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 September 30, 2020
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)

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 October 30, 2020, there were 61,074,718 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 September 30, 2020

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 September 30,		Nine Months Ended September 30,	
	2020	2019	2020	2019
Revenues:				
Product	$ 161	$ 129	$ 425	$ 439
Service	275	284	831	817
Total revenues	436	413	1,256	1,256
Costs and expenses:				
Product costs, excluding depreciation and amortization	145	140	434	452
Service costs, excluding depreciation and amortization	95	89	275	284
Selling, general and administrative	90	81	237	232
Depreciation and amortization	95	93	274	284
Impairment loss	—	—	14	—
Satellite insurance recovery	—	—	—	(183)
Reduction of gain on sale leaseback	4	—	4	—
Operating income	7	10	18	187
Interest expense, net	36	50	133	148
Other (income) expense, net	(91)	(1)	(98)	2
Income (loss) before taxes	62	(39)	(17)	37
Income tax (benefit) expense	(22)	1	(22)	3
Equity in loss (income) from joint ventures, net of tax	—	1	(1)	4
Income (loss) from continuing operations	84	(41)	6	30
Discontinued operations:				
Income from operations of discontinued operations, net of tax	—	16	32	36
Gain on disposal of discontinued operations, net of tax	1	—	305	—
Income from discontinued operations, net of tax	1	16	337	36
Net income (loss)	$ 85	$ (25)	$ 343	$ 66
Basic net income (loss) per common share:				
Income (loss) from continuing operations	$ 1.38	$ (0.69)	$ 0.10	$ 0.50
Income from discontinued operations, net of tax	0.02	0.27	5.56	0.60
Basic net income (loss) per common share	$ 1.40	$ (0.42)	$ 5.66	$ 1.10
Diluted net income (loss) per common share:				
Income (loss) from continuing operations	$ 1.32	$ (0.69)	$ 0.10	$ 0.50
Income from discontinued operations, net of tax	0.02	0.27	5.39	0.60
Diluted net income (loss) per common share	$ 1.34	$ (0.42)	$ 5.49	$ 1.10

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 September 30,		Nine Months Ended September 30,	
	2020	2019	2020	2019
Net income (loss)	$ 85	$ (25)	$ 343	$ 66
Other comprehensive income (loss), net of tax:				
Foreign currency translation adjustments	—	(8)	(49)	2
Reclassification of currency translation adjustment to gain on disposal of discontinued operations	—	—	(64)	—
Unrealized loss on derivatives	7	—	(8)	(15)
Gain on pension and other postretirement benefit plans	—	2	1	4
Other comprehensive income (loss), net of tax	7	(6)	(120)	(9)
Comprehensive income (loss), net of tax	$ 92	$ (31)	$ 223	$ 57

See accompanying notes to the Unaudited Condensed Consolidated Financial Statements.

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

	September 30, 2020	December 31, 2019
Assets		
Current assets:		
Cash and cash equivalents	$ 60	$ 59
Trade and other receivables, net	361	357
Inventory	27	20
Advances to suppliers	49	42
Prepaid and other current assets	46	32
Current assets held for sale	—	751
Total current assets	543	1,261
Non-current assets:		
Orbital receivables, net	358	382
Property, plant and equipment, net	844	758
Intangible assets, net	926	991
Non-current operating lease assets	170	176
Goodwill	1,632	1,455
Other non-current assets	92	134
Total assets	$ 4,565	$ 5,157
Liabilities and stockholders' equity		
Current liabilities:		
Accounts payable	$ 124	$ 153
Accrued liabilities	78	130
Accrued compensation and benefits	87	93
Contract liabilities	275	271
Current portion of long-term debt	9	30
Current operating lease liabilities	41	40
Other current liabilities	59	49
Current liabilities held for sale	—	230
Total current liabilities	673	996
Non-current liabilities:		
Pension and other postretirement benefits	191	197
Contract liabilities	2	4
Operating lease liabilities	166	173
Long-term debt	2,413	2,915
Other non-current liabilities	122	110
Total liabilities	3,567	4,395
Commitments and contingencies		
Stockholders' equity:		
Common stock ($0.0001 par value, 240 million common shares authorized; 61.0 million and 59.9 million outstanding at September 30, 2020 and December 31, 2019, respectively)	—	—
Additional paid-in capital	1,800	1,784
Accumulated deficit	(741)	(1,082)
Accumulated other comprehensive (loss) income	(61)	59
Total Maxar stockholders' equity	998	761
Noncontrolling interest	—	1
Total stockholders' equity	998	762
Total liabilities and stockholders' equity	$ 4,565	$ 5,157

See accompanying notes to the Unaudited Condensed Consolidated Financial Statements.

MAXAR TECHNOLOGIES INC.

Unaudited Condensed Consolidated Statements of Cash Flows
(In millions)

	Nine Months Ended September 30,	
	2020	2019
Cash flows (used in) provided by:		
Operating activities:		
Net income	$ 343	$ 66
Income from operations of discontinued operations, net of tax	(32)	(36)
Gain on disposal of discontinued operations, net of tax	(305)	—
Income from continuing operations	6	30
Adjustments to reconcile net (loss) income to net cash (used in) provided by operating activities:		
Impairment losses including inventory	14	3
Depreciation and amortization	274	284
Loss from extinguishment of debt	7	—
Gain from remeasurement of equity interest in acquiree	(85)	—
Amortization of debt issuance costs and other non-cash interest expense	12	6
Deferred income tax benefit	(17)	—
Stock-based compensation expense	24	9
Other	3	11
Changes in operating assets and liabilities:		
Trade and other receivables	(3)	(26)
Advances to suppliers	(7)	35
Accounts payables and accrued liabilities	(41)	(80)
Contract liabilities	1	(141)
Other	(7)	3
Cash provided by operating activities - continuing operations	181	134
Cash (used in) provided by operating activities - discontinued operations	(49)	12
Cash provided by operating activities	132	146
Investing activities:		
Purchase of property, plant and equipment and development or purchase of software	(224)	(203)
Acquisition, net of cash acquired	(118)	—
Return of capital from discontinued operations	20	—
Cash used in investing activities - continuing operations	(322)	(203)
Cash provided by (used in) investing activities - discontinued operations	723	(4)
Cash provided by (used in) investing activities	401	(207)
Financing activities:		
Net proceeds of revolving credit facility	—	107
Net proceeds from issuance of 2027 Notes	147	—
Repurchase of 2023 Notes, including premium	(169)	—
Repayments of long-term debt	(523)	(21)
Settlement of securitization liability	(7)	(7)
Payment of dividends	(2)	(2)
Other	4	—
Cash (used in) provided by financing activities - continuing operations	(550)	77
Cash used in financing activities - discontinued operations	(24)	(2)
Cash (used in) provided by financing activities	(574)	75
(Decrease) increase in cash, cash equivalents, and restricted cash	(41)	14
Effect of foreign exchange on cash, cash equivalents, and restricted cash	(5)	—
Cash, cash equivalents, and restricted cash, beginning of year	110	43
Cash, cash equivalents, and restricted cash, end of period	$ 64	$ 57
Reconciliation of cash flow information:		
Cash and cash equivalents	$ 60	$ 52
Restricted cash included in prepaid and other current assets	4	1
Restricted cash included in other non-current assets	—	4
Total cash, cash equivalents, and restricted cash	$ 64	$ 57

See accompanying notes to the Unaudited Condensed Consolidated Financial Statements

MAXAR TECHNOLOGIES INC.

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

Three and nine months ended September 30, 2020:

	Common Stock		Additional		Accumulated other	Noncontrolling	Total stockholders'
	Shares	Amount	paid-in capital	Accumulated deficit	comprehensive income (loss)	interest	equity
Balance as of December 31, 2019	59.9	$ —	$ 1,784	$ (1,082)	$ 59	$ 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	$ (1,130)	$ (4)	$ 1	$ 657
Reclassification of equity classified stock-based compensation awards to liability classified	—	—	(2)	—	—	—	(2)
Equity-settled stock-based compensation recovery from disposal of discontinued operations	—	—	(1)	—	—	—	(1)
Common stock issued under employee stock purchase plan	0.2	—	1	—	—	—	1
Equity classified stock-based compensation expense	0.4	—	6	—	—	—	6
Dividends ($0.01 per common share)	—	—	—	(1)	—	—	(1)
Comprehensive income	—	—	—	306	(64)	—	242
Balance as of June 30, 2020	60.7	$ —	$ 1,794	$ (825)	$ (68)	$ 1	$ 902
Common stock issued under employee stock purchase plan	0.2	—	2	—	—	—	2
Equity classified stock-based compensation expense	0.1	—	4	—	—	—	4
Dividends ($0.01 per common share)	—	—	—	(1)	—	—	(1)
Comprehensive income	—	—	—	85	7	—	92
Other	—	—	—	—	—	(1)	(1)
Balance as of September 30, 2020	61.0	$ —	$ 1,800	$ (741)	$ (61)	$ —	$ 998

See accompanying notes to the Unaudited Condensed Consolidated Financial Statements

MAXAR TECHNOLOGIES INC.

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

Three and nine months ended September 30, 2019:

	Common Stock		Additional				
	Shares	Amount	paid-in capital	Accumulated deficit	Accumulated other comprehensive income (loss)	Noncontrolling interest	Total stockholders' equity
Balance as of December 31, 2018	59.4	$ 1,713	$ 59	$ (1,188)	$ 82	$ 1	$ 667
Reclassification of APIC due to U.S. Domestication	—	(1,713)	1,713	—	—	—	—
Common stock issued under employee stock purchase plan	0.1	—	1	—	—	—	1
Common stock issued upon vesting or exercise of stock-based compensation awards	0.1	—	—	—	—	—	—
Equity classified stock-based compensation expense	—	—	1	—	—	—	1
Dividends ($0.01 per common share)	—	—	—	(1)	—	—	(1)
Comprehensive loss	—	—	—	(57)	(6)	—	(63)
Balance as of March 31, 2019	59.6	$ —	$ 1,774	$ (1,246)	$ 76	$ 1	$ 605
Common stock issued under employee stock purchase plan	—	—	—	—	—	—	—
Common stock issued upon vesting or exercise of stock-based compensation awards	—	—	—	—	—	—	—
Equity classified stock-based compensation expense	—	—	2	—	—	—	2
Dividends ($0.01 per common share)	—	—	—	—	—	—	—
Comprehensive income	—	—	—	148	3	—	151
Balance as of June 30, 2019	59.6	$ —	$ 1,776	$ (1,098)	$ 79	$ 1	$ 758
Common stock issued under employee stock purchase plan	—	—	—	—	—	—	—
Common stock issued upon vesting or exercise of stock-based compensation awards	—	—	—	—	—	—	—
Equity classified stock-based compensation expense	—	—	4	—	—	—	4
Dividends ($0.01 per common share)	—	—	—	(1)	—	—	(1)
Comprehensive income (loss)	—	—	—	(25)	(6)	—	(31)
Balance as of September 30, 2019	59.6	$ —	$ 1,780	$ (1,124)	$ 73	$ 1	$ 730

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, unless otherwise noted)

1. GENERAL BUSINESS DESCRIPTION

Maxar Technologies Inc. (the "Company" or "Maxar") is a partner and innovator in Earth Intelligence and Space Infrastructure. Maxar helps government and commercial customers monitor, understand and navigate the 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 its consolidated subsidiaries. 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 in 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 4 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.

Recently Adopted Accounting Pronouncements

Financial Instruments

In June 2016, the FASB issued ASU 2016-13, Financial Instruments-Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments ("ASU 2016-13") which, together with subsequent amendments, is included in ASC 326 – Financial Instruments – Credit Losses. ASC 326, as amended, significantly changes the impairment model for most financial assets and certain other instruments. ASC 326, as amended, requires immediate recognition of estimated credit losses expected to occur over the remaining life of many financial assets, which will generally result in earlier recognition of allowances for credit losses on loans and other financial instruments. These updates are effective for annual and interim financial statement periods beginning after December 15, 2019, with early adoption permitted for

financial statement periods beginning after December 15, 2018. The Company adopted this standard and related amendments effective January 1, 2020, using the modified retrospective approach. The adoption of this standard resulted in additional disclosures related to the Company's orbital receivables. Refer to Note 5 for details. There were no impacts to the Unaudited Condensed Consolidated Financial Statements as a result of adoption.

Simplifying the Accounting for Income Taxes

In December 2019, the FASB issued ASU 2019-12, Income Taxes (Topic 740): Simplifying the Accounting for Income Taxes ("ASU 2019-12"). ASU 2019-12 simplifies the accounting for income taxes by removing certain exceptions to the general principles in Topic 740. ASU 2019-12 also simplifies aspects of accounting for franchise taxes and clarifies the accounting for transactions that result in a step-up in the tax basis of goodwill. ASU 2019-12 is effective for annual and interim financial statement periods beginning after December 15, 2020, with early adoption permitted. The Company early adopted this standard and related amendments effective January 1, 2020, in order to utilize the simplifying provision that removes the exception to the incremental approach for intraperiod tax allocation when a loss is incurred from continuing operations and income or a gain results from another item such as discontinued operations or other comprehensive income. The impact on the Unaudited Condensed Consolidated Financial Statements is to simplify the quarterly presentation related to the ordinary loss and the gain recorded in discontinued operations. There were no additional material impacts to the Unaudited Condensed Consolidated Financial Statements as a result of adoption.

Recent Accounting Guidance Not Yet Adopted

Reference Rate Reform

In March 2020, FASB issued ASU 2020-04, Facilitation of the Effects of Reference Rate Reform on Financial Reporting ("ASU 2020-04"). The ASU 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. BUSINESS COMBINATION

On July 1, 2020, the Company closed the acquisition of Vricon, Inc. ("Vricon") and purchased the remaining 50% ownership interest in Vricon ("Vricon Acquisition") for $142 million, excluding Vricon cash on hand of $23 million, for $119 million, net of cash at closing, of which $1 million will be paid in the fourth quarter of 2020. Vricon is a global leader in satellite-derived 3D data for defense and intelligence markets, with software and products that enhance 3D mapping, Earth intelligence data, military simulation and training and precision-guided munitions. Vricon was formed as a joint venture between Maxar and Saab AB in 2015 to combine patented Saab AB Intellectual Property with our commercial satellite imagery to build highly accurate, immersive 3D products at scale. Prior to the closing of the acquisition, Vricon was the Company's most significant joint venture.

