "PSUs"). Each vested Performance Stock Unit represents the right to receive, in accordance with the Performance Stock Unit Award Agreement attached hereto as Exhibit A (the "Agreement"), a number of shares of Common Stock (each, a "Share") based on the Company's achievement of certain performance goals. This award of Performance Stock Units is subject to all of the terms and conditions set forth herein and in the Agreement and the Plan, each of which are incorporated herein by reference. Unless otherwise defined herein, the terms defined in the Plan shall have the same defined meanings in this Performance Stock Unit Award Grant Notice (the "Grant Notice") and the Agreement.

Participant:	[___________________________]
Grant Date:	[___________________________]
Target Number of PSUs:	[______________]
Maximum Number of PSUs:	[______________]
Vesting Schedule:	The PSUs shall vest as provided in Exhibit B.
Termination of PSUs:	Except as set forth in the Agreement, if the Participant experiences a Termination of Service, all PSUs that have not become vested on or prior to the date of such Termination of Service will thereupon be automatically forfeited by the Participant without payment of any consideration therefor. In addition, in the event that the TSR Achievement Factor and/or the Overall ACL Achievement Factor (each, as defined in Exhibit B) as of the Determination Date (as defined in Exhibit B) is zero, the PSUs eligible to vest based on the applicable Achievement Factor (as defined in Exhibit B) will thereupon be automatically forfeited by the Participant without payment of any consideration therefor.

By his or her signature and the Company's signature below, the Participant agrees to be bound by the terms and conditions of the Plan, the Agreement and this Grant Notice. The Participant has reviewed the Agreement, the Plan and this Grant Notice in their entirety, has had an opportunity to obtain the advice of counsel prior to executing this Grant Notice and fully understands all provisions of this Grant Notice, the Agreement and the Plan. The Participant hereby agrees to accept as binding, conclusive and final all decisions or interpretations of the Administrator upon any questions arising under the Plan, this Grant Notice or the Agreement. In addition, by signing below, the Participant also agrees that the Company, in its sole discretion, may satisfy any withholding obligations in accordance with Section 2.6(b) of the Agreement by (i) withholding shares of Common Stock otherwise issuable to the Participant upon vesting of the PSUs, (ii) instructing a broker on the Participant's behalf to sell shares of Common Stock otherwise issuable to the Participant upon vesting of the PSUs and submit the proceeds of such sale to the Company, or (iii) using any other method permitted by Section 2.6(b) of the Agreement or the Plan.

MAXAR TECHNOLOGIES INC.:		**PARTICIPANT:**	
By:	______________________	By:	______________________
Print Name:	______________________	Print Name:	______________________
Title:	______________________		
Address:	______________________	Address:	______________________

EXHIBIT A

TO PERFORMANCE STOCK UNIT AWARD GRANT NOTICE

PERFORMANCE STOCK UNIT AWARD AGREEMENT

Pursuant to the Performance Stock Unit Award Grant Notice (the "Grant Notice") to which this Performance Stock Unit Award Agreement (this "Agreement") is attached, Maxar Technologies Inc., a Delaware corporation (the "Company"), has granted to the Participant the number of performance stock units ("Performance Stock Units" or "PSUs") set forth in the Grant Notice under the Company's 2019 Incentive Award Plan, as amended from time to time (the "Plan"). Each Performance Stock Unit represents the right to receive a number of shares of Common Stock (each, a "Share") based on the Company's achievement of certain performance goals. Capitalized terms not specifically defined herein shall have the meanings specified in the Plan and Grant Notice.

ARTICLE I.

GENERAL

1.1 Incorporation of Terms of Plan. The PSUs are subject to the terms and conditions of the Plan, which are incorporated herein by reference. In the event of any inconsistency between the Plan and this Agreement, the terms of the Plan shall control.

ARTICLE II.

GRANT OF PERFORMANCE STOCK UNITS

2.1 Grant of PSUs. Pursuant to the Grant Notice and upon the terms and conditions set forth in the Plan and this Agreement, effective as of the Grant Date set forth in the Grant Notice, the Company hereby grants to the Participant an award of PSUs under the Plan in consideration of the Participant's past and/or continued employment with or service to the Company or any Subsidiaries and for other good and valuable consideration.

