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

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**FORM 8-K**

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**CURRENT REPORT  
Pursuant to Section 13 or 15(d)  
of the Securities Exchange Act of 1934**

**Date of report (Date of earliest event reported): September 15, 2021 (September 9, 2021)**

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**BlackSky Technology Inc.**

(Exact Name of Registrant as Specified in Charter)

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**Delaware**  
(State or other jurisdiction  
of incorporation)

**001-39113**  
(Commission  
File Number)

**47-1949578**  
(I.R.S. Employer  
Identification Number)

**13241 Woodland Park Road  
Suite 300  
Herndon, Virginia**  
(Address of principal executive offices)

**20171**  
(Zip code)

**(571) 267-1571**  
(Registrant's telephone number, including area code)

**Osprey Technology Acquisition Corp.  
1845 Walnut Street, Suite 1111,  
Philadelphia, Pennsylvania 19103**  
(Former name or former address, if changed since last report)

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Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the Registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Class A common stock, par value \$0.0001 per share	BKSJ	The New York Stock Exchange
Warrants, each whole warrant exercisable for one share of Class A common stock at an exercise price of \$11.50	BKSJ.W	The New York Stock Exchange

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§ 230.405) or Rule 12b-2 of the Securities Exchange Act of 1934 (§ 240.12b-2).

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.

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## INTRODUCTORY NOTE

On September 9, 2021 (the “Closing Date”), BlackSky Technology Inc., a Delaware corporation (the “Company”), f/k/a Osprey Technology Acquisition Corp. (“Osprey”), consummated the previously announced merger pursuant to that certain Agreement and Plan of Merger, dated February 17, 2021 (the “Merger Agreement”), by and among Osprey, Osprey Technology Merger Sub, Inc., a Delaware corporation and wholly owned subsidiary of Osprey (“Merger Sub”), and BlackSky Holdings, Inc., a Delaware corporation (“Legacy BlackSky”) following the approval at a special meeting of the stockholders of Osprey held on September 8, 2021 (the “Special Meeting”).

Pursuant to the terms of the Merger Agreement, a business combination between Osprey and Legacy BlackSky was effected through the merger of Merger Sub with and into Legacy BlackSky, with Legacy BlackSky surviving as the surviving company and as a wholly-owned subsidiary of Osprey (together with the other transactions described in the Merger Agreement, the “merger”). On the Closing Date, the registrant changed its name from “Osprey Technology Acquisition Corp.” to “BlackSky Technology Inc.”

At the effective time of the merger (the “Effective Time”), and subject to the terms and conditions of the Merger Agreement, each outstanding share of Legacy BlackSky capital stock (other than shares of Legacy BlackSky Class B common stock, treasury shares and shares with respect to which appraisal rights under the General Corporation Law of the State of Delaware were properly exercised and not withdrawn) was converted into a number of shares of the Company’s Class A common stock, par value \$0.0001 per share (“Class A Common Stock”) based on an exchange ratio equal to 0.0912 (the “Per Share Exchange Ratio”) and each outstanding Legacy BlackSky restricted stock unit, option and warrant was converted into a Company restricted stock unit, option or warrant based on the Per Share Exchange Ratio applicable to shares of Legacy BlackSky Class A common stock. All 7,906,250 shares of the Company’s Class B common stock, par value \$0.0001 per share (“Class B Common Stock”) was converted, on a one-for-one basis, into an equivalent number of Class A Common Stock immediately prior to the consummation of the merger.

No fractional shares of Class A Common Stock were issued upon the exchange of Legacy BlackSky preferred stock or Legacy BlackSky common stock. In lieu of the issuance of any such fractional shares, the Company has agreed to pay to each former holder of Legacy BlackSky Class A common stock, preferred stock or convertible notes who otherwise would be entitled to receive such fractional share an amount in cash, without interest, rounded down to the nearest cent, equal to the product of (i) the amount of the fractional share interest in a share of Class A Common Stock to which such holder otherwise would have been entitled multiplied by (ii) the average of Class A Common Stock trading price over the 30-day period ending three days prior to consummation of the merger.

Effective as of the Effective Time and by virtue of the merger, each share of Legacy BlackSky Class B common stock issued and outstanding immediately prior to the Effective Time was cancelled and automatically converted into the right to receive an amount in cash, without interest, equal to \$0.00001 per share.

Effective as of the Effective Time and by virtue of the merger, each option to purchase shares of Legacy BlackSky common stock (a “Legacy BlackSky Stock Option”) that was outstanding and unexercised as of immediately prior to the Effective Time was converted into an option to acquire a number of shares of Class A Common Stock equal to the product of (x) the number of shares of Legacy BlackSky Class A common stock subject to the applicable Legacy BlackSky Stock Option and (y) the Per Share Exchange Ratio, and is subject to the same terms and conditions as were applicable to such Legacy BlackSky Stock Option (each an “Assumed Company Stock Option”). The exercise price per share of each Assumed Company Stock Option is equal to the quotient obtained by dividing (x) the exercise price per share applicable to such Legacy BlackSky Stock Option by (y) the Per Share Exchange Ratio.

Effective as of the Effective Time and by virtue of the merger, each restricted stock unit of Legacy BlackSky (a “Legacy BlackSky RSU Award”) that was outstanding as of immediately prior to the Effective Time was converted into an award of Company restricted stock units covering a number of shares of Class A Common Stock equal to the product of (x) the number of shares of Legacy BlackSky common stock subject to the applicable Legacy BlackSky RSU Award and (y) the Per Share Exchange Ratio, and is subject to the same terms and conditions as were applicable to such Legacy BlackSky RSU Award.

Each warrant exercisable for shares of Legacy BlackSky common stock and Legacy BlackSky preferred stock (each a “Legacy BlackSky Warrant”) that was outstanding and unexercised as of immediately prior to the Effective Time

was (i) automatically exercised in accordance with its terms immediately prior to the Effective Time if such Legacy BlackSky Warrant provided that it would be automatically exercised in connection with the merger (an “Exercising Legacy BlackSky Warrant”), (ii) automatically terminated in accordance with its terms immediately prior to the Effective Time if such Legacy BlackSky Warrant provided that it would be automatically terminated if not exercised prior to the Effective Time (a “Terminating Legacy BlackSky Warrant”) or (iii) assumed by the Company and converted into a warrant to acquire Class A Common Stock if the Legacy BlackSky Warrant was not a Terminating Legacy BlackSky Warrant or Exercising Legacy BlackSky Warrant.

As of the open of trading on September 10, 2021, the Class A Common Stock and warrants to purchase shares of Class A Common Stock with an exercise of \$11.50 per share of the Company (the “Warrants”), formerly those of Osprey, began trading on the New York Stock Exchange under the symbols “BKSY” and “BKSY.W”, respectively.

As used in this Current Report on Form 8-K, unless otherwise stated or the context clearly indicates otherwise, the terms “Company,” “Registrant,” “we,” “us,” and “our” refer to the parent entity formerly named Osprey Technology Acquisition Corp., after giving effect to the merger, and as renamed BlackSky Technology Inc.

A description of the merger and the terms of the Merger Agreement are included in the definitive proxy statement/consent solicitation statement/prospectus filed with the Securities and Exchange Commission (the “SEC”) on August 11, 2021 (the “Proxy Statement”) in the sections entitled “Proposal No. 1-The Business Combination Proposal” and “The Merger Agreement.”

On September 9, 2021, a number of third party purchasers (the “Third Party PIPE Investors”) and certain directors and officers of Osprey (the “Insider PIPE Investors”, and together with the Third Party PIPE Investors, the “PIPE Investors”) purchased from the Company an aggregate of 18,000,000 newly-issued shares of Class A Common Stock (the “PIPE Investment”), for a purchase price of \$10.00 per share and an aggregate purchase price of \$180.0 million (the “PIPE Shares”), each pursuant to a separate subscription agreement (each, a “Subscription Agreement”), entered into effective as of February 17, 2021. Pursuant to the Subscription Agreements, the Company gave certain registration rights to the Third Party PIPE Investors with respect to their PIPE Shares. Pursuant to the Merger Agreement and the Subscription Agreements, the Company entered into Registration Rights Agreements (as described below) with the Insider PIPE Investors providing for certain registration rights to the Insider PIPE Investors with respect to their PIPE Shares. The sale of the PIPE Shares was consummated concurrently with the closing of the merger (the “Closing”).

A description of the Subscription Agreements is included in the Proxy Statement in the section entitled “Other Agreements-Subscription Agreements” beginning on page 288 of the Proxy Statement, and that information is incorporated herein by reference.

As previously disclosed in the September 1, 2021 Current Report on Form 8-K, Legacy BlackSky and Palantir Technologies, Inc. (“Palantir”) entered into a multi-year strategic partnership. As part of the partnership, Palantir purchased from Osprey an aggregate of 800,000 shares of Class A Common Stock, for a purchase price of \$10.00 per share and an aggregate purchase price of \$8,000,000 (the “Palantir Shares”) pursuant to a subscription agreement (the “Palantir Subscription Agreement”) that closed on September 13, 2021. Pursuant to the Palantir Subscription Agreement, Osprey gave certain registration rights to Palantir with respect to the Palantir Shares.

Also as previously disclosed in the September 1, 2021 Current Report on Form 8-K, the Legacy BlackSky and Palantir entered into a software subscription agreement (the “Palantir Master Subscription Agreement”) which grants Legacy BlackSky access to Palantir Foundry, an enterprise platform run by Palantir. Pursuant to the terms of the Palantir Master Subscription Agreement, in exchange for receipt of the Palantir products, Legacy BlackSky is required to pay fees to Palantir for an aggregate payment of \$8,000,000.

The foregoing descriptions of the Merger Agreement, the Subscription Agreement, the Palantir Subscription Agreement and the Palantir Master Subscription Agreement are summaries only and are qualified in their entirety by the full text of (i) the Merger Agreement, a copy of which is attached hereto as Exhibit 2.1 and incorporated herein by reference, (ii) the form of Subscription Agreement, a copy of which is attached hereto as Exhibit 10.1 and incorporated herein by reference and (iii) the Palantir Subscription Agreement, a copy of which is attached hereto as Exhibit 10.2 and incorporated herein by reference.

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As of September 13, 2021, there were approximately 115,949,075 shares of Class A Common Stock issued and outstanding.

**Item 1.01 Entry into a Material Definitive Agreement.**

**Amended and Restated Bylaws — Lock-Up**

Pursuant to the amended and restated bylaws to be effective at the Effective Time (the “Amended and Restated Bylaws”), the Company’s directors, officers and certain other Legacy BlackSky equity holders will not transfer shares of Class A Common Stock from the period beginning on the Closing Date and ending on the earliest of (a) the date that is 180 days after the Closing Date, (b) the date on which the Company completes a liquidation, merger, capital stock exchange, reorganization or other similar transaction that results in all of the Company’s stockholders having the right to exchange their shares of Class A Common Stock for cash, securities or other property and (c) the date on which the last sale price of the Class A Common Stock equals and exceeds \$12.00 per share (as adjusted for stock splits, stock dividends, reorganizations, recapitalizations and the like) for any 20 trading days within any 30-trading day period commencing upon the Closing Date; provided that, if the period in which the last sale price of the Class A Common Stock equals or exceeds \$12.00 per share (as adjusted for stock splits, stock dividends, reorganizations, recapitalizations and the like) for any 20 trading days within any 30-trading day period occurs prior to the 150th day following the Closing Date, then the Lock-Up Period shall end on the 150th day following the Closing Date.

The foregoing description of the Amended and Restated Bylaws does not purport to be complete and is qualified in its entirety by the full text of the Amended and Restated Bylaws, a copy of which is attached hereto as Exhibit 3.2 and incorporated herein by reference.

**Sponsor Support Agreement — Lock-Up**

In connection with the merger, on February 17, 2021, the Company, Legacy BlackSky and Osprey Sponsor II, LLC, a Delaware limited liability company (the “Sponsor”) entered into the Sponsor Support Agreement (the “Sponsor Support Agreement”), pursuant to which, among other things, the Sponsor agreed, subject to certain limited exceptions, not to transfer, assign or sell any of its Class A Common Stock until the earlier to occur of: (i) one year after the Closing Date or (ii) the date on which the Company completes a liquidation, merger, capital stock exchange or other similar transaction that results in all of the Company’s stockholders having the right to exchange their shares of common stock for cash, securities or other property. Notwithstanding the foregoing, if the last sale price of the Class A Common Stock equals or exceeds \$12.00 per share (as adjusted for stock splits, stock dividends, reorganizations, recapitalizations and the like) for any 20 trading days within any 30-trading day period commencing at least 150 days after the Closing Date, the Sponsor’s Class A Common Stock will be released from the lock-up.

The foregoing description of the Sponsor Support Agreement does not purport to be complete and is qualified in its entirety by the full text of the Sponsor Support Agreement, a copy of which is attached hereto as Exhibit 10.3 and incorporated herein by reference.

**Indemnification Agreements**

In connection with the merger, on September 9, 2021, the Company entered into indemnification agreements with each of its directors and executive officers. These indemnification agreements provide the directors and executive officers with contractual rights to indemnification and advancement for certain expenses, including attorneys’ fees, judgments, fines and settlement amounts incurred by a director or executive officer in any action or proceeding arising out of their services as one of the Company’s directors or executive officers or as a director or executive officer of any other company or enterprise to which the person provides services at the Company’s request.

The foregoing description of the indemnification agreements is qualified in its entirety by the full text of the form of indemnification agreement, a copy of which is attached hereto as Exhibit 10.4 and incorporated herein by reference.

## Registration Rights Agreement

In connection with the merger, on the Closing Date, the Company, the Sponsor, certain affiliates of the Sponsor and certain Legacy BlackSky stockholders entered into a registration rights agreement (the “Registration Rights Agreement”). The Registration Rights Agreement provided that the Company would register for resale, pursuant to Rule 415 under the Securities Act of 1933, as amended (the “Securities Act”), certain shares of Class A Common Stock and other equity securities of the Company that are held by the parties thereto from time to time. In addition, the holders have certain “piggy-back” registration rights with respect to registration statements filed subsequent to the completion of the merger and rights to require the Company to register for resale such securities pursuant to Rule 415 under the Securities Act. The Registration Rights Agreement amends and restates the registration rights agreement that was entered into by Osprey, the Sponsor and the other parties thereto in connection with Osprey’s initial public offering.

## First Amendment, Consent and Joinder to Amended and Restated Loan Security Agreement

On September 9, 2021, the Company, Legacy BlackSky and the subsidiaries of the Company (collectively, the “Loan Parties”) entered into a First Amendment, Consent and Joinder to Amended and Restated Loan and Security Agreement (“Intelsat Amendment”) with Intelsat Jackson Holdings SA, as lender and collateral agent (“Intelsat”), and Seahawk SPV Investment LLC, as lender (“Seahawk”), which amends that certain Amended and Restated Loan and Security Agreement, dated as of October 31, 2019, by and among the Loan Parties, Intelsat and Seahawk. The Intelsat Amendment (i) makes certain conforming changes to account for Legacy BlackSky and its subsidiaries becoming subsidiaries of the Company, including adjusting the change of control definition, (ii) contains a consent to the extension of the timeline for the joinder of BlackSky Europe Limited, a company organized under the laws of England and Wales and (iii) adds the Company and BlackSky International LLC, a Delaware limited liability company and subsidiary of the Company, as Co-Borrowers under the Loan Agreement.

The foregoing description of the Intelsat Amendment is qualified in its entirety by the full text of the Intelsat Amendment, a copy of which is attached hereto as Exhibit 10.5 and incorporated herein by reference.

### Item 2.01 Completion of Acquisition or Disposition of Assets.

The disclosure set forth in the “*Introductory Note*” above is incorporated herein by reference into this Item 2.01.

As previously reported, at the Special Meeting, the Company’s stockholders approved the merger. On September 9, 2021, the parties to the Merger Agreement completed the merger.

Holders of 21,375,376 shares of Class A Common Stock exercised their right to redeem such shares for cash at a price of approximately \$10.05 per share for aggregate payments of approximately \$214,906,385.

At the Closing, an aggregate of 376,952,973 shares of Legacy BlackSky Common Stock and 80,312,755 shares of Legacy BlackSky preferred stock were exchanged for an aggregate of 60,069,229 shares of Class A Common Stock.

Immediately after giving effect to the completion of the merger, the issuance of the PIPE Shares and the issuance of the Palantir Shares, there were outstanding:

- 115,949,075 shares of Class A Common Stock; and
- 24,137,495 Warrants, each exercisable for one share of Class A Common Stock at a price of \$11.50 per share.

The material terms and conditions of the Merger Agreement are described in the Proxy Statement in the sections entitled “*Proposal No. 1 - The Business Combination Proposal*” and “*The Merger Agreement*”, which are incorporated herein by reference.

## FORM 10 INFORMATION

Item 2.01(f) of Form 8-K states that if the predecessor registrant was a shell company, as Osprey was immediately before the merger, then the registrant must disclose the information that would be required if the registrant were filing a general form for registration of securities on Form 10. Accordingly, the Company, as the successor registrant to Osprey, is providing the information below that would be included in a Form 10 if it were to file a Form 10. Please note that the information provided below relates to the combined company after the consummation of the merger unless otherwise specifically indicated or the context otherwise requires.

### Cautionary Note Regarding Forward-Looking Statements

The Company makes forward-looking statements in this Current Report on Form 8-K and in documents incorporated herein by reference. All statements, other than statements of present or historical fact included in or incorporated by reference in this Current Report on Form 8-K, regarding the Company's future financial performance, as well as the Company's strategy, future operations, financial position, estimated revenues, and losses, projected costs, prospects, plans and objectives of management are forward-looking statements. When used in this Current Report on Form 8-K, the words "anticipate," "believe," "continue," "could," "estimate," "expect," "intends," "may," "might," "plan," "possible," "potential," "predict," "project," "should," "will," "would" the negative of such terms and other similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain such identifying words. These forward-looking statements are based on management's current expectations, assumptions, hopes, beliefs, intentions and strategies regarding future events and are based on currently available information as to the outcome and timing of future events. The Company cautions you that these forward-looking statements are subject to all of the risks and uncertainties, most of which are difficult to predict and many of which are beyond the control of the Company, incident to its business.

These forward-looking statements are based on information available as of the date of this Current Report on Form 8-K, and current expectations, forecasts and assumptions, and involve a number of risks and uncertainties. Accordingly, forward-looking statements in this Current Report on Form 8-K and in any document incorporated herein by reference should not be relied upon as representing the Company's views as of any subsequent date, and the Company does not undertake any obligation to update forward-looking statements to reflect events or circumstances after the date they were made, whether as a result of new information, future events or otherwise, except as may be required under applicable securities laws.

As a result of a number of known and unknown risks and uncertainties, the Company's actual results or performance may be materially different from those expressed or implied by these forward-looking statements. Some factors that could cause actual results to differ include the Company's ability to:

- realize the benefits expected from the merger;
- maintain and protect Legacy BlackSky's intellectual property;
- attract and retain key employees;
- increase client renewal and retention rates for products over time;
- leverage analytical capabilities and access external sensor networks;
- expand to international and commercial markets;
- improve geospatial data and cloud-based platform capabilities and invest in innovation efforts;
- grow distribution channels;
- maintain and protect Legacy BlackSky's brand;

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- enhance future operating and financial results by increasing total revenue and profits generally over time;
  - comply with laws and regulations applicable to its business;
  - successfully defend litigation;
  - successfully deploy the proceeds from the merger; and manage other risks and uncertainties set forth in the Proxy Statement in the section entitled “*Risk Factors*” beginning on page 33 of the Proxy Statement, which is incorporated herein by reference.

### **Business and Properties**

The business and properties of Osprey and Legacy BlackSky prior to the merger are described in the Proxy Statement in the sections entitled “*Information About Osprey*” beginning on page 148 and “*Information About BlackSky*” beginning on page 175 of the Proxy Statement, which are incorporated herein by reference.

The Company’s investor relations website is located at <https://ir.blacksky.com/>. The Company uses its investor relations website to post important information for investors, including news releases, analyst presentations, and supplemental financial information, and as a means of disclosing material non-public information and for complying with its disclosure obligations under Regulation FD. Accordingly, investors should monitor the Company’s investor relations website, in addition to following press releases, SEC filings and public conference calls and webcasts. The Company also makes available, free of charge, on its investor relations website under the SEC Filings tab, its Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and amendments to these reports as soon as reasonably practicable after electronically filing or furnishing those reports to the SEC.

### **Risk Factors**

The risks associated with the Company’s business are described in the Proxy Statement in the section entitled “*Risk Factors*” beginning on page 33 of the Proxy Statement, which is incorporated herein by reference.

### **Selected Historical Financial Information**

Legacy BlackSky’s selected consolidated statement of operations data for the years ended December 31, 2019 and 2020 and selected consolidated balance sheet data as of December 31, 2019 and 2020 are included in the Proxy Statement in the section entitled “Selected Historical Consolidated Financial Information of BlackSky” beginning on page 193 of the Proxy Statement, which is incorporated herein by reference.

### **Unaudited Consolidated Financial Statements**

The unaudited consolidated financial statements as of and for the six months ended June 30, 2021 of Legacy BlackSky set forth in Exhibit 99.1 hereto have been prepared in accordance with U.S. generally accepted accounting principles and pursuant to the regulations of the SEC. The unaudited financial information reflects, in the opinion of management, all adjustments, consisting of normal recurring adjustments, considered necessary for a fair statement of Legacy BlackSky’s financial position, results of operations and cash flows for the periods indicated. The results reported for the interim period presented are not necessarily indicative of results that may be expected for the full year.

These unaudited consolidated financial statements should be read in conjunction with the historical audited consolidated financial statements of Legacy BlackSky as of and for the year ended December 31, 2020 and the related notes included in the Proxy Statement, the section entitled “BlackSky’s Management’s Discussion and Analysis of Financial Condition and Results of Operations” beginning on page 195 of the Proxy Statement and the section entitled “Management’s Discussion and Analysis of Financial Condition and Results of Operations” included herein.

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## Unaudited Pro Forma Condensed Consolidated Combined Financial Information

The unaudited pro forma condensed combined financial information of the Company as of and for the six months ended June 30, 2021 and for the year ended December 31, 2020 is set forth in Exhibit 99.2 hereto and is incorporated herein by reference.

## Management's Discussion and Analysis of Financial Condition and Results of Operations

*Management's discussion and analysis of the financial condition and results of operation of Legacy BlackSky prior to the merger is included in the Proxy Statement in the section entitled "BlackSky's Management's Discussion and Analysis of Financial Condition and Results of Operations" beginning on page 195 of the Proxy Statement, which is incorporated herein by reference.*

*Management's discussion and analysis of the financial condition and results of operation of Legacy BlackSky as of and for the six months ended June 30, 2021 is set forth below.*

*The following discussion and analysis provides information which the Legacy BlackSky's management believes is relevant to an assessment and understanding of the Company's consolidated results of operations and financial condition. The discussion should be read together with the consolidated financial statements and related notes and unaudited pro forma condensed financial information that are included elsewhere or incorporated by reference in this Current Report on Form 8-K. The discussion and analysis should also be read together with Legacy BlackSky's audited consolidated financial statements and notes thereto included in the Legacy BlackSky's 2020 annual financial statements included in the Proxy Statement. This discussion may contain forward-looking statements based upon current expectations that involve risks and uncertainties. Legacy BlackSky's actual results may differ materially from those anticipated in these forward-looking statements as a result of various factors, including those set forth in the Proxy Statement in the section entitled "Risk Factors" beginning on page 33 of the Proxy Statement, or in other parts of this Current Report on Form 8-K. Unless the context otherwise requires, references in this "Management's Discussion and Analysis of Financial Condition and Results of Operations" to "we", "us", "our", and "the Company" is intended to mean the business and operations of the Company and its consolidated subsidiaries.*

## Company Overview

We are a leading provider of real-time geospatial intelligence, imagery and related data analytic products and services and mission systems. We monitor *activities* and facilities worldwide by harnessing the world's emerging sensor networks and leveraging our own satellite constellation. We process millions of observations from our constellation as well as a variety of space, IoT, and terrestrial based sensors and data feeds. Our on-demand constellation of satellites can image a location multiple times throughout the day. We monitor for pattern-of-life anomalies to produce alerts and enhance situational awareness. Our monitoring service is powered by cutting-edge compute techniques including machine learning and artificial intelligence. Our global monitoring solution is available via a simple subscription and requires no IT infrastructure or setup.

Our proprietary satellite constellation enables high-frequency observation of the Earth. Once our constellation is fully deployed with 30 satellites, we anticipate that we will be able to revisit targeted locations on Earth every 30 minutes achieving what we consider to be "real-time" Earth observation. The data we collect from our constellation and other sources populates a proprietary data repository through which our geospatial data and analytics platform derives unique insights and business observations that we deliver to our customers. The combination of our high-revisit small satellite constellation with our platform is disrupting the market for geospatial imagery and space-based data and analytics.



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We generate revenue through services offerings — which consist of imagery services and data, software and analytics — and product offerings, which consist of engineering and integration.

Imagery services include imagery delivered from our satellites in orbit or obtained from third-party imagery providers and licensed to customers through our geospatial and data analytics platform.

Data, software and analytics include site monitoring and event monitoring services and associated data analytics to help customers interpret the proprietary data we collect as well as third party satellite and sensor data we incorporate into our products. In addition, we provide technology-enabled professional service solutions related to software development and integration, technical feasibility, and data management and analytics services, all designed to help improve the utilization of our core products and services.

Engineering and integration include services to the customers who are integrating our capabilities into their operations, who need our assistance on strategic research and development or who wish to obtain bespoke space capabilities.

At present, the majority of our revenue comes from our service offerings, and specifically professional services. Over time, we expect imagery services to be an increasing portion and the primary driver of revenue within this category.

We offer a variety of pricing and utilization options for our imagery and other service offerings, including subscriptions and transactional licenses. These varied options allow customers to utilize our services in a manner that best suits their needs. In addition, this structure allows the customer to prioritize their requirements such that at critical times they can satisfy their needs immediately at higher pricing rates and at other times allow for more economical utilization.

Our product offerings have historically been sold under fixed price contracts.

To date, we have financed our operations primarily through the issuance of preferred equity and both convertible and long-term debt. From the date of our incorporation in 2014, we have raised aggregate gross proceeds of approximately \$223.7 million of debt and \$174.6 million of equity. For the six months ended June 30, 2021 and 2020, we incurred net losses from continuing operations of \$203.7 million and \$25.1 million, respectively, and used \$21.1 million and \$7.9 million, respectively, in cash to fund continuing operations. As of June 30, 2021, we had \$31.9 million of cash, cash equivalents, and restricted cash on hand to continue to fund operations. During the years ended December 31, 2020 and 2019, we incurred net losses from continuing operations of \$47.7 million and \$59.9 million, respectively, and used \$15.3 million and \$33.1 million, respectively, in cash to fund continuing operations. As of December 31, 2020, we had \$10.6 million of cash, cash equivalents, and restricted cash on hand to continue to fund operations.

#### **Comparability of Financial Information**

The Company's results of operations and statements of assets and liabilities may not be comparable between periods as a result of the merger.

#### **Factors Affecting Our Performance**

We believe that our performance and future success depend on a number of factors that present significant opportunities for us but also pose risks and challenges, including those discussed below and in "Risk Factors."