To fund the Vricon Acquisition, the Company issued $150 million in aggregate principal amount of new senior secured notes due 2027. See Note 9 for additional details on the issuance of the new senior secured notes.

As part of the acquisition agreement, Vricon's stock-based awards vested at the time of acquisition were settled in cash for $25 million. The unvested awards were forfeited.

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

The Vricon Acquisition was achieved in stages, which required the Company to remeasure its previously held equity interest in Vricon at its acquisition date fair value. As no material control premium was determined to exist, the call option purchase price of $117 million paid in the Vricon Acquisition was used to estimate the fair value of the previously held equity interest. The Company performed a business enterprise valuation to corroborate the resulting total implied purchase consideration. This remeasurement resulted in a gain of approximately $85 million which is recorded in Other (income) expense within the Company's Unaudited Condensed Consolidated Statements of Operations for the three and nine months ended September 30, 2020.

The operating results of Vricon are included in the Company's Unaudited Condensed Consolidated Statements of Operations beginning July 1, 2020. Vricon results are consolidated within the Earth Intelligence Segment.

The following table presents unaudited pro forma financial information as if Vricon had been included in the Company's financial results as of January 1, 2019, through the date of acquisition:

	Nine Months Ended September 30,	
	2020	2019
Revenues	$ 1,267	$ 1,274
Net income	$ 342	$ 68

Purchase Price Allocation

The following table summarizes the fair value of the consideration transferred and the estimated fair values of the major classes of assets acquired and liabilities assumed at the acquisition date. The fair value the intangible assets acquired has been determined using valuation techniques that require significant judgement, including the amount and timing of future net cash flows and discount rates.

	July 1, 2020
Call option purchase price	$ 117
Fair value of existing equity interest	117
Cash settlement of equity awards and liabilities assumed	26
Purchase consideration	$ 260
Assets	
Cash and cash equivalents	$ 23
Trade and other receivables, net	9
Property, plant and equipment, net	3
Intangible assets, net	73
Other assets	2
Total assets	$ 110
Liabilities	
Accounts payable	$ 1
Accrued liabilities	3
Deferred income tax liability	17
Other current liabilities	6
Total liabilities	27
Fair value of net identifiable assets acquired	83
Goodwill	$ 177

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

The following table summarizes the intangible assets acquired from the Vricon Acquisition by class and useful life:

	Carrying value	Remaining useful life
Finite-lived intangible assets:		
Backlog	$ 21	2 years
Trademarks	1	1 year
Existing technology	49	9 years
Existing software	2	2 - 3 years
Total intangible assets	$ 73	

The goodwill of $177 million is attributable primarily to the synergies expected to be achieved from integrating Vricon with the Company's existing capabilities. Due to the nature of the transaction, the Company will not receive a step-up in tax basis on the fixed assets, intangible assets or goodwill recorded in the purchase price allocation.

4. DISCONTINUED OPERATIONS

On April 8, 2020, the Company completed the sale of the 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 $305 million, net of $24 million in taxes, on the MDA Transaction for the nine months ended September 30, 2020. The tax on the MDA Transaction is primarily due to the estimated U.S. federal Base Erosion and Anti-Abuse Tax and California state corporate income tax, the latter being attributable to recent legislation suspending the use of net operating loss ("NOL") carryforwards. The gain on the MDA Transaction includes a reclassification of the related foreign currency translation adjustment balance of $64 million from Accumulated other comprehensive (loss) income. See Note 9 for details on the use of proceeds from the MDA Transaction.

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 and nine months ended September 30, 2020 and September 30, 2019, respectively. For the nine months ended September 30, 2020, the Company has reported the operating results and cash flows related to the MDA Business through April 7, 2020.

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

MAXAR TECHNOLOGIES INC.
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 MDA in the Unaudited Condensed Consolidated Statements of Operations consists of the following:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2020	2019	2020 [1]	2019
Revenues:				
Product	$ —	$ 45	$ 44	$ 155
Service	—	39	42	122
Total revenues	—	84	86	277
Costs and expenses:				
Product costs, excluding depreciation and amortization	—	35	38	115
Service costs, excluding depreciation and amortization	—	19	24	64
Selling, general and administrative	—	11	13	42
Depreciation and amortization	—	2	4	8
Impairment loss	—	—	12	12
Operating income (loss)	—	17	(5)	36
Interest expense, net	—	—	1	—
Other expense (income), net [2]	—	(1)	(34)	(1)
Income before taxes	—	18	28	37
Income tax expense (benefit)	—	2	(4)	1
Income from operations of discontinued operations, net of tax	—	16	32	36
Gain on disposal of discontinued operations, net of tax [3]	1	—	305	—
Income from discontinued operations, net of tax	$ 1	$ 16	$ 337	$ 36

[1] For the nine months ended September 30, 2020, MDA results are presented through April 7, 2020.

[2] Other (income) expense, net includes the $39 million recovery of the previously recorded liability in relation to the Company's dispute with the Ukrainian Customer for the nine months ended September 30, 2020.

[3] For the three months ended September 30, 2020, the $1 million Gain on disposal of discontinued operations, net of tax, is driven by a reduction of the income tax on the gain on disposal of the MDA Business.

Prior to the sale, MDA held an investment in a privately held company in which it did not have significant influence and for which the fair value could not be reliably measured through external indicators. The investment was evaluated quarterly for impairment. During the nine months ended September 30, 2020, the Company recorded an impairment loss of $12 million, all of which was recorded during the three months ended March 31, 2020, as the privately held company filed for bankruptcy and as a result, the investment was fully impaired. During the nine months ended September 30, 2019, the Company recorded an impairment loss of $12 million due to an observable price change related to its investment.

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The carrying amounts of the major classes of assets and liabilities, which are classified as held for sale in the Unaudited Condensed Consolidated Balance Sheet as of December 31, 2019, are as follows:

	December 31, 2019
Assets	
Cash and cash equivalents	$ 45
Trade and other receivables, net	168
Deferred tax assets	117
Property, plant and equipment	29
Intangible assets	27
Goodwill	310
Other assets [1]	55
Current assets held for sale	$ 751
Liabilities	
Accounts payable	$ 88
Accrued liabilities	18
Accrued compensation and benefits	21
Contract liabilities	29
Pension and other postretirement benefit liabilities	21
Other liabilities [2]	53
Current liabilities held for sale	$ 230

[1] Other assets include income tax receivables, operating lease assets, prepaid and other current assets.

[2] Other liabilities include operating and finance lease liabilities, current income taxes payable and other current liabilities.

5. TRADE AND OTHER RECEIVABLES, NET

	September 30, 2020	December 31, 2019
Billed	$ 187	$ 211
Unbilled	129	100
Total trade receivables	316	311
Orbital receivables, current portion	44	43
Other	2	4
Allowance for doubtful accounts	(1)	(1)
Trade and other receivables, net	$ 361	$ 357

Orbital receivables relate to performance incentives due under certain satellite construction contracts that are paid over the in-orbit life of the satellite. As of September 30, 2020 and December 31, 2019, non-current orbital receivables, net of allowances were $358 million and $382 million, respectively, and are included in Non-current assets on the Unaudited Condensed Consolidated Balance Sheets.

Orbital receivables are recognized as an asset on the balance sheet in conjunction with revenue recognition under the cost-to-cost method of accounting during the satellite construction period and are stated at their carrying value less allowances for expected credit losses. The Company utilizes customer credit ratings, expected credit loss and other credit quality indicators to evaluate the collectability of orbital receivables on a quarterly basis. Assessments for impairments of the orbital receivables are completed utilizing a discounted cash flow analysis based on discount rates which reflect the credit risk of customers and are included as an addition to the orbital receivable allowance. Income is recognized on orbital receivable balances based upon contractual rates.

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As of September 30, 2020, the Company had orbital receivables from 14 customers for which the largest customer's value represents $40 million, or 10% of the stated balance sheet value. During the three and nine months ended September 30, 2020, the Company recognized no impairment and an impairment of $14 million, respectively, primarily due to an increase in credit risk associated with the Company's largest orbital customer as of March 31, 2020.

The changes in allowance for expected credit losses related to non-current orbital receivables for the nine months ended September 30, 2020, consist of the following:

	Orbital Receivables Allowance
Allowance as of January 1, 2020	$ (35)
Additions	(14)
Allowance as of September 30, 2020	$ (49)

The Company has sold certain orbital receivables that are accounted for as securitized borrowings in the Unaudited Condensed Consolidated Balance Sheets as the Company does not meet the accounting criteria for surrendering control of the receivables. The net proceeds received on the orbital receivables have been recognized as securitization liabilities and are subsequently measured at amortized cost using the effective interest rate method. The securitized orbital receivables and the securitization liabilities are being drawn down as payments are received from the customers and passed on to the purchaser. The Company continues to recognize orbital interest revenue on the orbital receivables that are subject to the securitization transactions and recognizes interest expense to accrete the securitization liability. The total amounts of securitization liabilities at September 30, 2020 and December 31, 2019 were $62 million and $65 million, respectively. Current securitization liabilities of $14 million and $17 million, are included in Other current liabilities on the Unaudited Condensed Consolidated Balance Sheets at September 30, 2020 and December 31, 2019, respectively. Non-current securitization liabilities of $48 million are included in Other non-current liabilities on the Unaudited Condensed Consolidated Balance Sheets at September 30, 2020 and December 31, 2019, respectively.

6. INVENTORY

	September 30, 2020	December 31, 2019
Raw materials	$ 16	$ 13
Work in process	11	7
Inventory	$ 27	$ 20

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7. PROPERTY, PLANT AND EQUIPMENT, NET

	September 30, 2020	December 31, 2019
Satellites	$ 397	$ 397
Equipment	204	196
Leasehold improvements	82	75
Computer hardware	75	67
Furniture and fixtures	16	15
Construction in process[1]	520	388
Property, plant and equipment, at cost	1,294	1,138
Accumulated depreciation	(450)	(380)
Property, plant and equipment, net	$ 844	$ 758

[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 $24 million for the three months ended September 30, 2020 and September 30, 2019, and $71 million and $80 million for the nine months ended September 30, 2020 and September 30, 2019, respectively.

During the second quarter of 2019, the Company received insurance recoveries of $183 million related to the loss of the WorldView-4 satellite. The insurance proceeds are included in operating cash flows as they are considered business interruption insurance and represent the satellite's loss of capacity to produce imagery for sale to the Company's customers.

8. INTANGIBLE ASSETS AND GOODWILL

	September 30, 2020			December 31, 2019		
	Gross carrying value	Accumulated amortization	Net carrying value	Gross carrying value	Accumulated amortization	Net carrying value
Customer relationships	$ 615	$ (135)	$ 480	$ 615	$ (102)	$ 513
Backlog	351	(292)	59	330	(217)	113
Technologies	369	(194)	175	320	(144)	176
Software	278	(115)	163	213	(83)	130
Image library	80	(56)	24	80	(48)	32
Trade names and other	38	(13)	25	37	(10)	27
Intangible assets	$ 1,731	$ (805)	$ 926	$ 1,595	$ (604)	$ 991

Amortization expense related to intangible assets was $71 million and $69 million, and $203 million and $204 million for the three and nine months ended September 30, 2020 and September 30, 2019, respectively.

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Changes in the carrying amount of goodwill for each reporting segment are as follows:

	Earth Intelligence	Space Infrastructure	Total
Balance as of December 31, 2019	$ 1,455	$ —	$ 1,455
Acquisition of Vricon	177	—	177
Balance as of September 30, 2020	$ 1,632	$ —	$ 1,632

Accumulated goodwill impairment losses in the Earth Intelligence segment were $142 million as of September 30, 2020 and December 31, 2019. Accumulated goodwill impairment losses in the Space Infrastructure segment were $17 million as of September 30, 2020 and December 31, 2019.

9. LONG-TERM DEBT AND INTEREST EXPENSE, NET

	September 30, 2020	December 31, 2019
Syndicated Credit facility:		
Term Loan B	$ 1,444	$ 1,960
2023 Notes	850	1,000
2027 Notes	150	—
Deferred financing	33	33
Debt discount and issuance costs	(60)	(54)
Obligations under finance leases and other	5	6
Total long-term debt	2,422	2,945
Current portion of long-term debt	(9)	(30)
Non-current portion of long-term debt	$ 2,413	$ 2,915

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 Revolving Credit Facility includes an aggregate $200 million sub limit under which letters of credit can be issued. As of September 30, 2020 and December 31, 2019, the Company had $32 million and $18 million of issued and undrawn letters of credit outstanding under the Revolving Credit Facility. Of the Company's $500 million borrowing capacity on its Revolving Credit Facility, the Company has no outstanding borrowings as of September 30, 2020.

During the three months ended June 30, 2020, the Company repaid $511 million of borrowings under Term Loan B using proceeds from the MDA Transaction. The Company expensed $7 million of unamortized debt issuance costs attributed to the partial pay down, which is included in Interest expense, net in the Unaudited Condensed Consolidated Statements of Operations.

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.

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On June 25, 2020, the Company issued $150 million in principal amount of 7.54% Senior Secured Notes due 2027 ("2027 Notes") in a private placement 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 will commence 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.

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.

The 2027 Notes are guaranteed ("2027 Guarantees") on a senior secured basis by each of the Company' existing and future subsidiaries that guarantees the 2023 Notes and the Syndicated Credit Facility ("Guarantors"). The 2027 Notes are secured, equally and ratably with the 2023 Notes, the Syndicated Credit Facility and any future first lien debt, by liens on the same assets that secure the Revolving Credit Facility and the Term Loan B.

The 2027 Notes and the 2027 Guarantees are the Company's general senior secured obligations and rank equally in right of payment with all of the Company's and the Guarantors' existing and future unsubordinated debt (including the 2023 Notes and the Syndicated Credit Facility). The 2027 Notes and the 2027 Guarantees are effectively senior to all of the Company's and the Guarantors' existing and future unsecured debt as well as to all of any permitted junior lien debt that may be incurred in the future, in each case to the extent of the value of the assets securing the 2027 Notes and the 2027 Guarantees. The 2027 Notes and the 2027 Guarantees are effectively subordinated to any obligations that are secured by liens on assets that do not constitute a part of the collateral securing the 2027 Notes or the 2027 Guarantees, are structurally subordinated to all existing and future liabilities (including trade payables) of the Company's subsidiaries that do not guarantee the 2027 Notes, and are senior in right of payment to all of the Company's and the Guarantors' existing and future subordinated indebtedness.