2.2 Unsecured Obligation to PSUs. Each PSU constitutes the right to receive a number of Shares upon vesting, as determined in accordance with Section 2.3 and 2.6 below. Unless and until the PSUs have vested in the manner set forth in Article 2 hereof, the Participant will have no right to receive Common Stock under any such PSUs. Prior to actual payment of any vested PSUs, such PSUs will represent an unsecured obligation of the Company, payable (if at all) only from the general assets of the Company.

2.3 Vesting Schedule; Change in Control.

(a) Subject to Section 2.5 hereof, the PSUs shall vest and become nonforfeitable with respect to the applicable portion thereof in accordance with Exhibit B to the Grant Notice and this Section 2.3.

(b) Notwithstanding Section 2.3(a), if a Change in Control occurs and at least one of the two circumstances described in clauses (i) and (ii) below occurs (the date of either such event, the "Early Measurement Date"), then such number of PSUs will become immediately vested and earned on such Early Measurement Date as is determined in this Section 2.3(b). For purposes of this Agreement, an Early Measurement Date will occur on the earlier to occur of:

(i) upon a Change in Control, the surviving corporation or successor fails to continue or assume the obligations with respect to the PSUs or fails to provide for the conversion or replacement of the PSUs with an equivalent award; or

(ii) in the event that the PSUs are continued, assumed, converted or replaced as contemplated in Section 2.3(b)(i), during the one-year period following the effective date of a Change in Control, the Participant incurs a Termination of Service without Cause or for Good Reason.

In the event of the occurrence of an Early Measurement Date, such number of PSUs shall vest on such Early Measurement Date as is equal to the greater of: (i) such number of PSUs as would vest based on the TSR Achievement Factor and the Overall ACL Achievement Factor as determined as of the Early Measurement Date in accordance with Exhibit B; or (ii) a prorated number of the Target Number of PSUs set forth in the Grant Notice based on (A) the number of days elapsed in the period commencing January 1, 2021 through the Early Measurement Date, divided by (B) 1,095.

(c) For purposes of Section 2.3, the obligations with respect to the PSUs will be considered to have been converted or replaced with an equivalent award by the surviving corporation or successor (or an affiliate thereof), if each of the following conditions are met, which determination will be made solely in the discretionary judgment of the Administrator (as constituted immediately prior to the Change in Control), which determination may be made in advance of the effective date of a particular Change in Control:

(i) the converted or replaced award preserves the existing value of the PSUs being replaced, and contains provisions for scheduled vesting and treatment on Termination of Service (including the definition of Cause and Good Reason) that are no less favorable to the Participant than the PSUs being replaced; and

(ii) the security represented by the converted or replaced award is of a class that is publicly held and widely traded on an established U.S. national stock exchange unless otherwise determined by the Administrator.

2.4 Consideration to the Company. In consideration of the grant of the award of PSUs pursuant hereto, the Participant agrees to render faithful and efficient services to the Company or any Subsidiary.

2.5 Forfeiture, Termination and Cancellation upon Termination of Service. Subject to Section 2.3(b), upon the Participant's Termination of Service for any or no reason, all Performance Stock Units which have not vested prior to or in connection with such Termination of Service shall thereupon automatically be forfeited, terminated and cancelled as of the applicable termination date without payment of any consideration by the Company, and the Participant, or the Participant's beneficiary or personal representative, as the case may be, shall have no further rights hereunder. Further, notwithstanding anything herein to the contrary, in the event that the TSR Achievement Factor and/or the Overall ACL Achievement Factor as of the Determination Date is zero, the PSUs eligible to vest based on the applicable Achievement Factor will thereupon be automatically forfeited by the Participant without payment of any consideration therefor, and the Participant, or the Participant's beneficiary or personal representative, as the case may be, shall have no further rights hereunder. No portion of the PSUs which has not become vested as of the date on which the Participant incurs a Termination of Service shall thereafter become vested.