- **Expand and enhance our satellite network** —As of June 30, 2021, we had six proprietary satellites in commercial operations. Our objective, barring adjustments to launch schedules subject to weather, COVID-19 restrictions and other unforeseen launch conditions, is to achieve a 14-smallsat constellation by the end of 2021, and further expand our constellation to 23 satellites by the end of 2023 and ultimately to a 30-satellite constellation by 2025. An expanded constellation will enable us to increase our revisit rate, the frequency with which we can image certain locations on the globe, which supports our strategy of providing earth observation and earth monitoring services to our customers. Our Gen-3 satellite is being designed to improve our imaging resolution to 50 cm and include short wave IR imaging technology for a broad set of imaging conditions, including nighttime, low-light and all-weather. Regulatory, licensing, natural disasters, epidemic outbreaks, terrorist acts and geopolitical events could affect our business and satellite launch schedules.

- **Expand and extend our geospatial and data analytics platform** — We intend to continue to improve the capabilities of our platform, including our artificial intelligence and machine learning algorithms, to improve the speed and quality of the insights we provide to our customers. If the recommendations, forecasts, or analyses that artificial intelligence applications assist in producing are deficient or inaccurate, we could be subjected to competitive harm, potential legal liability, and brand or reputational harm.
- **Increase demand for our products and services** — We plan to expand our sales and marketing efforts to increase demand for our products and services by existing and new customers. As our constellation grows and delivers additional imaging capacity and improved revisit performance, we expect to attract new customers and expect our existing customers to use our capabilities more, increasing their total spend with us. We have several current contracts with customers to provide imagery, data, software and analytics and engineering and integration products and services. Our customers and resellers have no obligation to renew, upgrade, or expand their contracts with us after the terms of their existing contracts have expired. In addition, many of our customer and reseller contracts permit the customer or reseller to terminate their contracts with us with notice periods of varying lengths. As a government contractor, we are also subject to federal funding cycles, including the possibility of budget stalemates.
- **Expand into commercial market sectors** — Our current customer base, end market mix and pipeline are weighted towards U.S. and international defense and intelligence customers and markets. We believe there are significant opportunities and numerous use cases to extend our product and service offerings domestically and internationally to a wide variety of commercial market sectors including energy and utilities, insurance, mining and manufacturing, agriculture, environmental monitoring, disaster and risk management, and engineering and construction, among many others. As we expand into and within new and emerging markets and heavily regulated industry sectors, we will likely face additional regulatory scrutiny, risks, and burdens from the governments and agencies which regulate those markets and industries.

## COVID-19

In December 2019, the 2019 novel coronavirus (“COVID-19”) surfaced in Wuhan, China. The World Health Organization (“WHO”) declared a global emergency on January 30, 2020 with respect to the outbreak, and several countries have initiated travel restrictions, closed borders and given social distancing directives, including instructions requiring “shelter-in-place”. On January 31, 2020 the U.S. Department of Health and Human Services declared a national public health emergency due to a novel coronavirus. On March 11, 2020, WHO declared the outbreak of COVID-19, a disease caused by this novel coronavirus a pandemic. The disease continues to spread throughout the United States and other parts of the world and has negatively affected the U.S. and global economies, disrupted global supply chains, resulted in significant travel and transport restrictions, including mandated closures and orders to “shelter-in-place” and quarantine restrictions. Beginning in the first quarter of 2021, there has been a trend in many parts of the world of increasing availability and administration of vaccines against COVID-19, as well as an easing of restrictions on social, business, travel and government activities and functions. We have taken measures to protect the health and safety of our employees, work with our customers and suppliers to minimize disruptions and support our community in addressing the challenges posed by this ongoing global pandemic.

We are designated as an “essential critical infrastructure” for national security as defined by the U.S. Department of Homeland Security, and consistent with federal guidelines and with state and local orders to date, our business has continued to operate through the COVID-19 pandemic. As a result of the COVID-19 pandemic, we qualified for a Small Business Administration Paycheck Protection Program loan for \$3.6 million and through the Coronavirus Aid, Relief and Economic Security Act we were able to defer the deposit and payment of Social Security taxes in the total amount of approximately \$0.7 million.

The COVID-19 pandemic has generally disrupted the operations of our vendors, customers and prospective customers, and may continue to disrupt their operations, including as a result of travel restrictions and/or business shutdowns, uncertainty in the financial markets, or other harm to their business and financial results. This disruption could result in a reduction to information technology budgets, delayed purchasing decisions, longer sales cycles, extended payment terms, the timing of payments, and postponed or canceled projects, all of which could negatively impact our business and operating results, including sales and cash flows. The COVID-19 pandemic has not had a material impact on our business to date and we do not expect the COVID-19 pandemic to have a material impact on our business going forward.

## Components of Operating Results

### Revenues

We have developed several services and products that leverage our proprietary constellation and satellite economics:

- **Service Revenues** — Service revenues primarily consist of imagery and data, software, and analytics revenue.
  - **Imagery** — We offer our customers high-revisit, on-demand satellite imaging solutions. The combination of our proprietary satellite constellation, our virtual constellation, and our platform provides our customers with dawn-to-dusk autonomous tasking, processing and delivery.
  - **Data, Software and Analytics** — We leverage our proprietary artificial intelligence and machine learning algorithms to analyze data coming from both our proprietary sensor network and third party sources to provide difficult to access data, insights and analytics for our customers. We continue to integrate and enhance our products by performing contract development for customers while retaining product rights. We provide technology enabled professional service solutions to support customer-specific software development requests, integration, testing and training. We also provide systems engineering to support efforts to manage mass quantities of data. Our professional service solutions provide services related to object detection, site monitoring and enhanced analytics through which we can detect key objects in critical locations such as ports, airports, and construction sites; monitor changes at, damages to or other anomalies in key infrastructure; and analyze stockpiles or other critical inventory.

We expect continued service revenue growth in the year ending December 31, 2021 as a result of growth in satellite capacity and sales orders.

- **Product Revenues** — Product revenues primarily consist of engineering and integration revenue.
  - **Engineering and Integration** — We develop and deliver advanced launch vehicle, satellite and payload systems for our customers that leverage our capabilities in mission systems engineering and operations, ground station operations, and software and systems development. These systems are typically sold to government customers under fixed price contracts.

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We expect product revenue growth as we continue to deliver on contracts by engineering unique direct materials and striving toward critical design review.

#### **Service and Product Costs**

- Service Costs
  - Service costs primarily include internal aerospace and geospatial software development labor, third-party data and imagery, internal labor to support the ground stations and space operations, and cloud computing and hosting services.
- Product Costs
  - Product costs primarily include the cost of internal labor for product design, integration, and engineering in support of long-term development contracts for launch vehicle, satellite, and payload systems. We also incur subcontract direct materials and external labor costs to build and test specific components, such as the communications system, payload demands and sensor integration. Costs are expensed as incurred except for incremental costs to obtain or fulfill a contract, which are capitalized and amortized on a systematic basis consistent with the transfer of goods and services.

#### **Selling, General, and Administrative Expense**

Selling, general, and administrative expense consists of product development costs, salaries and benefit costs, professional fees, and other expenses which includes other personnel related costs, stock-based compensation, expenses for executive management, and occupancy costs. We also incur internal labor costs to maintain our platform, through which the imagery is delivered, and to develop critical real-time software and geospatial analytic solutions for a variety of customers, solution enhancements, including mapping, analysis, site target monitoring, and news feeds. We expect our selling, general and administrative expense, which includes transaction, audit, legal, and insurance costs, investor relations activities, and other administrative and professional services, to increase as we expand our business, and operate as a public company.

#### **Research and Development Expense**

Research and development expense consists primarily of employees' salaries, taxes and benefits costs incurred for data science modeling and algorithm development related to our platform, and to the design, development and testing of our Gen-3 satellites. We intend to continue to invest appropriate resources in research and development efforts, as we believe that investment is critical to maintaining our competitive position.

#### **Depreciation and Amortization**

Depreciation expense is related to property and equipment which mainly consists of operational satellites. Amortization expense is related to intangible assets.

#### **Satellite Impairment Loss**

We recorded a satellite impairment loss for the six months ended June 30, 2021 related to a Rocket Lab Electron rocket carrying two of our satellites suffering a failure during flight, resulting in the loss of both satellites on May 15, 2021. This resulted in an impairment loss of \$18.4 million, the full carrying value of the satellites, recorded to earnings during the six months ended June 30, 2021. There were no satellite impairment losses for the six months ended June 30, 2020.

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**Gain/(Loss) on Debt Extinguishment**

For the six months ended June 30, 2021 and 2020, there was no gain or loss on extinguishment of debt. Gain on extinguishment of debt reported for the year ended December 31, 2020 is related to accrued interest that was forgiven in connection with the termination of a certain debt instruments. Loss on extinguishment of debt reported for the year ended December 31, 2019 is related to unamortized debt discount costs.

**Unrealized (Loss)/Gain on Derivative**

Gain or loss on derivatives reported for the six months ended June 30, 2021 and 2020 and for the years ended December 31, 2020 and 2019 are related to the fluctuation of fair value of outstanding warrants to purchase our Series B and C Preferred Stock at each reporting date, changes in our liability balance for warrants, and consent fees related to Intelsat and Seahawk secured term loan.

**Gain/(Loss) on Equity Method Investment**

Gain/(Loss) on equity method investment reflects the recognition of our proportional share of the net income or net losses of LeoStella LLC (“LeoStella”), in which we hold a 50% ownership interest, adjusted for any intercompany profit.

**Interest Expense**

Interest expense consists primarily of interest on our outstanding borrowings under our loans from related parties, Small Business Administration Paycheck Protection Program loan, line of credit, founders note and capital leases.

**Other (Expense)/Income**

For the six months ended June 30, 2021, other (expense)/income, net is primarily related to the initial fair value of the excess of the incentive equity, warrants and the initial fair value of debt over the subordinated, unsecured convertible promissory notes that were issued in February of 2021 and June 2021.

## Results of Operations for the Six Months Ended June 30, 2021 and 2020

The following table provides the components of results of operations for the six months ended June 30, 2021 and 2020. Period to period comparisons are not necessarily indicative of future results.

	Six Months Ended		\$	%
	June 30,			
	2021	2020	Change	Change
(dollars in thousands)				
Revenues:				
Service	\$ 11,116	\$ 7,726	\$ 3,390	43.9%
Product	3,543	1,685	1,858	110.3%
<b>Total revenues</b>	<b>14,659</b>	<b>9,411</b>	<b>5,248</b>	<b>55.8%</b>
Costs and expenses:				
Service costs, excluding depreciation and amortization	8,550	6,440	2,110	32.8%
Product costs, excluding depreciation and amortization	3,367	5,184	(1,817)	(35.1)%
Selling, general and administrative	17,893	15,787	2,106	13.3%
Research and development	28	96	(68)	(70.8)%
Depreciation and amortization	6,301	3,757	2,544	67.7%
Satellite impairment loss	18,407	—	18,407	—%
<b>Operating loss</b>	<b>(39,887)</b>	<b>(21,853)</b>	<b>(18,034)</b>	<b>(82.5)%</b>
Gain on debt extinguishment	—	284	(284)	(100.0)%
Unrealized loss on derivative	(14,975)	(279)	(14,696)	5,267.4%
Income/(loss) on equity method investment	963	(581)	1,544	265.7%
Interest expense	(2,438)	(2,914)	476	16.3%
Other (expense)/income, net	(147,370)	281	(147,651)	52,544.8%
<b>Loss before income taxes</b>	<b>(203,707)</b>	<b>(25,062)</b>	<b>(178,645)</b>	<b>(712.8)%</b>
Income tax (provision) benefit	—	—	—	—%
<b>Loss from continuing operations</b>	<b>(203,707)</b>	<b>(25,062)</b>	<b>(178,645)</b>	<b>(712.8)%</b>
Discontinued operations:				
(Loss)/gain from discontinued operations, net of tax (including (loss)/gain from disposal of Launch Division of \$1,022 and \$30,672 for the six months ended June 30, 2021 and 2020, respectively)	(1,022)	30,355	(31,377)	(103.4)%
Income tax (provision) benefit	—	—	—	—%
<b>(Loss)/gain from discontinued operations, net of tax</b>	<b>(1,022)</b>	<b>30,355</b>	<b>(31,377)</b>	<b>(103.4)%</b>
<b>Net (loss)/income</b>	<b>\$(204,729)</b>	<b>\$ 5,293</b>	<b>(210,022)</b>	<b>(3,967.9)%</b>

## Revenue

	Six Months Ended		\$	% Change
	June 30,			
	2021	2020	Change	
	(dollars in thousands)			
Service revenues	\$ 11,116	\$ 7,726	\$ 3,390	43.9%
% of total revenue	76%	82%		
Product revenues	\$ 3,543	\$ 1,685	\$ 1,858	110.3%
% of total revenue	24%	18%		
Total revenues	<u>\$ 14,659</u>	<u>\$ 9,411</u>	<u>\$ 5,248</u>	55.8%

### Service revenues

Service revenues increased approximately \$3.4 million, or 43.9%, for the six months ended June 30, 2021, as compared to service revenues for the six months ended June 30, 2020. The increase was primarily driven by an increase across all of our service offerings, primarily orders for our imagery and our data, software, and analytics services. Imagery revenues grew due to increased customer sales orders in 2021 versus 2020 given the expansion of our constellation and related imagery capacity and capabilities of our constellation. Data, software, and analytics services increased primarily due to the addition of contracts that were entered into during the latter half of 2020 and in January 2021 that did not exist during the six months ended June 30, 2020.

### Product revenues

Product revenues increased approximately \$1.9 million, for the six months ended June 30, 2021, as compared to product revenues for the six months ended June 30, 2020. The increase was primarily due to an increase in progress of percentage completion of two contracts, driven by completion and delivery of a major component of the contract requirements during the six months ended June 30, 2021 as compared to the six months ended June 30, 2020.

## Costs and Expenses

	Six Months Ended		\$	% Change
	June 30,			
	2021	2020	Change	
	(dollars in thousands)			
Service costs, excluding depreciation and amortization	\$ 8,550	\$ 6,440	\$ 2,110	32.8%
Product costs, excluding depreciation and amortization	3,367	5,184	(1,817)	(35.1)%
Total costs	<u>\$ 11,917</u>	<u>\$ 11,624</u>	<u>\$ 293</u>	2.5%

### Service costs

Service costs increased approximately \$2.1 million, or 33%, for the six months ended June 30, 2021, as compared to service costs for the six months ended June 30, 2020. The increase was primarily driven by an increase in direct employee costs in support of professional services contracts as well as increased costs associated with maintaining growth in our satellite and ground station networks offset by decreased costs for the six months ended June 30, 2021 compared to the six months ended June 30, 2020 due to the maturity of the next generation satellites.

### Product costs

Product costs decreased approximately \$1.8 million, for the six months ended June 30, 2021, as compared to product costs for the six months ended June 30, 2020. The decrease was primarily attributable to the recognition of forward loss reserves for the design development, and manufacture of the Gen-3 satellites at inception of a new customer contract of approximately \$3.5 million during the six months ended June 30, 2020. This was partially offset by delivering a major component of the satellite on contract, which increased the product costs.

### Selling, general, and administrative expense

	Six Months Ended June 30,		\$ Change	% Change
	2021	2020		
	(dollars in thousands)			
Product development costs	\$ 3,600	\$ 1,216	\$ 2,384	196.1%
Salaries and benefit costs	8,207	11,196	(2,989)	(26.7)%
Professional fees	3,000	1,338	1,662	124.2%
Stock-based compensation expense	1,360	1,319	41	3.1%
Rent expense	1,237	1,142	95	8.3%
Other	489	(424)	913	(215.3)%
Selling, general administrative expense	<u>\$17,893</u>	<u>\$15,787</u>	<u>\$ 2,106</u>	13.3%

Selling, general, and administrative expense increased approximately \$2.1 million, or 13.3%, during the six months ended June 30, 2021 compared to six months ended June 30, 2020. The increase was primarily driven by a \$1.7 million increase in third-party professional services for public company readiness efforts that occurred in the six months ended June 30, 2021 that did not occur during the six months ended June 30, 2020. Salaries and benefit costs decreased \$3.0 million driven by employees increased time supporting professional services contracts from the increased growth of our satellite and ground station networks. This was partially offset by product development labor costs increase of \$2.4 million to continue to develop capabilities of the platform, develop the analytical competencies for new products, and expanded constellation and imagery collection efficiency. The remaining increase of \$0.9 million was due to other expenses including but not limited to, utility, and other location-specific service costs and significantly decreased travel expenses in the six months ended June 30, 2020 as compared to the six months ended June 30 2021.

### Research and development expense

	Six Months Ended June 30,		\$ Change	% Change
	2021	2020		
	(dollars in thousands)			
Research and development expense	\$ 28	\$ 96	\$ (68)	(70.8)%

Research and development expense decreased approximately \$68 thousand, or 70.8%, during the six months ended June 30, 2021 compared to June 30, 2020. The decrease compared to the six months ended June 30, 2021 was primarily driven by one of our internal projects reaching technological feasibility during 2020. This was partially offset by increased labor costs on the design of our Gen-3 satellites.



## Depreciation and amortization expense

	Six Months Ended		\$	%
	June 30,			
	2021	2020	Change	Change
	(dollars in thousands)			
Depreciation expense	\$ 5,621	\$ 3,081	\$ 2,540	82.4%
Amortization expense	680	676	4	0.6%
Depreciation and amortization expense	<u>\$ 6,301</u>	<u>\$ 3,757</u>	<u>\$ 2,544</u>	67.7%

Depreciation expense increased approximately \$2.5 million, or 67.7%, for the six months ended June 30, 2021 compared to the six months ended June 30, 2020. The increase was primarily driven by two satellites placed in service in the second half of 2020.

## Unrealized (loss)/gain on derivative

During the six months ended June 30, 2021, we recorded \$15.0 million loss on derivatives. The change was related to the fluctuation of fair value of outstanding warrants to purchase our Series B and C Redeemable Convertible Preferred Stock, changes in our liability balance for warrants to purchase our Class A common stock, and consent fees related to the Intelsat and Seahawk secured term loan.

During the six months ended June 30, 2020, we recorded \$0.3 million loss on derivatives. The change was related to the fluctuation of fair value related to warrants to purchase our Series B and C Redeemable Convertible Preferred Stock.

## Gain/loss on equity method investment

Gain on equity method investment increased by \$1.5 million, or 265.7%, for the six months ended June 30, 2021, compared to the six months ended June 30, 2020. This increase is related to the operating performance of LeoStella.

## Interest expense

Interest expense decreased by \$0.5 million, or 16.3%, for the six months ended June 30, 2021, compared to the six months ended June 30, 2020. This decrease is related to interest on the Mitsui U.S.A. loan that existed in 2020 and was extinguished in connection with the sale of the Launch Division. This was partially offset by increased amortization of consent fees associated with the Notes.

## Other (Expense)/Income

For the six months ended June 30, 2021 we received \$58.6 million in cash from several existing and new investors in exchange for 2021 Convertible Bridge Notes ("the Bridge Notes") with a principal value of \$58.6 million, inclusive of the incremental bridge notes issued in connection with our Rights Offering that closed on June 30, 2021. The first tranche of the Bridge Notes was issued at par at a principal amount of \$18.1 million and a fair value of \$24.2 million, resulting in a loss on issuance of \$6.1 million. The second tranche of the Bridge Notes were issued at par at a principal amount of \$40.0 million and a fair value of \$52.2 million, resulting in a loss on issuance of \$12.2 million. In June 2021, we offered eligible stockholders an opportunity to invest in a portion of the Bridge Notes as part of a Rights Offering on substantially the same terms as offered to investors in the initial tranche of the Bridge Notes. The aggregate principal amount and fair value of the Bridge Notes issued to the participating shareholders in the Rights Offering were \$0.5 million and \$0.6 million respectively, resulting in a loss on issuance of \$0.1 million.

Certain investors in the first tranche of Bridge Notes received 126.6 million shares of Class A Common Stock with a fair value of \$59.8 million and Warrants to purchase 42.5 million shares of Class A Common Stock with a fair

value of \$18.4 million. Additionally, the investors participating in the Rights Offering received 3.4 million incentive shares of Class A Common Stock with a fair value of \$2.6 million and 0.6 million incentive warrants exercisable for Class A Common Stock with a fair value of \$0.5 million, resulting in a loss of issuance of \$3.2 million.

We also incurred \$47.7 million in debt issuance cost related to the Bridge Financing, the modification of existing debt arrangements, and the June 2021 Notes which has been expensed. We expensed the debt issuance cost related to the Bridge Financing because the Notes are being carried on the balance sheet at fair value.

#### Gain/(loss) from discontinued operations, net of tax

	Six Months Ended		\$	%
	June 30,			
	2021	2020	Change	Change
	(dollars in thousands)			
Discontinued operations:				
Loss from discontinued operations, before income taxes.	\$ —	\$ (317)	\$ 317	(100.0)%
(Loss)/gain on disposal of discontinued operations	<u>(1,022)</u>	<u>30,672</u>	<u>(31,694)</u>	<u>(103.3)%</u>
Total (loss)/gain from discontinued operations, net of income taxes	<u><u>\$(1,022)</u></u>	<u><u>\$30,355</u></u>	<u><u>\$(31,377)</u></u>	<u><u>(103.4)%</u></u>

On June 12, 2020, we completed the sale of 100% of our interests in Spaceflight, Inc. (the “Launch Division”) to M&Y Space Co. Ltd. (“M&Y Space”) for a final purchase price of \$31.6 million. During the six months ended June 30, 2020, the Launch Division’s normal operations resulted in a gain from discontinued operations prior to the completion of the sale. During the six months ended June 30, 2021 we recorded a liability for a potential working capital adjustment related to target accounts receivable amount in accordance with the sale.

#### Non-GAAP Financial Measures

In addition to our results determined in accordance with GAAP, management utilizes certain non-GAAP performance measures, EBITDA and Adjusted EBITDA, and free cash flow for purposes of evaluating our ongoing operations and for internal planning and forecasting purposes. Our management and board of directors believe that these non-GAAP operating measures, when reviewed collectively with our GAAP financial information, provide useful supplemental information to investors in assessing our operating performance.

#### EBITDA and Adjusted EBITDA

EBITDA is defined as earnings before interest income and expense, income tax expense or benefit, and depreciation and amortization. Adjusted EBITDA has been calculated using EBITDA adjusted for (gain)/loss from discontinued operations, net of tax, launch employee retention bonuses, launch related shared services, satellite impairment loss, (gain)/loss on debt extinguishment, unrealized loss/(gain) on derivative, stock-based compensation, realized gain on conversion of notes, (gain)/loss on equity method investment, loss on issuance of the Notes and debt issuance cost expensed. We have presented EBITDA and Adjusted EBITDA because both are key measures used by our management and board of directors to understand and evaluate our operating performance, generate future operating plans and make strategic decisions regarding the allocation of capital. In particular, we believe that the exclusion of certain items in calculating Adjusted EBITDA can produce a useful measure for period-to-period comparisons of our business. Accordingly, we believe that Adjusted EBITDA provides useful information in understanding and evaluating our operating results. In addition, we believe that both EBITDA and Adjusted EBITDA

provide additional information for investors to use in evaluating our ongoing operating results and trends. These non-GAAP measures provide investors with incremental information for the evaluation of our performance after isolation of certain items deemed unrelated to our core business operations.

EBITDA and Adjusted EBITDA are presented as supplemental measures to our GAAP measures of performance. When evaluating EBITDA and Adjusted EBITDA, you should be aware that we may incur future expenses similar to those excluded when calculating these measures. In addition, our presentation of these measures should not be construed as an inference that our future results will be unaffected by unusual or non-recurring items. Furthermore, our computation of Adjusted EBITDA may not be directly comparable to similarly titled measures computed by other companies, as the nature of the adjustments that other companies may include or exclude when calculating Adjusted EBITDA may differ from the adjustments reflected in our measure. Because of these limitations, EBITDA and Adjusted EBITDA should not be considered in isolation, nor should these measures be viewed as a substitute for the most directly comparable GAAP measure, which is net loss. We compensate for the limitations of non-GAAP measures by relying primarily on our GAAP results. You should review the reconciliation of our net loss to EBITDA and Adjusted EBITDA below and not rely on any single financial measure to evaluate our performance.

The table below reconciles our net loss to EBITDA and Adjusted EBITDA for the six months ended June 30, 2021 and 2020:

	<u>Six Months Ended June 30,</u>	
	<u>2021</u>	<u>2020</u>
	(dollars in thousands)	
Net loss	\$ (204,729)	\$ 5,293
Interest expense	2,438	2,914
Income tax (provision) benefit	—	—
Depreciation and amortization	6,301	3,757
EBITDA	(195,990)	11,964
Loss/(gain) from discontinued operations, before income tax	1,022	(30,355)
Launch employee retention bonuses	—	661
Launch related shared services	—	(678)
Satellite impairment loss	18,407	—
Unrealized loss/(gain) on derivative	14,975	279
(Gain)/loss on debt extinguishment	—	(284)
Stock-based compensation	1,360	1,319
(Gain)/loss on equity method investment	(963)	581
Loss on Issuance of 2021 Convertible Bridge Notes Tranche One	84,291	—
Loss on Issuance of 2021 Convertible Bridge Notes Tranche Two	12,185	—
Loss on Issuance of 2021 Convertible Bridge Notes Rights Offering	3,193	—
Debt Issuance Costs Expensed For Debt Carried At Fair Value	47,718	—
Adjusted EBITDA	<u>\$ (13,802)</u>	<u>\$ (16,513)</u>

#### *Free Cash Flow*

We define free cash flow as cash flows (used in) provided by operating activities—continuing operations plus cash flows (used in) provided by operating activities—discontinued operations less purchase of property and equipment and satellite procurement work in process. We have presented free cash flow because it is used by our management and board of directors as an indicator of the amount of cash we generate or use and to evaluate our ability to satisfy current and future obligations and to fund future business opportunities. Accordingly, we believe

that free cash flow provides useful information to investors and others in understanding and evaluating our operating results, enhancing the overall understanding of our ability to satisfy our financial obligations and pursue business opportunities, and allowing for greater transparency with respect to a key financial metric used by our management in their financial and operational decision-making.

Free cash flow is not defined by GAAP and should not be considered in isolation of, or as an alternative to, measures prepared in accordance with GAAP. There are a number of limitations related to the use of free cash flow rather than net cash from (used in) operating activities, which is the most directly comparable GAAP equivalent. Some of these limitations are:

- free cash flow is not a measure of cash available for discretionary expenditures since we have certain non-discretionary obligations such as debt repayments or capital lease obligations that are not deducted from the measure; and
- other companies, including companies in our industry, may calculate free cash flow differently, which reduces its usefulness as a comparative measure.