The indenture governing the 2027 Notes limits, among other things, the Company's and the Company's restricted subsidiaries' ability to: incur, assume or guarantee additional debt; issue redeemable stock and preferred stock; pay dividends, make distributions or redeem or repurchase capital stock; prepay, redeem or repurchase subordinated debt; make loans and investments; grant or incur liens; restrict dividends, loans or asset transfers from restricted subsidiaries; sell or otherwise dispose of assets; enter into transactions with affiliates; reduce the Company's satellite insurance; and consolidate or merge with, or sell substantially all of the Company's assets to, another person.

The 2027 Notes may be redeemed, in whole or in part, at any time during the 12 months beginning on June 25, 2024, at a redemption price of 105.655%, during the 12 months beginning on June 25, 2025, at a redemption price of 103.770%, and at any time on or after June 25, 2026, at a redemption price of 101.885%, in each case plus accrued and unpaid interest, if any, thereon to the redemption date. The Company may also redeem the 2027 Notes, in whole or in part, at the Company's option at any time prior to June 25, 2024, at a price equal to 100% of the principal amount of such 2027 Notes plus a "make-whole" premium, together with accrued but unpaid interest, if any, to, but excluding, the date of redemption. In addition, the Company may redeem up to 40% of the aggregate principal amount of the 2027 Notes at any time before June 25, 2024, with the net cash proceeds from certain equity offerings at a specified redemption price, plus accrued and unpaid interest, if any, to, but excluding, the date of redemption.

In the event a change of control occurs (as defined in the indenture governing the 2027 Notes), each holder will have the right to require us to repurchase all or any part of such holder's 2027 Notes at a purchase price in cash equal to 101% of the aggregate principal amount of the 2027 Notes repurchased, plus accrued and unpaid interest, if any, to the date of purchase (subject to the right of holders of record on the relevant record date to receive interest due on the relevant interest payment date).

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2020	2019	2020	2019
Interest on long-term debt	$ 44	$ 51	$ 153	$ 144
Interest expense on advance payments from customers	—	3	3	12
Interest on orbital securitization liability	1	1	4	5
Imputed interest and other	2	—	2	—
Capitalized interest	(11)	(5)	(29)	(13)
Interest expense, net	$ 36	$ 50	$ 133	$ 148

10. 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

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

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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.

	Recurring Fair Value Measurements of as of September 30, 2020			
	Level 1	Level 2	Level 3	Total
Assets				
Orbital receivables, net [1]	$ —	$ 402	$ —	$ 402
Liabilities				
Interest rate swaps	$ —	$ 25	$ —	$ 25
Long-term debt [2]	—	2,269	—	2,269
	$ —	$ 2,294	$ —	$ 2,294

	Recurring Fair Value Measurements of as of December 31, 2019			
	Level 1	Level 2	Level 3	Total
Assets				
Short-term investments	$ 1	$ —	$ —	$ 1
Orbital receivables, net [1]	—	425	—	425
	$ 1	$ 425	$ —	$ 426
Liabilities				
Interest rate swaps	$ —	$ 18	$ —	$ 18
Long-term debt [2]	—	3,004	—	3,004
	$ —	$ 3,022	$ —	$ 3,022

1 The carrying value of Orbital receivables, net was $402 million and $425 million at September 30, 2020 and December 31, 2019, respectively.

2 Long-term debt excludes finance leases, deferred financing and other and is carried at amortized cost. The outstanding carrying value was $2,384 million and $2,906 million at September 30, 2020 and December 31, 2019, respectively.

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

The Company determines the fair value of its orbital receivables using a discounted cash flow model, based on stated interest rates and observable market yield curves associated with the instruments.

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 its long-term debt using market interest rates for debt with terms and maturities similar to the Company's existing debt arrangements.

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.

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11. STOCKHOLDERS' EQUITY

As a result of the Company's U.S. Domestication on January 1, 2019, a reclassification between Common stock and Additional paid-in capital was necessary to reflect the Company's new par value of $0.0001. The reclassification between Common Stock and Additional paid-in capital of $1.7 billion was recorded within the Unaudited Condensed Consolidated Statements of Change in Stockholders' Equity in the first quarter of 2019.

Tax Benefit Preservation Plan

On May 12, 2019, the Company implemented a Tax Benefit Preservation Plan ("Tax Plan"), with the intent to preserve the value of certain deferred tax benefits ("Tax Benefits"). The Tax Plan expired on October 5, 2020, the three-year anniversary of the acquisition of DigitalGlobe. The Tax Plan was intended to act as a deterrent to any person or entity acquiring shares of the Company equal to or exceeding 4.9%. For each common stock outstanding as of May 28, 2019, a dividend of one preferred stock purchase right is granted. The Tax Plan gave current shareholders the right to purchase one one-hundredth of a share of Series A Junior Participating Preferred Stock ("Series A Preferred") at a set price of $30.92 which, upon exercise, provided for one additional share of common stock at a 50% discount on the exercise date with no cash settlement options. The Tax Plan reduced the likelihood that changes in the Company's investor base would have the unintended effect of limiting the use of the Company's Tax Benefits. There is no impact to the financial statements as a result of the Tax Plan.

As of September 30, 2020 and December 31, 2019, the Company had 2,400,000 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	Unrecognized (Loss) Gain on Interest Rate Swaps	Loss on Pension and Other Postretirement Plans	Total Accumulated Other Comprehensive Income (Loss)
Balance as of December 31, 2019	$ 126	$ (12)	$ (55)	$ 59
Other comprehensive (loss) income	(49)	(15)	1	(63)
Balance as of March 31, 2020	$ 77	$ (27)	$ (54)	$ (4)
Other comprehensive income	—	1	—	1
Tax expense	—	(1)	—	(1)
Reclassification of currency translation adjustment to gain on disposal of discontinued operations [1]	(78)	(5)	19	(64)
Balance as of June 30, 2020	$ (1)	$ (32)	$ (35)	$ (68)
Other comprehensive (loss) income	—	7	—	7
Tax benefit (expense)	—	—	—	—
Balance as of September 30, 2020	$ (1)	$ (25)	$ (35)	$ (61)

1 Relates to the reclassification of foreign currency translation from Accumulated other comprehensive (loss) income to the Gain on disposal of discontinued operations due to the completion of the MDA Transaction. See Note 4 for details.

12. REVENUE

On September 30, 2020, the Company had $2.2 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 $0.5 billion, $1.2 billion and $0.5 billion for the remaining three months ended December 31, 2020, the year ending December 31, 2021 and thereafter, respectively.

Contract liabilities by segment are as follows:

As of September 30, 2020	Earth Intelligence [1]	Space Infrastructure	Total
Contract liabilities	$ 38	$ 239	$ 277

As of December 31, 2019	Earth Intelligence [1]	Space Infrastructure	Total
Contract liabilities	$ 130	$ 145	$ 275

1 There was no remaining contract liability balance associated with the Company's EnhancedView Contract as of September 30, 2020 as the remaining revenue was fully recognized as of August 31, 2020. The contract liability associated with the Company's EnhancedView Contract was $78 million as of December 31, 2019. During the nine months ended September 30, 2020, imputed interest on advanced payments increased the contract liability balance by $3 million, and $81 million in revenue was recognized, decreasing the contract liability balance.

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 September 30, 2020	Earth Intelligence	Space Infrastructure	Eliminations	Total
Product revenues	$ —	$ 161	$ —	$ 161
Service revenues	274	1	—	275
Intersegment	—	19	(19)	—
	$ 274	$ 181	$ (19)	$ 436

Three Months Ended September 30, 2019	Earth Intelligence	Space Infrastructure	Eliminations	Total
Product revenues	$ —	$ 129	$ —	$ 129
Service revenues	282	2	—	284
Intersegment	—	31	(31)	—
	$ 282	$ 162	$ (31)	$ 413

Nine Months Ended September 30, 2020	Earth Intelligence	Space Infrastructure	Eliminations	Total
Product revenues	$ —	$ 425	$ —	$ 425
Service revenues	823	8	—	831
Intersegment	—	64	(64)	—
	$ 823	$ 497	$ (64)	$ 1,256

Nine Months Ended September 30, 2019	Earth Intelligence	Space Infrastructure	Eliminations	Total
Product revenues	$ —	$ 439	$ —	$ 439
Service revenues	799	18	—	817
Intersegment	—	96	(96)	—
	$ 799	$ 553	$ (96)	$ 1,256

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 $8 million and $22 million for the three and nine months ended September 30, 2020, respectively, as compared to $8 million and $23 million for the three and nine months ended September 30, 2019, 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.

The Company incurred COVID-19 related EAC growth of $3 million and $27 million for the three and nine months ended September 30, 2020, respectively. The changes in the EACs are due to increases in estimated program costs associated with the COVID-19 operating posture and the estimated impact of certain items such as supplier delays and increased labor hours. These costs are considered incremental and separable from normal operations. 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.

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During the three and nine months ended September 30, 2020, the Company recorded an additional $6 million and $42 million estimated loss on a commercial satellite program which includes significant development efforts further delayed by COVID-19. The COVID-19 impact on this program was $2 million and $16 million for the three and nine months ended September 30, 2020, respectively, and is included in our total COVID-19 impact discussed above.

The revenues based on geographic location of customers are as follows:

	Three Months Ended September 30,	
	2020	2019
United States	$ 358	$ 301
Asia	25	37
Europe	25	24
Middle East	12	22
Australia	9	4
South America	4	18
Other	3	7
Total revenues	$ 436	$ 413

	Nine Months Ended September 30,	
	2020	2019
United States	$ 1,016	$ 929
Asia	75	128
Europe	67	48
Middle East	38	41
Australia	26	13
South America	19	82
Other	15	15
Total revenues	$ 1,256	$ 1,256

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Revenues from significant customers are as follows:

Three Months Ended September 30, 2020	Earth Intelligence	Space Infrastructure	Eliminations	Total
U.S. federal government and agencies	$ 198	$ 69	$ —	$ 267
Commercial and other	76	112	(19)	169
Total revenues	$ 274	$ 181	$ (19)	$ 436

Three Months Ended September 30, 2019	Earth Intelligence	Space Infrastructure	Eliminations	Total
U.S. federal government and agencies	$ 186	$ 42	$ —	$ 228
Commercial and other	96	120	(31)	185
Total revenues	$ 282	$ 162	$ (31)	$ 413

Nine Months Ended September 30, 2020	Earth Intelligence	Space Infrastructure	Eliminations	Total
U.S. federal government and agencies	$ 600	$ 208	$ —	$ 808
Commercial and other	223	289	(64)	448
Total revenues	$ 823	$ 497	$ (64)	$ 1,256

Nine Months Ended September 30, 2019	Earth Intelligence	Space Infrastructure	Eliminations	Total
U.S. federal government and agencies	$ 587	$ 98	$ —	$ 685
Commercial and other	212	455	(96)	571
Total revenues	$ 799	$ 553	$ (96)	$ 1,256

13. SEGMENT INFORMATION

The Company’s business is organized into two reportable segments: Earth Intelligence and Space Infrastructure. With the Company’s closing of the MDA Transaction on April 8, 2020, MDA is no longer considered a reportable segment and has been classified within Income from discontinued operations, net of tax in the Unaudited Condensed Consolidated Statements of Operations. All prior-period amounts have been adjusted to reflect the reportable segment change.

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 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 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 September 30,		Nine Months Ended September 30,	
	2020	2019	2020	2019
Revenues:				
Earth Intelligence	$ 274	$ 282	$ 823	$ 799
Space Infrastructure	181	162	497	553
Intersegment eliminations	(19)	(31)	(64)	(96)
Total revenues	$ 436	$ 413	$ 1,256	$ 1,256
Adjusted EBITDA:				
Earth Intelligence	$ 128	$ 145	$ 407	$ 394
Space Infrastructure	12	(3)	(16)	2
Intersegment eliminations	(7)	(12)	(21)	(20)
Corporate and other expenses	(21)	(21)	(43)	(60)
Restructuring	—	1	—	(14)
Transaction and integration related expense	(2)	(7)	(6)	(14)
Impairment loss, including inventory	—	—	(14)	(3)
Satellite insurance recovery	—	—	—	183
Reduction of gain on sale leaseback	(4)	—	(4)	—
CEO severance	—	—	—	(3)
Gain on remeasurement of Vricon equity interest [1]	85	—	85	—
Depreciation and amortization	(95)	(93)	(274)	(284)
Interest expense, net	(36)	(50)	(133)	(148)
Interest income [2]	2	—	3	—
Equity in (income) loss from joint ventures, net of tax	—	1	(1)	4
(Loss) income from continuing operations before taxes	$ 62	$ (39)	$ (17)	$ 37

1 As a result of the Vricon Acquisition, the Company was required to remeasure its previously held equity interest in Vricon at its acquisition date fair value which resulted in a gain of $85 million. The gain is included in Other (income) expense, net on the Unaudited Condensed Consolidated Statements of Operations.

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

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

The Company's capital expenditures are as follows:

Three Months Ended September 30, 2020	Earth Intelligence	Space Infrastructure	Corporate and Eliminations	Total
Capital expenditures:				
Property, plant and equipment	$ 53	$ 6	$ 11	$ 70
Intangible assets	23	—	3	26
	$ 76	$ 6	$ 14	$ 96

Three Months Ended September 30, 2019	Earth Intelligence	Space Infrastructure	Corporate and Eliminations	Total
Capital expenditures:				
Property, plant and equipment	$ 51	$ 5	$ 8	$ 64
Intangible assets	15	1	(1)	15
	$ 66	$ 6	$ 7	$ 79

Nine Months Ended September 30, 2020	Earth Intelligence	Space Infrastructure	Corporate and Eliminations	Total
Capital expenditures:				
Property, plant and equipment	$ 115	$ 14	$ 29	$ 158
Intangible assets	59	—	7	66
	$ 174	$ 14	$ 36	$ 224

Nine Months Ended September 30, 2019	Earth Intelligence	Space Infrastructure	Corporate and Eliminations	Total
Capital expenditures:				
Property, plant and equipment	$ 152	$ 13	$ (4)	$ 161
Intangible assets	41	2	(1)	42
	$ 193	$ 15	$ (5)	$ 203

Substantially all of the Company's long-lived tangible assets were in the United States as of September 30, 2020 and December 31, 2019.