2.6 Settlement upon Vesting.

(a) As soon as administratively practicable following the vesting of any Performance Stock Units pursuant to Section 2.3 hereof, but in no event later than March 15 of the calendar year following the Measurement Date (as defined in Exhibit B) (for the avoidance of doubt, this deadline is intended to comply with the "short term deferral" exemption from Section 409A of the Code), the Company shall deliver to the Participant (or any transferee permitted under Section 3.2 hereof) a number of Shares equal to the number of vested PSUs as determined in accordance with Exhibit B. Notwithstanding the foregoing, in the event Shares cannot be issued pursuant to Section 10.4 of the Plan, the Shares shall be issued pursuant to the preceding sentence as soon as administratively practicable after the Administrator determines that Shares can again be issued in accordance with such Section.

(b) As set forth in Section 10.2 of the Plan, the Company shall have the authority and the right to deduct or withhold, or to require the Participant to remit to the Company, an amount sufficient to satisfy all applicable federal, state and local taxes required by law to be withheld with respect to any taxable event arising in connection with the Performance Stock Units. The Company shall not be obligated to deliver any Shares to the Participant or the Participant's legal representative unless and until the Participant or the Participant's legal representative shall have paid or otherwise satisfied in full the amount of all federal, state and local taxes applicable to the taxable income of the Participant resulting from the grant or vesting of the Performance Stock Units or the issuance of Shares.

2.7 Conditions to Delivery of Shares. The Shares deliverable hereunder may be either previously authorized but unissued Shares, treasury Shares or issued Shares which have then been reacquired by the Company. Such Shares shall be fully paid and nonassessable. The Company shall not be required to issue Shares deliverable hereunder prior to fulfillment of the conditions set forth in Section 10.4 of the Plan.

2.8 Rights as Stockholder. The holder of the PSUs shall not be, nor have any of the rights or privileges of, a stockholder of the Company, including, without limitation, voting rights and rights to dividends, in respect of the PSUs and any Shares underlying the PSUs and deliverable hereunder unless and until such Shares shall have been issued by the Company and held of record by such holder (as evidenced by the appropriate entry on the books of the Company or of a duly authorized transfer agent of the Company). No adjustment shall be made for a dividend or other right for which the record date is prior to the date the Shares are issued, except as provided in Section 12.2 of the Plan.

ARTICLE III.

OTHER PROVISIONS

3.1 Administration. The Administrator shall have the power to interpret the Plan and this Agreement and to adopt such rules for the administration, interpretation and application of the Plan as are consistent therewith and to interpret, amend or revoke any such rules. All actions taken and all interpretations and determinations made by the Administrator in good faith shall be final and binding upon the Participant, the Company and all other interested persons. No member of the Administrator or the Board shall be personally liable for any action, determination or interpretation made in good faith with respect to the Plan, this Agreement or the PSUs.

3.2 PSUs Not Transferable. The PSUs shall be subject to the restrictions on transferability set forth in Section 10.3 of the Plan.

3.3 Tax Consultation. The Participant understands that the Participant may suffer adverse tax consequences in connection with the PSUs granted pursuant to this Agreement (and the Shares issuable with respect thereto). The Participant represents that the Participant has consulted with any tax consultants the Participant deems advisable in connection with the PSUs and the issuance of Shares with respect thereto and that the Participant is not relying on the Company for any tax advice.

3.4 Binding Agreement. Subject to the limitation on the transferability of the PSUs contained herein, this Agreement will be binding upon and inure to the benefit of the heirs, legatees, legal representatives, successors and assigns of the parties hereto.

3.5 Adjustments Upon Specified Events. The Participant acknowledges that the PSUs are subject to adjustment, modification and termination in certain events as provided in this Agreement and Section 12.2 of the Plan.