The table below reconciles our net cash used in operating activities to free cash flow for the six months ended June 30, 2021 and 2020:

	<b>Six Months Ended June 30, 2021</b>		
	<b>(dollars in thousands)</b>		
	<b>BlackSky</b>	<b>Launch</b>	<b>Total</b>
Cash flows used in operating activities - continuing operations	\$(21,112)	\$ —	\$(21,112)
Cash flows used in operating activities - discontinued operations	—	—	—
Net cash used in operating activities	<u>(21,112)</u>	<u>—</u>	<u>(21,112)</u>
Purchase of property and equipment	(207)	—	(207)
Satellite procurement work in process	<u>(11,205)</u>	<u>—</u>	<u>(11,205)</u>
Free cash flow	<u><u>\$(32,524)</u></u>	<u><u>\$ —</u></u>	<u><u>\$(32,524)</u></u>
Net cash used in investing activities	\$(11,419)	\$ —	\$(11,419)
Net cash provided by financing activities	\$ 53,817	\$ —	\$ 53,817

  

	<b>Six Months Ended June 30, 2020</b>		
	<b>(dollars in thousands)</b>		
	<b>BlackSky</b>	<b>Launch</b>	<b>Total</b>
Cash flows used in operating activities - continuing operations	\$ (7,935)	\$ —	\$ (7,935)
Cash flows used in operating activities - discontinued operations	—	(14,207)	(14,207)
Net cash used in operating activities	<u>(7,935)</u>	<u>(14,207)</u>	<u>(22,142)</u>
Purchase of property and equipment	(41)	8,410	8,369
Satellite procurement work in process	<u>(15,913)</u>	<u>—</u>	<u>(15,913)</u>
Free cash flow	<u><u>\$(23,889)</u></u>	<u><u>\$ (5,797)</u></u>	<u><u>\$(29,686)</u></u>
Net cash (used in)/provided by investing activities	\$(15,954)	\$ 8,410	\$ (7,544)
Net cash provided by financing activities	\$ 3,498	\$ —	\$ 3,498

## Liquidity and Capital Resources

Our cash and cash equivalents excluding restricted cash totaled \$26.4 million and \$16.9 million as of June 30, 2021 and 2020, respectively. The absence of cash flows from discontinued operations is not expected to affect our future liquidity and capital resources. Currently, our primary sources of liquidity are cash flows generated from issuances of debt and preferred stock to investors. We have incurred losses and generated negative cash flows from operations since our inception in September 2014. At June 30, 2021, we had an accumulated deficit of \$428.2 million.

On February 2, 2021, we amended the Omnibus Agreement, dated June 27, 2018, by and among us and the persons and entities listed therein (the “2021 Omnibus Amendment”). Under the 2021 Omnibus Amendment, we may borrow additional indebtedness in connection with subordinated, unsecured convertible promissory notes (the “2021 Bridge Notes”) issuable between February 2, 2021 and June 30, 2021 up to an aggregate principal amount of \$60.0 million (the “2021 Bridge Financing”). The 2021 Bridge Notes mature six months after the date that all unpaid principal and accrued interest outstanding under the Intelsat Jackson Holdings SA and Seahawk Amended and Restated Loan and Security Agreement (the “Intelsat Facility”) are due. In connection with the 2021 Omnibus Amendment, the investors guaranteeing the SVB line of credit further reaffirmed their guarantees and received a one-time issuance of seven shares of our Class A common stock for every dollar guaranteed.

The 2021 Bridge Notes convert in connection with the closing of the merger into shares of Osprey’s Class A common stock at a price per share equal to 80% of the price per share of Class A Common Stock as determined in connection with the merger. During the period from February 2, 2021 through February 3, 2021, we completed the closing of our initial tranche of the 2021 Bridge Financing of \$18.1 million from existing stockholders. All investors participating in the initial tranche also received incentive equity equal to seven shares of our Class A Common Stock for each dollar invested, and certain other investors participating in the initial tranche also received warrants exercisable for shares of our Class A common stock in amounts ranging from approximately 0.14% of our fully-diluted share capital for each dollar invested over \$1.0 million to 3.5% of our fully-diluted share capital. During the period from February 4, 2021 through February 18, 2021, we completed the closing of a second tranche of the 2021 Bridge Financing, raising an aggregate principal amount of \$40.0 million, \$10 million of which was invested by an affiliate of Mithril Capital Management (of which Ajay Royan, a member of Legacy BlackSky’s Board of Directors, is Managing Director) and from certain other investors (collectively, the “Second Tranche Bridge Financing Investors”). In addition to their investment in the second tranche of the 2021 Bridge Financing, each of the Second Tranche Bridge Financing Investors or their affiliates also participated in the PIPE Investment.

The remaining residual balance of the 2021 Bridge Financing was allocated to a rights offering in which certain shareholders in the Company were eligible to participate. The rights offering closed on June 30, 2021. The aggregate investments of participating shareholders in the rights offering were \$0.5 million, and, upon the closing of the rights offering, we received \$58.6 million in principal investments. The terms of the rights offering were substantially identical to those offered in the initial tranche of the 2021 Bridge Financing.

On February 18, 2021, we amended and restated our Certificate of Incorporation to increase the total number of authorized shares of capital stock to a new total of 1,176,556,156 shares and increase the total number of authorized shares of Class A common stock to a new total of 1,000,000,000 shares.

On September 9, 2021, BlackSky completed its previously announced business combination with Osprey to take BlackSky public. Upon closing, the combined Company received approximately \$283 million in gross proceeds, comprised of approximately \$103 million in cash held in trust by Osprey and the proceeds of a \$180 million PIPE. Transaction expenses paid on closing totaled approximately \$44 million. Additionally, the Company repaid approximately \$21.4 million in debt and accrued interest and approximately \$27.1 million in other accrued liabilities. On September 13, 2021, the Company raised an additional \$8 million through a direct sale of common stock to Palantir Technologies Inc. at \$10.00 per share. Net cash proceeds from the merger, the PIPE financing, and the Palantir financing, less transaction costs and other closing payments, totaled approximately \$216.1 million.

We expect that proceeds received from the business combination and the Palantir investment, net of fees and other closing payments, will be sufficient to meet our working capital and capital expenditure needs over at least the next 12 months. Our future long-term capital requirements will depend on many factors including our growth rate, the timing and extent of spending to support solution development efforts, the expansion of sales and marketing activities, the ongoing investments in technology infrastructure, the introduction of new and enhanced solutions, and the continuing market acceptance of our solutions. From time to time, we may seek additional equity or debt financing to fund capital expenditures, strategic initiatives or investments and our ongoing operations. If we decide, or are required, to seek additional financing from outside sources, we may not be able to raise it on terms acceptable to us or at all. If we are unable to raise additional capital when desired, our business, financial condition and results of operations could be adversely affected.

### **Funding Requirements**

We expect our expenses to increase substantially as we increase investments in sales, marketing and product to increase our market share, as we procure and launch satellites to increase capacity, as we develop our Gen-3 satellites, and as we build out our general and administrative functions in support of public company operations.

Specifically, our operating expenses will increase as we:

- procure and launch additional satellites;
- design and develop our next generation satellites;
- enhance our platform and expand our sales and marketing efforts;
- invest in research and development related to new technologies; and
- hire additional personnel to support the expansion of our sales, marketing, operational, financial, product information technology, and other areas to support our operations as a public company upon the consummation of the merger.

### **Short-Term Liquidity Requirements**

As of June 30, 2021, our current assets were approximately \$40.1 million, consisting primarily of cash and cash equivalents, restricted cash, trade receivables, prepaid expenses and other current assets, and contract assets.

As of June 30, 2021, our current liabilities were approximately \$99.2 million, consisting primarily of accounts payable and accrued liabilities, contract liabilities, current debt obligations, and other current liabilities. Our 2021 Bridge Financing added approximately \$58.6 million of cash during the six months ended June 30, 2021, for which there are no covenants tied to financial metrics. We are in compliance with all of our outstanding debt arrangements.

### **Long-Term Liquidity Requirements**

Management anticipates that our most significant long-term liquidity and capital needs will relate to continued funding of operations, satellite development and procurement capital expenditures, launch capital expenditures, debt service and repayment of our Intelsat Facility.

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*Impact of the Business Combination:*

On September 9, 2021, the merger was consummated, pursuant to which shares of Legacy BlackSky's capital stock (including capital stock issued upon the conversion of Legacy BlackSky's outstanding bridge notes and the exercise of certain of Legacy BlackSky's warrants immediately prior to the merger, while excluding shares of Legacy BlackSky Class B common stock, treasury shares and shares with respect to which appraisal rights under the General Corporation Law of the State of Delaware were properly exercised and not withdrawn) were exchanged for a number of shares of Company Class A common stock equal to 78,993,201 and each outstanding Legacy BlackSky restricted stock unit, option and warrant was converted into a Company restricted stock unit, option or warrant based on the Class A Common Exchange Ratio applicable to shares of Legacy BlackSky Class A common stock. In connection with the merger, 18,000,000 PIPE Shares also were sold and issued for a purchase price of \$10.00 per share, or an aggregate purchase price of \$180.0 million, pursuant to a separate subscription agreement, entered into effective as of February 17, 2021.

On September 1, 2021, Palantir Technologies Inc. ("Palantir"), entered into a multi-year \$16.0 million strategic partnership. As part of the strategic partnership Palantir will invest \$8.0 million at \$10.00 per share for the purchase of 800,000 shares of Osprey Class A common stock pursuant to a Subscription Agreement that closed on September 13, 2021, two business days subsequent to the closing of the Business Combination. The Subscription Agreement contains substantially the same terms as the PIPE Investment entered into February 17, 2021. The Company and Palantir also entered into a software subscription agreement which allows the Company to distribute products on Palantir's platform to customers that are already integrated with Palantir. The Company is required to pay access fees to Palantir over multiple years for an aggregate payment of \$8.0 million. The software subscription agreement contains a termination clause that Palantir must receive a minimum total of \$750 thousand in fees from the effective date through the termination date. The Palantir transaction is deemed a related party transaction due to the fact the Chairman of the Board of Palantir is a founder of Mithril Capital who is a significant beneficial owner of a substantial investment in the Company.

The merger resulted in a \$223.1 million increase to the cash available to fund our future operations and our long-term business plan until we achieve positive free cash flow. The gross proceeds of \$291.0 million received from the Business Combination, inclusive of cash from PIPE shares, conversion of warrant liabilities and rights offering, offset by the following: 1) settling PPP Loan, SVB line of credit and accrued and unpaid interests related to those loans for a total amount of \$19.6 million, 2) payment of transaction costs, including deferred legal fees, underwriting commissions, and other costs related to the Transaction, incurred by both Osprey and BlackSky for a total of \$48.3 million.

We have a standing commitment to purchase a minimum number of Gen-3 satellites from one of our vendors. Based upon the amount raised in financing, we contractually committed to purchase up to 10 satellites of which we cannot estimate the total cost of the program at this time.

## Cash Flow Analysis

### For the Six Months Ended June 30, 2021 and 2020

The following table provides a summary of cash flow data for the six months ended June 30, 2021 and 2020:

	Six Months Ended	
	June 30,	
	2021	2020
	(dollars in thousands)	
Cash flows used in operating activities - continuing operations	\$(21,112)	\$ (7,935)
Cash flows (used in) provided by operating activities - discontinued operations	—	(14,207)
Net cash used in operating activities	(21,112)	(22,142)
Cash flows used in investing activities - continuing operations	(11,419)	(15,954)
Cash flows provided by (used in) investing activities - discontinued operations	—	8,410
Net cash (used in) investing activities	(11,419)	(7,544)
Cash flows provided by financing activities - continuing operations	53,817	3,498
Cash flows used in financing activities - discontinued operations	—	—
Net cash provided by financing activities	53,817	3,498
Net (decrease) increase in cash, cash equivalents, and restricted cash	21,286	(26,188)
Cash, cash equivalents, and restricted cash - beginning of year	10,573	37,190
Cash reclassified to assets held for sale at beginning of period	—	11,383
Cash reclassified to assets held for sale at the end of period	—	—
Cash, cash equivalents, and restricted cash - end of year	<u>31,859</u>	<u>22,385</u>

### Operating activities

For the six months ended June 30, 2021, net cash used in operating activities was approximately \$21.1 million. The significant contributor to the cash used during this period were net losses from continuing operations of approximately \$203.7 million. Non-cash expenses of \$188.3 million consisted primarily of \$6.3 million depreciation and amortization, \$1.4 million stock-based compensation, \$96.5 million issuance costs for fair value debt, \$47.7 million of debt issuance cost expensed for debt carried at fair value, \$3.2 million loss on issuance of 2021 convertible bridge notes rights offering, \$15.0 million unrealized loss on derivatives, a \$18.4 million satellite impairment loss, \$0.8 million amortization of debt discount and issuance costs, partially offset by a \$1.0 million gain on equity method investment. Net cash outflows attributable to changes in operating assets and liabilities totaled approximately \$5.7 million. Net cash outflows were primarily the result, of a \$1.0 million decrease in advance payments on firm-fixed price contracts, \$1.3 million in increased accounts receivable, a \$1.0 million decrease in liability for estimated contract losses, and a \$2.6 million decrease in accounts payables and accrued liabilities. These cash outflows were partially offset by \$1.2 million decrease in contract assets and a \$1.6 million decrease for estimated indirect taxes reclassified to other current liabilities from other long-term liabilities.

For the six months ended June 30, 2020, net cash used in operating activities was approximately \$22.1 million. The significant contributor to the cash used during this period were net losses from continuing operations of approximately \$25.1 million. Non-cash expenses of \$6.5 million consisted primarily of \$3.8 million depreciation and amortization, \$1.3 million stock-based compensation, \$0.8 million amortization of debt discount and issuance costs, \$0.3 million unrealized loss on derivatives, \$0.6 million loss on equity method investment partially offset by a



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\$0.3 million gain on debt extinguishment. Net cash inflows attributable to changes in operating assets and liabilities totaled approximately \$10.6 million. Net cash inflows were primarily the result of a \$4.7 million increase in advance payments on firm-fixed price contracts, a \$3.3 million increase in liability for estimated contract losses, a \$2.0 million decrease in accounts receivable, a \$1.5 million increase in other long-term liabilities, a \$1.0 million increase in accounts payables and accrued liabilities, and a \$0.2 million increase in other current liabilities. These cash inflows were partially offset by a \$1.3 million increase in contract assets and a \$0.8 million increase in prepaid expenses and other assets.

#### **Investing activities**

For the six months ended June 30, 2021, net cash used in investing activities was approximately \$11.4 million related to cash paid for the procurement of satellites and other launch-related costs.

For the six months ended June 30, 2020, net cash used in investing activities was approximately \$7.5 million primarily related to \$15.9 million cash paid for the procurement of satellites and \$8.4 million cash used in discontinued operations of the Launch Division.

#### **Financing activities**

For the six months ended June 30, 2021, net cash provided by financing activities of approximately \$53.8 million was primarily related to \$58.6 million loan proceeds from the 2021 Bridge Financing offset by \$4.1 million of payments of costs associated with the 2021 Bridge Financing. The loan proceeds and costs associated with the 2021 Bridge Financing are inclusive of the incremental bridge notes issued in connection with our Rights Offering that closed on June 30, 2021

For the six months ended June 30, 2020, net cash provided by financing activities of approximately \$3.5 million was primarily related to loan proceeds of \$3.6 million received under the Paycheck Protection Program which we expect to repay over the next two years.

#### **Off-Balance Sheet Arrangements**

As of June 30, 2021, we did not have any relationships with unconsolidated organizations or financial partnerships, such as structured finance or special purpose entities, which would have been established for the purpose of facilitating off-balance sheet arrangements or for other contractually narrow or limited purposes.

## Contractual Obligations and Commitments

The following table describes our contractual obligations and commitments as of June 30, 2021:

	Total	Payments due by period (dollars in thousands)			More than 5 years
		Less than 1 year	1-3 years	3-5 years(2)	
<b>Debt:</b>					
Loans from related parties	\$ 82,987	\$ —	\$ —	\$ 71,237	\$ 11,750
Notes(3)	58,573	—	—	58,573	—
Line of credit(5)	16,098	16,098	—	—	—
Other debt(5)	3,600	3,600	—	—	—
Consent fee liability(5)	2,464	2,464	—	—	—
<b>Lease:</b>					
Operating lease commitments	6	2	4	—	—
<b>Interest:</b>					
Debt and other financing	44,922	10,859	26,409	7,654	—
<b>Total(1) (4)(5)</b>	<u>\$208,650</u>	<u>\$ 33,023</u>	<u>\$26,413</u>	<u>\$137,464</u>	<u>\$ 11,750</u>

- (1) We executed as side letter providing for a reduction, at our election, of satellite procurement and certain hardware and integration costs under our satellite procurement contract with LeoStella of up to \$8.8 million and received credits in the year ended December 31, 2020 of \$5.1 million and an additional credit of \$1.5 million in April 2021.
- (2) Notes include related party loans from Mithril II, LP in the principal amount of \$15 million and VCVC in the principal of \$5 million all of which was converted in Company class A common stock as part of the merger transaction.
- (3) We have a standing commitment to purchase a minimum number of Gen-3 satellites from one of our vendors. Based upon the amount raised in financing, we contractually committed to purchasing up to 10 satellites of which we cannot estimate the total cost of the program at this time.
- (4) The consent fee liability of \$2.5 million in addition to the PPP Loan of \$3.6 million and SVB line of credit of \$16.1 million and accrued and unpaid interest related to those loans for a total amount of \$90 thousand was settled upon the Closing of the merger. We also have commitments for multi-launch and integration services with launch service providers. As of June 30, 2021, the Company has commitments for 5 launches to include up to 10 satellites at estimated launch dates totaling an amount of \$40.6 million with options for additional launches. As the timing of the launches are not known, the amounts are not included in the table above.

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## Critical Accounting Policies and Estimates

The Company's discussion and analysis of its financial condition and results of operations are based upon the Company's financial statements, which have been prepared in accordance with GAAP. These principles require the Company to make certain estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the balance sheet date, as well as reported amounts of revenue and expenses during the reporting period. The Company's most significant estimates and judgments involve valuation of the Company's revenue recognition, equity valuations, preferred stock and common stock valuation, redeemable convertible preferred stock classification, the valuation of warrants, the fair value of debt, goodwill impairment, and long lived asset impairment. Management bases its estimates on historical experience and on various other assumptions believed to be reasonable, the results of which form the basis for making judgments about the carrying values of assets and liabilities. Actual results could differ from those estimates.

There have been no substantial changes to these estimates, or the policies related to them during the six months ended June 30, 2021. A full discussion of these estimates and policies is included in the Proxy Statement in the section entitled "BlackSky's Management's Discussion and Analysis of Financial Condition and Results of Operations" beginning on page 195 of the Proxy Statement, which is incorporated herein by reference.

## Emerging Growth Company Status

The Company is an emerging growth company ("EGC"), as defined in the JOBS Act. The JOBS Act permits companies with EGC status to take advantage of an extended transition period to comply with new or revised accounting standards, delaying the adoption of these accounting standards until they would apply to private companies. The Company has elected to use this extended transition period to enable it to comply with new or revised accounting standards that have different effective dates for public and private companies until the earlier of the date it (i) is no longer an emerging growth company or (ii) affirmatively and irrevocably opts out of the extended transition period provided in the JOBS Act. As a result, the Company's financial statements may not be comparable to companies that comply with the new or revised accounting standards as of public company effective dates.

In addition, the Company intends to rely on the other exemptions and reduced reporting requirements provided by the JOBS Act. Subject to certain conditions set forth in the JOBS Act, if, as an EGC, the Company intends to rely on such exemptions, the Company is not required to, among other things: (i) provide an auditor's attestation report on its system of internal controls over financial reporting pursuant to Section 404(b) of the Sarbanes Oxley Act; (ii) provide all of the compensation disclosure that may be required of non-emerging growth public companies under the Dodd Frank Wall Street Reform and Consumer Protection Act; (iii) comply with any requirement that may be adopted by the Public Company Accounting Oversight Board regarding mandatory audit firm rotation or a supplement to the auditor's report providing additional information about the audit and the financial statements (auditor discussion and analysis); and (iv) disclose certain executive compensation related items such as the correlation between executive compensation and performance and comparisons of the Chief Executive Officer's compensation to median employee compensation.

The Company will remain an EGC under the JOBS Act until the earliest of (i) the last day of the Company's first fiscal year following the fifth anniversary of the first sale of Osprey's common stock in its initial public offering, (ii) the last date of the Company's fiscal year in which it has total annual gross revenue of at least \$1.07 billion, (iii) the date on which the Company is deemed to be a "large accelerated filer" under the rules of the SEC with at least \$700.0 million of outstanding securities held by non-affiliates, or (iv) the date on which the Company has issued more than \$1.0 billion in non-convertible debt securities during the previous three years.

## Recent Accounting Pronouncements

Note 2—“Basis of Presentation and Summary of Significant Accounting Policies”, to the Company’s unaudited consolidated financial statements and notes thereto, set forth in Exhibit 99.1 hereto, provides more information about recent accounting pronouncements, the timing of their adoption, and the Company’s assessment, to the extent the Company has made one, of their potential impact on the Company’s financial condition and its results of operations and is incorporated herein by reference.

## Security Ownership of Certain Beneficial Owners and Management

The following table sets forth information known to the Company regarding the beneficial ownership of Class A Common Stock as of the Closing Date by:

- each person known to the Company to be the beneficial owner of more than 5% of outstanding Class A Common Stock;
- each of the Company’s named executive officers and directors; and
- all of the executive officers and directors of the Company as a group.

Beneficial ownership is determined according to the rules of the SEC, which generally provide that a person has beneficial ownership of a security if he, she or it possesses sole or shared voting or investment power over that security, including options and warrants that are currently exercisable or exercisable within 60 days. Company stock issuable upon exercise of options and warrants currently exercisable within 60 days are deemed outstanding solely for purposes of calculating the percentage of total voting power of the beneficial owner thereof.

The beneficial ownership of Class A Common Stock is based on 115,149,075 shares of Class A Common Stock outstanding as of the Closing Date.

Unless otherwise indicated, the Company believes that each beneficial owner named in the table below has the sole voting and investment power with respect to all shares of Class A Common Stock beneficially owned by such beneficial owner.

Name of Beneficial Owner(1)	Number of Common Shares Beneficially Owned	Percentage of Common Shares Beneficially Owned
<i>Greater than Five Percent Holders</i>		
Entities affiliated with Mithril LP (2)	18,128,026	15.74%
RRE Ventures VI, LP (3)	5,759,049	5.00%
Seahawk SPV Investment LLC (4)	16,364,532	14.00%
VCVC IV LLC (5)	9,951,809	8.64%
Osprey Sponsor II, LLC (6)	7,906,250	6.87%
<i>Named Executive Officers and Directors</i>		
Brian O’Toole	805,424	0.70%
Brian Daum	526,174	0.46%
Henry Dubois	—	—
Chris Lin	—	—
Magid Abraham	—	—
David DiDomenico	—	—
Timothy Harvey	—	—
William Porteous	—	—
James Tolonen	—	—
<b>All Directors and Executive Officers as a Group (2 Individuals)</b>	1,331,598	1.16%

\* Less than 1%

- (1) Unless otherwise noted, the business address of each of these shareholders is c/o BlackSky Technology Inc., 13241 Woodland Park Road, Suite 300, Herndon, Virginia 20171.
- (2) Consists of (i) 10,386,626 shares held by Mithril LP and (ii) 7,741,400 shares held by Mithril II LP. Mithril Capital Management LLC (“MCM”) is a management company that manages Mithril LP and Mithril II LP, and is appointed by Mithril GP LP (“GP I”), the general partner of Mithril LP, and Mithril II GP LP (“GP II”), the general partner of Mithril II LP, each of which has formal control over its respective fund. Peter Thiel and Ajay Royan are the members of the investment committees of GP I and GP II. The investment committees make all investment decisions with respect to these entities and may be deemed to share voting and investment power over the securities held by Mithril LP and Mithril II LP. The address of each of the Mithril entities and Mr. Royan is c/o Mithril Capital Management, LLC, 600 Congress Ave., Suite 3100, Austin, Texas 78701. The address of Mr. Thiel is c/o Thiel Capital LLC, 9200 Sunset Boulevard, Suite 1110, West Hollywood, California 90069.
- (3) Voting and investment decisions for shares beneficially owned by RRE Ventures VI, LP are shared by five individuals (one of whom is William Porteous) who are members of RRE Ventures VI GP, LLC, the general partner of RRE Ventures VI, LP. The address for these entities is c/o RRE Ventures 130 East 59th Street, 17th Floor, New York, New York 10022.
- (4) Seahawk SPV Investment LLC (“Seahawk”) is the record holder of such shares. Seahawk is a direct wholly-owned subsidiary of Thales Alenia Space US Investment LLC (“TAS US”), which, in turn, is a wholly-owned subsidiary of Thales Alenia Space S.A.S (“TAS”). TAS is a joint venture whose majority owner is Thales S.A., a French public company (“Thales”). By reason of their relationships, TAS US, TAS and Thales may be deemed to share the power to vote or to direct the vote and to dispose or direct the disposition of the shares held by Seahawk and may be deemed to have shared beneficial ownership of the shares held directly by Seahawk. The address of Seahawk is 2733 South Crystal Drive, Suite 1200, Arlington, Virginia 22202. The address of TAS US is 1209 Orange Street, Wilmington, County of New Castle, Delaware 19801. The address of TAS is 100 Bd du Midi - 06150 Cannes la Bocca - France. The address of Thales is Tour Carpe Diem, 31 Place des Corolles, Esplanade Nord - 92400 Courbevoie - France.
- (5) VCVC Management IV LLC (“VCVC Management”) serves as the Manager of VCVC IV LLC (“VCVC IV”) and Cougar Investment Holdings LLC (“Cougar”) serves as the Managing Member of VCVC Management. Cougar has sole voting and dispositive power over the shares held by VCVC IV. Both of VCVC Management and Cougar disclaims, for purposes of Section 16 of the Securities Exchange Act of 1934, beneficial ownership of these securities, except to the extent of their respective pecuniary interests therein, and this report shall not be deemed an admission that either of VCVC Management or Cougar is the beneficial owner of such securities for purposes of Section 16 or for any other purposes.
- (6) Represents the holdings of Osprey Sponsor II, LLC (the “Sponsor”). The shares beneficially owned by the Sponsor may also be deemed to be beneficially owned by Mr. Jonathan Z. Cohen. Mr. Jonathan Z. Cohen is the managing member of the Sponsor, and as such Mr. Jonathan Z. Cohen has voting and investment discretion with respect to the shares held of record by the Sponsor and may be deemed to have shared beneficial ownership of shares held directly by the Sponsor. Mr. Jonathan Z. Cohen disclaims any beneficial ownership of the reported shares other than to the extent of any pecuniary interest he may have therein, directly or indirectly

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**Directors and Executive Officers**

Information with respect to the Company's directors and executive officers following the Closing of the merger is set forth in the Proxy Statement in the section entitled "*Management of New BlackSky After the Merger*" beginning on page 224 of the Proxy Statement, and that information is incorporated herein by reference.

The information set forth under Item 5.02 of this Current Report on Form8-K is incorporated herein by reference.

**Independence of Directors**

Information with respect to the independence of the directors of the Company following the Closing of the merger is set forth in the Proxy Statement in the section entitled "*Management of New BlackSky After the Merger*" in the subsection entitled "*Director Independence*" beginning on page 225 of the Proxy Statement, and that information is incorporated herein by reference.

**Committees of the Board of Directors**

Information with respect to the composition of the committees of the board of directors of the Company immediately after the Closing of the merger is set forth in the Proxy Statement in the section entitled "*Management of New BlackSky After the Merger*" in the subsection entitled "*Committees of the Board of Directors*" beginning on page 226 of the Proxy Statement, and that information is incorporated herein by reference.

**Executive Compensation**

Information with respect to the compensation of the named executive officers of the Company is set forth in the Proxy Statement in the section entitled "*Management of BlackSky*" in the subsection entitled "*Executive Compensation*" beginning on page 183 of the Proxy Statement and Item 5.02 of this Current Report on Form 8-K, and that information is incorporated herein by reference

**Director Compensation**

A description of the compensation of the board of directors of BlackSky before the consummation of the merger is set forth in the Proxy Statement section entitled "*Management of BlackSky*" in the subsection entitled "*Director Compensation*" beginning on page 192 of the Proxy Statement, and that information is incorporated herein by reference.