14. EMPLOYEE BENEFIT PLANS

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2020	2019	2020	2019
Interest cost	$ 4	$ 6	$ 13	$ 16
Expected return on plan assets	(7)	(7)	(20)	(19)
Amortization of net gain	—	—	1	—
Expenses incurred	1	1	2	2
Net periodic benefit cost	$ (2)	$ —	$ (4)	$ (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.

The Coronavirus Aid, Relief, and Economic Security Act ("CARES Act") was enacted on March 27, 2020 in the United States. Under the CARES Act, all single-employer funding obligations due during calendar year 2020 can be delayed until January 1, 2021, with accrued interest added to the delayed payments. The Company contributed $3 million to its pension plan as of September 30, 2020 and has the ability to defer the remaining $15 million in payments for 2020 until January 1, 2021.

15. INCOME TAXES

For the three months ended September 30, 2020 and September 30, 2019, the effective tax rate on pre-tax continuing operations was (35.5)% and (2.6)%, respectively. For the nine months ended September 30, 2020 and September 30, 2019, the effective tax rate on pre-tax continuing operations was 129.4% and 8.1%, respectively. The effective tax rates for the three and nine months ended September 30, 2020 and September 30, 2019 differ from the statutory U.S. federal income tax rate of 21.0% primarily due to the estimated Base Erosion and Anti-Abuse Tax, state income taxes, 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 has established 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. Due to the early adoption of ASU 2019-12, Maxar is able to determine the tax effect of the loss from continuing operations without incorporating the gain on disposal of discontinued operations. 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, more experience is obtained, and additional information becomes known or as the tax environment changes.

MAXAR TECHNOLOGIES INC.
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(Tabular amounts in millions of United States dollars, except per share amounts)

16. EARNINGS PER SHARE

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2020	2019	2020	2019
Income (loss) from continuing operations	$ 84	$ (41)	$ 6	$ 30
Income from discontinued operations, net of tax	1	16	337	36
Net income (loss)	$ 85	$ (25)	$ 343	$ 66
Weighted average number of common shares outstanding-basic	61.0	59.6	60.6	59.6
Weighted dilutive effect of equity awards	2.4	—	1.9	0.4
Weighted average number of common shares outstanding-diluted	63.4	59.6	62.5	60.0
Basic net income (loss) per common share:				
Income (loss) from continuing operations	$ 1.38	$ (0.69)	$ 0.10	$ 0.50
Income from discontinued operations, net of tax	0.02	0.27	5.56	0.60
Basic net income (loss) per common share	$ 1.40	$ (0.42)	$ 5.66	$ 1.10
Diluted net income (loss) per common share:				
Income (loss) from continuing operations	$ 1.32	$ (0.69)	$ 0.10	$ 0.50
Income from discontinued operations, net of tax	0.02	0.27	5.39	0.60
Diluted net income (loss) per common share	$ 1.34	$ (0.42)	$ 5.49	$ 1.10

Approximately 1 million and 0 million awards for the three months ended September 30, 2020 and September 30, 2019, respectively, were excluded from the diluted weighted average number of ordinary common shares outstanding calculation because their effect would have been anti-dilutive. Approximately 1 million awards were excluded for the nine months ended September 30, 2020 and September 30, 2019.

17. COMMITMENTS AND CONTINGENCIES

Contingencies in the Normal Course of Business

As discussed in Note 5, 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.

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 the Company will be exercising the Maxar's 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 the existing backlog.

The CARES Act was enacted on March 27, 2020 in the United States. Under the CARES Act, all single-employer funding obligations due during calendar year 2020 can be delayed until January 1, 2021, with accrued interest added to the delayed payments. See Note 14 for additional details on the CARES Act.

Legal proceedings

In 2010, the Company entered into an agreement with a Ukrainian customer to provide a communication satellite system. In 2014, following the annexation of Crimea by the Russian Federation, the Company declared force majeure with respect to the program and subsequently terminated the agreement. In July 2018, the Ukrainian customer issued a statement of claim in the arbitration it had commenced against Maxar, challenging the Company's right to terminate for force majeure, purporting to terminate the contract for default by Maxar, and seeking recovery from Maxar in the amount of approximately $227 million. On March 31, 2020, following a hearing on the merits, the arbitral tribunal issued a final decision in favor of the Company, dismissing the customer's claims in their entirety and awarding the Company its costs and attorney's fees.

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 (the "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 and 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 December 6, 2019, defendants moved to dismiss the Colorado Action. 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. T19-074 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. 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 June 29, 2020, defendants moved to stay this case, which motion was denied on September 29, 2020. The Company believes that this lawsuit is without merit and intends to vigorously defend against it.

On November 14, 2019, a complaint was filed in a derivative action 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.

18. SUPPLEMENTAL CASH FLOW

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

	Nine Months Ended September 30,	
	2020	2019
Supplemental cash flow information:		
Cash paid for interest	$ 127	$ 174
Supplemental non-cash investing and financing activities:		
Accrued capital expenditures	13	19

19. SUBSEQUENT EVENTS

Tax Plan Expiration

The Company's Tax Plan expired on October 5, 2020. There is no impact to the financial statements as a result of the expiration of the Tax Plan. See Note 11 for details.

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, 2019, are substantially unchanged.

RECENT DEVELOPMENTS

Acquisition of Vricon

On July 1, 2020, we closed the acquisition of Vricon, Inc. ("Vricon") and purchased the remaining 50% ownership interest in Vricon ("Vricon Acquisition") for $142 million, excluding Vricon cash on hand of $23 million, for $119 million, net of cash at closing, of which $1 million will be paid in the fourth quarter of 2020.

Vricon is a global leader in satellite-derived 3D data for defense and intelligence markets, with software and products that enhance 3D mapping, Earth intelligence data, military simulation and training and precision-guided munitions**.**

Sale of senior secured notes and repurchase of debt

On June 25, 2020, we issued $150 million aggregate principal amount of 7.54% senior secured notes due 2027 ("2027 Notes"). The 2027 Notes were offered and sold in the United States pursuant to Rule 144A and outside the United States pursuant to Regulation S under the Securities Act of 1933, as amended. The 2027 Notes have an interest rate of 7.54% per annum and were issued at a price equal to 98.25% of their face value. Proceeds from the 2027 Notes are expected to be used for general corporate purposes, including to finance the Vricon Acquisition.

Separately, on June 25, 2020, we repurchased, in a privately negotiated transaction, $150 million aggregate principal amount of our 9.75% Senior Secured Notes due 2023 ("2023 Notes"). The 2023 Notes were repurchased ("2023 Notes Repurchase") at approximately 112.45% of the principal amount on June 25, 2020.

We accounted for the 2027 Notes and 2023 Notes Repurchase as debt modifications.

During the three months ended June 30, 2020, we also repaid $511 million of borrowings under Term Loan B using proceeds from the MDA Transaction.

Completion of the sale of MDA

On April 8, 2020, we completed the previously announced sale by Maxar and Maxar Technologies Holdings Inc., a Delaware corporation and a wholly-owned subsidiary of Maxar ("Maxar Holdings" and, together with Maxar, the "Sellers"), of the MDA Business ("MDA Business") pursuant to the Stock Purchase Agreement dated as of December 29, 2019 (as amended from time to time, the "MDA Agreement") between the Sellers and Neptune Acquisition Inc., a corporation existing under the laws of the Province of British Columbia and an affiliate of Northern Private Capital Ltd. for an aggregate purchase price of $729 million (C$1.0 billion) ("MDA Transaction") subject to customary purchase price adjustments set forth therein, including for working capital, cash and debt and as otherwise set forth in the MDA Agreement.

Ukrainian customer lawsuit resolution

On March 31, 2020, an arbitral tribunal issued a final decision in favor of the Company related to claims asserted against us by a Ukrainian customer, dismissing the customer's claims in their entirety. As previously disclosed in our SEC filings, we entered into an agreement with the Ukrainian customer in 2010 to provide a communication satellite system. In 2014, following the annexation of Crimea by the Russian Federation, we declared force majeure with respect to the program and subsequently terminated the contract. In July 2018, the Ukrainian customer issued a statement of claim in the arbitration it had commenced against us, challenging our right to terminate for force majeure and seeking to recover approximately $227 million. Following a hearing on the merits in December 2019, the arbitral tribunal dismissed the customer's claims, and awarded us costs and attorney's fees. See Note 17, "Commitments and contingencies" to the Unaudited Condensed Consolidated Financial Statements in Part I, Item 1, *"Financial Information"* for further details.

COVID-19 operational posture and current impact

We have 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. Our mitigation strategies cover employee preparation, travel, security, supply chain, virtual work, facility preparation and communications.

All our locations are currently operational 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.

The near and long-term impacts of the current pandemic on the cost and schedule of the numerous programs in our existing backlog and the timing of new awards remains uncertain. We are observing stress in our supplier base in and outside the U.S. and we 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. 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 and nine months ended September 30, 2020, include the current estimated impact of COVID-19. We had COVID-19 related estimated total costs at completion ("EAC") growth of $3 million and $27 million within the Space Infrastructure segment for the three and nine months ended September 30, 2020, which negatively impacted earnings for the same period. The changes in the EACs are due to increases in estimated program costs associated with the COVID-19 operating posture and the estimated impact of certain items such as supplier delays and increased labor hours along with actuals realized during the nine months ended September 30, 2020. These costs are considered incremental and separable from normal operations.

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. With our announcement of the MDA Transaction on December 30, 2019, and the subsequent closing of the MDA Transaction on April 8, 2020, the MDA segment has been classified within Income from discontinued operations, net of tax in the Unaudited Condensed Consolidated Statements of Operations and is no longer considered a reportable segment. All prior-period amounts have been adjusted to reflect the reportable segment change.

Earth Intelligence

In the Earth Intelligence segment, we are a global leader in high resolution space-based optical and radar 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 a 110-petabyte historical 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.

As a result of the Vricon Acquisition, the results of Vricon are now consolidated within the Earth Intelligence segment.

Space Infrastructure

In the Space Infrastructure segment, we are a leading provider of space infrastructure. We design, build, integrate and test solutions for space-based communications satellites, 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, and we are successfully partnering with the U.S.

government in new space opportunities. Our principal customers in the Space Infrastructure segment are commercial satellite operators and government agencies worldwide.

MDA

As discussed above, in connection with the MDA Transaction, the financial results of MDA were classified as discontinued operations for all periods presented in this Quarterly Report on Form 10-Q and it is no longer considered a reportable segment. The MDA Business developed and delivered advanced surveillance and intelligence solutions, defense and maritime systems, radar geospatial imagery, space robotics, satellite antennas and communication subsystems. Subsequent to the MDA Transaction, MDA continues to be a supplier of certain components and subsystems to us.

RESULTS OF OPERATIONS

	Three Months Ended September 30,				Nine Months Ended September 30,			
	2020	2019	$ Change	% Change	2020	2019	$ Change	% Change
($ millions)								
Revenues:								
Product	$ 161	$ 129	$ 32	25 %	$ 425	$ 439	$ (14)	(3)%
Service	275	284	(9)	(3)	831	817	14	2
Total revenues	436	413	23	6	1,256	1,256	—	*
Costs and expenses:								
Product costs, excluding depreciation and amortization	145	140	5	4	434	452	(18)	(4)
Service costs, excluding depreciation and amortization	95	89	6	7	275	284	(9)	(3)
Selling, general and administrative	90	81	9	11	237	232	5	2
Depreciation and amortization	95	93	2	2	274	284	(10)	(4)
Impairment loss	—	—	—	*	14	—	14	*
Satellite insurance recovery	—	—	—	*	—	(183)	183	(100)
Reduction of gain on sale leaseback	4	—	4	*	4	—	4	*
Operating income	7	10	(3)	(30)	18	187	(169)	(90)
Interest expense, net	36	50	(14)	(28)	133	148	(15)	(10)
Other (income) expense, net	(91)	(1)	(90)	*	(98)	2	(100)	*
Income (loss) before taxes	62	(39)	101	*	(17)	37	(54)	(146)
Income tax (benefit) expense	(22)	1	(23)	*	(22)	3	(25)	*
Equity in loss (income) from joint ventures, net of tax	—	1	(1)	(100)	(1)	4	(5)	(125)
Income (loss) from continuing operations	84	(41)	125	*	6	30	(24)	(80)
Discontinued operations:								
Income from operations of discontinued operations, net of tax	—	16	(16)	(100)	32	36	(4)	(11)
Gain on disposal of discontinued operations, net of tax	1	—	1	*	305	—	305	*
Income from discontinued operations, net of tax	1	16	(15)	(94)	337	36	301	*
Net income (loss)	$ 85	$ (25)	$ 110	* %	$ 343	$ 66	$ 277	* %

* Not meaningful.

Product and service revenues

	Three Months Ended September 30,		$	%	Nine Months Ended September 30,		$	%
	2020	2019	Change	Change	2020	2019	Change	Change
($ millions)								
Product revenues	$ 161	$ 129	$ 32	25 %	$ 425	$ 439	$ (14)	(3)%
Service revenues	275	284	(9)	(3)	831	817	14	2
Total revenues	$ 436	$ 413	$ 23	6 %	$ 1,256	$ 1,256	$ —	* %

Total revenues increased to $436 million from $413 million, or by $23 million, for the three months ended September 30, 2020, compared to the same period of 2019. The increase was primarily driven by an increase in the Space Infrastructure segment which was partially offset by a decrease in the Earth Intelligence segment.

Total revenues were $1,256 million for the nine months ended September 30, 2020 and September 30, 2019, respectively. There was an increase in revenues in the Earth Intelligence which were primarily offset by a decrease in revenues from the Space Infrastructure segment.