3.6 Notices. Any notice to be given under the terms of this Agreement to the Company shall be addressed to the Company in care of the Secretary of the Company at the Company's principal office, and any notice to be given to the Participant shall be addressed to the Participant at the Participant's last address reflected on the Company's records. By a notice given pursuant to this Section 3.6, either party may hereafter designate a different address for notices to be given to that party. Any notice shall be deemed duly given when sent via email or when sent by certified mail (return receipt requested) and deposited (with postage prepaid) in a post office or branch post office regularly maintained by the United States Postal Service.

3.7 Participant's Representations. If the Shares issuable hereunder have not been registered under the Securities Act or any applicable state laws on an effective registration statement at the time of such issuance, the Participant shall, if required by the Company, concurrently with such issuance, make such written representations as are deemed necessary or appropriate by the Company and/or its counsel.

3.8 Titles. Titles are provided herein for convenience only and are not to serve as a basis for interpretation or construction of this Agreement.

3.9 Governing Law. The laws of the State of Delaware shall govern the interpretation, validity, administration, enforcement and performance of the terms of this Agreement regardless of the law that might be applied under principles of conflicts of laws.

3.10 Conformity to Securities Laws. The Participant acknowledges that the Plan and this Agreement are intended to conform to the extent necessary with all provisions of the Securities Act and the Exchange Act and any other Applicable Law. Notwithstanding anything herein to the contrary, the Plan shall be administered, and the PSUs are granted, only in such a manner as to conform to Applicable Law. To the extent permitted by Applicable Law, the Plan and this Agreement shall be deemed amended to the extent necessary to conform to such Applicable Law.

3.11 Amendment, Suspension and Termination. To the extent permitted by the Plan, this Agreement may be wholly or partially amended or otherwise modified, suspended or terminated at any time or from time to time by the Administrator or the Board; *provided, however,* that, except as may otherwise be provided by the Plan, no amendment, modification, suspension or termination of this Agreement shall adversely affect the PSUs in any material way without the prior written consent of the Participant.

3.12 Successors and Assigns. The Company may assign any of its rights under this Agreement to single or multiple assignees, and this Agreement shall inure to the benefit of the successors and assigns of the Company. Subject to the restrictions on transfer herein set forth in Section 3.2 hereof, this Agreement shall be binding upon the Participant and his or her heirs, executors, administrators, successors and assigns.

3.13 Limitations Applicable to Section 16 Persons. Notwithstanding any other provision of the Plan or this Agreement, if the Participant is subject to Section 16 of the Exchange Act, then the Plan, the PSUs and this Agreement shall be subject to any additional limitations set forth in any applicable exemptive rule under Section 16 of the Exchange Act (including any amendment to Rule 16b-3 of the Exchange Act) that are requirements for the application of such exemptive rule. To the extent permitted by Applicable Law, this Agreement shall be deemed amended to the extent necessary to conform to such applicable exemptive rule.

3.14 Not a Contract of Service Relationship. Nothing in this Agreement or in the Plan shall confer upon Participant any right to continue to serve as an employee or other service provider of the Company or any of its Subsidiaries or interfere with or restrict in any way with the right of the Company or any of its Subsidiaries, which rights are hereby expressly reserved, to discharge or to terminate for any reason whatsoever, with or without cause, the services of the Participant's at any time.

3.15 Section 409A. This Award is not intended to constitute "nonqualified deferred compensation" within the meaning of Section 409A of the Code (together with any Department of Treasury regulations and other interpretive guidance issued thereunder, including without limitation any such regulations or other guidance that may be issued after the date hereof, "Section 409A"). However, notwithstanding any other provision of the Plan, the Grant Notice or this Agreement, if at any time the Administrator determines that this Award (or any portion thereof) may be subject to Section 409A, the Administrator shall have the right in its sole discretion (without any obligation to do so or to indemnify Participant or any other person for failure to do so) to adopt such amendments to the Plan, the Grant Notice or this Agreement, or adopt other policies and procedures (including amendments, policies and procedures with retroactive effect), or take any other actions, as the Administrator determines are necessary or appropriate for this Award either to be exempt from the application of Section 409A or to comply with the requirements of Section 409A.