The information set forth under Item 5.02 of this Current Report on Form8-K is incorporated herein by reference.

**Certain Relationships and Related Transactions**

Certain relationships and related party transactions of the Company are described in the Proxy Statement in the section entitled "*Certain Relationships and Related Party Transactions*" beginning on page 321 of the Proxy Statement, which is incorporated herein by reference.

**Legal Proceedings**

In the normal course of business, the Company may become involved in various legal proceedings which, by their nature, may be inherently unpredictable and which could have a material effect on the Company's unaudited consolidated condensed financial statements, taken as a whole.

Legacy BlackSky's founders, Jason and Marian Joh Andrews, (collectively, the "Founders") have retained legal counsel in connection with claims they assert relating to the closing of Legacy BlackSky's debt financings on October 31, 2019. The Founders claim that these October 2019 financings triggered a prepayment obligation to them under the subordinated promissory notes entered into with each of Jason Andrews and Marian Joh, the founders of BlackSky on November 13, 2018 (the "Andrews Notes"), in an aggregate amount of \$2.5 million. To date, the Founders have not filed a lawsuit and have taken no further legal action. The Company believes that these claims are without merit and, as such, they would not result in a probable material adverse effect on its financial position. Accordingly, the Company has not recorded a contingency loss. Also, on April 27, 2021, with the consent of Legacy BlackSky's senior lenders, Legacy BlackSky entered into an agreement with the Founders under which BlackSky paid the Founders \$750,000 towards the principal of the Andrews Notes on April 28, 2021 and paid \$1.75 million towards the principal of the Andrews Notes upon the closing of the merger.

On June 7, 2021, a derivative lawsuit was filed in the Supreme Court of the State of New York by a purported Osprey stockholder in connection with the Business Combination: *Luster v. Osprey Technology Acquisition Corp., et al*, Index No. 653633/2021 (Sup. Ct. N.Y. Cnty.). The complaint named Osprey and members of Osprey's pre-Business Combination board of directors as defendants. The complaint alleged breach of fiduciary duty claims against Osprey's board of directors in connection with the Business Combination and an aiding and abetting breach of fiduciary claim against Osprey. The complaint alleged that the Proxy Statement was materially incomplete and misleading, and that the merger consideration was unfair. The complaint sought rescission of the Business Combination, damages, corrective supplemental disclosures in the Proxy Statement, and attorneys' fees. As the surviving company following the Business Combination, BlackSky inherited the litigation after the Closing.

The Osprey board of directors also received six demands from putative stockholders of Osprey dated May 20, 2021, May 24, 2021, July 26, 2021, July 26, 2021, August 12, 2021, and August 19, 2021 (together, the "Demands"). Five of the Demands alleged that the Proxy Statement was materially misleading and/or omitted material information concerning the merger and sought the issuance of corrective supplemental disclosures. One of the five Demands also asserted that the merger consideration was inadequate and that an increase in consideration should be negotiated by the parties. The sixth Demand regarded the voting in connection with the vote concerning one of the proposals in the Proxy Statement.

Prior to Closing, Osprey reached agreements with Luster and the six putative stockholders that Osprey's supplemental disclosures and a modification to the authorized shared proposal fairly resolved their claims. BlackSky has not yet reached agreements with these stockholders on attorney's fees.

As of September 13, 2021, with the exception of the items above, the Company was not aware of any additional pending, or threatened, governmental actions or legal proceedings to which the Company is, or will be, a party that, if successful, would result in an impact to its business or financial condition or results of operations.

#### **Market Price of and Dividends on the Registrant's Common Equity and Related Stockholder Matters**

The information set forth in the section of the Proxy Statement entitled "Price Range of Securities and Dividends" beginning on page 330 is incorporated herein by reference. Additional information regarding holders of the Company's securities is set forth below in the section of this Current Report on Form 8-K entitled "Description of the Company's Securities."

The Class A Common Stock, Warrants and Osprey's units (consisting of one share of Class A Common Stock and one-half of one warrant, the "Units") were historically quoted on the New York Stock Exchange under the symbols "SFTW", "SFTW.WS" and "SFTW.U", respectively. At the Effective Time, the Units automatically separated into the component securities and, as a result, no longer trade as a separate security. On September 10, 2021, the Class A Common Stock and Warrants began trading on the New York Stock Exchange under the new trading symbols "BKSY" and "BKSY.W", respectively.

As of the Closing Date, the Company had 115,149,075 shares of Class A Common Stock issued and outstanding and 24,137,495 Warrants, each exercisable for one share of Class A Common Stock, at a price of \$11.50 per share.

#### *Dividends*

The Company has not paid any cash dividends on the Class A Common Stock to date. The Company may retain future earnings, if any, for future operations, expansion and debt repayment and has no current plans to pay cash dividends for the foreseeable future. Any decision to declare and pay dividends in the future will be made at the discretion of the board of directors and will depend on, among other things, the Company's results of operations, financial condition, cash requirements, contractual restrictions and other factors that the board of directors may deem relevant. In addition, the Company's ability to pay dividends may be limited by covenants of any existing and future outstanding indebtedness the Company or its subsidiaries incur. The Company does not anticipate declaring any cash dividends to holders of the Class A Common Stock in the foreseeable future.

#### **Recent Sales of Unregistered Securities**

Reference is made to the disclosure set forth below under Item 3.02 of this Current Report on Form 8-K concerning the issuance and sale by the Company of certain unregistered securities, and that information is incorporated herein by reference.

#### **Description of the Company's Securities**

The description of the Company's securities is set forth in the section of the Proxy Statement entitled "Description of New BlackSky Capital Stock" beginning on page 315, and that information is incorporated herein by reference.

### *Common Stock*

Immediately following the Closing, the Company's authorized capital stock consisted of 400,000,000 shares of capital stock, \$0.0001 par value per share, consisting of 300,000,000 shares of Class A Common Stock and 100,000,000 shares of preferred stock. No shares of preferred stock were issued and outstanding immediately after the merger.

### *Warrants*

Each warrant that entitles the registered holder to purchase one share of Class A Common Stock at a price of \$11.50 per share, subject to adjustment as discussed below, is exercisable at the later of any time commencing 30 days after the consummation of the Business Combination or one year after the closing of the Company's initial public offering. These warrants will expire on the fifth anniversary of the consummation of the Business Combination, or earlier upon redemption or liquidation.

### **Indemnification of Directors and Officers**

As noted above in Item 1.01 of this Current Report on Form 8-K, the Company entered into indemnification agreements with each of its directors and executive officers as of the Closing Date. Each indemnification agreement provides for indemnification and advancements by the Company of certain expenses and costs relating to claims, suits or proceedings arising from his or her service to the Company or, at our request, service to other entities, as officers or directors to the maximum extent permitted by applicable law.

The foregoing description of the indemnification agreements does not purport to be complete and is qualified in its entirety by the full text of the indemnification agreements, the form of which is attached hereto as Exhibit 10.4 and is incorporated herein by reference. The disclosure set forth in Item 1.01 of this Current Report on Form 8-K under the section entitled "*Indemnification Agreements*" is incorporated herein by reference into this Item 2.01.

### **Financial Statements and Supplementary Data**

The information set forth in Item 9.01 of this Current Report on Form 8-K is incorporated herein by reference.

### **Changes in Disagreements with Accountants on Accounting and Financial Disclosure**

The information set forth under Item 4.01 of this Current Report on Form 8-K is incorporated herein by reference.

### **Item 3.01 Notice of Delisting or Failure to Satisfy a Continued Listing Rule or Standard; Transfer of Listing.**

On the Closing Date, all of Osprey's outstanding units separated into their component parts of one share of Class A Common Stock and one-half of one warrant to purchase one share of Class A Common Stock at a price of \$11.50 per share and Osprey's units ceased trading on the New York Stock Exchange.

### **Item 3.02 Unregistered Sales of Equity Securities.**

The information with respect to the PIPE Shares set forth in the "*Introductory Note*" above is incorporated herein by reference into this Item 3.02. The PIPE Shares have not been registered under the Securities Act of 1933 in reliance on the exemption from registration provided by Section 4(a)(2) of the Securities Act.

### **Item 3.03 Material Modification to Rights of Security Holders.**

On the Closing Date, in connection with the consummation of the merger, Osprey changed its name to BlackSky Technology Inc. and adopted the Amended and Restated Certificate of Incorporation and Amended and Restated Bylaws effective as of the Closing Date. Reference is made to the disclosure described in the Proxy Statement in the sections entitled "*Description of New BlackSky Capital Stock*" and "*Comparison of Stockholders' Rights*", which are incorporated herein by reference.

The Amended and Restated Certificate of Incorporation and Amended and Restated Bylaws of the Company contain material modifications to the Company's authorized capital stock, shareholder voting rights, composition of the board of directors, and nomination, liability, indemnification, and removal of directors.

The foregoing descriptions of the modifications to the rights of security holders pursuant to the Amended and Restated Certificate of Incorporation and Amended and Restated Bylaws do not purport to be complete and are qualified in their entirety by the full text of the Amended and Restated Certificate of Incorporation and Amended and Restated Bylaws, which are attached hereto as Exhibits 3.1 and 3.2, respectively, and are incorporated herein by reference.

**Item 4.01 Changes in Registrant's Certifying Accountant**

On September 9, 2021, following a meeting of the Audit Committee of the Company's board of directors, Marcum LLP ("Marcum"), who served as the Company's independent registered public accounting firm prior to the merger, was informed that it would be dismissed as the Company's independent registered public accounting firm. Subsequently, on September 9, 2021, the Audit Committee of the Company's board of directors approved the engagement of Deloitte & Touche LLP ("Deloitte") as the Company's independent registered public accounting firm to audit the Company's consolidated financial statements for the year ending December 31, 2021. Deloitte previously served as the independent registered public accounting firm for Legacy BlackSky, which was acquired by the Company on September 9, 2021.

The report of Marcum on Osprey's financial statements as of December 31, 2020 and for the period from June 15, 2018 (inception) through December 31, 2020, did not contain an adverse opinion or a disclaimer of opinion, and were not qualified or modified as to audit scope or accounting principles. Their financial statements contained an explanatory paragraph relating to substantial doubt about the ability of Osprey Technology Acquisition Corp. to continue as a going concern as described in Note 1 to the financial statements.

During the period from June 15, 2018 (Osprey's inception) to December 31, 2020 and the subsequent interim period through September [9], 2021, there were no "disagreements" (as such term is defined in Item 304(a)(1)(iv) of Regulation S-K and the related instructions) with Marcum on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedures, which disagreements, if not resolved to the satisfaction of Marcum, would have caused Marcum to make reference thereto in its report on Osprey's pre-merger financial statements as of December 31, 2020 and for the period from June 15, 2018 (Osprey's inception) to December 31, 2020. During the period from June 15, 2018 (Osprey's inception) to December 31, 2020 and the subsequent interim period through September 9, 2021, there have been no "reportable events" (as such term is defined in Item 304(a)(1)(v) of Regulation S-K except for the material weakness that is disclosed in Item 9A in the Form 10-K/A.).

The Company provided Marcum with a copy of the foregoing disclosures and has requested that Marcum furnish the Company with a letter addressed to the SEC stating whether it agrees with the statements made by the Company set forth above. A copy of Marcum's letter, dated on September 14, 2021, is filed as Exhibit 16.1 to this Current Report on Form 8-K.

**Item 5.01 Changes in Control of the Registrant.**

The information set forth in the section entitled "*Introductory Note*" and in the section entitled "*Security Ownership of Certain Beneficial Owners and Management*" in Item 2.01 of this Current Report on Form 8-K is incorporated herein by reference. The information set forth under in the sections titled "*Proposal No. 1 - The Business Combination Proposal*" beginning on page 126 of the Proxy Statement and "*The Merger Agreement*" beginning on page 262 of the Proxy Statement and "*Introductory Note*" and Item 2.01 in this Current Report on Form 8-K are incorporated herein by reference.



**Item 5.02 Department of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.**

The information set forth in the sections entitled “*Directors and Executive Officers*” and “*Certain Relationships and Related Transactions*” in Item 2.01 of this Current Report on Form 8-K is incorporated herein by reference.

Further, as previously disclosed in the August 18, 2021 Current Report on Form 8-K, the Company announced the addition of three members to its executive team: Mr. Henry Dubois, as Chief Development Officer; and Ms. Chris Lin, as General Counsel and Secretary. Mr. Broekhuysen will assume the role of Chief Financial Officer following the Merger.

**Executive Officers**

Upon consummation of the merger, the following individuals were appointed to serve as executive officers of the Company:

Name	Age	Position
Brian O’Toole	57	Chief Executive Officer
Brian Daum	54	Chief Financial Officer
Henry Dubois	59	Chief Development Officer
Chris Lin	52	General Counsel and Secretary

For biographical information concerning Messrs. O’Toole and Daum, reference is made to the disclosure described in the Proxy Statement in the section titled “[Management of New BlackSky After the Merger](#),” beginning on page 224, which is incorporated herein by reference.

**Henry Dubois.** Mr. Henry Dubois is the Chief Development Officer of BlackSky and will lead the company’s merger and acquisition planning as well as other corporate growth initiatives. Before joining BlackSky, from February 2009 to August 2021, Mr. Dubois was managing director at HED Consulting, a consulting firm that specializes in planning and implementing viable, sustainable household energy interventions, where he advised companies on strategic initiatives, operating improvements and financial activities. From April 2013 to May 2018 Mr. Dubois also served as Chief Executive Officer and President of Hooper Holmes Inc., a national provider of biometric screenings and comprehensive health and wellness programs. Mr. Dubois also has experience serving as an executive at two geospatial companies and he brings proven experience in growth strategies, deal sourcing and integration. For instance, from February 2005 to December 2012, Mr. Dubois served as CFO and an executive advisor at GeoEye, a commercial satellite imagery company, where he helped grow revenues from \$30 to \$350 million. Similarly, at DigitalGlobe, a vendor of space imagery and geospatial content and operator of civilian remote sensing spacecraft, Mr. Dubois held several executive positions including president, Chief Financial Officer and Chief Operating Officer. Mr. Dubois was also Chief Executive Officer of an Asian telecom company, PT Centralindo Panca Sakti. He brings extensive domestic and international experience leading telecom and satellite imaging companies through periods of growth, merger and acquisition activity. Mr. Dubois currently serves on the board of directors of Endurance Acquisition Corporation (NASDAQ: EDNCU). Mr. Dubois received a Masters of Management, Finance, Marketing and Accounting at Northwestern University’s Kellogg School of Management as well as a B.A. in Mathematics at College of the Holy Cross.

**Chris Lin.** Ms. Chris Lin is the General Counsel and Secretary of BlackSky and brings over two decades of experience working with business, government and legal teams during growth and innovation cycles. Before joining BlackSky, from July 2018 to August 2021, Ms. Lin served as General Counsel and Chief Privacy and Administrative Officer at Rakuten Marketing, an affiliate marketing service provider, where she helped restructure legacy business lines to increase profitability and built the foundation for accelerating the growth of emerging business lines. Previous to that, from May 2017 to August 2021, Ms. Lin served as Venture Partner at NextGen Partner Ventures, a venture capital firm. From February 2001 to February 2017, Ms. Lin served as Executive Vice President, General Counsel, Chief Privacy Officer and Corporate Secretary at comScore, a pioneer in media measurement and analytics. While at

comScore, Ms. Lin helped grow the business from an early-stage start-up to a \$450 million-dollar public market capitalization company with teams across Europe, APAC and the Americas. Ms. Lin received a J.D. from the Georgetown University Law Center and a B.A. in Political Science from Yale University.

There are no family relationships among any of the directors or executive officers of the Company.

### ***Employment Agreements***

For descriptions of the employment agreements and offer letters with the executive officers, reference is made to the disclosure described in the Proxy Statement in the section titled “*Management of BlackSky—Current Employment Agreements with Named Executive Officers*” beginning on page 184 and in Item 5.02 of the Company’s Current Report on Form 8-K dated August 18, 2021, which are incorporated herein by reference. Those descriptions do not purport to be complete and are qualified in their entirety by reference to the full text of such employment agreements and offer letters, which are attached as Exhibits 10.6, 10.7, 10.8, 10.9 and 10.10 hereto and incorporated herein by reference.

### **2021 Equity Incentive Plan**

As previously disclosed at the Special Meeting, the stockholders of the Company considered and approved the 2021 Equity Incentive Plan (the “2021 Plan”). The 2021 Plan was approved, subject to stockholder approval, by the Company’s board of directors on February 17, 2021. The 2021 Plan became effective immediately upon the Closing.

A description of the 2021 Plan is included in the Proxy Statement in the section entitled “*Proposal No. 10—The Omnibus Incentive Plan Proposal*” beginning on page 132 of the Proxy Statement, which is incorporated herein by reference. The foregoing description of the 2021 Plan is qualified in its entirety by the full text of the 2021 Plan, which is attached hereto as Exhibit 10.11, and incorporated herein by reference.

### **2021 Employee Stock Purchase Plan**

As previously disclosed at the Special Meeting, the stockholders of the Company considered and approved the 2021 Employee Stock Purchase Plan (the “2021 ESPP”). The 2021 ESPP was approved, subject to stockholder approval, by the Company’s board of directors on February 17, 2021. The 2021 ESPP became effective immediately upon the Closing.

A description of the 2021 ESPP is included in the Proxy Statement in the section entitled “*Proposal No. 11—The ESPP Proposal*” beginning on page 141 of the Proxy Statement, which is incorporated herein by reference. The foregoing description of the 2021 ESPP is qualified in its entirety by the full text of the 2021 ESPP, which is attached hereto as Exhibit 10.12 and incorporated herein by reference.

### **Outside Director Compensation Policy**

Following the Closing of the merger, on September 9, 2021, the board of directors of the Company considered and approved the Outside Director Compensation Policy for non-employee directors. The Outside Director Compensation Policy became effective on September 9, 2021.

A description of the Outside Director Compensation Policy is set forth in the Proxy Statement in the section entitled “*Management of New BlackSky After the Merger*” in the subsection entitled “*Outside Director Compensation Policy*” beginning on page 229 of the Proxy Statement, and that information is incorporated herein by reference.

The foregoing description of the Outside Director Compensation Policy is qualified in its entirety by the full text of the Outside Director Compensation Policy, which is attached hereto as Exhibit 10.13 and incorporated herein by reference.

**Item 5.03 Amendments to Articles of Incorporation or Bylaws; Change in Fiscal Year.**

The disclosure set forth in Item 3.03 of this Current Report on Form8-K is incorporated in this Item 5.03 by reference.

**Item 5.05 Amendments to the Registrant’s Code of Ethics, or Waiver of a Provision of the Code of Ethics.**

Following the Closing of the merger, on September 9, 2021, the Company’s board of directors considered and adopted a new Code of Business Conduct and Ethics (the “Code of Ethics”). The Code of Ethics applies to all of the Company’s directors, officers and employees. The foregoing description of the Code of Ethics is qualified in its entirety by the full text of the Code of Ethics, which is available on the investor relations page of the Company’s website.

**Item 5.06 Change in Shell Company Status**

As a result of the merger, which fulfilled the definition of a business combination as required by the Amended and Restated Certificate of Incorporation of the Company, as in effect immediately prior to the Closing, the Company ceased to be a shell company (as defined in Rule 12b-2 of the Exchange Act) as of the Closing. A description of the merger and the terms of the Merger Agreement are included in the Proxy Statement in the sections entitled “*The Merger*” beginning on page 232, “*The Merger Agreement*” beginning on page 262 of the Proxy Statement, in the information set forth under “*Introductory Note*” and in the information set forth under Item 2.01 in this Current Report on Form8-K, which are incorporated herein by reference.

**Item 7.01. Regulation FD Disclosure.**

On September 9, 2021, the Company issued a press release announcing the consummation of its previously announced merger. A copy of such press release is furnished as Exhibit 99.3 hereto.

BlackSky Technology Inc. announces material information to the public through a variety of means, including filings with the SEC, press releases, public conference calls, and the Company’s website ([www.blacksky.com](http://www.blacksky.com)), and investor relations webpage <https://ir.blacksky.com/>.

**Item 8.01 Other Events.**

**PPP Loan**

On August 31, 2021, the Company executed a payoff letter to repay in full all amounts due and owing, and terminate all commitments and obligations under, the unsecured loan Legacy BlackSky was granted in April 2020 in accordance with the Paycheck Protection Program, established pursuant to the Coronavirus Aid, Relief, and Economic Security Act and administered by the U.S. Small Business Administration.

The unsecured loan (the “PPP Loan”) is evidenced by a promissory note of Legacy BlackSky in the principal amount of \$3.6 million with Newtek Small Business Finance, LLC. Pursuant to the payoff letter, the Company has agreed to pay to Newtek Small Business Finance, LLC approximately \$3.5 million, which includes pay-off amounts for principal, interest, fees, reimbursement of expenses and other items.

**SVB Loan**

On August 31, 2021, the Company executed a payoff letter to repay in full all amounts due and owing, and terminate all commitments and obligations pursuant to the Amended and Restated Loan and Security Agreement (the “SVB Loan Agreement”) and all related loan documents with Silicon Valley Bank, which provided for a secured revolving loan in an aggregate principal amount of up to \$17.0 million and a secured term loan in an aggregate principal amount of up to \$17.5 million.

Pursuant to the payoff letter, the Company has agreed to pay Silicon Valley Bank approximately \$16 million, which includes pay-off amounts for the principal, interest, fees, reimbursement of expenses and other items, and has confirmed that upon payment in full, the release of all guaranties, liens and other security over the properties and assets of the Company and its subsidiaries securing any obligations under the SVB Loan Agreement

The material terms and conditions of the PPP Loan and the SVB Loan Agreement are described in Note 14 to Legacy BlackSky's Notes to the consolidated financial statements as of and for the year ended December 31, 2020 included in the Proxy Statement beginning on page F-89, and that information is incorporated herein by reference.

**Item 9.01 Financial Statements and Exhibits.**

**(a) Financial Statements of Businesses Acquired.**

The historical audited consolidated financial statements of Legacy BlackSky as of and for the year ended December 31, 2020 and the related notes are included in the Proxy Statement beginning on page F-83 and are incorporated herein by reference.

The unaudited consolidated financial statements of Legacy BlackSky as of and for the six months ended June 30, 2021 are set forth in Exhibit 99.1 hereto and are incorporated herein by reference.

**(b) Pro Forma Financial Information.**

The unaudited pro forma condensed combined financial information of the Company as of and for the six months ended June 30, 2021 and for the year ended December 31, 2020 is set forth in Exhibit 99.2 hereto and is incorporated herein by reference.

**(c) Exhibits.**

See the Exhibit index below, which is incorporated herein by reference.

Exhibit No.	Description
2.1+	<a href="#">Agreement and Plan of Merger, dated as of February 17, 2021, by and among Osprey Technology Acquisition Corp., Osprey Technology Merger Sub, Inc., and BlackSky Technology Inc. (incorporated by reference from Annex A to the Company's proxy statement/prospectus/information statement filed with the SEC on August 11, 2021).</a>
3.1	<a href="#">Amended and Restated Certificate of Incorporation of the Company.</a>
3.2	<a href="#">Amended and Restated Bylaws of the Company.</a>
10.1	<a href="#">Form of Subscription Agreement. (2)</a>
10.2	<a href="#">Palantir Subscription Agreement, dated as of September 13, 2021, by and between BlackSky Holdings, Inc. and Palantir Technologies, Inc. (1)</a>
10.3	<a href="#">Sponsor Support Agreement, dated as of February 17, 2021, by and among BlackSky Holdings, Inc., Osprey Sponsor II, LLC, and Osprey Technology Acquisition Corp. (2)</a>
10.4	<a href="#">Form of Indemnification Agreement by and between the Company and its directors and officers.</a>
10.5	<a href="#">First Amendment, Consent and Joinder to Amended and Restated Loan and Security Agreement, dated as of September 9, 2021, by and among BlackSky Holdings, Inc. and the subsidiaries named therein, Intelsat Jackson Holdings SA and Seahawk SPV Investment LLC.</a>
10.6#	<a href="#">Offer Letter from BlackSky Holdings Inc. to Brian O'Toole, dated August 18, 2021. (3)</a>
10.7#	<a href="#">Offer Letter from BlackSky Holdings Inc. to Johan Broekhuysen, dated August 18, 2021. (3)</a>
10.8#	<a href="#">Offer Letter from BlackSky Holdings Inc. to Henry Dubois, dated August 18, 2021. (3)</a>
10.9#	<a href="#">Offer Letter from BlackSky Holdings Inc. to Chris Lin, dated August 18, 2021. (3)</a>
10.10#	<a href="#">Transition and Consulting Agreement from BlackSky Holdings Inc. to Brian Daum, dated August 18, 2021. (3)</a>
10.11#	<a href="#">BlackSky Technology Inc. 2021 Equity Incentive Plan (incorporated by reference from Annex E to the Company's proxy statement/prospectus/information statement filed with the SEC on August 11, 2021)</a>
10.12#	<a href="#">BlackSky Technology Inc. 2021 Employee Stock Exchange Plan (incorporated by reference from Annex F to the Company's proxy statement/prospectus/information statement filed with the SEC on August 11, 2021)</a>
10.13#	<a href="#">BlackSky Technology Inc. Outside Director Compensation Policy</a>
16.1	<a href="#">Letter from Marcum LLP to the SEC, dated September 14, 2021</a>
99.1	<a href="#">Unaudited consolidated financial statements of Legacy BlackSky as of and for the six months ended June 30, 2021.</a>
99.2	<a href="#">Unaudited pro forma condensed consolidated combined financial information of the Company as of and for the six months ended June 30, 2021 and for the year ended December 31, 2020.</a>
99.3	<a href="#">Press Release, dated September 9, 2021, announcing the closing of the business combination.</a>

# Indicates management contract or compensatory plan or arrangement.

(1) Incorporated by reference to an exhibit to Company's Current Report on Form 8-K filed with the SEC on September 1, 2021

(2) Incorporated by reference to an exhibit to the Company's Current Report on Form 8-K/A filed with the SEC on February 22, 2021.

(3) Incorporated by reference to an exhibit to the Company's Current Report on Form 8-K filed with the SEC on August 18, 2021.

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**SIGNATURE**

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, hereunto duly authorized.

Dated: September 15, 2021

BLACKSKY TECHNOLOGY INC.

By: /s/ Brian Daum

Name: Brian Daum

Title: Chief Financial Officer

**AMENDED AND RESTATED CERTIFICATE OF INCORPORATION OF  
OSPREY TECHNOLOGY ACQUISITION CORP.**

Osprey Technology Acquisition Corp., a corporation organized and existing under the laws of the State of Delaware (the “**Company**”), does hereby certify as follows:

A. The Company was originally incorporated under the name of OSPREY ACQUISITION CORP. II, and the original Certificate of Incorporation of the Company was filed with the Secretary of State of the State of Delaware on June 15, 2018, as amended and thereafter filed on September 27, 2018 (to change the name of the Company to OSPREY ENERGY ACQUISITION CORP. II), June 17, 2019 (to change the name of the Company to OSPREY TECHNOLOGY ACQUISITION CORP.) and November 1, 2019.