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

See Note 12, “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

	Three Months Ended September 30,		$	%	Nine Months Ended September 30,		$	%
	2020	2019	Change	Change	2020	2019	Change	Change
($ millions)								
Product costs, excluding depreciation and amortization	$ 145	$ 140	$ 5	4 %	$ 434	$ 452	$ (18)	(4)%
Service costs, excluding depreciation and amortization	95	89	6	7	275	284	(9)	(3)
Total costs	$ 240	$ 229	$ 11	5 %	$ 709	$ 736	$ (27)	(4)%

Total costs of product and services increased to $240 million from $229 million, or by $11 million, for the three months ended September 30, 2020, compared to the same period of 2019. The increase in costs was primarily driven by an increase in costs within our Earth Intelligence and Space Infrastructure segments.

Total costs of product and services decreased to $709 million from $736 million, or by $27 million, for the nine months ended September 30, 2020, compared to the same period of 2019. The decrease in costs was primarily driven by decreases within our Space Infrastructure segment.

Selling, general and administrative

	Three Months Ended September 30,		$	%	Nine Months Ended September 30,		$	%
	2020	2019	Change	Change	2020	2019	Change	Change
($ millions)								
Selling, general and administrative	$ 90	$ 81	$ 9	11 %	$ 237	$ 232	$ 5	2 %

Selling, general and administrative costs increased to $90 million from $81 million, or by $9 million, for the three months ended September 30, 2020, compared to the same period of 2019. The increase was primarily driven by an $8 million increase in labor related expenses due to an increase in employee compensation and a $4 million increase in

stock-based compensation expense driven by a higher share price. These increases were partially offset by a decrease in transaction and integration related expenses of $5 million.

Selling, general and administrative costs increased to $237 million from $232 million, or by $5 million, for the nine months ended September 30, 2020, compared to the same period of 2019. The increase is primarily due to increases in labor related expenses of $16 million driven by an increase in employee compensation and stock-based compensation expense of $14 million driven by a higher share price. These increases were partially offset by a $12 million decrease in restructuring expenses, a $7 million decrease in transaction and integration related expenses, a $3 million decrease in severance costs related to the previous CEO and a $3 million decrease in other costs.

Depreciation and amortization

	Three Months Ended September 30,		$	%	Nine Months Ended September 30,		$	%
	2020	2019	Change	Change	2020	2019	Change	Change
($ millions)								
Property, plant and equipment	$ 24	$ 24	$ —	* %	$ 71	$ 80	$ (9)	(11)%
Intangible assets	71	69	2	3	203	204	(1)	(0)
Depreciation and amortization expense	$ 95	$ 93	$ 2	2 %	$ 274	$ 284	$ (10)	(4)%

* Not meaningful.

Depreciation and amortization expense increased to $95 million from $93 million, or by $2 million, for the three months ended September 30, 2020, compared to the same period of 2019. The increase is primarily due to the inclusion of depreciation and amortization from property, plant, and equipment and intangible assets acquired as part of the Vricon Acquisition on July 1, 2020, compared to no such expense in the same period of 2019.

Depreciation and amortization expense decreased to $274 million from $284 million, or by $10 million, for the nine months ended September 30, 2020, compared to the same period of 2019. The decrease was primarily driven by a decrease in depreciation expense related to asset retirements made in the second half of 2019 and in the first quarter of 2020, the extension of the useful life of a satellite in the fourth quarter of 2019 and the sale of our owned properties in Palo Alto in December 2019. These decreases were partially offset due to the inclusion of depreciation and amortization expense from property, plant and equipment and intangible assets acquired as part of the Vricon Acquisition on July 1, 2020, compared to no such expense in the same period of 2019.

Impairment loss

	Three Months Ended September 30,		$	%	Nine Months Ended September 30,		$	%
	2020	2019	Change	Change	2020	2019	Change	Change
($ millions)								
Impairment loss	$ —	$ —	$ —	* %	$ 14	$ —	$ 14	* %

* Not meaningful.

There were no impairment losses recorded for the three months ended September 30, 2020 and 2019. For the nine months ended September 30, 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. We did not recognize any orbital impairments during the nine months ended September 30, 2019.

Satellite insurance recovery

During the nine months ended September 30, 2019, we received insurance recoveries of $183 million related to the loss of WorldView-4 satellite. There were no insurance recoveries during the three or nine months ended September 30, 2020.

Reduction of gain on sale leaseback

($ millions)	Three Months Ended September 30, 2020	Three Months Ended September 30, 2019	$ Change	% Change	Nine Months Ended September 30, 2020	Nine Months Ended September 30, 2019	$ Change	% Change
Reduction of gain on sale leaseback	$ 4	$ —	$ 4	* %	$ 4	$ —	$ 4	* %

* Not meaningful.

During the three and nine months ended September 30, 2020, we recognized a $4 million reduction in the gain on our sale and subsequent leaseback of our owned properties in Palo Alto, California due to the extension of our lease term on one of the properties. The sale and subsequent leaseback occurred on December 10, 2019 and resulted in a gain on the sale of properties of $136 million. There were no reductions of the gain on sale leaseback during the three or nine months ended September 30, 2019.

Interest expense, net

($ millions)	Three Months Ended September 30, 2020	Three Months Ended September 30, 2019	$ Change	% Change	Nine Months Ended September 30, 2020	Nine Months Ended September 30, 2019	$ Change	% Change
Interest expense:								
Interest on long-term debt	$ 44	$ 51	$ (7)	(14)%	$ 153	$ 144	$ 9	6 %
Interest expense on advance payments from customers [1]	—	3	(3)	(100)	3	12	(9)	(75)
Interest on orbital securitization liability	1	1	—	*	4	5	(1)	(20)
Imputed interest and other	2	—	2	*	2	—	2	*
Capitalized interest	(11)	(5)	(6)	120	(29)	(13)	(16)	123
Interest expense, net	$ 36	$ 50	$ (14)	(28)%	$ 133	$ 148	$ (15)	(10)%

* Not meaningful.

[1] Under the 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 September 30, 2020 and the remaining revenue was fully recognized as of August 31, 2020.

Interest expense, net decreased to $36 million from $50 million, or by $14 million, for the three months ended September 30, 2020, compared to the same period 2019. The decrease was primarily due to a decrease in interest on long-term debt of $7 million driven by less variable interest rate borrowings on our Revolving Credit Facility and an increase in capitalized interest of $6 million related to the building of our WorldView-Legion constellation.

Interest expense, net decreased to $133 million from $148 million, or by $15 million, for the nine months ended September 30, 2020, compared to the same period 2019. The decrease was primarily due to an increase in capitalized interest of $16 million related to the building of our WorldView-Legion constellation and a $9 million decrease in interest on advance payments from customers. These changes were partially offset by an increase in interest on long-term debt of $9 million primarily due to higher interest rates.

Other (income) expense, net

	Three Months Ended September 30, 2020	Three Months Ended September 30, 2019	$ Change	% Change	Nine Months Ended September 30, 2020	Nine Months Ended September 30, 2019	$ Change	% Change
($ millions)								
Other (income) expense, net	$ (91)	$ (1)	$ (90)	* %	$ (98)	$ 2	$ (100)	* %

* Not meaningful.

Other income, net increased to $91 million from $1 million, or by $90 million, for the three months ended September 30, 2020, compared to the same period in 2019. The increase was primarily driven by a gain of $85 million recorded as a result of the remeasurement of our previously held equity interest in Vricon due to the Vricon Acquisition.

Other (income) expense, net changed to income of $98 million from an expense of $2 million, or by $100 million, for the nine months ended September 30, 2020, compared to the same period of 2019. This change was primarily driven by a gain of $85 million recorded as a result of the remeasurement of the previously held equity interest in Vricon due to the Vricon Acquisition. In addition this change was driven by a $4 million foreign exchange gain for the nine months ended September 30, 2020, compared to a $5 million foreign exchange loss for the nine months ended September 30, 2019.

Income tax (benefit) expense

	Three Months Ended September 30, 2020	Three Months Ended September 30, 2019	$ Change	% Change	Nine Months Ended September 30, 2020	Nine Months Ended September 30, 2019	$ Change	% Change
($ millions)								
Income tax (benefit) expense	$ (22)	$ 1	$ (23)	* %	$ (22)	$ 3	$ (25)	* %

* Not meaningful.

Income tax (benefit) expense changed to a benefit of $22 million from an expense of $1 million, or by $23 million, for the three months ended September 30, 2020, compared to the same period in 2019, primarily due to the release of a $17 million valuation allowance related to the deferred tax liability recorded in connection with the Vricon Acquisition and the reversal of the federal Base Erosion and Anti-Abuse Tax (“BEAT”) expense estimated at December 31, 2019.

Income tax (benefit) expense changed to a benefit of $22 million from an expense of $3 million, or by $25 million, for the nine months ended September 30, 2020, compared to the same period in 2019. This change was primarily due to the release of a $17 million valuation allowance related to the deferred tax liability recorded in connection with the Vricon Acquisition and the reversal of the federal Base Erosion and Anti-Abuse Tax (“BEAT”) expense estimated at December 31, 2019.

During all comparative periods, 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 and nine months ended September 30, 2020 and September 30, 2019, we applied the estimated Average Effective Tax Rate (“AETR”) to the pre-tax income (loss) and adjusted the valuation allowance accordingly.

Discontinued operations

	Three Months Ended September 30,		$	%	Nine Months Ended September 30,		$	%
	2020	2019	Change	Change	2020	2019	Change	Change
($ millions)								
Discontinued operations:								
Income from operations of discontinued operations, net of tax	$ —	$ 16	$ (16)	(100)%	$ 32	$ 36	$ (4)	(11)%
Gain on disposal of discontinued operations, net of tax	1	—	1	*	305	—	305	*
Income from discontinued operations, net of tax	$ 1	$ 16	$ (15)	(94)%	$ 337	$ 36	$ 301	* %

* Not meaningful.

There was $1 million in income from discontinued operations, net of tax for the three months ended September 30, 2020 driven by a reduction of the tax on the gain on disposal of the MDA Business. The MDA Business was disposed of in the second quarter of 2020. Income from discontinued operations, net of tax for the three months ended September 30, 2019 was $16 million.

Income from discontinued operations, net of tax increased to $337 million from $36 million, or by $301 million, for the nine months ended September 30, 2020, compared to the same period of 2019. The increase is primarily driven by the after-tax gain on disposal of the MDA Business of $305 million.

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 September 30,		$	%	Nine Months Ended September 30,		$	%
	2020	2019	Change	Change	2020	2019	Change	Change
($ millions)								
Revenues:								
Earth Intelligence	$ 274	$ 282	$ (8)	(3)%	$ 823	$ 799	$ 24	3 %
Space Infrastructure	181	162	19	12	497	553	(56)	(10)
Intersegment eliminations	(19)	(31)	12	(39)	(64)	(96)	32	(33)
Total revenues	$ 436	$ 413	$ 23	6 %	$ 1,256	$ 1,256	$ —	* %
Adjusted EBITDA:								
Earth Intelligence	$ 128	$ 145	$ (17)	(12)%	$ 407	$ 394	$ 13	3 %
Space Infrastructure	12	(3)	15	*	(16)	2	(18)	*
Intersegment eliminations	(7)	(12)	5	(42)	(21)	(20)	(1)	5
Corporate and other expenses	(21)	(21)	—	*	(43)	(60)	17	(28)
Total Adjusted EBITDA	$ 112	$ 109	$ 3	3 %	$ 327	$ 316	$ 11	3 %

* Not meaningful.

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 September 30,		$	%	Nine Months Ended September 30,		$	%
	2020	2019	Change	Change	2020	2019	Change	Change
($ millions)								
Total revenues	$ 274	$ 282	$ (8)	(3)%	$ 823	$ 799	$ 24	3 %
Adjusted EBITDA	$ 128	$ 145	$ (17)	(12)	$ 407	$ 394	$ 13	3 %
Adjusted EBITDA margin percentage	46.7 %	51.4 %		(9)%	49.5 %	49.3 %		0 %

* Not meaningful.

For the three months ended September 30, 2020, Earth Intelligence segment revenues decreased to $274 million from $282 million, or by $8 million, compared to the same period of 2019. The decrease was primarily driven by a $10 million decrease in the recognition of revenue related to the EnhancedView Contract. The amortization of the deferred revenue was complete effective August 2020 and there will be no further deferred revenue recognized on the EnhancedView Contract. The decrease was also driven by the recognition of $9 million of revenue from an international customer due to a delayed contract signing for the three months ended September 30, 2019 that did not reoccur for the same period of 2020. These decreases were partially offset by $9 million in revenue growth from new contract awards and expansion of existing programs with the U.S. government.

For the nine months ended September 30, 2020, Earth Intelligence segment revenues increased to $823 million from $799 million, or by $24 million, compared to the same period of 2019. The increase was primarily driven by a $22 million increase in revenue from new contracts and expansion of existing programs with the U.S. government and by a $12 million increase in revenue from international defense and intelligence customers. Revenue from international defense and intelligence customers increased primarily due to the usage of new direct access facilities which became operational and contracts that signed in the second half of 2019. These increases were partially offset by a $10 million decrease in the recognition of revenue related to the EnhancedView Contract.

Adjusted EBITDA decreased to $128 million from $145 million, or by $17 million, for the three months ended September 30, 2020, as compared to the same period of 2019. The decrease was primarily driven by a decrease in revenues as noted above and an increase in cost of services and selling, general, and administrative expenses.

Adjusted EBITDA increased to $407 million from $394 million, or by $13 million, for the nine months ended September 30, 2020, as compared to the same period of 2019. The increase was driven by revenue increases of $24 million as noted above. This was partially offset by an increase in cost of services and selling, general, and administrative primarily driven by a $6 million increase in stock compensation expense.

Space Infrastructure

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

	Three Months Ended September 30,		$	%	Nine Months Ended September 30,		$	%
	2020	2019	Change	Change	2020	2019	Change	Change
($ millions)								
Total revenues	$ 181	$ 162	$ 19	12 %	$ 497	$ 553	$ (56)	(10)%
Adjusted EBITDA	$ 12	$ (3)	$ 15	*	$ (16)	$ 2	$ (18)	*
Adjusted EBITDA margin percentage	6.6 %	(1.9)%		* %	(3.2)%	0.4 %	%	* %

* Not meaningful.