3.16 Limitation on Participant's Rights. Participation in the Plan confers no rights or interests other than as herein provided. This Agreement creates only a contractual obligation on the part of the Company as to amounts payable and shall not be construed as creating a trust. Neither the Plan nor any underlying program, in and of itself, has any assets. The Participant shall have only the rights of a general unsecured creditor of the Company and its Subsidiaries with respect to amounts credited and benefits payable, if any, with respect to the PSUs, and rights no greater than the right to receive the Common Stock as a general unsecured creditor with respect to PSUs, as and when payable hereunder.

3.17 Data Privacy. Without limiting the generality of any other provision of this Agreement, Section 10.8 ("*Data Privacy*") of the Plan is hereby expressly incorporated into this Agreement as if first set forth herein.

3.18 Foreign Asset/Account Reporting Notification. The Participant understands that the Participant's country may have certain exchange control and/or foreign asset/account reporting requirements which may affect the Participant's ability to hold Shares received from the PSUs in a brokerage or bank account outside of the Participant's country. The Participant may be required to report such accounts, assets or transactions to the tax or other authorities in the Participant's country. The Participant acknowledges that it is the Participant's responsibility to comply with any applicable regulations, and the Participant should speak to the Participant's personal advisor on this matter.

3.19 Additional Acknowledgement. The Participant acknowledges that for employment law purposes outside the United States, the PSUs and the income from and value of same, are not part of normal or expected compensation or salary for any purpose, including but not limited to for purposes of calculating any severance, resignation, termination, redundancy, dismissal, end of service payments, bonuses, holiday pay, long-service awards, pension or retirement benefits or similar mandatory payments.

Exhibit B

PERFORMANCE GOALS

1. Definitions.

"2023 Bonds" means the $1.0 billion in principal amount of 9.75% Senior Notes due 2023 that were issued in December 2019, with a balance outstanding of $850M as of December 31, 2020.

"Achievement Factor" means each of the TSR Achievement Factor and the Overall ACL Achievement Factor.

"ACL Performance Period" means each of ACL Performance Period 1, ACL Performance Period 2 and ACL Performance Period 3.

"ACL Performance Period 1" means the period commencing on January 1, 2021 and ending on December 31, 2021 (or, if earlier, the Early Measurement Date).

"ACL Performance Period 2" means the period commencing on January 1, 2022 and ending on December 31, 2022 (or, if earlier, the Early Measurement Date).

"ACL Performance Period 3" means the period commencing on January 1, 2023 and ending on December 31, 2023 (or, if earlier, the Early Measurement Date).

"Adjusted Cash Leverage" or "ACL" means the quotient obtained by dividing Gross Debt by Adjusted EBITDA.

"Adjusted EBITDA" means the Company's earnings before interest, taxes, depreciation and amortization, excluding Non-Cash Deferred Revenue, impairment losses, inventory valuation adjustments, legal settlements/provisions, restructuring charges and restructuring-related retention arrangements, acquisition/disposition and integration related expenses, foreign exchange gains and losses, unusual gains and losses and stock compensation expenses (both cash and stock settled).

"Average Market Value," means the average closing trading price of a company's shares on the principal exchange on which such shares are then traded, during the 20 consecutive trading days ending on a specified date for which such closing trading price is reported by the applicable exchange or such other authoritative source as the Administrator may reasonably determine.

"Debt Covenants" means the financial covenants contained in Sections 10.2(11)(a) and 10.2(11)(b) of the Restated Credit Agreement by and among the Company, Royal Bank of Canada, and the Lenders named therein, dated as of October 5, 2017, and as amended from time to time, and Section 4.18 of the 2023 Bonds, as amended from time to time.

"Gross Debt" means, for each ACL Performance Period, gross combined long and short term debt, including finance leases, as reflected in the balance sheet of the Company and the notes thereto as of the last day of such ACL Performance Period, and as each of the foregoing terms is defined under generally accepted accounting principles consistently applied based on those principles as they existed at December 31, 2020. For reference, at December 31, 2020 this included outstanding borrowings on the company's revolving credit agreement, term loan B, finance leases, 2023 Bonds, and the 2027 Note of $150M, aggregating $2,479 million.