B. This Amended and Restated Certificate of Incorporation (this “**Amended and Restated Certificate of Incorporation**”) was duly adopted in accordance with Sections 242 and 245 of the General Corporation Law of the State of Delaware (the “**DGCL**”) by the Board of Directors of the Company (the “**Board of Directors**”) and the affirmative vote of the stockholders of the Company.

C. This Amended and Restated Certificate of Incorporation shall be effective as of 9:00 a.m. Eastern Time on September 9, 2021.

D. The text of the certificate of incorporation of the Company is hereby amended and restated in its entirety to read as follows:

**ARTICLE I**

The name of the Company is BlackSky Technology Inc.

**ARTICLE II**

The address of the Company’s registered office in the State of Delaware is 1209 Orange Street, in the City of Wilmington, County of New Castle, State of Delaware, 19801. The name of its registered agent at such address is The Corporation Trust Company.

**ARTICLE III**

The nature of the business or purposes to be conducted or promoted by the Company is to engage in any lawful act or activity for which corporations may be organized under the DGCL.

**ARTICLE IV**

Section 1. This Company is authorized to issue two classes of stock, to be designated, respectively, “Class A Common Stock” and “Preferred Stock.” The total number of shares of stock that the Company shall have authority to issue is 400,000,000 shares, of which 300,000,000 shares are Class A Common Stock, \$0.0001 par value per share (the “**Class A Common Stock**”), and 100,000,000 shares are Preferred Stock, \$0.0001 par value per share (the “**Preferred Stock**”).

Section 2. Each share of Class A Common Stock outstanding as of the applicable record date shall entitle the holder thereof to one (1) vote on any matter submitted to a vote at a meeting of stockholders.

Section 3. The Preferred Stock may be issued from time to time in one or more series pursuant to a resolution or resolutions providing for such issue duly adopted by the Board of Directors (authority to do so

being hereby expressly vested in the Board of Directors). The Board of Directors is further authorized, subject to limitations prescribed by law, to fix by resolution or resolutions the designations, powers, preferences and rights, and the qualifications, limitations or restrictions thereof, of any series of Preferred Stock, including, without limitation, authority to fix by resolution or resolutions the dividend rights, dividend rate, conversion rights, voting rights, rights and terms of redemption (including sinking fund provisions), redemption price or prices, and liquidation preferences of any such series, and the number of shares constituting any such series and the designation thereof, or any of the foregoing. The Board of Directors is further authorized to increase (but not above the total number of authorized shares of the class) or decrease (but not below the number of shares of any such series then outstanding) the number of shares of any series, subject to the powers, preferences and rights, and the qualifications, limitations and restrictions thereof stated in this Amended and Restated Certificate of Incorporation or the resolution of the Board of Directors originally fixing the number of shares of such series. Except as may be otherwise specified by the terms of any series of Preferred Stock, if the number of shares of any series of Preferred Stock is so decreased, then the Company shall take all such steps as are necessary to cause the shares constituting such decrease to resume the status which they had prior to the adoption of the resolution originally fixing the number of shares of such series.

Section 4. Except as otherwise required by law or provided in this Amended and Restated Certificate of Incorporation, holders of Class A Common Stock shall not be entitled to vote on any amendment to this Amended and Restated Certificate of Incorporation (including any certificate of designation filed with respect to any series of Preferred Stock) that relates solely to the terms of one or more outstanding series of Preferred Stock if the holders of such affected series are entitled, either separately or together as a class with the holders of one or more other such series, to vote thereon by law or pursuant to this Amended and Restated Certificate of Incorporation (including any certificate of designation filed with respect to any series of Preferred Stock).

Section 5. The number of authorized shares of Preferred Stock or Class A Common Stock may be increased or decreased (but not below the number of shares thereof then outstanding) by the affirmative vote of the holders of a majority of the voting power of all the then-outstanding shares of capital stock of the Company entitled to vote thereon, without a separate vote of the holders of the class or classes the number of authorized shares of which are being increased or decreased, unless a vote of any holders of one or more series of Preferred Stock is required pursuant to the terms of any certificate of designation relating to any series of Preferred Stock, irrespective of the provisions of Section 242(b)(2) of the DGCL.

## ARTICLE V

Section 1. Subject to the rights of holders of Preferred Stock, the number of directors that constitutes the entire Board of Directors of the Company shall be fixed only by resolution of the Board of Directors acting pursuant to a resolution adopted by a majority of the Whole Board. For the purposes of this Amended and Restated Certificate of Incorporation, the term “**Whole Board**” shall mean the total number of authorized directorships whether or not there exist any vacancies or other unfilled seats in previously authorized directorships. At each annual meeting of stockholders, directors of the Company shall be elected to hold office until the expiration of the term for which they are elected and until their successors have been duly elected and qualified or until their earlier resignation or removal; except that if any such meeting shall not be so held, such election shall take place at a stockholders’ meeting called and held in accordance with the DGCL.

Section 2. From and after the effectiveness of this Amended and Restated Certificate of Incorporation, the directors of the Company (other than any who may be elected by holders of Preferred Stock under specified circumstances) shall be divided into three classes as nearly equal in size as is practicable, hereby designated Class I, Class II and Class III. Directors already in office shall be assigned to each class at the time such classification becomes effective in accordance with a resolution or resolutions adopted by the Board of Directors. At the first annual meeting of stockholders following the date hereof, the term of office of the Class I directors shall expire and Class I directors shall be elected for a full term of three years. At the second annual meeting of

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stockholders following the date hereof, the term of office of the Class II directors shall expire and Class II directors shall be elected for a full term of three years. At the third annual meeting of stockholders following the date hereof, the term of office of the Class III directors shall expire and Class III directors shall be elected for a full term of three years. At each succeeding annual meeting of stockholders, directors shall be elected for a full term of three years to succeed the directors of the class whose terms expire at such annual meeting. If the number of directors is changed, any newly created directorships or decrease in directorships shall be so apportioned hereafter among the classes as to make all classes as nearly equal in number as is practicable, *provided that* no decrease in the number of directors constituting the Board of Directors shall shorten the term of any incumbent director.

#### ARTICLE VI

Section 1. From and after the effectiveness of this Amended and Restated Certificate of Incorporation, only for so long as the Board of Directors is classified and subject to the rights of holders of Preferred Stock, any director or the entire Board of Directors may be removed from office at any time, but only for cause, and only by the affirmative vote of the holders of at least 66 2/3% of the voting power of the issued and outstanding capital stock of the Company entitled to vote in the election of directors, voting together as a single class.

Section 2. Except as otherwise provided for or fixed by or pursuant to the provisions of ARTICLE IV hereof in relation to the rights of the holders of Preferred Stock to elect directors under specified circumstances or except as otherwise provided by resolution of a majority of the Whole Board, newly created directorships resulting from any increase in the number of directors, created in accordance with the Bylaws of the Company, and any vacancies on the Board of Directors resulting from death, resignation, disqualification, removal or other cause shall be filled only by the affirmative vote of a majority of the remaining directors then in office, even though less than a quorum of the Board of Directors, or by a sole remaining director, and not by the stockholders. A person so elected by the Board of Directors to fill a vacancy or newly created directorship shall hold office until the next election of the class for which such director shall have been chosen until his or her successor shall have been duly elected and qualified, or until such director's earlier death, resignation or removal. No decrease in the number of directors constituting the Board of Directors shall shorten the term of any incumbent director.

#### ARTICLE VII

Section 1. The Company is to have perpetual existence.

Section 2. The business and affairs of the Company shall be managed by or under the direction of the Board of Directors. In addition to the powers and authority expressly conferred upon them by statute or by this Amended and Restated Certificate of Incorporation or the Bylaws of the Company, the directors are hereby empowered to exercise all such powers and do all such acts and things as may be exercised or done by the Company.

Section 3. In furtherance and not in limitation of the powers conferred by statute, the Board of Directors is expressly authorized to adopt, alter, amend or repeal the Bylaws of the Company. The affirmative vote of at least a majority of the Whole Board shall be required in order for the Board of Directors to adopt, amend, alter or repeal the Company's Bylaws. The Company's Bylaws may also be adopted, amended, altered or repealed by the stockholders of the Company. Notwithstanding the above or any other provision of this Amended and Restated Certificate of Incorporation, the Bylaws of the Company may not be amended, altered or repealed except in accordance with the provisions of the Bylaws relating to amendments to the Bylaws. No Bylaw hereafter legally adopted, amended, altered or repealed shall invalidate any prior act of the directors or officers of the Company that would have been valid if such Bylaw had not been adopted, amended, altered or repealed.



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Section 4. The election of directors need not be by written ballot unless the Bylaws of the Company shall so provide.

Section 5. No stockholder will be permitted to cumulate votes at any election of directors.

#### ARTICLE VIII

Section 1. From and after the effectiveness of this Amended and Restated Certificate of Incorporation, and subject to the rights of holders of Preferred Stock, any action required or permitted to be taken by the stockholders of the Company must be effected at a duly called annual or special meeting of stockholders of the Company and may not be effected by any consent in writing by such stockholders.

Section 2. Subject to the terms of any series of Preferred Stock, special meetings of stockholders of the Company may be called only by the Chairperson of the Board of Directors, the Chief Executive Officer, the President or the Board of Directors acting pursuant to a resolution adopted by a majority of the Whole Board, but a special meeting may not be called by any other person or persons and any power of stockholders to call a special meeting of stockholders is specifically denied. Only such business shall be considered at a special meeting of stockholders as shall have been stated in the notice for such meeting. Any such special meeting so called may be postponed, rescheduled or cancelled by the Board of Directors or other person calling the meeting.

Section 3. Advance notice of stockholder nominations for the election of directors and of business to be brought by stockholders before any meeting of the stockholders of the Company shall be given in the manner and to the extent provided in the Bylaws of the Company.

#### ARTICLE IX

Section 1. To the fullest extent permitted by the DGCL as the same exists or as may hereafter be amended from time to time, a director of the Company shall not be personally liable to the Company or its stockholders for monetary damages for breach of fiduciary duty as a director. If the DGCL is amended to authorize corporate action further eliminating or limiting the personal liability of directors, then the liability of a director of the Company shall be eliminated or limited to the fullest extent permitted by the DGCL, as so amended.

Section 2. Subject to any provisions in the Bylaws of the Company related to indemnification of directors of the Company, the Company shall indemnify, defend and hold harmless to the fullest extent permitted by applicable law, any director or officer of the Company who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (a **"Proceeding"**) by reason of the fact that he or she is or was a director or officer of the Company or is or was serving at the request of the Company as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, including service with respect to employee benefit plans, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with any such Proceeding. The Company shall be required to indemnify a person in connection with a Proceeding (or part thereof) initiated by such person only if the Proceeding (or part thereof) was, or is, authorized by the Board of Directors.

Section 3. The Company shall have the power to indemnify, defend and hold harmless to the fullest extent permitted by applicable law, any director, officer, employee or agent of the Company who was or is a party or is threatened to be made a party to any Proceeding by reason of the fact that he or she is or was a director, officer, employee or agent of the Company or is or was serving at the request of the Company as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, including service with respect to employee benefit plans, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with any such Proceeding.

Section 4. Neither any amendment, repeal nor elimination of any Section of this ARTICLE IX, nor the adoption of any provision of this Amended and Restated Certificate of Incorporation or the Bylaws of the Company inconsistent with this ARTICLE IX, shall eliminate or reduce the effect of this ARTICLE IX in respect of any matter occurring, or any Proceeding accruing or arising or that, but for this ARTICLE IX, would accrue or arise, prior to such amendment, repeal, elimination or adoption of an inconsistent provision.

## ARTICLE X

Section 1. Meetings of stockholders may be held within or outside of the State of Delaware, as the Bylaws may provide. The books of the Company may be kept (subject to any provision of applicable law) outside of the State of Delaware at such place or places or in such manner or manners as may be designated from time to time by the Board of Directors or in the Bylaws of the Company.

Section 2. Unless the Company consents in writing to the selection of an alternative forum (an “**Alternative Forum Consent**”), the Court of Chancery of the State of Delaware shall be the sole and exclusive forum for (i) any derivative action or proceeding brought on behalf of the Company, (ii) any action asserting a claim of breach of a duty (including any fiduciary duty) owed by any current or former director, officer, stockholder, employee or agent of the Company to the Company or the Company’s stockholders, (iii) any action asserting a claim against the Company or any current or former director, officer, stockholder, employee or agent of the Company arising out of or relating to any provision of the DGCL or the Company’s Certificate of Incorporation or Bylaws (each, as in effect from time to time), or (iv) any action asserting a claim against the Company or any current or former director, officer, stockholder, employee or agent of the Company governed by the internal affairs doctrine of the State of Delaware; provided, however, that, in the event that the Court of Chancery of the State of Delaware lacks subject matter jurisdiction over any such action or proceeding, the sole and exclusive forum for such action or proceeding shall be another state or federal court located within the State of Delaware, in each such case, unless the Court of Chancery (or such other state or federal court located within the State of Delaware, as applicable) has dismissed a prior action by the same plaintiff asserting the same claims because such court lacked personal jurisdiction over an indispensable party named as a defendant therein. Unless the Company gives an Alternative Forum Consent, the federal district courts of the United States of America shall, to the fullest extent permitted by law, be the sole and exclusive forum for the resolution of any complaint against any person (including, but not limited to, any underwriters or auditors retained by the Company) in connection with any offering of the Company’s securities, asserting a cause of action arising under the Securities Act of 1933, as amended. The existence of any prior Alternative Forum Consent shall not act as a waiver of the Company’s ongoing consent right as set forth above in this Section 2 of ARTICLE X with respect to any current or future actions or claims. Any person or entity purchasing or otherwise acquiring any interest in shares of capital stock of the Company shall be deemed to have notice of and consented to the provisions of this Section 2 of ARTICLE X.

## ARTICLE XI

Section 1. The Company reserves the right to amend or repeal any provision contained in this Amended and Restated Certificate of Incorporation in the manner prescribed by the laws of the State of Delaware and all rights conferred upon stockholders are granted subject to this reservation; *provided, however*, that notwithstanding any other provision of this Amended and Restated Certificate of Incorporation or any provision of law that might otherwise permit a lesser vote, the Board of Directors acting pursuant to a resolution adopted by a majority of the Whole Board and the affirmative vote of 66 2/3% of the voting power of the then outstanding voting securities of the Company entitled to vote thereon, voting together as a single class, shall be required for the amendment, repeal or modification of the provisions of Section 3 of ARTICLE IV, ARTICLE V, Section 1 of ARTICLE VI, Section 2 of ARTICLE VI, Section 5 of ARTICLE VII, Section 1 of ARTICLE VIII, Section 2 of ARTICLE VIII, Section 3 of ARTICLE VIII or this ARTICLE XI of this Amended and Restated Certificate of Incorporation.

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Section 2. If any provision or provisions of this Amended and Restated Certificate of Incorporation shall be held by a court of competent jurisdiction to be invalid, illegal or unenforceable as applied to any circumstance for any reason whatsoever: (i) the validity, legality and enforceability of such provisions in any other circumstance and of the remaining provisions of this Amended and Restated Certificate of Incorporation (including, without limitation, each portion of any paragraph of this Amended and Restated Certificate of Incorporation containing any such provision held to be invalid, illegal or unenforceable that is not itself held to be invalid, illegal or unenforceable) shall not, to the fullest extent permitted by applicable law, in any way be affected or impaired thereby and the court will replace such invalid, illegal or unenforceable provision with a valid and enforceable provision that most accurately reflects the Company's intent in order to achieve, to the maximum extent possible, the same economic, business and other purposes of the invalid, illegal or unenforceable provision and (ii) to the fullest extent permitted by applicable law, the provisions of this Amended and Restated Certificate of Incorporation (including, without limitation, each such portion of any paragraph of this Amended and Restated Certificate of Incorporation containing any such provision held to be invalid, illegal or unenforceable) shall be construed so as to permit the Company to protect its directors, officers, employees and agents from personal liability in respect of their good faith service to or for the benefit of the Company to the fullest extent permitted by law.

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IN WITNESS WHEREOF, Osprey Technology Acquisition Corp. has caused this Amended and Restated Certificate of Incorporation to be signed by the President and Chief Executive Officer of the Company on this 9<sup>th</sup> day of September 2021.

By: /s/ David DiDomenico  
David DiDomenico  
resident and Chief Executive Officer

**AMENDED AND RESTATED BYLAWS OF**

**BLACKSKY TECHNOLOGY INC.**

(as amended on September 9, 2021)

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**BYLAWS OF BLACKSKY TECHNOLOGY INC.**

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**ARTICLE I - CORPORATE OFFICES**

1.1 REGISTERED OFFICE

The registered office of BlackSky Technology Inc. (the “**Company**”) shall be fixed in the Company’s certificate of incorporation, as the same may be amended from time to time.

1.2 OTHER OFFICES

The Company may at any time establish other offices.

**ARTICLE II - MEETINGS OF STOCKHOLDERS**

2.1 PLACE OF MEETINGS

Meetings of stockholders shall be held at a place, if any, within or outside the State of Delaware, determined by the board of directors of the Company (the “**Board of Directors**”). The Board of Directors may, in its sole discretion, determine that a meeting of stockholders shall not be held at any place, but may instead be held solely by means of remote communication as authorized by Section 211(a)(2) of the Delaware General Corporation Law (the “**DGCL**”). In the absence of any such designation or determination, stockholders’ meetings shall be held at the Company’s principal executive office.

2.2 ANNUAL MEETING

The annual meeting of stockholders shall be held each year. The Board of Directors shall designate the date and time of the annual meeting. At the annual meeting, directors shall be elected and any other proper business, brought in accordance with Section 2.4 of these bylaws, may be transacted. The Board of Directors acting pursuant to a resolution adopted by a majority of the Whole Board may cancel, postpone or reschedule any previously scheduled annual meeting at any time, before or after the notice for such meeting has been sent to the stockholders. For the purposes of these bylaws, the term “**Whole Board**” shall mean the total number of authorized directorships whether or not there exist any vacancies or other unfilled seats in previously authorized directorships.

2.3 SPECIAL MEETING

(a) A special meeting of the stockholders, other than as required by statute, may be called at any time by (i) the Board of Directors acting pursuant to a resolution adopted by a majority of the Whole Board, (ii) the chairperson of the Board of Directors, (iii) the chief executive officer or (iv) the president, but a special meeting may not be called by any other person or persons and any power of stockholders to call a special meeting of stockholders is specifically denied. The Board of Directors acting pursuant to a resolution adopted by a majority of the Whole Board may cancel, postpone or reschedule any previously scheduled special meeting at any time, before or after the notice for such meeting has been sent to the stockholders.

(b) The notice of a special meeting shall include the purpose for which the meeting is called. Only such business shall be conducted at a special meeting of stockholders as shall have been brought before the meeting by or at the direction of a majority of the Whole Board, the chairperson of the Board of Directors, the chief executive officer or the president. Nothing contained in this Section 2.3(b) shall be construed as limiting, fixing or affecting the time when a meeting of stockholders called by action of the Board of Directors may be held.

## 2.4 ADVANCE NOTICE PROCEDURES

### (a) *Annual Meetings of Stockholders.*

(i) Nominations of persons for election to the Board of Directors or the proposal of other business to be transacted by the stockholders at an annual meeting of stockholders may be made only (1) pursuant to the Company's notice of meeting (or any supplement thereto); (2) by or at the direction of the Board of Directors; (3) as may be provided in the certificate of designations for any class or series of preferred stock; or (4) by any stockholder of the Company who (A) is a stockholder of record at the time of giving of the notice contemplated by Section 2.4(a)(ii); (B) is a stockholder of record on the record date for the determination of stockholders entitled to notice of the annual meeting; (C) is a stockholder of record on the record date for the determination of stockholders entitled to vote at the annual meeting; (D) is a stockholder of record at the time of the annual meeting; and (E) complies with the procedures set forth in this Section 2.4(a).

(ii) For nominations or other business to be properly brought before an annual meeting of stockholders by a stockholder pursuant to clause (4) of Section 2.4(a)(i), the stockholder must have given timely notice in writing to the secretary and any such nomination or proposed business must constitute a proper matter for stockholder action. To be timely, a stockholder's notice must be received by the secretary at the principal executive offices of the Company no earlier than 8:00 a.m., local time, on the 120th day and no later than 5:00 p.m., local time, on the 90th day prior to the day of the first anniversary of the preceding year's annual meeting of stockholders. However, if no annual meeting of stockholders was held in the preceding year, or if the date of the applicable annual meeting is more than 30 days before or more than 60 days after the first anniversary of the preceding year's annual meeting, then to be timely such notice must be received by the secretary at the principal executive offices of the Company no earlier than 8:00 a.m., local time, on the 120th day prior to the day of the annual meeting and no later than the later of (x) 5:00 p.m., local time, on the 90th day before the meeting or (y) 5:00 p.m., local time, on the 10th day following the day on which public announcement of the date of the annual meeting was first made by the Company. In no event will the adjournment, rescheduling or postponement of any annual meeting, or any announcement thereof, commence a new time period (or extend any time period) for the giving of a stockholder's notice as described above. If the number of directors to be elected to the Board of Directors is increased and there is no public announcement naming all of the nominees for director or specifying the size of the increased Board of Directors at least 10 days before the last day that a stockholder may deliver a notice of nomination pursuant to the foregoing provisions, then a stockholder's notice required by this Section 2.4(a)(ii) will also be considered timely, but only with respect to nominees for any new positions created by such increase, if it is received by the secretary at the principal executive offices of the Company no later than 5:00 p.m., local time, on the 10th day following the day on which such public announcement

is first made. “**Public announcement**” means disclosure in a press release reported by a national news service or in a document publicly filed by the Company with the Securities and Exchange Commission pursuant to Section 13, 14 or 15(d) of the Securities Exchange Act of 1934 (as amended and inclusive of rules and regulations thereunder, the “**1934 Act**”).

(iii) A stockholder’s notice to the secretary must set forth:

(1) as to each person whom the stockholder proposes to nominate for election as a director:

(A) such person’s name, age, business address, residence address and principal occupation or employment; the class and number of shares of the Company that are held of record or are beneficially owned by such person and a description of any Derivative Instruments (defined below) held or beneficially owned thereby or of any other agreement, arrangement or understanding (including any short position or any borrowing or lending of shares), the effect or intent of which is to mitigate loss to, or to manage the risk or benefit of share price changes for, or to increase or decrease the voting power of such person; and all information relating to such person that is required to be disclosed in solicitations of proxies for the contested election of directors, or is otherwise required, in each case pursuant to the Section 14 of the 1934 Act;

(B) such person’s written consent to being named in such stockholder’s proxy statement as a nominee of such stockholder and to serving as a director of the Company if elected;

(C) a reasonably detailed description of any direct or indirect compensatory, payment, indemnification or other financial agreement, arrangement or understanding that such person has, or has had within the past three years, with any person or entity other than the Company (including the amount of any payment or payments received or receivable thereunder), in each case in connection with candidacy or service as a director of the Company (a “**Third-Party Compensation Arrangement**”); and

(D) a description of any other material relationships between such person and such person’s respective affiliates and associates, or others acting in concert with them, on the one hand, and such stockholder giving the notice and the beneficial owner, if any, on whose behalf the nomination is made, and their respective affiliates and associates, or others acting in concert with them, on the other hand;

(2) as to any other business that the stockholder proposes to bring before the annual meeting:

(A) a brief description of the business desired to be brought before the annual meeting;

(B) the text of the proposal or business (including the text of any resolutions proposed for consideration and, if applicable, the text of any proposed amendment to these bylaws or the Company’s certificate of incorporation);

(C) the reasons for conducting such business at the annual meeting;

(D) any material interest in such business of such stockholder giving the notice and the beneficial owner, if any, on whose behalf the proposal is made, and their respective affiliates and associates, or others acting in concert with them; and

(E) a description of all agreements, arrangements and understandings between such stockholder and the beneficial owner, if any, on whose behalf the proposal is made, and their respective affiliates or associates or others acting in concert with them, and any other person or persons (including their names) in connection with the proposal of such business by such stockholder; and

(3) as to the stockholder giving the notice and the beneficial owner, if any, on whose behalf the nomination or proposal is made:

(A) the name and address of such stockholder (as they appear on the Company's books), of such beneficial owner and of their respective affiliates or associates or others acting in concert with them;

(B) for each class or series, the number of shares of stock of the Company that are, directly or indirectly, held of record or are beneficially owned by such stockholder, such beneficial owner or their respective affiliates or associates or others acting in concert with them;

(C) a description of any agreement, arrangement or understanding between such stockholder, such beneficial owner or their respective affiliates or associates or others acting in concert with them, and any other person or persons (including, in each case, their names) in connection with the proposal of such nomination or other business;

(D) a description of any agreement, arrangement or understanding (including, regardless of the form of settlement, any derivative, long or short positions, profit interests, forwards, futures, swaps, options, warrants, convertible securities, stock appreciation or similar rights, hedging transactions and borrowed or loaned shares) that has been entered into by or on behalf of such stockholder, such beneficial owner or their respective affiliates or associates or others acting in concert with them, with respect to the Company's securities (any of the foregoing, a "**Derivative Instrument**"), or any other agreement, arrangement or understanding that has been made the effect or intent of which is to create or mitigate loss to, manage risk or benefit of share price changes for or increase or decrease the voting power of such stockholder, such beneficial owner or their respective affiliates or associates or others acting in concert with them, with respect to the Company's securities;

(E) any rights to dividends on the Company's securities owned beneficially by such stockholder, such beneficial owner or their respective affiliates or associates or others acting in concert with them, that are separated or separable from the underlying security;

(F) any proportionate interest in the Company's securities or Derivative Instruments held, directly or indirectly, by a general or limited partnership in which such stockholder, such beneficial owner or their respective affiliates or associates or others acting in concert with them, is a general partner or, directly or indirectly, beneficially owns an interest in a general partner of such general or limited partnership;

(G) any performance-related fees (other than an asset-based fee) that such stockholder, such beneficial owner or their respective affiliates or associates or others acting in concert with, them is entitled to based on any increase or decrease in the value of the Company's securities or Derivative Instruments, including, without limitation, any such interests held by members of the immediate family of such persons sharing the same household;

(H) any significant equity interests or any Derivative Instruments in any principal competitor of the Company that are held by such stockholder, such beneficial owner or their respective affiliates or associates or others acting in concert with them;

(I) any direct or indirect interest of such stockholder, such beneficial owner or their respective affiliates or associates or others acting in concert with them, in any contract with the Company, any affiliate of the Company or any principal competitor of the Company (in each case, including any employment agreement, collective bargaining agreement or consulting agreement);

(J) a representation and undertaking that the stockholder is a holder of record of stock of the Company as of the date of submission of the stockholder's notice and intends to appear in person or by proxy at the meeting to bring such nomination or other business before the meeting;

(K) a representation and undertaking that such stockholder or any such beneficial owner intends, or is part of a group that intends, to (x) deliver a proxy statement or form of proxy to holders of at least the percentage of the voting power of the Company's then-outstanding stock required to approve or adopt the proposal or to elect each such nominee; or (y) otherwise solicit proxies from stockholders in support of such proposal or nomination;

(L) any other information relating to such stockholder, such beneficial owner, or their respective affiliates or associates or others acting in concert with them, or director nominee or proposed business that, in each case, would be required to be disclosed in a proxy statement or other filing required to be made in connection with the solicitation of proxies in support of such nominee (in a contested election of directors) or proposal pursuant to Section 14 of the 1934 Act; and

(M) such other information relating to any proposed item of business as the Company may reasonably require to determine whether such proposed item of business is a proper matter for stockholder action.