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 EACs 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 $181 million from $162 million, or by $19 million, for the three months ended September 30, 2020, compared to the same period of 2019. Revenues increased primarily as a result of the impact of an increase in volume related to U.S. government contracts of $27 million during the three months ended September 30, 2020, compared to the same period in 2019. The increase was partially offset by reduced volumes on commercial programs of $6 million and COVID-19 EAC growth of $3 million which negatively impacted revenue for the three months ended September 30, 2020. The increases in the EACs are due to increases in estimated program costs associated with the COVID-19 operating posture and the estimated impact of certain items such as supplier delays and increased labor hours. These costs are considered incremental and separable from normal operations.

Revenues from the Space Infrastructure segment decreased to $497 million from $553 million, or by $56 million, for the nine months ended September 30, 2020, compared to the same period of 2019. Revenues decreased primarily as a result of the impact of reduced volumes on commercial programs of $162 million which were partially offset by an increase in volume related to U.S. government contracts of $108 million during the nine months ended September 30, 2020, compared to the same period in 2019. Revenues were negatively impacted by $27 million of COVID-19 related EAC growth during the period. The increases in the EACs are due to increases in estimated program costs associated with the COVID-19 operating posture and the estimated impact of certain items such as supplier delays and increased labor hours. These costs are considered incremental and separable from normal operations. Additionally, revenues were negatively impacted by $8 million due to increases in estimated costs and an associated change in the EAC profit margin of a commercial satellite program due to the identification of a design anomaly in the final stage of a testing process.

Adjusted EBITDA increased to $12 million from a loss of $3 million, or by $15 million, for the three months ended September 30, 2020, compared to the same period of 2019. The increase was primarily driven by a decrease in significant losses of $16 million on a commercial satellite program which includes significant development efforts in 2020 as compared to the same period in 2019. The increase was also impacted by increased margins on certain programs partially offset by a $3 million negative impact related to our COVID-19 operating posture and higher selling, general and administrative expenses.

Adjusted EBITDA decreased to a loss of $16 million from $2 million, or by $18 million, for the nine months ended September 30, 2020, compared to the same period of 2019. The decrease in the Space Infrastructure segment is primarily related to a $27 million negative impact related to our COVID-19 operating posture, a $13 million increase in costs due to a change in the compensation structure from retention payments to bonuses which were not included in segment Adjusted EBITDA in 2019, and an $8 million negative impact on the above-mentioned commercial satellite program with a design anomaly. The decreases were also impacted by $14 million of losses incurred on developmental builds,

inclusive of a portion of the negative COVID-19 impact noted above, a recovery of a previously reserved amount of $7 million in 2019 which did not reoccur in 2020, and an increase of $3 million in selling, general and administrative expenses. These decreases were partially offset by higher margins and favorable EACs outside of the COVID-19 impacts discussed above on commercial programs of $31 million and increases in volume related to U.S. government programs of $6 million.

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 were $21 million for the three months ended September 30, 2020 and September 30, 2019, respectively. There was a $12 million increase in selling, general and administrative expenses for the three months ended September 30, 2020, compared to the same period in 2019 driven by an increase in employee compensation and stock-based compensation expense. The increase was partially offset by an $11 million decrease in retention costs related to a 2019 program within the Space Infrastructure segment.

Corporate and other expenses for the nine months ended September 30, 2020 decreased to $43 million from $60 million, or by $17 million, compared to the same period in 2019. The decrease was primarily driven by a $18 million decrease in retention costs related to a 2019 program within the Space Infrastructure segment. The decrease was also driven by a $4 million foreign exchange gain for the nine months ended September 30, 2020, compared to a $5 million foreign exchange loss for the nine months ended September 30, 2019. The decrease was partially offset by a $10 million increase in selling, general and administrative expenses driven by an increase in employee compensation and stock-based compensation expense.

Intersegment eliminations

Intersegment eliminations are related to projects between our segments, including WorldView Legion. Intersegment eliminations have decreased to $7 million from $12 million, or by $5 million, for the three months ended September 30, 2020, compared to the same period in 2019, primarily related to a decrease in intersegment satellite construction activity.

Intersegment eliminations are related to projects between our segments, including WorldView Legion. Intersegment eliminations have increased to $21 million from $20 million, or by $1 million, for the nine months ended September 30, 2020, compared to the same period in 2019, primarily related to an increase in intersegment satellite construction activity.

BACKLOG

Our backlog by segment from continuing operations is as follows:

	September 30, 2020	December 31, 2019
($ millions)		
Earth Intelligence	$ 993	$ 926
Space Infrastructure	1,237	705
Total backlog	2,230	1,631
Unfunded contract options	935	1,382
Total	$ 3,165	$ 3,013

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 $2.2 billion as of September 30, 2020 compared to $1.6 billion as of December 31, 2019. 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.

The increase in backlog was primarily driven by a $532 million increase in the Space Infrastructure segment due to new contracts and expansion of existing programs with the U.S. government. There was also an increase in the Earth Intelligence segment driven by the exercise of the $300 million EnhancedView Contract option, partially offset by revenue recognized during the 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 September 30, 2020 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, collection or securitization of orbital receivables, access to existing credit facilities and, when available and efficient, 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 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. Our first maturity of long-term debt is in the fourth quarter of 2023.

Our ability to fund these 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.

Pursuant to our Restated Credit Agreement, dated as of October 5, 2017 (as amended, supplemented or otherwise modified, the "Credit Agreement"), governing our Syndicated Credit Facility, and the indenture governing the 2023 Notes, net cash proceeds received by us, including those from the MDA Transaction, as defined in the Credit Agreement and the indenture governing the 2023 Notes, are to be used to repay outstanding debt. Pursuant to such definitions, the net cash proceeds of the sale of the MDA Business were $706 million.

During the three months ended June 30, 2020, we repaid $511 million of borrowings under Term Loan B using proceeds from the MDA Transaction.

On June 25, 2020, we repurchased $150 million aggregate principal amount of our 2023 Notes at a price of approximately 112.45% of the principal amount using the proceeds from the sale of the MDA Transaction ("2023 Notes Repurchase").

On June 25, 2020, we issued $150 million in principal amount of our 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 will commence in December 2020.

On June 25, 2020, we exercised our call option to purchase the remaining ownership interest in Vricon, for approximately $140 million, or approximately $117 million net of estimated cash at closing.

On March 27, 2020, the U.S. enacted the Coronavirus Aid, Relief and Economic Security ("CARES Act"). Under the CARES Act, all single-employer funding obligations due during calendar year 2020 can be delayed until January 1, 2021 with accrued interest added to the delayed payments. We contributed $3 million to our pension plan during the three months ended March 31, 2020, and we have the ability to defer the remaining $15 million in payments until January 1, 2021. Under the CARES Act, we have also elected to defer the employer portion of social security payments for the remainder of 2020 which is estimated at $18 million. These payments will be due in 2021 and 2022.

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

	Nine Months Ended September 30,	
	2020	**2019**
($ millions)		
Cash provided by operating activities - continuing operations	$ 181	$ 134
Cash (used in) provided by operating activities - discontinued operations	(49)	12
Cash provided by operating activities	132	146
Cash used in investing activities - continuing operations	(322)	(203)
Cash provided by (used in) investing activities - discontinued operations	723	(4)
Cash provided by (used in) investing activities	401	(207)
Cash (used in) provided by financing activities - continuing operations	(550)	77
Cash used in financing activities - discontinued operations	(24)	(2)
Cash (used in) provided by financing activities	(574)	75
Effect of foreign exchange on cash, cash equivalents and restricted cash	(5)	—
Cash, cash equivalents, and restricted cash, beginning of year	110	43
Cash, cash equivalents, and restricted cash, end of period	$ 64	$ 57

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 increased to $181 million from $134 million, or by $47 million, for the nine months ended September 30, 2020, compared to the same period in 2019. This change was primarily driven by favorable changes in working capital for the nine months ended September 30, 2020, compared to the same period in 2019, offset by the insurance proceeds of $183 million related to the loss of the WorldView-4 satellite received in the nine months end September 30, 2019.

Cash used in operating activities related to discontinued operations for the nine months ended September 30, 2020 was $49 million compared to cash provided by operating activities of $12 million, or a change of $61 million. The decrease in cash provided by operating activities was primarily driven by payments related to the close of the MDA Transaction, which was primarily related to legal and bank fees. The increase in cash outflows was also driven by $18 million in estimated tax payments related to the sale of MDA.

Investing activities

Cash used in investing activities from continuing operations increased to $322 million from $203 million, or by $119 million, for the nine months ended September 30, 2020, compared to the same period in 2019. The primary investing activities included expenditures on property, plant and equipment of $158 million and $161 million for the nine months ended September 30, 2020 and 2019, respectively, and investments in software of $66 million and $42 million for the nine months ended September 30, 2020 and 2019, respectively. Property, plant and equipment expenditures for the nine months ended September 30, 2020 and 2019 primarily related to the build of our Legion satellite constellation. During the nine months ended September 30, 2020, we also used cash of $118 million, net of cash received, to acquire the remaining interest in Vricon. Cash used in investing activities for the nine months ended September 30, 2020 was offset by a return of capital from discontinued operations of $20 million.

Cash provided by investing activities from discontinued operations for the nine months ended September 30, 2020 was $723 million compared to cash used in investing activities of $4 million for the corresponding period in 2019, or a change of $727 million. This change was primarily related to the gross proceeds from the sale of the MDA Business of $726 million.

Financing activities

Cash used in financing activities from continuing operations for the nine months ended September 30, 2020 was $550 million compared to cash provided by financing activities of $77 million for the same period in 2019, or a change of $627 million. During the nine months ended September 30, 2020, cash used in financing activities from continuing operations included net proceeds from the issuance of the 2027 Notes of $147 million, offset by debt repayments of $516 million, a repurchase of the 2023 Notes of $169 million, payment of finance leases of $7 million, settlement of the securitization liability of $7 million and payments of dividends of $2 million. During the nine months ended September 30, 2019, cash provided by financing activities from continuing operations included net proceeds from bank borrowings of $107 million and was partially offset by debt repayments of $21 million, settlement of the securitization liability of $7 million and payments of dividends of $2 million.

Cash used in financing activities from discontinued operations increased to $24 million from $2 million, or by $22 million, for the nine months ended September 30, 2020, compared to the same period in 2019. The change was primarily due to a return of capital from discontinued operations to continuing operations of $20 million and repayments of long-term debt of $4 million for the nine months ended September 30, 2020, and $2 million in debt repayments for the nine months ended September 30, 2019.

Long-term debt

The following table summarizes our long-term debt:

($ millions)	September 30, 2020	December 31, 2019
Syndicated Credit Facility:		
Term Loan B	$ 1,444	$ 1,960
2023 Notes	850	1,000
2027 Notes	150	—
Deferred financing	33	33
Debt discount and issuance costs	(60)	(54)
Obligations under finance leases and other	5	6
Total long-term debt	$ 2,422	$ 2,945

As of September 30, 2020 and December 31, 2019, we were in compliance with our debt covenants.

Syndicated Credit Facility

Our 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 Revolving Credit Facility includes an aggregate $200 million sub limit under which letters of credit can be issued. As of September 30, 2020 and December 31, 2019, we had $32 million and $18 million of issued and undrawn letters of credit outstanding under the Revolving Credit Facility. Of the Company’s $500 million borrowing capacity on its Revolving Credit Facility, the Company has $0 outstanding borrowings as of September 30, 2020.

During the three months ended June 30, 2020, we repaid $511 million of borrowings under Term Loan B using proceeds from the MDA Transaction. We expensed $7 million of unamortized debt issuance costs attributed to the partial pay down, which is included in Interest expense, net in the Unaudited Condensed Consolidated Statements of Operations.

On June 25, 2020, we repurchased $150 million aggregate principal amount of our 2023 Notes using proceeds from the MDA Transaction. The 2023 Notes were repurchased at a price of approximately 112.45% of the principal amount thereof, subject to customary closing conditions.

On June 25, 2020, we issued $150 million in principal amount of our 2027 Notes in a private placement to institutional buyers. The 2027 Notes were issued at a price of 98.25% and are recorded as long-term debt in our consolidated financial statements. The 2027 Notes bear interest at the rate of 7.54% per year, payable semi-annually in cash in arrears, for which interest payments will commence in December 2020.

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 remaining life of the outstanding 2023 Notes.

The 2027 Notes are guaranteed (“2027 Guarantees”) on a senior secured basis by each of our existing and future subsidiaries that guarantees the 2023 Notes and the Syndicated Credit Facility (“Guarantors”). The 2027 Notes are secured, equally and ratably with the 2023 Notes, the Syndicated Credit Facility and any future first lien debt, by liens on the same assets that secure the Revolving Credit Facility and Term Loan B.

The 2027 Notes and the 2027 Guarantees are our general senior secured obligations and rank equally in right of payment with all of our and the Guarantors’ existing and future unsubordinated debt (including the 2023 Notes and the

Syndicated Credit Facility). The 2027 Notes and the 2027 Guarantees are effectively senior to all of our and the Guarantors' existing and future unsecured debt as well as to all of any permitted junior lien debt that may be incurred in the future, in each case to the extent of the value of the assets securing the 2027 Notes and the 2027 Guarantees. The 2027 Notes and the 2027 Guarantees are effectively subordinated to any obligations that are secured by liens on assets that do not constitute a part of the collateral securing the 2027 Notes or the 2027 Guarantees, are structurally subordinated to all existing and future liabilities (including trade payables) of our subsidiaries that do not guarantee the 2027 Notes, and are senior in right of payment to all of our and the Guarantors' existing and future subordinated indebtedness.

The indenture governing the 2027 Notes limits, among other things, our and our restricted subsidiaries' ability to: incur, assume or guarantee additional debt; issue redeemable stock and preferred stock; pay dividends, make distributions or redeem or repurchase capital stock; prepay, redeem or repurchase subordinated debt; make loans and investments; grant or incur liens; restrict dividends, loans or asset transfers from restricted subsidiaries; sell or otherwise dispose of assets; enter into transactions with affiliates; reduce our satellite insurance; and consolidate or merge with, or sell substantially all of our assets to, another person.

The 2027 Notes may be redeemed, in whole or in part, at any time during the 12 months beginning on June 25, 2024, at a redemption price of 105.655%, during the 12 months beginning on June 25, 2025, at a redemption price of 103.770%, and at any time on or after June 25, 2026, at a redemption price of 101.885%, in each case plus accrued and unpaid interest, if any, thereon to the redemption date. We may also redeem the 2027 Notes, in whole or in part, at our option at any time prior to June 25, 2024, at a price equal to 100% of the principal amount of such 2027 Notes plus a "make-whole" premium, together with accrued but unpaid interest, if any, to, but excluding, the date of redemption. In addition, we may redeem up to 40% of the aggregate principal amount of the 2027 Notes at any time before June 25, 2024, with the net cash proceeds from certain equity offerings at a specified redemption price, plus accrued and unpaid interest, if any, to, but excluding, the date of redemption.