"Index" means the Russell 2000 Index as constituted as of April 1, 2021. For purposes of this definition and calculating any company's TSR for the TSR Performance Period, (i) the Company will be excluded from the Index, (ii) any company that is removed from the Russell 2000 Index due to a merger or acquisition during the TSR Performance Period will be removed from the Index, and (iii) any company that is in the Russell 2000 Index that files for bankruptcy protection during the TSR Performance Period will remain in the Index and be deemed to have the lowest TSR in the Index. In other circumstances where a company is removed from the Russell 2000 Index, the Committee shall reasonably determine whether it is suitable for the company to be excluded from the Index.

"Measurement Date" means the earlier of (a) December 31, 2023, or (b) the Early Measurement Date.

"Non-Cash Deferred Revenue" means, for each ACL Performance Period, the amount recorded to revenue for such ACL Performance Period for the recognition of previously deferred revenue and imputed interest under the Company's Enhanced View Contract. For reference, the amount of deferred revenue recognized as revenue during the year ended as of December 31, 2020 was $80 million.

"Performance Period" means each ACL Performance Period and the TSR Performance Period.

"Quarterly Period" means each of the following periods: January 1 through March 31; April 1 through June 30; July 1 through September 30; and October 1 through December 31; provided, however, that in the event the Early Measurement Date occurs during a Quarterly Period, such Quarterly Period shall end on such Early Measurement Date for purposes of this Exhibit B.

"Quarterly TSR" means the total shareholder return of the Company (or of a company in the Index, as applicable), as measured by the change in the price of a Share (or the publicly traded securities of a company in the Index, as applicable) over a Quarterly Period (positive or negative), calculated based on the Average Market Value ending on the first day of a Quarterly Period as the beginning stock price, and the Average Market Value ending on the last day of such Quarterly Period as the ending stock price, and assuming dividends (if any) paid in respect of a Share (or the publicly traded securities of a company in the Index, as applicable) are reinvested on the ex-dividend date without consideration for withholding taxes.

"Relative TSR" means the Company's TSR relative to the TSRs of the companies that comprise the Index, expressed as a percentile.

"TSR" means the average of all Quarterly TSRs for the Company (or for a company in the Index, as applicable) for the TSR Performance Period.

"TSR Performance Period" means April 1, 2021 through December 31, 2023 (or, if earlier, the Early Measurement Date).

2. Performance Vesting. On the Measurement Date, such number of PSUs shall vest on such date as is equal to the sum of (a) (i) the Target Number of PSUs, multiplied by (ii) 50%, multiplied by (iii) the TSR Achievement Factor for the TSR Performance Period, plus (b) (i) the Target Number of PSUs, multiplied by (ii) 50%, multiplied by (iii) the Overall ACL Achievement Factor, with the TSR Achievement Factor and the Overall ACL Achievement Factor to be determined in accordance with Section 3 below, provided the Participant has not experienced a Termination of Service prior to such date.

3. Achievement Factors. As soon as administratively practicable following the Measurement Date (but in no event later than 60 days thereafter), the Administrator shall determine the Relative TSR for the TSR Performance Period and Adjusted Cash Leverage for each ACL Performance Period and calculate the TSR Achievement Factor, the ACL Achievement Factor for each ACL Performance Period and the Overall ACL Achievement Factor (such date of determination, the "Determination Date"); provided, however, that if the Measurement Date is the date of a Change in Control, the Determination Date shall occur no later than the date of such Change in Control. In determining the Adjusted Cash Leverage for any ACL Performance Period, the Administrator shall make adjustments in its sole discretion necessary to exclude the planned dilutive effects of any acquisitions (based upon the acquisition business case presented for approval to the Board) which close following the Grant Date or equity issuances following the Grant Date.

The “TSR Achievement Factor” means that factor determined under Table 1 below based on the Company’s Relative TSR for the TSR Performance Period.