(iv) In addition to the requirements of this Section 2.4, to be timely, a stockholder's notice (and any additional information submitted to the Company in connection therewith) must further be updated and supplemented (1) if necessary, so that the information provided or required to be provided in such notice is true and correct as of the record date(s) for determining the stockholders entitled to notice of, and to vote at, the meeting and as of the date that is 10 business days prior to the meeting or any adjournment, rescheduling or postponement thereof and (2) to provide any additional information that the Company may reasonably request. Such update and supplement or additional information, if applicable,

must be received by the secretary at the principal executive offices of the Company, in the case of a request for additional information, promptly following a request therefor, which response must be delivered not later than such reasonable time as is specified in any such request from the Company or, in the case of any other update or supplement of any information, not later than five business days after the record date(s) for the meeting (in the case of any update and supplement required to be made as of the record date(s)), and not later than eight business days prior to the date for the meeting or any adjournment, rescheduling or postponement thereof (in the case of the update and supplement required to be made as of 10 business days prior to the meeting or any adjournment, rescheduling or postponement thereof). The failure to timely provide such update, supplement or additional information shall result in the nomination or proposal no longer being eligible for consideration at the meeting.

(b) *Special Meetings of Stockholders.* Except to the extent required by the DGCL, and subject to Section 2.3(a), special meetings of stockholders may be called only in accordance with the Company's certificate of incorporation and these bylaws. Only such business will be conducted at a special meeting of stockholders as has been brought before the special meeting pursuant to the Company's notice of meeting. If the election of directors is included as business to be brought before a special meeting in the Company's notice of meeting, then nominations of persons for election to the Board of Directors at such special meeting may be made by any stockholder who (i) is a stockholder of record at the time of giving of the notice contemplated by this Section 2.4(b); (ii) is a stockholder of record on the record date for the determination of stockholders entitled to notice of the special meeting; (iii) is a stockholder of record on the record date for the determination of stockholders entitled to vote at the special meeting; (iv) is a stockholder of record at the time of the special meeting; and (v) complies with the procedures set forth in this Section 2.4(b). For nominations to be properly brought by a stockholder before a special meeting pursuant to this Section 2.4(b), the stockholder's notice must be received by the secretary at the principal executive offices of the Company no earlier than 8:00 a.m., local time, on the 120th day prior to the day of the special meeting and no later than the later of (x) 5:00 p.m., local time, on the 90th day before the meeting or (y) 5:00 p.m., local time, on the 10th day following the day on which public announcement of the date of the special meeting was first made. In no event will any adjournment, rescheduling or postponement of a special meeting or the announcement thereof commence a new time period (or extend any time period) for the giving of a stockholder's notice. A stockholder's notice to the Secretary must comply with the applicable notice requirements of Section 2.4(a)(iii).

(c) *Other Requirements.*

(i) To be eligible to be a nominee by any stockholder for election as a director of the Company, the proposed nominee must provide to the secretary, in accordance with the applicable time periods prescribed for delivery of notice under Section 2.4(a)(ii) or Section 2.4(b):

(1) a signed and completed written questionnaire (in the form provided by the secretary at the written request of the nominating stockholder, which form will be provided by the secretary within 10 days of receiving such request) containing information regarding such nominee's background and qualifications and such other information as may reasonably be required by the Company to determine the eligibility of such nominee to serve as a director of the Company or to serve as an independent director of the Company;

(2) a written representation and undertaking that, unless previously disclosed to the Company, such nominee is not, and will not become, a party to any voting agreement, arrangement, commitment, assurance or understanding with any person or entity as to how such nominee, if elected as a director, will vote on any issue;

(3) a written representation and undertaking that, unless previously disclosed to the Company, such nominee is not, and will not become, a party to any Third-Party Compensation Arrangement;

(4) a written representation and undertaking that, if elected as a director, such nominee would be in compliance, and will continue to comply, with the Company's corporate governance guidelines as disclosed on the Company's website, as amended from time to time; and

(5) a written representation and undertaking that such nominee, if elected, intends to serve a full term on the Board of Directors.

(ii) At the request of the Board of Directors, any person nominated by the Board of Directors for election as a director must furnish to the secretary the information that is required to be set forth in a stockholder's notice of nomination that pertains to such nominee.

(iii) No person will be eligible to be nominated by a stockholder for election as a director of the Company unless nominated in accordance with the procedures set forth in this Section 2.4. No business proposed by a stockholder will be conducted at a stockholder meeting except in accordance with this Section 2.4.

(iv) The chairperson of the applicable meeting of stockholders will, if the facts warrant, determine and declare to the meeting that a nomination was not made in accordance with the procedures prescribed by these bylaws or that business was not properly brought before the meeting. If the chairperson of the meeting should so determine, then the chairperson of the meeting will so declare to the meeting and the defective nomination will be disregarded or such business will not be transacted, as the case may be.

(v) Notwithstanding anything to the contrary in this Section 2.4, unless otherwise required by law, if the stockholder (or a qualified representative of the stockholder) does not appear in person at the meeting to present a nomination or other proposed business, such nomination will be disregarded or such proposed business will not be transacted, as the case may be, notwithstanding that proxies in respect of such nomination or business may have been received by the Company and counted for purposes of determining a quorum. For purposes of this Section 2.4, to be considered a qualified representative of the stockholder, a person must be a duly authorized officer, manager or partner of such stockholder or must be authorized by a writing executed by such stockholder or an electronic transmission delivered by such stockholder to act for such stockholder as proxy at the meeting, and such person must produce such writing or electronic transmission, or a reliable reproduction of the writing or electronic transmission, at the meeting.

(vi) Without limiting this Section 2.4, a stockholder must also comply with all applicable requirements of the 1934 Act with respect to the matters set forth in this Section 2.4, it being understood that (1) any references in these bylaws to the 1934 Act are not intended to, and will not, limit any requirements applicable to nominations or proposals as to any other business to be considered pursuant to this Section 2.4; and (2) compliance with clause (4) of Section 2.4(a)(i) and with Section 2.4(b) are the exclusive means for a stockholder to make nominations or submit other business (other than as provided in Section 2.4(c)(vii)).

(vii) Notwithstanding anything to the contrary in this Section 2.4, the notice requirements set forth in these bylaws with respect to the proposal of any business pursuant to this Section 2.4 will be deemed to be satisfied by a stockholder if (1) such stockholder has submitted a proposal to the Company in compliance with Rule 14a-8 under the 1934 Act; and (2) such stockholder's proposal has been included in a proxy statement that has been prepared by the Company to solicit proxies for the meeting of stockholders. Subject to Rule 14a-8 and other applicable rules and regulations under the 1934 Act, nothing in these bylaws will be construed to permit any stockholder, or give any stockholder the right, to include or have disseminated or described in the Company's proxy statement any nomination of a director or any other business proposal.

## 2.5 NOTICE OF STOCKHOLDERS' MEETINGS

Whenever stockholders are required or permitted to take any action at a meeting, a notice of the meeting shall be given which shall state the place, if any, date and hour of the meeting, the means of remote communications, if any, by which stockholders and proxy holders may be deemed to be present in person and vote at such meeting, the record date for determining the stockholders entitled to vote at the meeting, if such date is different from the record date for determining stockholders entitled to notice of the meeting, and, in the case of a special meeting, the purpose or purposes for which the meeting is called. Except as otherwise provided in the DGCL, the certificate of incorporation or these bylaws, the notice of any meeting of stockholders shall be given not less than 10 nor more than 60 days before the date of the meeting to each stockholder entitled to vote at such meeting as of the record date for determining the stockholders entitled to notice of the meeting.

## 2.6 QUORUM

The holders of a majority of the voting power of the capital stock of the Company issued and outstanding and entitled to vote, present in person or represented by proxy, shall constitute a quorum for the transaction of business at all meetings of the stockholders. Where a separate vote by a class or series or classes or series is required, a majority of the voting power of the outstanding shares of such class or series or classes or series, present in person or represented by proxy, shall constitute a quorum entitled to take action with respect to that vote on that matter, except as otherwise provided by law, the certificate of incorporation or these bylaws.

If, however, such quorum is not present or represented at any meeting of the stockholders, then either (a) the chairperson of the meeting, or (b) the stockholders entitled to vote at the meeting, present in person or represented by proxy, shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum is present or represented. At such adjourned meeting at which a quorum is present or represented, any business may be transacted that might have been transacted at the original meeting.



## 2.7 ADJOURNED MEETING; NOTICE

When a meeting is adjourned to another time or place, unless these bylaws otherwise require, notice need not be given of the adjourned meeting if the time, place, if any, thereof, and the means of remote communications, if any, by which stockholders and proxy holders may be deemed to be present in person and vote at such adjourned meeting are announced at the meeting at which the adjournment is taken. At the adjourned meeting, the Company may transact any business which might have been transacted at the original meeting. If the adjournment is for more than 30 days, a notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at the meeting. If after the adjournment a new record date for stockholders entitled to vote is fixed for the adjourned meeting, the Board of Directors shall fix a new record date for notice of such adjourned meeting in accordance with Section 213(a) of the DGCL and Section 2.11 of these bylaws, and shall give notice of the adjourned meeting to each stockholder of record entitled to vote at such adjourned meeting as of the record date fixed for notice of such adjourned meeting.

## 2.8 CONDUCT OF BUSINESS

The chairperson of any meeting of stockholders shall determine the order of business and the procedure at the meeting, including such regulation of the manner of voting and the conduct of business and discussion as seem to the chairperson in order. The chairperson of any meeting of stockholders shall be designated by the Board of Directors; in the absence of such designation, the chairperson of the Board of Directors, if any, or the chief executive officer (in the absence of the chairperson of the Board of Directors) or the president (in the absence of the chairperson of the Board of Directors and the chief executive officer), or in their absence any other executive officer of the Company, shall serve as chairperson of the stockholder meeting. The chairperson of any meeting of stockholders shall have the power to adjourn the meeting to another place, if any, date or time, whether or not a quorum is present.

## 2.9 VOTING

The stockholders entitled to vote at any meeting of stockholders shall be determined in accordance with the provisions of Section 2.11 of these bylaws, subject to Section 217 (relating to voting rights of fiduciaries, pledgors and joint owners of stock) and Section 218 (relating to voting trusts and other voting agreements) of the DGCL.

Except as may be otherwise provided in the certificate of incorporation or these bylaws, each stockholder shall be entitled to one vote for each share of capital stock held by such stockholder as of the applicable record date.

Except as otherwise provided by law, the certificate of incorporation, these bylaws or the rules of the stock exchange on which the Company's securities are listed, in all matters other than the election of directors, the affirmative vote of a majority of the voting power of the shares present in person or represented by proxy at the meeting and entitled to vote on the subject matter shall be the act of the stockholders. Except as otherwise required by law, the certificate of incorporation or these bylaws, directors shall be elected by a plurality of the voting power of the shares present in person or represented by proxy at the meeting and entitled to vote on the election of directors. Where a separate vote by a class or series or classes or series is required, in all matters other than the election of directors, the affirmative vote of the majority of the voting power of the outstanding shares of such class or series or classes or series present in person or represented by proxy at the meeting and entitled to vote on the subject matter shall be the act of such class or series or classes or series, except as otherwise provided by law, the certificate of incorporation, these bylaws or the rules of the stock exchange on which the securities of the Company are listed.

## 2.10 STOCKHOLDER ACTION BY WRITTEN CONSENT WITHOUT A MEETING

Subject to the rights of holders of preferred stock of the Company, any action required or permitted to be taken by the stockholders of the Company must be effected at a duly called annual or special meeting of stockholders of the Company and may not be effected by any consent in writing by such stockholders.

## 2.11 RECORD DATES

In order that the Company may determine the stockholders entitled to notice of any meeting of stockholders or any adjournment thereof, the Board of Directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the Board of Directors and which record date shall not be more than 60 nor less than 10 days before the date of such meeting. If the Board of Directors so fixes a date, such date shall also be the record date for determining the stockholders entitled to vote at such meeting unless the Board of Directors determines, at the time it fixes such record date, that a later date on or before the date of the meeting shall be the date for making such determination.

If no record date is fixed by the Board of Directors, the record date for determining stockholders entitled to notice of and to vote at a meeting of stockholders shall be at the close of business on the day next preceding the day on which notice is given, or, if notice is waived, at the close of business on the day next preceding the day on which the meeting is held.

A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting; *provided, however*, that the Board of Directors may fix a new record date for determination of stockholders entitled to vote at the adjourned meeting, and in such case shall also fix as the record date for stockholders entitled to notice of such adjourned meeting the same or an earlier date as that fixed for determination of stockholders entitled to vote in accordance with the provisions of Section 213 of the DGCL and this Section 2.11 at the adjourned meeting.

In order that the Company may determine the stockholders entitled to receive payment of any dividend or other distribution or allotment of any rights or the stockholders entitled to exercise any rights in respect of any change, conversion or exchange of stock, or for the purpose of any other lawful action, the Board of Directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted, and which record date shall be not more than 60 days prior to such action. If no record date is fixed, the record date for determining stockholders for any such purpose shall be at the close of business on the day on which the Board of Directors adopts the resolution relating thereto.

## 2.12 PROXIES

Each stockholder entitled to vote at a meeting of stockholders, or such stockholder's authorized officer, director, employee or agent, may authorize another person or persons to act for such stockholder by proxy authorized by a document or by a transmission permitted by law filed in accordance with the procedure established for the meeting, but no such proxy shall be voted or acted upon after three years from its date, unless the proxy provides for a longer period. The authorization of a person to act as a proxy may be documented, signed and delivered in accordance with Section 116 of the DGCL, provided that such authorization shall set forth, or be delivered with information enabling the Company to determine, the identity of the stockholder granting such authorization. The revocability of a proxy that states on its face that it is irrevocable shall be governed by the provisions of Section 212 of the DGCL.

## 2.13 LIST OF STOCKHOLDERS ENTITLED TO VOTE

The Company shall prepare, at least 10 days before every meeting of stockholders, a complete list of the stockholders entitled to vote at the meeting; *provided, however*, if the record date for determining the stockholders entitled to vote is less than 10 days before the meeting date, the list shall reflect the stockholders entitled to vote as of the tenth day before the meeting date, arranged in alphabetical order, and showing the address of each stockholder and the number of shares registered in the name of each stockholder. The Company shall not be required to include electronic mail addresses or other electronic contact information on such list. Such list shall be open to the examination of any stockholder for any purpose germane to the meeting for a period of at least 10 days prior to the meeting: (a) on a reasonably accessible electronic network, *provided* that the information required to gain access to such list is provided with the notice of the meeting, or (b) during ordinary business hours, at the Company's principal place of business. In the event that the Company determines to make the list available on an electronic network, the Company may take reasonable steps to ensure that such information is available only to stockholders of the Company. If the meeting is to be held at a place, then a list of stockholders entitled to vote at the meeting shall be produced and kept at the time and place of the meeting during the whole time thereof, and may be examined by any stockholder who is present. If the meeting is to be held solely by means of remote communication, then such list shall also be open to the examination of any stockholder during the whole time of the meeting on a reasonably accessible electronic network, and the information required to access such list shall be provided with the notice of the meeting.

## 2.14 INSPECTORS OF ELECTION

Before any meeting of stockholders, the Company shall appoint an inspector or inspectors of election to act at the meeting or its adjournment. The Company may designate one or more persons as alternate inspectors to replace any inspector who fails to act.

Such inspectors shall:

- (a) ascertain the number of shares outstanding and the voting power of each;
- (b) determine the shares represented at the meeting and the validity of proxies and ballots;
- (c) count all votes and ballots;
- (d) determine and retain for a reasonable period a record of the disposition of any challenges made to any determination by the inspectors;

and

- (e) certify their determination of the number of shares represented at the meeting, and their count of all votes and ballots.

The inspectors of election shall perform their duties impartially, in good faith, to the best of their ability and as expeditiously as is practical. If there are multiple inspectors of election, the decision, act or certificate of a majority is effective in all respects as the decision, act or certificate of all. Any report or certificate made by the inspectors of election is *prima facie* evidence of the facts stated therein.

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## ARTICLE III - DIRECTORS

### 3.1 POWERS

The business and affairs of the Company shall be managed by or under the direction of the Board of Directors, except as may be otherwise provided in the DGCL or the certificate of incorporation.

### 3.2 NUMBER OF DIRECTORS

The Board of Directors shall consist of one or more members, each of whom shall be a natural person. Unless the certificate of incorporation fixes the number of directors, the number of directors shall be determined from time to time by resolution of a majority of the Whole Board. No reduction of the authorized number of directors shall have the effect of removing any director before that director's term of office expires.

### 3.3 ELECTION, QUALIFICATION AND TERM OF OFFICE OF DIRECTORS

Except as provided in Section 3.4 of these bylaws, each director, including a director elected to fill a vacancy, shall hold office until the expiration of the term for which elected and until such director's successor is elected and qualified or until such director's earlier death, resignation or removal. Directors need not be stockholders unless so required by the certificate of incorporation or these bylaws. The certificate of incorporation or these bylaws may prescribe other qualifications for directors.

If so provided in the certificate of incorporation, the directors of the Company shall be divided into three classes.

### 3.4 RESIGNATION AND VACANCIES

Any director may resign at any time upon notice given in writing or by electronic transmission to the Company. A resignation is effective when the resignation is delivered unless the resignation specifies a later effective date or an effective date determined upon the happening of an event or events. A resignation which is conditioned upon the director failing to receive a specified vote for reelection as a director may provide that it is irrevocable. Unless otherwise provided in the certificate of incorporation or these bylaws, when one or more directors resign from the Board of Directors, effective at a future date, a majority of the directors then in office, including those who have so resigned, shall have power to fill such vacancy or vacancies, the vote thereon to take effect when such resignation or resignations shall become effective.

Unless otherwise provided in the certificate of incorporation or these bylaws or permitted in the specific case by resolution of the Board of Directors, and subject to the rights of holders of Preferred Stock, vacancies and newly created directorships resulting from any increase in the authorized number of directors elected by all of the stockholders having the right to vote as a single class may be filled by a majority of the directors then in office, although less than a quorum, or by a sole remaining director, and not by stockholders. If the directors are divided into classes, a person so chosen to fill a vacancy or newly created directorship shall hold office until the next election of the class for which such director shall have been chosen and until his or her successor shall have been duly elected and qualified.

### 3.5 PLACE OF MEETINGS; MEETINGS BY TELEPHONE

The Board of Directors may hold meetings, both regular and special, either within or outside the State of Delaware.

Unless otherwise restricted by the certificate of incorporation or these bylaws, members of the Board of Directors may participate in a meeting of the Board of Directors by means of conference telephone or other communications equipment by means of which all persons participating in the meeting can hear each other, and such participation in a meeting shall constitute presence in person at the meeting.

### 3.6 REGULAR MEETINGS

Regular meetings of the Board of Directors may be held without notice at such time and at such place as shall from time to time be determined by the Board of Directors.

### 3.7 SPECIAL MEETINGS; NOTICE

Special meetings of the Board of Directors for any purpose or purposes may be called at any time by the chairperson of the Board of Directors, the chief executive officer, the president, the secretary or a majority of the Whole Board.

Notice of the time and place of special meetings shall be:

- (a) delivered personally by hand, by courier or by telephone;
- (b) sent by United States first-class mail, postage prepaid;
- (c) sent by facsimile;
- (d) sent by electronic mail; or
- (e) otherwise given by electronic transmission (as defined in Section 232 of the DGCL),

directed to each director at that director's address, telephone number, facsimile number, electronic mail address or other contact for notice by electronic transmission, as the case may be, as shown on the Company's records.

If the notice is (i) delivered personally by hand, by courier or by telephone, (ii) sent by facsimile, (iii) sent by electronic mail or (iv) otherwise given by electronic transmission, it shall be delivered, sent or otherwise directed to each director, as applicable, at least 24 hours before the time of the holding of the meeting. If the notice is sent by United States mail, it shall be deposited in the United States mail at least four days before the time of the holding of the meeting. Any oral notice may be communicated to the director. The notice need not specify the place of the meeting (if the meeting is to be held at the Company's principal executive office) nor the purpose of the meeting, unless required by statute.

### 3.8 QUORUM; VOTING

At all meetings of the Board of Directors, a majority of the Whole Board shall constitute a quorum for the transaction of business. If a quorum is not present at any meeting of the Board of Directors, then the directors present thereat may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum is present.

The affirmative vote of a majority of the directors present at any meeting at which a quorum is present shall be the act of the Board of Directors, except as may be otherwise specifically provided by statute, the certificate of incorporation or these bylaws.

If the certificate of incorporation provides that one or more directors shall have more or less than one vote per director on any matter, except as may otherwise be expressly provided herein or therein and denoted with the phrase "notwithstanding the final paragraph of Section 3.8 of the bylaws" or language to similar effect, every reference in these bylaws to a majority or other proportion of the directors shall refer to a majority or other proportion of the votes of the directors.

### 3.9 BOARD ACTION BY WRITTEN CONSENT WITHOUT A MEETING

Unless otherwise restricted by the certificate of incorporation or these bylaws, (i) any action required or permitted to be taken at any meeting of the Board of Directors, or of any committee thereof, may be taken without a meeting if all members of the Board of Directors or committee, as the case may be, consent thereto in writing or by electronic transmission; and (ii) a consent may be documented, signed and delivered in any manner permitted by Section 116 of the DGCL. Any person (whether or not then a director) may provide, whether through instruction to an agent or otherwise, that a consent to action will be effective at a future time (including a time determined upon the happening of an event), no later than 60 days after such instruction is given or such provision is made and such consent shall be deemed to have been given for purposes of this Section 3.9 at such effective time so long as such person is then a director and did not revoke the consent prior to such time. Any such consent shall be revocable prior to its becoming effective. After an action is taken, the consent or consents relating thereto shall be filed with the minutes of proceedings of the Board of Directors, or the committee or subcommittee thereof, in the same paper or electronic form as the minutes are maintained.

### 3.10 FEES AND COMPENSATION OF DIRECTORS

Unless otherwise restricted by the certificate of incorporation or these bylaws, the Board of Directors shall have the authority to fix the compensation of directors.

### 3.11 REMOVAL OF DIRECTORS

Any director or the entire Board of Directors may be removed from office by stockholders of the Company in the manner specified in the certificate of incorporation and applicable law. No reduction of the authorized number of directors shall have the effect of removing any director prior to the expiration of such director's term of office.

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## ARTICLE IV - COMMITTEES

### 4.1 COMMITTEES OF DIRECTORS

The Board of Directors may, by resolution passed by a majority of the Whole Board, designate one or more committees, each committee to consist of one or more of the directors of the Company. The Board of Directors may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee. In the absence or disqualification of a member of a committee, the member or members thereof present at any meeting and not disqualified from voting, whether or not such member or members constitute a quorum, may unanimously appoint another member of the Board of Directors to act at the meeting in the place of any such absent or disqualified member. Any such committee, to the extent provided in the resolution of the Board of Directors or in these bylaws, shall have and may exercise all the powers and authority of the Board of Directors in the management of the business and affairs of the Company, and may authorize the seal of the Company to be affixed to all papers that may require it; but no such committee shall have the power or authority to (a) approve or adopt, or recommend to the stockholders, any action or matter (other than the election or removal of directors) expressly required by the DGCL to be submitted to stockholders for approval, or (b) adopt, amend or repeal any bylaw of the Company.

### 4.2 COMMITTEE MINUTES

Each committee and subcommittee shall keep regular minutes of its meetings.

### 4.3 MEETINGS AND ACTION OF COMMITTEES

Meetings and actions of committees and subcommittees shall be governed by, and held and taken in accordance with, the provisions of:

- (a) Section 3.5 (place of meetings and meetings by telephone);
- (b) Section 3.6 (regular meetings);
- (c) Section 3.7 (special meetings and notice);
- (d) Section 3.8 (quorum; voting);
- (e) Section 3.9 (action without a meeting); and
- (f) Section 7.4 (waiver of notice)

with such changes in the context of those bylaws as are necessary to substitute the committee or subcommittee and its members for the Board of Directors and its members. *However*, (i) the time and place of regular meetings of committees or subcommittees may be determined either by resolution of the Board of Directors or by resolution of the committee or subcommittee; (ii) special meetings of committees or subcommittees may also be called by resolution of the Board of Directors or the committee or the subcommittee; and (iii) notice of special meetings of committees and subcommittees shall also be given to all alternate members who shall have the right to attend all meetings of the committee or subcommittee.

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The Board of Directors, or in the absence of any such action by the Board of Directors, the applicable committee or subcommittee, may adopt rules for the government of any committee or subcommittee not inconsistent with the provisions of these bylaws.

Any provision in the certificate of incorporation providing that one or more directors shall have more or less than one vote per director on any matter shall apply to voting in any committee or subcommittee, unless otherwise provided in the certificate of incorporation or these bylaws.

#### 4.4 SUBCOMMITTEES

Unless otherwise provided in the certificate of incorporation, these bylaws or the resolutions of the Board of Directors designating the committee, a committee may create one or more subcommittees, each subcommittee to consist of one or more members of the committee, and delegate to a subcommittee any or all of the powers and authority of the committee.

### ARTICLE V - OFFICERS

#### 5.1 OFFICERS

The officers of the Company shall be a president and a secretary. The Company may also have, at the discretion of the Board of Directors, a chairperson of the Board of Directors, a vice chairperson of the Board of Directors, a chief executive officer, a chief financial officer or treasurer, one or more vice presidents, one or more assistant vice presidents, one or more assistant treasurers, one or more assistant secretaries and any such other officers as may be appointed in accordance with the provisions of these bylaws. Any number of offices may be held by the same person.

#### 5.2 APPOINTMENT OF OFFICERS

The Board of Directors shall appoint the officers of the Company, except such officers as may be appointed in accordance with the provisions of Section 5.3 of these bylaws, subject to the rights, if any, of an officer under any contract of employment.

#### 5.3 SUBORDINATE OFFICERS

The Board of Directors may appoint, or empower the chief executive officer or, in the absence of a chief executive officer, the president, to appoint, such other officers as the business of the Company may require. Each of such officers shall hold office for such period, have such authority, and perform such duties as are provided in these bylaws or as the Board of Directors may from time to time determine.

#### 5.4 REMOVAL AND RESIGNATION OF OFFICERS

Subject to the rights, if any, of an officer under any contract of employment, any officer may be removed, either with or without cause, by the Board of Directors or, for the avoidance of doubt, any duly authorized committee or subcommittee thereof or by any officer who has been conferred such power of removal.



Any officer may resign at any time by giving notice, in writing or by electronic transmission, to the Company. Any resignation shall take effect at the date of the receipt of that notice or at any later time specified in that notice. Unless otherwise specified in the notice of resignation, the acceptance of the resignation shall not be necessary to make it effective. Any resignation is without prejudice to the rights, if any, of the Company under any contract to which the officer is a party.

#### 5.5 VACANCIES IN OFFICES

Any vacancy occurring in any office of the Company shall be filled by the Board of Directors or as provided in Section 5.3.

#### 5.6 REPRESENTATION OF SECURITIES OF OTHER ENTITIES

The chairperson of the Board of Directors, the chief executive officer, the president, any vice president, the treasurer, the secretary or assistant secretary of this Company or any other person authorized by the Board of Directors or the chief executive officer, the president or a vice president, is authorized to vote, represent and exercise on behalf of this Company all rights incident to any and all shares or other securities of any other entity or entities, and all rights incident to any management authority conferred on the Company in accordance with the governing documents of any entity or entities, standing in the name of this Company, including the right to act by written consent. The authority granted herein may be exercised either by such person directly or by any other person authorized to do so by proxy or power of attorney duly executed by such person having the authority.