In the event a change of control occurs (as defined in the indenture governing the 2027 Notes), each holder will have the right to require us to repurchase all or any part of such holder's 2027 Notes at a purchase price in cash equal to 101% of the aggregate principal amount of the 2027 Notes repurchased, plus accrued and unpaid interest, if any, to the date of purchase (subject to the right of holders of record on the relevant record date to receive interest due on the relevant interest payment date).

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 nine months ended September 30, 2020 or September 30, 2019.

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.

CONTRACTUAL OBLIGATIONS, COMMITMENTS AND CONTINGENCIES

As of September 30, 2020, other than our repayment of borrowings under Term Loan B, there were no material changes outside the ordinary course of business to the contractual obligations table presented in our Annual Report on Form 10-K for the year ended December 31, 2019.

We are party to various legal proceedings and claims that arise in the ordinary course of business as either a plaintiff or defendant. We analyze all legal proceedings and the allegations therein. The outcome of any of these proceedings, either individually or in the aggregate, is not expected to have a material adverse effect on our financial position, results of operations or liquidity. Refer to Part II, Item 1, "*Legal Proceedings"* of this Quarterly Report on Form 10-Q for further discussion of legal proceedings.

OFF-BALANCE SHEET ARRANGEMENTS

As of September 30, 2020, we had no outstanding foreign exchange sales contracts. As of September 30, 2020, 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 may 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, 2019.

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 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.

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 and nine months ended September 30, 2020 and 2019:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2020	2019	2020	2019
($ millions)				
Net income (loss)	$ 85	$ (25)	$ 343	$ 66
Income tax (benefit) expense	(22)	1	(22)	3
Interest expense, net	36	50	133	148
Interest income	(2)	—	(3)	—
Depreciation and amortization	95	93	274	284
EBITDA	$ 192	$ 119	$ 725	$ 501
Income from discontinued operations, net of tax	(1)	(16)	(337)	(36)
Restructuring	—	(1)	—	14
Transaction and integration related expense	2	7	6	14
Impairment loss, including inventory	—	—	14	3
Satellite insurance recovery	—	—	—	(183)
Reduction of gain on sale leaseback	4	—	4	—
CEO severance	—	—	—	3
Gain on remeasurement of Vricon equity interest	(85)	—	(85)	—
Adjusted EBITDA	$ 112	$ 109	$ 327	$ 316
Adjusted EBITDA:				
Earth Intelligence	128	145	407	394
Space Infrastructure	12	(3)	(16)	2
Intersegment eliminations	(7)	(12)	(21)	(20)
Corporate and other expenses	(21)	(21)	(43)	(60)
Adjusted EBITDA	$ 112	$ 109	$ 327	$ 316

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

There have been no material changes to our market risks from those discussed in our 2019 Annual Report on Form 10-K 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 September 30, 2020. 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 September 30, 2020.

Changes in Internal Control over Financial Reporting

There were no changes that occurred during the third quarter of 2020 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting. We have not experienced any material impact to our internal controls over financial reporting despite the fact that most of our employees are working remotely due to the COVID-19 pandemic.

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 17, "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.

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 coronavirus-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 through September 30, 2020. Reimbursement of any costs under Section 3610 of the CARES Act increases sales, but is not fee bearing. On October 1, 2020, a continuing resolution was enacted providing continued funding to federal agencies at fiscal year 2020 levels through December 11, 2020. Under the continuing resolution, Section 3610 of the CARES Act was also extended through December 11, 2020

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 Legion-class bus 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.

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 due to lack of investment. 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 will likely have a materially 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.

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 or collisions with other objects 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 terrorism, power shortages and blackouts, aging infrastructures, and telecommunications failures. 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, 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 disruption, 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 like, earthquakes, adverse weather conditions, terrorist attacks, power loss, 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 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 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 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, 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 Follow-On ("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 products and services or to lose market share.

Our products and services compete with satellite and aerial imagery and related products and 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 products and 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 products and services with more attractive features than our products and 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 products and 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 products and 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 product 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 Imaging and Services business 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 Imagery business include commercial satellite imagery companies, state-owned imagery providers, aerial imagery companies, free sources of imagery, and unmanned aerial vehicles. Our Services 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 and cause a loss of revenues which would 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 products and services for a portion of our revenue. If these resellers fail to market or sell our products and 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 products and services in the international market. Our foreign resellers and partners may not have the skill or experience to develop regional commercial markets for our products and services, or may have competing interests that negatively affect their sales of our products and 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 products and 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. In addition, Vricon is presently subject to license restrictions related to certain consumer applications.

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 products and services. Our historic growth rates should not be relied upon as an indicator of future growth*.**

We cannot accurately predict whether our products and services will achieve significant market acceptance or whether there will be a market for our products and services on terms we find acceptable. Market acceptance of our commercial high-resolution Earth imagery and related products and services depends on a number of factors, including the quality, scope, timeliness, sophistication, price and the availability of substitute products and services. Lack of significant market acceptance of our offerings, or other products and 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.

Our revenue, results of operations and reputation may be negatively impacted if 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 lost revenue and damage to our reputation and may adversely affect our ability to win new contract awards.

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 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, 2019.

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 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, we could be exposed to the risk of non-performance of our hedging counterparties. We may also have difficulty in fully implementing our hedging strategy depending on the willingness of hedging counterparties to extend credit. Accordingly, no assurances may be given that our exchange rate hedging strategy will 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 undertaken cost reduction initiatives and organizational restructurings to improve operating efficiencies, optimize our asset base and generate cost savings. For example, we have recently undertaken restructuring plans intended to reduce headcount and implement other efficiency initiatives. We cannot be certain that we will be able to complete these initiatives 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 substantial 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.

Changes affecting the availability of the London Interbank Offered Rate ("LIBOR") may have consequences for us that cannot yet reasonably be predicted.

We have outstanding debt with variable interest rates based on LIBOR. 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 to exist or if new methods of calculating LIBOR will be established such that it continues to exist after 2021. Recent proposals for LIBOR reforms may result in the establishment of new methods of calculating LIBOR or the establishment of 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, was tasked with identifying alternative reference interest rates to replace LIBOR. The Secured Overnight Finance Rate ("SOFR") has emerged as the ARRC's preferred alternative rate for 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 uncertainty regarding the future of LIBOR, as well as the transition from LIBOR to another benchmark rate or rates could have adverse impacts on our outstanding debt that currently uses LIBOR as a benchmark rate, and ultimately, adversely affect our financial condition and results of operations.

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 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 Annual Report on Form 10-K for the year ended December 31, 2019 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.

The market price of our common stock recently experienced a significant decline from which it has not fully recovered. 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.

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. ("Maxar Holdings") 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, 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 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 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 and to enter into agreements with various government bodies in order to export satellites and related equipment, to 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 one of our European competitors. 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, on March 27, 2020 the U.S. enacted the Coronavirus Aid, Relief and Economic Security ("CARES Act"). The CARES Act among other things, includes provisions relating to refundable payroll tax credits, deferment of employer side 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 will not have a material impact to our income tax expense for the three and nine months ended September 30, 2020.

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. In addition, it is unclear how certain of these U.S. federal income tax changes will affect state and local taxation, which often uses federal taxable income as a starting point for computing state and local tax liabilities.

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

California has temporarily suspended the net operating loss carryover deduction, 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 required Maxar to accrue an estimated tax for 2020.

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, 2019, we had approximately $870 million and $795 million of federal and state net operating loss ("NOL") carryforwards and $82 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. Moreover, as a result of the shift in ownership of our stock that occurred in connection with the acquisition of DigitalGlobe in October 2017, we could have experienced an ownership change if there were certain significant purchases of our stock or other events outside of our control. 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. We have determined there is no income tax benefit related to the NOL carryback provision, and there can be no assurance that we will be able to utilize our federal income tax NOL carryforwards to offset future taxable income.

On May 12, 2019, our Board of Directors approved a Tax Benefit Preservation Plan ("Tax Plan") in an effort to help preserve the value of certain deferred tax benefits including those generated by NOL carryforwards and certain other tax attributes, and which our Stockholders approved on October 31, 2019. The Tax Plan expired on October 5, 2020, the three-year anniversary of the acquisition of DigitalGlobe. The Tax Plan was designed to make it more difficult for a third party to acquire, or to discourage a third party from acquiring, a large block of our common stock. A third party that acquired 4.9% or more of our common stock could have suffered substantial dilution of its ownership interest under the terms of the Tax Plan through the issuance of common stock to all stockholders other than the acquiring person.

Although the Tax Plan was intended to reduce the likelihood of an ownership change that could adversely affect us, there is no assurance that the Tax Plan prevented an ownership change under Section 382, or that an ownership change will not occur after the expiration of the Tax Plan.

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.

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 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. We have been designated, along with numerous other companies, as a potentially responsible party for the cleanup of hazardous waste on 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.

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; effects of austerity programs or similar significant budget reduction programs; potential preferences by prospective customers to purchase from local (non-U.S.) sources; and difficulties in obtaining or enforcing judgments in foreign jurisdictions.

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, and the formal process for leaving the European Union has taken years to complete. The United Kingdom formally left the European Union on January 31, 2020, and is now in a transition period through December 31, 2020. 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. Although the United Kingdom will remain in the European Union single market and customs union during the transition period, the long-term nature of the United Kingdom’s relationship with the European Union is unclear and there is considerable uncertainty as to when any agreement will be reached and implemented. 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	
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
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

Exhibit No.	Exhibit Description	Incorporated by Reference				Filed or Furnished Herewith
		Form	SEC File No.	Exhibit	Filing Date	
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.

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.

November 5, 2020	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 4.1

SUPPLEMENTAL INDENTURE

SUPPLEMENTAL INDENTURE No. 2 (this "*Supplemental Indenture*"), dated as of May 21, 2020 among Maxar Technologies Inc., a Delaware corporation (the "*Company*"), and Wilmington Trust, National Association, as trustee (the "*Trustee*").

W I T N E S S E T H

WHEREAS, SSL Robotics LLC, a Delaware limited liability company (the "*Escrow Issuer*"), and the Trustee, among others, have heretofore executed and delivered an indenture (the "*Indenture*"), dated as of December 2, 2019 providing for the issuance of the Escrow Issuer's 9.750% Senior Secured Notes due 2023 (the "*Notes*");

WHEREAS, pursuant to a supplemental indenture dated as of December 11, 2019, the Company agreed to assume all rights and obligations of the Escrow Issuer under the Notes and the Indenture (the "*Assumption*") by executing Supplemental Indenture no. 1;

WHEREAS, pursuant to Section 9.01(x)(17) of the Indenture, the Company is authorized to amend the Indenture to conform the text of the Indenture to any provision of the "Description of Notes" section of the Company's Offering Memorandum dated November 15, 2019 (the "*Description of Notes*") to the extent that such provision in the Description of Notes was intended to be a verbatim recitation of a provision of the Indenture; and

WHEREAS, the "Subsidiary Guarantees—Release of Subsidiary Guarantees" section of the Description of Notes was intended to be a verbatim recitation of a provision of the Indenture

NOW, THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt of which is hereby acknowledged, the Company and the Trustee mutually covenant and agree for the equal and ratable benefit of the Holders as follows:

1. CAPITALIZED TERMS. Capitalized terms used herein without definition shall have the meanings assigned to them in the Indenture.

2. AMENDMENT. (a) Section 10.06 of the Indenture is hereby amended and replaced in its entirety by the below text:

> " A Subsidiary Guarantee by a Subsidiary Guarantor shall be automatically and unconditionally released and discharged, and no further action by such Subsidiary Guarantor, the Company or the Trustee is required for the release of such Subsidiary Guarantor's Subsidiary Guarantee, upon:
>
> (1) the occurrence of any sale, exchange, transfer or other disposition (by merger, amalgamation, consolidation or otherwise) of all of the Capital Stock of such Subsidiary Guarantor (including any sale, exchange, transfer or other disposition after which the applicable Subsidiary Guarantor is no longer a Restricted Subsidiary) or of all or substantially all of the assets and property of such Subsidiary Guarantor, which sale, exchange, transfer or other disposition is made in compliance with the applicable provisions of this Indenture (to the extent such provisions are required to be satisfied as of the

date of the transaction); provided that such Subsidiary Guarantor is also released from all of its obligations in respect of the Senior Credit Facilities;

(2) the release or discharge of such Subsidiary Guarantor from its Guarantee of Indebtedness of the Company and the Subsidiary Guarantors under the Senior Credit Facilities, except (i) a discharge or release by or as a result of payment under such Guarantee (it being understood that a release subject to a contingent reinstatement is still a release, and that if any such Guarantee is so reinstated, such Subsidiary Guarantee shall also be reinstated to the extent that such Subsidiary Guarantor would then be required to Guarantee the Notes pursuant to this Indenture) and (ii) a discharge or release by or as a result of an amendment, modification or waiver of the provision in respect of minimum guarantor coverage set forth in Section 10.1(17) of the Senior Credit Facilities as in effect on the Issue Date (or defaults arising thereunder) requiring consent of the lenders under the Senior Credit Facilities;

(3) the designation of any Restricted Subsidiary that is a Subsidiary Guarantor as an Unrestricted Subsidiary in compliance with Section 4.17;

(4) upon such Person becoming an Excluded Subsidiary or Non- Recourse Subsidiary, in each case as a result of a transaction or designation permitted by this Indenture;

(5) the Company exercising its Legal Defeasance option or Covenant Defeasance option as set forth in Article 8 or the Company's obligations under this Indenture being discharged in accordance with the terms of this Indenture;

(6) upon the full and final payment of all Pari Passu Lien Notes Obligations of the Company and such Subsidiary Guarantor; or

(7) as described in Section 4.15(b).

The Company will notify the Trustee in writing in respect of any release of a Subsidiary Guarantee; *provided* that such notification will not be a condition to the effectiveness of such lease."