The “ACL Achievement Factor” means that factor determined under Table 2 below based on the Company’s Adjusted Cash Leverage for each ACL Performance Period. In the event of the occurrence of an Early Measurement Date, the ACL Achievement Factor for any ACL Performance Period that, as of such date, has not yet started, shall be equal to the greater of (i) 1.0 or (ii) the ACL Achievement Factor for the ACL Performance Period then underway.

The “Overall ACL Achievement Factor” means the sum of (i) the ACL Achievement Factor for ACL Performance Period 1 multiplied by 25%, (ii) the ACL Achievement Factor for ACL Performance Period 2 multiplied by 25% and (iii) the ACL Achievement Factor for ACL Performance Period 3 multiplied by 50%. In no event will the Overall ACL Achievement Factor exceed 2.0.

If the Relative TSR or the Adjusted Cash Leverage achieved during a Performance Period is between two of the levels set forth in the applicable table below, the TSR Achievement Factor or the ACL Achievement Factor (as applicable) for such Performance Period shall be determined using linear interpolation. For clarity, (i) in no event shall the TSR Achievement Factor or ACL Achievement Factor for any Performance Period exceed 2.0, and (ii) if the Relative TSR or Adjusted Cash Leverage performance for a Performance Period is below the Threshold level, the TSR Achievement Factor or ACL Achievement Factor (as applicable) for such Performance Period shall be 0.

Table 1

Performance Level	***Relative TSR Percentile for TSR Performance Period***	***TSR Achievement Factor***
Maximum	75^{th} or above	2.0
Target	50^{th}	1.0
Threshold	25^{th}	0.5
Below Threshold	below 25^{th}	0.0

Table 2

Performance Level	***ACL for ACL Performance Periods***			***ACL Achievement Factor****
	ACL Performance Period 1	*ACL Performance Period 2*	*ACL Performance Period 3*	
Maximum	4.6 or below	3.6 or below	2.6 or below	2.0
Target	5.6	4.6	3.6	1.0
Threshold	6.6	5.6	4.6	0.5
Below Threshold	above 6.6	above 5.6	above 4.6	0.0

** If the Board determines that the Company has violated its Debt Covenants at any time during an ACL Performance Period and the violation is not waived, the ACL Achievement Factor will equal 0.0 for such ACL Performance Period.*

Exhibit 31.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER
Section 302 Certification

I, Daniel L. Jablonsky, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2021 of Maxar Technologies 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.

Date: May 3, 2021
/s/ Daniel L. Jablonsky
Daniel L. Jablonsky
President and Chief Executive Officer

Exhibit 31.2

<u>CERTIFICATION OF CHIEF FINANCIAL OFFICER</u>
Section 302 Certification

I, Biggs C. Porter, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2021 of Maxar Technologies 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.

Date: May 3, 2021
<u>/s/ Biggs C. Porter</u>
Biggs C. Porter
Executive Vice President and Chief Financial Officer

Exhibit 32.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER
Pursuant to § 906 of the Sarbanes-Oxley Act of 2002
(18 U.S.C. § 1350)

In connection with the Quarterly Report of Maxar Technologies Inc., a Delaware corporation ("Company"), on Form 10-Q for the quarter ended March 31, 2021, as filed with the U.S. Securities and Exchange Commission ("Report"), the undersigned officer of the Company does hereby certify, pursuant to § 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. § 1350), that to his knowledge:

1. The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

MAXAR TECHNOLOGIES INC.

/s/ Daniel L. Jablonsky
Daniel L. Jablonsky
President and Chief Executive Officer

Date: May 3, 2021

Exhibit 32.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER
Pursuant to § 906 of the Sarbanes-Oxley Act of 2002
(18 U.S.C. § 1350)

In connection with the Quarterly Report of Maxar Technologies Inc., a Delaware corporation ("Company"), on Form 10-Q for the quarter ended March 31, 2021, as filed with the U.S. Securities and Exchange Commission ("Report"), the undersigned officer of the Company does hereby certify, pursuant to § 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. § 1350), that to his knowledge:

1. The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

MAXAR TECHNOLOGIES INC.

/s/ Biggs C. Porter
Biggs C. Porter
Executive Vice President and Chief Financial Officer

Date: May 3, 2021