#### 5.7 AUTHORITY AND DUTIES OF OFFICERS

All officers of the Company shall respectively have such authority and perform such duties in the management of the business of the Company as may be designated from time to time by the Board of Directors and, to the extent not so provided, as generally pertain to their respective offices, subject to the control of the Board of Directors.

### **ARTICLE VI - STOCK**

#### 6.1 STOCK CERTIFICATES; PARTLY PAID SHARES

The shares of the Company shall be represented by certificates, provided that the Board of Directors may provide by resolution or resolutions that some or all of any or all classes or series of its stock shall be uncertificated shares. Any such resolution shall not apply to shares represented by a certificate until such certificate is surrendered to the Company. Unless otherwise provided by resolution of the Board of Directors, every holder of stock represented by certificates shall be entitled to have a certificate signed by, or in the name of, the Company by any two officers of the Company representing the number of shares registered in certificate form. Any or all of the signatures on the certificate may be a facsimile. In case any officer, transfer agent or registrar who has signed or whose facsimile signature has been placed upon a certificate has ceased to be such officer, transfer agent or registrar before such certificate is issued, it may be issued by the Company with the same effect as if such person were such officer, transfer agent or registrar at the date of issue. The Company shall not have power to issue a certificate in bearer form.

The Company may issue the whole or any part of its shares as partly paid and subject to call for the remainder of the consideration to be paid therefor. Upon the face or back of each stock certificate issued to represent any such partly-paid shares, or upon the books and records of the Company in the case of uncertificated partly-paid shares, the total amount of the consideration to be paid therefor and the amount paid thereon shall be stated. Upon the declaration of any dividend on fully-paid shares, the Company shall declare a dividend upon partly-paid shares of the same class, but only upon the basis of the percentage of the consideration actually paid thereon.

#### 6.2 SPECIAL DESIGNATION ON CERTIFICATES

If the Company is authorized to issue more than one class of stock or more than one series of any class, then the powers, the designations, the preferences and the relative, participating, optional or other special rights of each class of stock or series thereof and the qualifications, limitations or restrictions of such preferences and/or rights shall be set forth in full or summarized on the face or back of the certificate that the Company shall issue to represent such class or series of stock; *provided, however*, that, except as otherwise provided in Section 202 of the DGCL, in lieu of the foregoing requirements, there may be set forth on the face or back of the certificate that the Company shall issue to represent such class or series of stock, a statement that the Company will furnish without charge to each stockholder who so requests the powers, designations, preferences and relative, participating, optional or other special rights of each class of stock or series thereof and the qualifications, limitations or restrictions of such preferences and/or rights. Within a reasonable time after the issuance or transfer of uncertificated stock, the registered owner thereof shall be given a notice, in writing or by electronic transmission, containing the information required to be set forth or stated on certificates pursuant to this Section 6.2 or Sections 156, 202(a), 218(a) or 364 of the DGCL or with respect to this Section 6.2 a statement that the Company will furnish without charge to each stockholder who so requests the powers, designations, preferences and relative, participating, optional or other special rights of each class of stock or series thereof and the qualifications, limitations or restrictions of such preferences and/or rights. Except as otherwise expressly provided by law, the rights and obligations of the holders of uncertificated stock and the rights and obligations of the holders of certificates representing stock of the same class and series shall be identical.

#### 6.3 LOST CERTIFICATES

Except as provided in this Section 6.3, no new certificates for shares shall be issued to replace a previously issued certificate unless the latter is surrendered to the Company and cancelled at the same time. The Company may issue a new certificate of stock or uncertificated shares in the place of any certificate theretofore issued by it, alleged to have been lost, stolen or destroyed, and the Company may require the owner of the lost, stolen or destroyed certificate, or such owner's legal representative, to give the Company a bond sufficient to indemnify it against any claim that may be made against it on account of the alleged loss, theft or destruction of any such certificate or the issuance of such new certificate or uncertificated shares.

#### 6.4 DIVIDENDS

The Board of Directors, subject to any restrictions contained in the certificate of incorporation or applicable law, may declare and pay dividends upon the shares of the Company's capital stock. Dividends may be paid in cash, in property, or in shares of the Company's capital stock, subject to the provisions of the certificate of incorporation. The Board of Directors may set apart out of any of the funds of the Company available for dividends a reserve or reserves for any proper purpose and may abolish any such reserve.

## 6.5 TRANSFER OF STOCK

Transfers of record of shares of stock of the Company shall be made only upon its books by the holders thereof, in person or by an attorney duly authorized, and, if such stock is certificated, upon the surrender of a certificate or certificates for a like number of shares, properly endorsed or accompanied by proper evidence of succession, assignation or authority to transfer.

## 6.6 STOCK TRANSFER AGREEMENTS

The Company shall have power to enter into and perform any agreement with any number of stockholders of any one or more classes of stock of the Company to restrict the transfer of shares of stock of the Company of any one or more classes owned by such stockholders in any manner not prohibited by the DGCL.

## 6.7 REGISTERED STOCKHOLDERS

The Company:

- (a) shall be entitled to recognize the exclusive right of a person registered on its books as the owner of shares to receive dividends and notices and to vote as such owner; and
- (b) shall not be bound to recognize any equitable or other claim to or interest in such share or shares on the part of another person, whether or not it shall have express or other notice thereof, except as otherwise provided by the laws of Delaware.

## 6.8 LOCK-UP

(a) Subject to Section 6.8(b), the holders (the “**Current Lock-up Holders**”) of Class A Common Stock of the Company issued (i) as the Total Consideration pursuant to the Merger (each, as defined in the Agreement and Plan of Merger, entered into by and among the Company (formerly known as Osprey Technology Acquisition Corp.), Osprey Technology Merger Sub, Inc. and a subsidiary of the Company formerly known as BlackSky Holdings, Inc., dated as of February 17, 2021, as amended from time to time (the “**Merger Agreement**”)) or (ii) to directors, officers and employees of the Company or its subsidiaries upon the settlement or exercise of stock options, restricted stock units, or other equity awards outstanding as of immediately following the closing of the Merger (as defined in the Merger Agreement) in respect of awards of a subsidiary of the Company formerly known as BlackSky Holdings, Inc. outstanding immediately prior to the closing of the Merger (such shares referred to in this Section 6.8(a)(ii), the “**Existing Equity Award Shares**”), which holders include, for the avoidance of doubt, the current Lock-up Holders’ Permitted Transferees and direct or indirect Permitted Transferees of any such holders (collectively, the “**Additional Lock-up Holders**”, and together with the Current Lock-up Holders, the “**Lock-up Holders**”) may not Transfer any Lock-up Shares until the end of the Lock-up Period (the “**Lock-up**”).

(b) Notwithstanding the provisions set forth in Section 6.8(a), the Lock-up Holders may Transfer the Lock-up Shares during the Lock-up Period (i) as a bona fide gift or charitable contribution; (ii) to a trust, or other entity formed for estate planning purposes for the primary benefit of the spouse, domestic partner, parent, sibling, child or grandchild of such Lock-up Holder or any other person with whom such Lock-up Holder has a relationship by blood, marriage or adoption not more remote than first cousin; (iii) by will or intestate succession upon the death of the Lock-up Holder; (iv) pursuant to a qualified domestic order, court order or in connection with a divorce settlement; (v) if such Lock-up Holder is a corporation, partnership (whether general, limited or otherwise), limited liability company, trust or other business entity, (A) to another corporation, partnership, limited liability company, trust or other business entity that controls, is controlled by or is under common control or management with the Lock-up Holder, or (B) to partners, limited liability company members or stockholders of the Lock-up Holder, including, for the avoidance of doubt, where the Lock-up Holder is a partnership, to its general partner or a successor partnership or fund, or any other funds managed by such partnership; (vi) if such Lock-up Holder is a trust, to a trustor or beneficiary of the trust or to the estate of a beneficiary of such trust; (vii) to the Company's officers, directors or their affiliates; (viii) to a nominee or custodian of a person or entity to whom a disposition or transfer would be permissible under subsections (i) through (vii) of this Section 6.8(b); (ix) as a pledge of shares of Class A Common Stock of the Company as security or collateral in connection with any borrowing or the incurrence of any indebtedness by such Lock-up Holder; *provided, however*, that such borrowing or incurrence of indebtedness is secured by a portfolio of assets or equity interests issued by multiple issuers; (x) pursuant to a bona fide third-party tender offer, merger, stock sale, recapitalization, consolidation or other transaction involving a change in control of the Company; (xi) to the Company in connection with the repurchase of such Lock-up Holder's shares in connection with the termination of the Lock-up Holder's employment with the Company pursuant to contractual agreements with the Company; (xii) to satisfy tax withholding obligations in connection with the exercise of options to purchase shares of Class A Common Stock of the Company or the vesting of Company stock-based awards; or (xiii) in payment on a "net exercise" or "cashless" basis of the exercise or purchase price with respect to the exercise of options to purchase shares of Class A Common Stock of the Company. Notwithstanding the provisions set forth in Section 6.8(a), the Lock-up Holders may also establish a trading plan pursuant to Rule 10b5-1 promulgated under the Exchange Act during the Lock-up Period; *provided, however*, that such plan does not provide for the Transfer of Lock-up Shares during the Lock-Up Period.

(c) Notwithstanding the other provisions set forth in this Section 6.8 or any other provision contained herein, the Board of Directors may, in its sole discretion, determine to waive, amend, or repeal the Lock-up obligations set forth in this Section 6.8, whether in whole or in part; *provided*, that, (i) during the Lock-up Period, any such waiver, amendment or repeal of any Lock-up obligations set forth in Section 6.8, and any waiver, amendment or repeal of this Section 6.8(c), shall require the unanimous approval of the directors present at any meeting at which a quorum is present, and (ii) following the Lock-up Period, any such waiver, amendment or repeal of any Lock-up obligations set forth in Section 6.8, and any waiver, amendment or repeal of this Section 6.8(c), shall require the affirmative vote of a majority of the directors present at any meeting at which a quorum is present.

(d) For purpose of this Section 6.8:

(i) the term "**Lock-up Period**" means the period beginning on the closing date of the Merger and ending on the earliest of (a) the date that is 180 days after the closing date of the Merger, (b) the date on which the Company completes a liquidation, merger, capital stock exchange, reorganization or other similar transaction that results in all of the Company's stockholders having the right to exchange

their shares of Class A Common Stock of the Company for cash, securities or other property and (c) subject to the proviso at the end of this Section 6.8(d) (i), the date on which the last sale price of the Class A Common Stock of the Company equals and exceeds \$12.00 per share (as adjusted for stock splits, stock dividends, reorganizations, recapitalizations and the like) for any 20 trading days within any 30-trading day period commencing upon the consummation of the Merger; provided that notwithstanding anything herein to the contrary, with respect to Section 6.8(d)(i)(c) above, if the period in which the last sale price of the Class A Common Stock equals or exceeds \$12.00 per share (as adjusted for stock splits, stock dividends, reorganizations, recapitalizations and the like) for any 20 trading days within any 30-trading day period occurs prior to the 150th day following the date of consummation of the Merger, then the Lock-Up Period shall end on the 150th day following the consummation of the Merger;

(ii) the term “**Lock-up Shares**” means the shares of Class A Common Stock of the Company held by the Lock-up Holders immediately following the closing of the Merger (other than shares of Class A Common Stock of the Company acquired in the public market or pursuant to a transaction exempt from registration under the Securities Act of 1933, as amended, pursuant to a subscription agreement where the issuance of Class A Common Stock of the Company occurs on or after the closing of the Merger) and the Existing Equity Award Shares; *provided, that*, for clarity, shares of Class A Common Stock of the Company issued in connection with the PIPE Investment (as referenced in the Merger Agreement) shall not constitute Lock-up Shares;

(iii) the term “**Permitted Transferees**” means, prior to the expiration of the Lock-up Period, any person or entity to whom such Lock-up Holder is permitted to transfer such shares of Class A Common Stock of the Company prior to the expiration of the Lock-up Period pursuant to Section 6.8(b); and

(iv) the term “**Transfer**” means, with respect to a Lock-Up Share, to, directly or indirectly, sell, transfer, assign, pledge, encumber, hypothecate or similarly dispose of such share, whether or not for value, either voluntarily or involuntarily or by operation of law, or to enter into any contract, option or other arrangement or understanding with respect to the sale, transfer, assignment, pledge, encumbrance, hypothecation or similar disposition of, any right or interest owned by a person or any right or interest (including a beneficial interest) in, or the ownership, control or possession of, such Lock-Up Shares.

## ARTICLE VII - MANNER OF GIVING NOTICE AND WAIVER

### 7.1 NOTICE OF STOCKHOLDERS' MEETINGS

Notice of any meeting of stockholders shall be given in the manner set forth in the DGCL.

### 7.2 NOTICE TO STOCKHOLDERS SHARING AN ADDRESS

Except as otherwise prohibited under the DGCL, without limiting the manner by which notice otherwise may be given effectively to stockholders, any notice to stockholders given by the Company under the provisions of the DGCL, the certificate of incorporation or these bylaws shall be effective if given by a single written notice to stockholders who share an address if consented to by the stockholders at that address to whom such notice is given. Any such consent shall be revocable by the stockholder by written notice to

the Company. Any stockholder who fails to object in writing to the Company, within 60 days of having been given written notice by the Company of its intention to send the single notice, shall be deemed to have consented to receiving such single written notice. This Section 7.2 shall not apply to Sections 164, 296, 311, 312 or 324 of the DGCL.

### 7.3 NOTICE TO PERSON WITH WHOM COMMUNICATION IS UNLAWFUL

Whenever notice is required to be given, under the DGCL, the certificate of incorporation or these bylaws, to any person with whom communication is unlawful, the giving of such notice to such person shall not be required and there shall be no duty to apply to any governmental authority or agency for a license or permit to give such notice to such person. Any action or meeting which shall be taken or held without notice to any such person with whom communication is unlawful shall have the same force and effect as if such notice had been duly given. In the event that the action taken by the Company is such as to require the filing of a certificate under the DGCL, the certificate shall state, if such is the fact and if notice is required, that notice was given to all persons entitled to receive notice except such persons with whom communication is unlawful.

### 7.4 WAIVER OF NOTICE

Whenever notice is required to be given under any provision of the DGCL, the certificate of incorporation or these bylaws, a written waiver, signed by the person entitled to notice, or a waiver by electronic transmission by the person entitled to notice, whether before or after the time of the event for which notice is to be given, shall be deemed equivalent to notice. Attendance of a person at a meeting shall constitute a waiver of notice of such meeting, except when the person attends a meeting for the express purpose of objecting at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the stockholders need be specified in any written waiver of notice or any waiver by electronic transmission unless so required by the certificate of incorporation or these bylaws.

## ARTICLE VIII - INDEMNIFICATION

### 8.1 INDEMNIFICATION OF DIRECTORS AND OFFICERS IN THIRD PARTY PROCEEDINGS

Subject to the other provisions of this Article VIII, the Company shall indemnify, to the fullest extent permitted by the DGCL, as now or hereinafter in effect, any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (a "**Proceeding**") (other than an action by or in the right of the Company) by reason of the fact that such person is or was a director or officer of the Company, or is or was a director or officer of the Company serving at the request of the Company as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with such Proceeding if such person acted in good faith and in a manner such person reasonably believed to be in or not opposed to the best interests of the Company, and, with respect to any criminal action or proceeding, had no reasonable cause to believe such person's conduct was unlawful. The termination of any Proceeding by judgment, order, settlement,

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conviction, or upon a plea of *nolo contendere* or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which such person reasonably believed to be in or not opposed to the best interests of the Company, and, with respect to any criminal action or proceeding, had reasonable cause to believe that such person's conduct was unlawful.

#### 8.2 INDEMNIFICATION OF DIRECTORS AND OFFICERS IN ACTIONS BY OR IN THE RIGHT OF THE COMPANY

Subject to the other provisions of this Article VIII, the Company shall indemnify, to the fullest extent permitted by the DGCL, as now or hereinafter in effect, any person who was or is a party or is threatened to be made a party to any threatened, pending or completed Proceeding by or in the right of the Company to procure a judgment in its favor by reason of the fact that such person is or was a director or officer of the Company, or is or was a director or officer of the Company serving at the request of the Company as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees) actually and reasonably incurred by such person in connection with the defense or settlement of such Proceeding if such person acted in good faith and in a manner such person reasonably believed to be in or not opposed to the best interests of the Company; except that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable to the Company unless and only to the extent that the Court of Chancery or the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which the Court of Chancery or such other court shall deem proper.

#### 8.3 SUCCESSFUL DEFENSE

To the extent that a present or former director or officer (for purposes of this Section 8.3 only, as such term is defined in Section 145(c)(1) of the DGCL) of the Company has been successful on the merits or otherwise in defense of any action, suit or proceeding described in Section 8.1 or Section 8.2, or in defense of any claim, issue or matter therein, such person shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by such person in connection therewith. The Company may indemnify any other person who is not a present or former director or officer of the Company against expenses (including attorneys' fees) actually and reasonably incurred by such person to the extent he or she has been successful on the merits or otherwise in defense of any suit or proceeding described in Section 8.1 or Section 8.2, or in defense of any claim, issue or matter therein.

#### 8.4 INDEMNIFICATION OF OTHERS

Subject to the other provisions of this Article VIII, the Company shall have power to indemnify its employees and agents, or any other persons, to the extent not prohibited by the DGCL or other applicable law. The Board of Directors shall have the power to delegate to any person or persons identified in subsections (1) through (4) of Section 145(d) of the DGCL the determination of whether employees or agents shall be indemnified.

## 8.5 ADVANCED PAYMENT OF EXPENSES

Expenses (including attorneys' fees) actually and reasonably incurred by an officer or director of the Company in defending any Proceeding shall be paid by the Company in advance of the final disposition of such Proceeding upon receipt of a written request therefor (together with documentation reasonably evidencing such expenses) and an undertaking by or on behalf of the person to repay such amounts if it shall ultimately be determined that the person is not entitled to be indemnified under this Article VIII or the DGCL. Such expenses (including attorneys' fees) actually and reasonably incurred by former directors and officers or other employees and agents of the Company or by persons serving at the request of the Company as directors, officers, employees or agents of another corporation, partnership, joint venture, trust or other enterprise may be so paid upon such terms and conditions, if any, as the Company deems appropriate. The right to advancement of expenses shall not apply to any Proceeding (or any part of any Proceeding) for which indemnity is excluded pursuant to these bylaws, but shall apply to any Proceeding (or any part of any Proceeding) referenced in Section 8.6(b) or 8.6(c) prior to a determination that the person is not entitled to be indemnified by the Company.

Notwithstanding the foregoing, unless otherwise determined pursuant to Section 8.8, no advance shall be made by the Company to an officer of the Company (except by reason of the fact that such officer is or was a director of the Company, in which event this paragraph shall not apply) in any Proceeding if a determination is reasonably and promptly made (a) by a vote of the directors who are not parties to such Proceeding, even though less than a quorum, or (b) by a committee of such directors designated by the vote of the majority of such directors, even though less than a quorum, or (c) if there are no such directors, or if such directors so direct, by independent legal counsel in a written opinion, that facts known to the decision-making party at the time such determination is made demonstrate clearly and convincingly that such person acted in bad faith or in a manner that such person did not believe to be in or not opposed to the best interests of the Company.

## 8.6 LIMITATION ON INDEMNIFICATION

Subject to the requirements in Section 8.3 and the DGCL, the Company shall not be obligated to indemnify any person pursuant to this Article VIII in connection with any Proceeding (or any part of any Proceeding):

(a) for which payment has actually been made to or on behalf of such person under any statute, insurance policy, indemnity provision, vote or otherwise, except with respect to any excess beyond the amount paid;

(b) for an accounting or disgorgement of profits pursuant to Section 16(b) of the 1934 Act, or similar provisions of federal, state or local statutory law or common law, if such person is held liable therefor (including pursuant to any settlement arrangements);

(c) for any reimbursement of the Company by such person of any bonus or other incentive-based or equity-based compensation or of any profits realized by such person from the sale of securities of the Company, as required in each case under the 1934 Act (including any such reimbursements that arise from an accounting restatement of the Company pursuant to Section 304 of the Sarbanes-Oxley Act of 2002 (the "**Sarbanes-Oxley Act**"), or the payment to the Company of profits arising from the purchase and sale by such person of securities in violation of Section 306 of the Sarbanes-Oxley Act), if such person is held liable therefor (including pursuant to any settlement arrangements);



(d) initiated by such person, including any Proceeding (or any part of any Proceeding) initiated by such person against the Company or its directors, officers, employees, agents or other indemnitees, unless (i) the Board of Directors authorized the Proceeding (or the relevant part of the Proceeding) prior to its initiation, (ii) the Company provides the indemnification, in its sole discretion, pursuant to the powers vested in the Company under applicable law, (iii) otherwise required to be made under Section 8.7 or (iv) otherwise required by applicable law; or

(e) if prohibited by applicable law.

#### 8.7 DETERMINATION; CLAIM

If a claim for indemnification or advancement of expenses under this Article VIII is not paid in full within 90 days after receipt by the Company of the written request therefor, the claimant shall be entitled to an adjudication by a court of competent jurisdiction of his or her entitlement to such indemnification or advancement of expenses. The Company shall indemnify such person against any and all expenses that are actually and reasonably incurred by such person in connection with any action for indemnification or advancement of expenses from the Company under this Article VIII, to the extent such person is successful in such action, and to the extent not prohibited by law. In any such suit, the Company shall, to the fullest extent not prohibited by law, have the burden of proving that the claimant is not entitled to the requested indemnification or advancement of expenses.

#### 8.8 NON-EXCLUSIVITY OF RIGHTS

The indemnification and advancement of expenses provided by, or granted pursuant to, this Article VIII shall not be deemed exclusive of any other rights to which those seeking indemnification or advancement of expenses may be entitled under the certificate of incorporation or any statute, bylaw, agreement, vote of stockholders or disinterested directors or otherwise, both as to action in such person's official capacity and as to action in another capacity while holding such office. The Company is specifically authorized to enter into individual contracts with any or all of its directors, officers, employees or agents respecting indemnification and advancement of expenses, to the fullest extent not prohibited by the DGCL or other applicable law.

#### 8.9 INSURANCE

The Company may purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the Company, or is or was serving at the request of the Company as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against such person and incurred by such person in any such capacity, or arising out of such person's status as such, whether or not the Company would have the power to indemnify such person against such liability under the provisions of the DGCL.

#### 8.10 SURVIVAL

The rights to indemnification and advancement of expenses conferred by this Article VIII shall continue as to a person who has ceased to be a director, officer, employee or agent and shall inure to the benefit of the heirs, executors and administrators of such a person.

#### 8.11 EFFECT OF REPEAL OR MODIFICATION

A right to indemnification or to advancement of expenses arising under a provision of the certificate of incorporation or a bylaw shall not be eliminated or impaired by an amendment to or repeal or elimination of the certificate of incorporation or these bylaws after the occurrence of the act or omission that is the subject of the civil, criminal, administrative or investigative action, suit or proceeding for which indemnification or advancement of expenses is sought, unless the provision in effect at the time of such act or omission explicitly authorizes such elimination or impairment after such action or omission has occurred.

#### 8.12 CERTAIN DEFINITIONS

For purposes of this Article VIII, references to the “**Company**” shall include, in addition to the resulting company, any constituent company (including any constituent of a constituent) absorbed in a consolidation or merger which, if its separate existence had continued, would have had power and authority to indemnify its directors, officers, employees or agents, so that any person who is or was a director, officer, employee or agent of such constituent company, or is or was serving at the request of such constituent company as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, shall stand in the same position under the provisions of this Article VIII with respect to the resulting or surviving company as such person would have with respect to such constituent company if its separate existence had continued. For purposes of this Article VIII, references to “**other enterprises**” shall include employee benefit plans; references to “**finances**” shall include any excise taxes assessed on a person with respect to an employee benefit plan; and references to “**servicing at the request of the Company**” shall include any service as a director, officer, employee or agent of the Company which imposes duties on, or involves services by, such director, officer, employee or agent with respect to an employee benefit plan, its participants or beneficiaries; and a person who acted in good faith and in a manner such person reasonably believed to be in the interest of the participants and beneficiaries of an employee benefit plan shall be deemed to have acted in a manner “**not opposed to the best interests of the Company**” as referred to in this Article VIII.

### ARTICLE IX - GENERAL MATTERS

#### 9.1 EXECUTION OF CORPORATE CONTRACTS AND INSTRUMENTS

Except as otherwise provided by law, the certificate of incorporation or these bylaws, the Board of Directors may authorize any officer or officers, or agent or agents, to enter into any contract or execute any document or instrument in the name of and on behalf of the Company; such authority may be general or confined to specific instances. Unless so authorized or ratified by the Board of Directors or within the agency power of an officer, no officer, agent or employee shall have any power or authority to bind the Company by any contract or engagement or to pledge its credit or to render it liable for any purpose or for any amount.

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9.2 FISCAL YEAR

The fiscal year of the Company shall be fixed by resolution of the Board of Directors and may be changed by the Board of Directors.

9.3 SEAL

The Company may adopt a corporate seal, which shall be adopted and which may be altered by the Board of Directors. The Company may use the corporate seal by causing it or a facsimile thereof to be impressed or affixed or in any other manner reproduced.

9.4 CONSTRUCTION; DEFINITIONS

Unless the context requires otherwise, the general provisions, rules of construction, and definitions in the DGCL shall govern the construction of these bylaws. Without limiting the generality of this provision, the singular number includes the plural, the plural number includes the singular, and the term “**person**” includes a corporation, partnership, limited liability company, joint venture, trust or other enterprise, and a natural person. Any reference in these bylaws to a section of the DGCL shall be deemed to refer to such section as amended from time to time and any successor provisions thereto.

**ARTICLE X - AMENDMENTS**

These bylaws may be adopted, amended or repealed by the stockholders entitled to vote; provided, however, that the affirmative vote of the holders of at least 66 2/3% of the total voting power of outstanding voting securities, voting together as a single class, shall be required for the stockholders of the Company to alter, amend or repeal, or adopt any bylaw inconsistent with, the following provisions of these bylaws: Article II, Section 3.1, Section 3.2, Section 3.4, Section 3.11, Article VIII or this Article X (including, without limitation, any such Article or Section as renumbered as a result of any amendment, alteration, change, repeal, or adoption of any other bylaw). The Board of Directors shall also have the power to adopt, amend or repeal bylaws.

**BLACKSKY TECHNOLOGY INC.**  
**INDEMNIFICATION AGREEMENT**

This Indemnification Agreement (this “*Agreement*”) is dated as of [date], and is between BlackSky Technology Inc., a Delaware corporation (the “*Company*”), and [insert name of indemnitee] (“*Indemnitee*”).

**RECITALS**

- A. Indemnitee’s service to the Company substantially benefits the Company.
- B. Individuals are reluctant to serve as directors or officers of corporations or in certain other capacities unless they are provided with adequate protection through insurance or indemnification against the risks of claims and actions against them arising out of such service.
- C. Indemnitee does not regard the protection currently provided by applicable law, the Company’s governing documents and any insurance as adequate under the present circumstances, and Indemnitee may not be willing to serve as a director or officer without additional protection.
- D. In order to induce Indemnitee to continue to provide services to the Company, it is reasonable, prudent and necessary for the Company to contractually obligate itself to indemnify, and to advance expenses on behalf of, Indemnitee as permitted by applicable law.
- E. This Agreement is a supplement to and in furtherance of the indemnification provided in the Company’s certificate of incorporation and bylaws, and any resolutions adopted pursuant thereto, and this Agreement shall not be deemed a substitute therefor, nor shall this Agreement be deemed to limit, diminish or abrogate any rights of Indemnitee thereunder.