(b) As of the date hereof, the "Corporate Trust Office" shall be located at:

246 Goose Lane, Suite 105
Guilford, Connecticut 06437

3. THIS SUPPLEMENTAL INDENTURE WILL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAW OF THE STATE OF NEW YORK.

4. COUNTERPARTS. The parties may sign any number of copies of this Supplemental Indenture. Each signed copy shall be an original, but all of them together represent the same agreement. Signatures of the parties hereto transmitted by facsimile or PDF shall be deemed to be their original signatures for all purposes.

5. EFFECT OF HEADINGS. The Section headings herein are for convenience only and shall not affect the construction hereof.

6. THE TRUSTEE. The Trustee shall not be responsible in any manner whatsoever for or in respect of the validity or sufficiency of this Supplemental Indenture or for or in respect of the recitals contained herein, all of which recitals are made solely by the Company.

[*Signature Pages Follow*]

IN WITNESS WHEREOF, the parties hereto have caused this Supplemental Indenture to be duly executed and attested, all as of the date first above written.

MAXAR TECHNOLOGIES INC.,
as Company

By: /s/ Randall H. Lynch
Name: Randall H. Lynch
Title: Senior Vice President and Treasurer

[Signature Page to Supplemental Indenture No. 2]

WILMINGTON TRUST, NATIONAL ASSOCIATION
as Trustee

By: /s/ Nedine P. Sutton
Name: Nedine P. Sutton
Title: Vice President

[Signature Page to Supplemental Indenture No. 2]

Exhibit 4.2

SIXTH AMENDING AGREEMENT DATED AS OF APRIL 1, 2020

TO THE RESTATED CREDIT AGREEMENT DATED AS OF OCTOBER 5, 2017

AMONG

MAXAR TECHNOLOGIES INC.

as successor Borrower

– and –

MDA SYSTEMS HOLDINGS LTD.

as Cdn. Borrower

– and –

ROYAL BANK OF CANADA

as Administrative Agent

– and –

ROYAL BANK OF CANADA

as Collateral Agent

– and –

THE LENDERS FROM TIME TO TIME PARTY THERETO

as Lenders

SIXTH AMENDING AGREEMENT

THIS AGREEMENT dated as of April 1, 2020.

AMONG:

MAXAR TECHNOLOGIES INC., a publicly-traded corporation organized under the laws of the State of Delaware (hereinafter referred to as the "**US Borrower**")

OF THE FIRST PART

\- and -

MDA SYSTEMS HOLDINGS LTD., a corporation existing under the federal laws of Canada (hereinafter referred to as the "**Cdn. Borrower**", and collectively with the US Borrower, the "**Borrowers**")

OF THE SECOND PART

\- and -

ROYAL BANK OF CANADA, a Canadian chartered bank, in its capacity as administrative agent of the Lenders (hereinafter referred to as the "**Administrative Agent**")

OF THE THIRD PART

\- and -

EACH PERSON IDENTIFIED ON THE SIGNATURE PAGES HEREOF AS A "PRO RATA LENDER") (hereinafter collectively referred to as the "**Pro Rata Lenders**" and sometimes individually referred to as a "**Pro Rata Lender**")

OF THE FOURTH PART

WHEREAS the Borrowers, the Administrative Agent and the Pro Rata Lenders are certain of the parties to the Credit Agreement;

AND WHEREAS the Pro Rata Lenders named on the signature pages hereto (which collectively constitute the Required Pro Rata Lenders) have agreed to amend the Covenant Relief Conditions (as defined in the Second Amending Agreement and the Third Amending Agreement) on the terms and conditions set forth herein;

NOW THEREFORE in consideration of the covenants and agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which are hereby conclusively acknowledged by each of the parties hereto, the parties hereto covenant and agree as follows:

1. **INTERPRETATION**

1.1 In this Agreement (including the recitals hereto), unless something in the subject matter or context is inconsistent therewith:

"**Agreement**" means this Sixth Amending Agreement;

"**Credit Agreement**" means that certain Restated Credit Agreement, dated as of October 5, 2017, among MacDonald, Dettwiler and Associates Ltd. (as a former borrower under the Credit Facilities), as borrower, the Administrative Agent, Royal Bank of Canada, as collateral agent, and the lenders from time to time party thereto, as lenders, as amended by each of that certain First Amending Agreement, dated as of December 21, 2018, the Second Amending Agreement, the Third Amending Agreement, that certain Fourth Amending Agreement, dated as of December 11, 2019, and that certain Fifth Amending Agreement, dated as of December 19, 2019, and as supplemented by that certain Assumption and Novation Agreement dated as of January 1, 2019;

"**Second Amending Agreement**" means that certain Second Amending Agreement, dated as of December 21, 2018 among Maxar Technologies Ltd. (as a former borrower under the Credit Facilities), the Administrative Agent and the Pro Rata Lenders party thereto, as amended by that certain Amending Agreement in respect of such Second Amending Agreement, dated as of January 15, 2019; and

"**Third Amending Agreement**" means that certain Third Amending Agreement dated as of November 4, 2019 among the Borrowers, the Administrative Agent and the Lenders party thereto.

1.2 Capitalized terms used herein without express definition shall have the same meanings herein as are ascribed thereto in the Credit Agreement.

1.3 The division of this Agreement into Sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement. The terms "this Agreement", "hereof", "hereunder" and similar expressions refer to this Agreement and not to any particular Section or other portion hereof and include any agreements supplemental hereto. Unless expressly indicated otherwise, all references to "Section" or "Sections" are intended to refer to a Section or Sections of the Credit Agreement.

2. **COVENANT RELIEF CONDITIONS**

2.1 Section 3.1(c) of the Second Amending Agreement is deleted in its entirety and replaced with the following:

"(c) notwithstanding Section 10.2(12) of the Credit Agreement, the Borrower shall not, and shall not permit any Designated Subsidiary to, make any Acquisition unless, on a *pro forma* basis, after the making of such Acquisition: (i) the aggregate cash consideration paid by the Borrower and its Designated Subsidiaries for all such Acquisitions made after the Amendment Effective Date does not exceed the sum of (x) US$225 million plus (y) the aggregate net cash proceeds received by the Borrower from the issuance of Qualified Equity Interests after the Amendment Effective Date (but only if and to the extent that the specified use of proceeds from each such issuance is to fund all or part of any such Acquisition or any costs related to such Acquisition); and (ii) with respect to any Acquisition for which the aggregate cash consideration paid by the Borrower and its Designated Subsidiaries exceeds US$50 million, the undrawn availability under the Revolving Facility is not less than US$200 million."

2.2 Section 5.1(b) of the Third Amending Agreement is deleted in its entirety and replaced with the

following:

> "(b) notwithstanding Section 10.2(9) of the Credit Agreement, the Borrower shall not, and shall not permit any other MDA Party to, make Investments (other than Investments in Subsidiaries that are MDA Obligors) pursuant to clauses (a) and/or (p) of the definition of Permitted Investments in an aggregate amount in excess of US$350,000,000;"

3. REPRESENTATIONS AND WARRANTIES

3.1 On the date hereof, the US Borrower represents and warrants to the Administrative Agent that all representations and warranties set forth in Article 7 of the Credit Agreement (except those expressed to be made as of any specific date) are true and accurate in all material respects on the date hereof; *provided* that any representation and warranty that is qualified as to "materiality", "material adverse effect" or similar language shall be true and correct in all respects (after giving effect to any such qualification therein).

3.2 The representations and warranties in Section 3.1 of this Agreement shall survive the execution and delivery of this Agreement, notwithstanding any investigations or examinations which may be made by or on behalf of the Administrative Agent. Such representations and warranties shall survive until the Credit Agreement has been terminated.

4. CONFIRMATION OF CREDIT AGREEMENT AND OTHER DOCUMENTS

The Credit Agreement and all covenants, terms and provisions thereof shall, subject to the provisions of this Agreement, be and continue to be in full force and effect.

5. MISCELLANEOUS

5.1 This Agreement shall be governed by and construed in accordance with the Laws of the State of New York and the Laws of the United States of America applicable therein.

5.2 The parties hereto shall from time to time do all such further acts and things and execute and deliver all such documents as are required in order to effect the full intent of and fully perform and carry out the terms of this Agreement.

5.3 This Agreement may be executed in any number of counterparts, including by way of facsimile or PDF, each of which shall be deemed to be an original and all of which taken together shall be deemed to constitute one and the same instrument.

5.4 This Agreement shall constitute a Credit Facility Document for the purposes of the Credit Agreement.

[*Remainder of page intentionally left blank*]

IN WITNESS WHEREOF the parties hereto have executed this Agreement as of the date first written above.

MAXAR TECHNOLOGIES INC., as US Borrower

By: /s/ Randall H. Lynch
Name: Randall H. Lynch
Title: Senior Vice President and Treasurer

This page is attached to and forms part of the Sixth Amending Agreement in respect of the Restated Credit Agreement dated of October 5, 2017, among Maxar Technologies Inc., as successor Borrower, each of the Lenders, and Royal Bank of Canada, as Administrative Agent and Collateral Agent.

MDA SYSTEMS HOLDINGS LTD., as Cdn. Borrower

By: /s/ Randall H. Lynch
Name: Randall H. Lynch
Title: President and Treasurer

This page is attached to and forms part of the Sixth Amending Agreement in respect of the Restated Credit Agreement dated of October 5, 2017, among Maxar Technologies Inc., as successor Borrower, each of the Lenders, and Royal Bank of Canada, as Administrative Agent and Collateral Agent.

ADMINISTRATIVE AGENT:

ROYAL BANK OF CANADA, as Administrative Agent

By: /s/ Helen Sadowski
Name: Helen Sadowski
Title: Manager, Agency

By: ______________________
Name:
Title:

This page is attached to and forms part of the Sixth Amending Agreement in respect of the Restated Credit Agreement dated of October 5, 2017, among Maxar Technologies Inc., as successor Borrower, each of the Lenders, and Royal Bank of Canada, as Administrative Agent and Collateral Agent.

PRO RATA LENDERS:

ROYAL BANK OF CANADA, as Pro Rata Lender

By: /s/ Tim VandeGriend
Name: Tim VandeGriend
Title: Authorized Signatory

By: ______________________
Name:
Title:

This page is attached to and forms part of the Sixth Amending Agreement in respect of the Restated Credit Agreement dated of October 5, 2017, among Maxar Technologies Inc., as successor Borrower, each of the Lenders, and Royal Bank of Canada, as Administrative Agent and Collateral Agent.

Bank of Montreal, as Pro Rata Lender

By: /s/ Anne Robles
Name: Anne Robles
Title: Vice President

This page is attached to and forms part of the Sixth Amending Agreement in respect of the Restated Credit Agreement dated of October 5, 2017, among Maxar Technologies Inc., as successor Borrower, each of the Lenders, and Royal Bank of Canada, as Administrative Agent and Collateral Agent.

Canadian Imperial Bank of Commerce, New York Branch, as Pro Rata Lender

By: /s/ Sophia Soofi
Name: Sophia Soofi
Title: Executive Director

By: /s/ Stephen Redding
Name: Stephen Redding
Title: Managing Director

This page is attached to and forms part of the Sixth Amending Agreement in respect of the Restated Credit Agreement dated of October 5, 2017, among Maxar Technologies Inc., as successor Borrower, each of the Lenders, and Royal Bank of Canada, as Administrative Agent and Collateral Agent.

HSBC Bank USA, N.A., as Pro Rata Lender

/s/ Rino Falsone

Name: Rino Falsone
Title: Vice President

This page is attached to and forms part of the Sixth Amending Agreement in respect of the Restated Credit Agreement dated of October 5, 2017, among Maxar Technologies Inc., as successor Borrower, each of the Lenders, and Royal Bank of Canada, as Administrative Agent and Collateral Agent.

The Bank of Nova Scotia, Houston Branch, as Pro Rata Lender

/s/ David Lima

Name: David Lima
Title: Director

This page is attached to and forms part of the Sixth Amending Agreement in respect of the Restated Credit Agreement dated of October 5, 2017, among Maxar Technologies Inc., as successor Borrower, each of the Lenders, and Royal Bank of Canada, as Administrative Agent and Collateral Agent.

The Toronto-Dominion Bank, New York Branch, as Pro Rata Lender

/s/ Peter Kuo

Name: Peter Kuo
Title: Authorized Signatory

This page is attached to and forms part of the Sixth Amending Agreement in respect of the Restated Credit Agreement dated of October 5, 2017, among Maxar Technologies Inc., as successor Borrower, each of the Lenders, and Royal Bank of Canada, as Administrative Agent and Collateral Agent.

National Bank of Canada, as Pro Rata Lender

/s/ David Sellitto
Name: David Sellitto

/s/ David Torrey
Name: David Torrey
Title: Managing Director

This page is attached to and forms part of the Sixth Amending Agreement in respect of the Restated Credit Agreement dated of October 5, 2017, among Maxar Technologies Inc., as successor Borrower, each of the Lenders, and Royal Bank of Canada, as Administrative Agent and Collateral Agent.

WELLS FARGO BANK, N.A., as Pro Rata Lender

By: /s/ Tracy Plummer
Name: Tracy Plummer
Title: Director

Name:
Title:

This page is attached to and forms part of the Sixth Amending Agreement in respect of the Restated Credit Agreement dated of October 5, 2017, among Maxar Technologies Inc., as successor Borrower, each of the Lenders, and Royal Bank of Canada, as Administrative Agent and Collateral Agent.

ING BANK N.V., as Pro Rata Lender

By: /s/ Wim Steenbakkers
Name: Wim Steenbakkers
Title: Managing Director

By: /s/ Katarzyna Sek
Name: Katarzyna Sek
Title: Managing Director

This page is attached to and forms part of the Sixth Amending Agreement in respect of the Restated Credit Agreement dated of October 5, 2017, among Maxar Technologies Inc., as successor Borrower, each of the Lenders, and Royal Bank of Canada, as Administrative Agent and Collateral Agent.

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 September 30, 2020 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: November 5, 2020
/s/ Daniel L. Jablonsky
Daniel L. Jablonsky
President and Chief Executive Officer

Exhibit 31.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER

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 September 30, 2020 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: November 5, 2020
/s/ Biggs C. Porter
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 September 30, 2020, 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: November 5, 2020

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 September 30, 2020, 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: November 5, 2020