The parties therefore agree as follows:

1. **Definitions.**

- (a) A “*Change in Control*” shall be deemed to occur upon the earliest to occur after the date of this Agreement of any of the following events:
- (i) *Acquisition of Stock by Third Party.* Any Person (as defined below) becomes the Beneficial Owner (as defined below), directly or indirectly, of securities of the Company representing fifteen percent (15%) or more of the combined voting power of the Company’s then outstanding securities;
- (ii) *Change in Board Composition.* During any period of two consecutive years (not including any period prior to the execution of this Agreement), individuals who at the beginning of such period constitute the Company’s board of directors, and any new directors (other than a director designated by a person who has entered into an agreement with the Company to effect a transaction described in Sections 1(a)(i), 1(a)(iii) or 1(a)(iv)) whose election by the board of directors or nomination for election by the Company’s stockholders was approved by a vote of at least two-thirds of the directors then still in office who either were directors at the beginning of the period or whose election or nomination for election was previously so approved, cease for any reason to constitute at least a majority of the members of the Company’s board of directors;

(iii) *Corporate Transactions.* The effective date of a merger or consolidation of the Company with any other entity, other than a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior to such merger or consolidation continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity) more than 50% of the combined voting power of the voting securities of the surviving entity outstanding immediately after such merger or consolidation and with the power to elect at least a majority of the board of directors or other governing body of such surviving entity;

(iv) *Liquidation.* The approval by the stockholders of the Company of a complete liquidation of the Company or an agreement for the sale or disposition by the Company of all or substantially all of the Company's assets; and

(v) *Other Events.* Any other event of a nature that would be required to be reported in response to Item 6(e) of Schedule 14A of Regulation 14A (or in response to any similar item on any similar schedule or form) promulgated under the Securities Exchange Act of 1934, as amended, whether or not the Company is then subject to such reporting requirement.

For purposes of this Section 1(a), the following terms shall have the following meanings:

(1) "**Person**" shall have the meaning as set forth in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, as amended; *provided, however*, that "**Person**" shall exclude (i) the Company, (ii) any trustee or other fiduciary holding securities under an employee benefit plan of the Company, and (iii) any corporation owned, directly or indirectly, by the stockholders of the Company in substantially the same proportions as their ownership of stock of the Company.

(2) "**Beneficial Owner**" shall have the meaning given to such term in Rule 13d-3 under the Securities Exchange Act of 1934, as amended; *provided, however*, that "**Beneficial Owner**" shall exclude any Person otherwise becoming a Beneficial Owner by reason of (i) the stockholders of the Company approving a merger of the Company with another entity or (ii) the Company's board of directors approving a sale of securities by the Company to such Person.

(b) "**Corporate Status**" describes the status of a person who is or was a director, trustee, general partner, managing member, officer, employee, agent or fiduciary of the Company or any other Enterprise.

(c) "**DGCL**" means the General Corporation Law of the State of Delaware.

(d) "**Disinterested Director**" means a director of the Company who is not and was not a party to the Proceeding in respect of which indemnification is sought by Indemnitee.

(e) "**Enterprise**" means the Company and any other corporation, partnership, limited liability company, joint venture, trust, employee benefit plan or other enterprise of which Indemnitee is or was serving at the request of the Company as a director, trustee, general partner, managing member, officer, employee, agent or fiduciary.

(f) "**Expenses**" include all reasonable and actually incurred attorneys' fees, retainers, court costs, transcript costs, fees and costs of experts, witness fees, travel expenses, duplicating costs, printing and binding costs, telephone charges, postage, delivery service fees, and all other disbursements or expenses of the types customarily incurred in connection with prosecuting, defending, preparing to prosecute or defend, investigating, being or preparing to be a witness in, or otherwise participating in, a Proceeding. Expenses also include (i) Expenses incurred in connection with any appeal

resulting from any Proceeding, including without limitation the premium, security for, and other costs relating to any cost bond, supersedeas bond or other appeal bond or their equivalent, and (ii) for purposes of Section 12(d), Expenses incurred by Indemnitee in connection with the interpretation, enforcement or defense of Indemnitee's rights under this Agreement or under any directors' and officers' liability insurance policies maintained by the Company. Expenses, however, shall not include amounts paid in settlement by Indemnitee or the amount of judgments or fines against Indemnitee.

(g) "**Independent Counsel**" means a law firm, or a partner or member of a law firm, that is experienced in matters of corporation law and neither presently is, nor in the past five years has been, retained to represent (i) the Company or Indemnitee in any matter material to either such party (other than as Independent Counsel with respect to matters concerning Indemnitee under this Agreement, or other indemnitees under similar indemnification agreements), or (ii) any other party to the Proceeding giving rise to a claim for indemnification hereunder. Notwithstanding the foregoing, the term "**Independent Counsel**" shall not include any person who, under the applicable standards of professional conduct then prevailing, would have a conflict of interest in representing either the Company or Indemnitee in an action to determine Indemnitee's rights under this Agreement. The Company will pay the reasonable fees and expenses of the Independent Counsel referred to above and to fully indemnify such counsel against any and all expenses, claims, liabilities and damages arising out of or relating to this Agreement or its engagement pursuant hereto.

(h) "**Proceeding**" means any threatened, pending or completed action, suit, arbitration, mediation, alternate dispute resolution mechanism, investigation, inquiry, administrative hearing or proceeding, whether brought in the right of the Company or otherwise and whether of a civil, criminal, administrative or investigative nature, including any appeal therefrom and including without limitation any such Proceeding pending as of the date of this Agreement, in which Indemnitee was, is or will be involved as a party, a potential party, a non-party witness or otherwise by reason of (i) the fact that Indemnitee is or was a director or officer of the Company, (ii) any action taken by Indemnitee or any action or inaction on Indemnitee's part while acting as a director or officer of the Company, or (iii) the fact that he or she is or was serving at the request of the Company as a director, trustee, general partner, managing member, officer, employee, agent or fiduciary of the Company or any other Enterprise, in each case whether or not serving in such capacity at the time any liability or Expense is incurred for which indemnification or advancement of expenses can be provided under this Agreement.

(i) Reference to "**other enterprises**" shall include employee benefit plans; references to "**fines**" shall include any excise taxes assessed on a person with respect to any employee benefit plan; references to "**servicing at the request of the Company**" shall include any service as a director, officer, employee or agent of the Company or Enterprise which imposes duties on, or involves services by, such director, officer, employee or agent, including, without limitation, with respect to an employee benefit plan, its participants or beneficiaries; and a person who acted in good faith and in a manner he or she reasonably believed to be in the best interests of the participants and beneficiaries of an employee benefit plan shall be deemed to have acted in a manner "**not opposed to the best interests of the Company**" as referred to in this Agreement; references to "**to the fullest extent permitted by applicable law**" shall include, but not be limited to: (i) the fullest extent permitted by the provision of the DGCL that authorizes or contemplates additional indemnification by agreement, or the corresponding provision of any amendment to or replacement of the DGCL and (ii) the fullest extent authorized or permitted by any amendments to or replacements of the DGCL adopted after the date of this Agreement that increase the extent to which a corporation may indemnify its officers and directors..

2. **Indemnity in Third-Party Proceedings.** The Company shall indemnify Indemnitee in accordance with the provisions of this Section 2 if Indemnitee is, or is threatened to be made, a party to or a participant in any Proceeding, other than a Proceeding by or in the right of the Company to procure a

judgment in its favor. Pursuant to this Section 2, Indemnitee shall be indemnified and held harmless to the fullest extent permitted by applicable law against all Expenses, judgments, fines and amounts paid in settlement incurred by Indemnitee or on his or her behalf in connection with such Proceeding or any claim, issue or matter therein, if Indemnitee acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the Company and, with respect to any criminal action or proceeding, had no reasonable cause to believe that his or her conduct was unlawful. The parties hereto intend that this Agreement shall provide to the fullest extent permitted by law for indemnification in excess of that expressly permitted by statute.

**3. Indemnity in Proceedings by or in the Right of the Company.** The Company shall indemnify Indemnitee in accordance with the provisions of this Section 3 if Indemnitee is, or is threatened to be made, a party to or a participant in any Proceeding by or in the right of the Company to procure a judgment in its favor. Pursuant to this Section 3, Indemnitee shall be indemnified to the fullest extent permitted by applicable law against all Expenses, judgments, fines and amounts paid in settlement incurred by Indemnitee or on Indemnitee's behalf in connection with such Proceeding or any claim, issue or matter therein, if Indemnitee acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the Company. No indemnification for Expenses shall be made under this Section 3 in respect of any claim, issue or matter as to which Indemnitee shall have been finally adjudged by a court of competent jurisdiction to be liable to the Company, unless and only to the extent that the Delaware Court of Chancery or any court in which the Proceeding was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, Indemnitee is fairly and reasonably entitled to indemnification.

**4. Indemnification for Expenses of a Party Who is Wholly or Partly Successful.** To the extent that Indemnitee is a party to or a participant in and is successful (on the merits or otherwise) in defense of any Proceeding or any claim, issue or matter therein, the Company shall, to the fullest extent permitted by applicable law, indemnify and hold harmless Indemnitee against all Expenses incurred by Indemnitee or on Indemnitee's behalf in connection therewith. If Indemnitee is not wholly successful in such Proceeding but is successful, on the merits or otherwise, as to one or more but less than all claims, issues or matters in such Proceeding, the Company shall, to the fullest extent permitted by applicable law, indemnify and hold harmless Indemnitee against all Expenses actually and reasonably incurred by him or on his behalf in connection with each successfully resolved claim, issue or matter. If the Indemnitee is not wholly successful in such Proceeding, the Company also shall, to the fullest extent permitted by applicable law, indemnify and hold harmless Indemnitee against all Expenses actually and reasonably incurred by him or on his behalf in connection with any claim, issue, or matter on which the Indemnitee was successful. For purposes of this section, the termination of any claim, issue or matter in such a Proceeding by dismissal, with or without prejudice, shall be deemed to be a successful result as to such claim, issue or matter.

**5. Indemnification for Expenses of a Witness.** To the extent that Indemnitee is, by reason of his or her Corporate Status, a witness in any Proceeding to which Indemnitee is not a party, Indemnitee shall be indemnified to the fullest extent permitted by applicable law against all Expenses actually and reasonably incurred by Indemnitee or on Indemnitee's behalf in connection therewith.

**6. Additional Indemnification.**

(a) Notwithstanding any limitation in Sections 2, 3 or 4, the Company shall indemnify Indemnitee to the fullest extent permitted by applicable law if Indemnitee is, or is threatened to be made, a party to or a participant in any Proceeding (including a Proceeding by or in the right of the Company to procure a judgment in its favor) against all Expenses, judgments, fines and amounts paid in settlement incurred by Indemnitee or on his or her behalf in connection with the Proceeding or any claim, issue or matter therein.

7. **Exclusions.** Notwithstanding any provision in this Agreement, the Company shall not be obligated under this Agreement to make any indemnity in connection with any Proceeding (or any part of any Proceeding):

(a) for which payment has actually been made to or on behalf of Indemnitee under any statute, insurance policy, indemnity provision, vote or otherwise, except with respect to any excess beyond the amount actually paid provided, that the foregoing shall not affect the rights of Indemnitee;

(b) for an accounting or disgorgement of profits pursuant to Section 16(b) of the Securities Exchange Act of 1934, as amended, or similar provisions of federal, state or local statutory law or common law, if Indemnitee is held liable therefor (including pursuant to any settlement arrangements);

(c) for any reimbursement of the Company by Indemnitee of any bonus or other incentive-based or equity-based compensation or of any profits realized by Indemnitee from the sale of securities of the Company, as required in each case under the Securities Exchange Act of 1934, as amended (including any such reimbursements that arise from an accounting restatement of the Company pursuant to Section 304 of the Sarbanes-Oxley Act of 2002 (the "**Sarbanes-Oxley Act**"), or the payment to the Company of profits arising from the purchase and sale by Indemnitee of securities in violation of Section 306 of the Sarbanes-Oxley Act), if Indemnitee is held liable therefor (including pursuant to any settlement arrangements); or

(d) initiated by Indemnitee, including any Proceeding (or any part of any Proceeding) initiated by Indemnitee (other than with respect to any compulsory counterclaim brought by Indemnitee or a Proceeding brought to establish or enforce a right to indemnification, advancement of Expenses, or contribution under this Agreement) against the Company or its directors, officers, employees, agents or other indemnitees, unless (i) the Company's board of directors authorized the Proceeding (or the relevant part of the Proceeding) prior to its initiation, (ii) the Company provides the indemnification, in its sole discretion, pursuant to the powers vested in the Company under applicable law, (iii) otherwise authorized in Section 12(d), or (iv) otherwise required by applicable law.

8. **Advances of Expenses.** Notwithstanding any provision of this Agreement to the contrary, and to the fullest extent not prohibited by applicable law, the Company shall advance the Expenses incurred by Indemnitee in connection with any Proceeding prior to its final disposition, and such advancement shall be made as soon as reasonably practicable, but in any event no later than 30 days, after the receipt by the Company of a written statement or statements requesting such advances from time to time (which shall include invoices received by Indemnitee in connection with such Expenses but, in the case of invoices in connection with legal services, any references to legal work performed or to expenditure made that would cause Indemnitee to waive any privilege accorded by applicable law shall not be included with the invoice). Advances shall be unsecured and interest free and made without regard to Indemnitee's ability to repay such advances and without regard to Indemnitee's ultimate entitlement to be indemnified or held harmless under the other provisions of this Agreement. Indemnitee hereby undertakes to repay any advance to the extent that it is ultimately determined that Indemnitee is not entitled to be indemnified by the Company. This Section 8 shall not apply to the extent advancement is prohibited by law and shall not apply to any Proceeding (or any part of any Proceeding) for which indemnity is not permitted under this Agreement, but shall apply to any Proceeding (or any part of any Proceeding) referenced in Section 7(b) or 7(c) prior to a determination that Indemnitee is not entitled to be indemnified by the Company.



**9. Procedures for Notification and Defense of Claim.**

(a) Indemnitee shall notify the Company in writing of any matter with respect to which Indemnitee intends to seek indemnification or advancement of Expenses as soon as reasonably practicable following the receipt by Indemnitee of notice thereof. The written notification to the Company shall include, in reasonable detail, a description of the nature of the Proceeding and the facts underlying the Proceeding. The failure by Indemnitee to notify the Company will not relieve the Company from any liability which it may have to Indemnitee hereunder or otherwise than under this Agreement, and any delay in so notifying the Company shall not constitute a waiver by Indemnitee of any rights, except and only to the extent that such failure or delay materially prejudices the Company. The Company will be entitled to participate in the Proceeding at its own expense.

(b) If, at the time of the receipt of a notice of a Proceeding pursuant to the terms hereof, the Company has directors' and officers' liability insurance in effect that may be applicable to the Proceeding, the Company shall give prompt notice of the commencement of the Proceeding to the insurers in accordance with the procedures set forth in the applicable policies. The Company shall thereafter take all commercially-reasonable action to cause such insurers to pay, on behalf of Indemnitee, all amounts payable as a result of such Proceeding in accordance with the terms of such policies.

(c) The Company shall not be liable to indemnify Indemnitee for any settlement of any Proceeding (or any part thereof) without the Company's prior written consent, which consent shall not be unreasonably withheld, conditioned or delayed; provided, however, that the Company may in any event decline to consent to (or to otherwise admit or agree to any liability for indemnification hereunder in respect of) any proposed settlement if the Company is also a party in such Proceeding and determines in good faith that such settlement is not in the best interests of the Company and its stockholders..

(d) The Company shall not settle any Proceeding (or any part thereof) in which Indemnitee is or could have been a party without Indemnitee's prior written consent unless such settlement solely involves the payment of money and includes a complete and unconditional release of the Indemnitee from all liability on any claims that are the subject matter of such Proceeding; provided, however, that Indemnitee will not unreasonably withhold his or her consent to any proposed settlement.

**10. Procedures upon Application for Indemnification.**

(a) To obtain indemnification, Indemnitee shall submit to the Company a written request, including therein or therewith such documentation and information as is reasonably available to Indemnitee and as is reasonably necessary to determine whether and to what extent Indemnitee is entitled to indemnification following the final disposition of the Proceeding. Any delay in providing the request will not relieve the Company from its obligations under this Agreement, except to the extent such failure is prejudicial.

(b) Upon written request by Indemnitee for indemnification pursuant to Section 10(a), a determination with respect to Indemnitee's entitlement thereto shall be made in the specific case (i) if a Change in Control shall have occurred, by Independent Counsel in a written opinion to the Company's board of directors, a copy of which shall be delivered to Indemnitee or (ii) if a Change in Control shall not have occurred, (A) by a majority vote of the Disinterested Directors, even though less than a quorum of the Company's board of directors, (B) by a committee of Disinterested Directors designated by a majority vote of the Disinterested Directors, even though less than a quorum of the Company's board of directors, (C) if there are no such Disinterested Directors or, if such Disinterested

Directors so direct, by Independent Counsel in a written opinion to the Company's board of directors, a copy of which shall be delivered to Indemnitee or (D) if so directed by the Company's board of directors, by the stockholders of the Company. If it is determined that Indemnitee is entitled to indemnification, payment to Indemnitee shall be made within ten days after such determination. Indemnitee shall cooperate with the person, persons or entity making the determination with respect to Indemnitee's entitlement to indemnification, including providing to such person, persons or entity upon reasonable advance request any documentation or information that is not privileged or otherwise protected from disclosure and that is reasonably available to Indemnitee and reasonably necessary to such determination. Any costs or expenses (including attorneys' fees and disbursements) actually and reasonably incurred by Indemnitee in so cooperating with the person, persons or entity making such determination shall be borne by the Company, to the extent permitted by applicable law.

(c) In the event the determination of entitlement to indemnification is to be made by Independent Counsel pursuant to Section 10(b), the Independent Counsel shall be selected as provided in this Section 10(c). If a Change in Control shall not have occurred, the Independent Counsel shall be selected by the Company's board of directors, and the Company shall give written notice to Indemnitee advising him or her of the identity of the Independent Counsel so selected. If a Change in Control shall have occurred, the Independent Counsel shall be selected by Indemnitee (unless Indemnitee shall request that such selection be made by the Company's board of directors, in which event the preceding sentence shall apply), and Indemnitee shall give written notice to the Company advising it of the identity of the Independent Counsel so selected. In either event, Indemnitee or the Company, as the case may be, may, within ten days after such written notice of selection shall have been given, deliver to the Company or to Indemnitee, as the case may be, a written objection to such selection; *provided, however*, that such objection may be asserted only on the ground that the Independent Counsel so selected does not meet the requirements of "Independent Counsel" as defined in Section 1 of this Agreement, and the objection shall set forth with particularity the factual basis of such assertion. Absent a proper and timely objection, the person so selected shall act as Independent Counsel. If such written objection is so made and substantiated, the Independent Counsel so selected may not serve as Independent Counsel unless and until such objection is withdrawn or a court has determined that such objection is without merit. If, within 20 days after the submission by Indemnitee of a written request for indemnification pursuant to Section 10(a) hereof, no Independent Counsel shall have been selected and not objected to, either the Company or Indemnitee may petition a court of competent jurisdiction for resolution of any objection which shall have been made by the Company or Indemnitee to the other's selection of Independent Counsel and/or for the appointment as Independent Counsel of a person selected by the court or by such other person as the court shall designate, and the person with respect to whom all objections are so resolved or the person so appointed shall act as Independent Counsel under Section 10(b) hereof. Upon the due commencement of any judicial proceeding or arbitration pursuant to Section 12(a) of this Agreement, the Independent Counsel shall be discharged and relieved of any further responsibility in such capacity (subject to the applicable standards of professional conduct then prevailing).

(d) The Company agrees to pay the reasonable fees and expenses of any Independent Counsel.

#### **11. Presumptions and Effect of Certain Proceedings.**

(a) In making a determination with respect to entitlement to indemnification hereunder, the person, persons or entity making such determination shall presume that Indemnitee is entitled to indemnification under this Agreement. Anyone seeking to overcome this presumption shall have the burden of proof to overcome that presumption and the burden of persuasion to establish by clear and convincing evidence that Indemnitee is not so entitled. Neither the failure of the Company (including by its directors or Independent Counsel) to have made a determination prior to the commencement of any

action pursuant to this Agreement that indemnification is proper in the circumstances because Indemnitee has met the applicable standard of conduct, nor an actual determination by the Company (including by its directors or Independent Counsel) that Indemnitee has not met such applicable standard of conduct, shall be a defense to the action or create a presumption that Indemnitee has not met the applicable standard of conduct.

(b) The termination of any Proceeding or of any claim, issue or matter therein, by judgment, order, settlement or conviction, or upon a plea of *nolo contendere* or its equivalent, shall not of itself adversely affect the right of Indemnitee to indemnification or create a presumption that Indemnitee did not act in good faith and in a manner which he or she reasonably believed to be in or not opposed to the best interests of the Company or, with respect to any criminal Proceeding, that Indemnitee had reasonable cause to believe that his or her conduct was unlawful. In the event that any Proceeding to which Indemnitee is a party is resolved in any manner other than by adverse judgment against Indemnitee (including, without limitation, settlement of such action, claim or proceeding with or without payment of money or other consideration) it shall be presumed that Indemnitee has been successful on the merits or otherwise in such Proceeding. Anyone seeking to overcome this presumption shall have the burden of proof and the burden of persuasion by clear and convincing evidence.

(c) Neither the knowledge, actions nor failure to act of any other director, officer, agent or employee of the Enterprise shall be imputed to Indemnitee for purposes of determining the right to indemnification under this Agreement.

(d) For purposes of any determination of good faith, Indemnitee shall be deemed to have acted in good faith if Indemnitee's action is based on the records or books of account of the Enterprise, including financial statements, or on information supplied to Indemnitee by the directors or officers of the Enterprise in the course of their duties, or on the advice of legal counsel for the Enterprise, its Board, any committee of the Board or any director, or on information or records given or reports made to the Enterprise, its Board, any committee of the Board or any director, by an independent certified public accountant or by an appraiser or other expert selected by the Enterprise, its Board, any committee of the Board or any director. The provisions of this Section 11(d) shall not be deemed to be exclusive or to limit in any way the other circumstances in which the Indemnitee may be deemed or found to have met the applicable standard of conduct set forth in this Agreement.

## 12. Remedies of Indemnitee.

(a) In the event that (i) a determination is made pursuant to Section 10 of this Agreement that Indemnitee is not entitled to indemnification under this Agreement, (ii) advancement of Expenses is not timely made pursuant to Section 8 of this Agreement, (iii) no determination of entitlement to indemnification shall have been made pursuant to Section 10 of this Agreement within 90 days after receipt by the Company of the request for indemnification, (iv) payment of indemnification pursuant to this Agreement is not made (A) within ten days after a determination has been made that Indemnitee is entitled to indemnification or (B) with respect to indemnification pursuant to Sections 4, 5 and 12(d) of this Agreement, within 30 days after receipt by the Company of a written request therefor, (v) a contribution payment is not made in a timely manner pursuant to Section 13 of this Agreement, or (vi) the Company or any other person or entity takes or threatens to take any action to declare this Agreement void or unenforceable, or institutes any litigation or other action or proceeding designed to deny, or to recover from, Indemnitee the benefits provided or intended to be provided to Indemnitee hereunder, then Indemnitee shall be entitled to an adjudication by a court of competent jurisdiction of his or her entitlement to such indemnification, hold harmless, contribution or advancement rights. Alternatively, Indemnitee, at his or her option, may seek an award in arbitration with respect to his or her entitlement to such indemnification or advancement of Expenses, to be conducted by a single arbitrator pursuant to the

Commercial Arbitration Rules of the American Arbitration Association. Except as set forth herein, the provisions of Delaware law (without regard to its conflict of laws rules) shall apply to any such arbitration. The Company shall not oppose Indemnitee's right to seek any such adjudication or award in arbitration in accordance with this Agreement.

(b) Neither (i) the failure of the Company, its board of directors, any committee or subgroup of the board of directors, Independent Counsel or stockholders to have made a determination that indemnification of Indemnitee is proper in the circumstances because Indemnitee has met the applicable standard of conduct, nor (ii) an actual determination by the Company, its board of directors, any committee or subgroup of the board of directors, Independent Counsel or stockholders that Indemnitee has not met the applicable standard of conduct, shall create a presumption that Indemnitee has or has not met the applicable standard of conduct. In the event that a determination shall have been made pursuant to Section 10 of this Agreement that Indemnitee is not entitled to indemnification, any judicial proceeding or arbitration commenced pursuant to this Section 12 shall be conducted in all respects as a *de novo* trial, or arbitration, on the merits, and Indemnitee shall not be prejudiced by reason of that adverse determination. In any judicial proceeding or arbitration commenced pursuant to this Section 12, the Company shall, to the fullest extent not prohibited by law, have the burden of proving Indemnitee is not entitled to indemnification or advancement of Expenses, as the case may be.

(c) To the fullest extent not prohibited by law, the Company shall be precluded from asserting in any judicial proceeding or arbitration commenced pursuant to this Section 12 that the procedures and presumptions of this Agreement are not valid, binding and enforceable and shall stipulate in any such court or before any such arbitrator that the Company is bound by all the provisions of this Agreement. If a determination shall have been made pursuant to Section 10 of this Agreement that Indemnitee is entitled to indemnification, the Company shall be bound by such determination in any judicial proceeding or arbitration commenced pursuant to this Section 12, absent (i) a misstatement by Indemnitee of a material fact, or an omission of a material fact necessary to make Indemnitee's statements not materially misleading, in connection with the request for indemnification, or (ii) a prohibition of such indemnification under applicable law.

(d) To the extent not prohibited by law, the Company shall indemnify Indemnitee against all Expenses that are incurred by Indemnitee in connection with any action for indemnification or advancement of Expenses from the Company under this Agreement or under any directors' and officers' liability insurance policies maintained by the Company to the extent Indemnitee is successful in such action, and, if requested by Indemnitee, shall (as soon as reasonably practicable, but in any event no later than 90 days, after receipt by the Company of a written request therefor) advance such Expenses to Indemnitee, subject to the provisions of Section 8.

(e) Notwithstanding anything in this Agreement to the contrary, no determination as to entitlement to indemnification shall be required to be made prior to the final disposition of the Proceeding.

13. **Contribution.** To the fullest extent permissible under applicable law, if the indemnification provided for in this Agreement is unavailable to Indemnitee, the Company, in lieu of indemnifying Indemnitee, shall contribute to the amounts incurred by Indemnitee, whether for Expenses, judgments, fines or amounts paid or to be paid in settlement, in connection with any claim relating to an indemnifiable event under this Agreement, in such proportion as is deemed fair and reasonable in light of all of the circumstances of such Proceeding in order to reflect (i) the relative benefits received by the Company and Indemnitee as a result of the events and transactions giving rise to such Proceeding; and (ii) the relative fault of Indemnitee and the Company (and its other directors, officers, employees and agents) in connection with such events and transactions.

14. **Non-exclusivity.** The rights of Indemnitee as provided by this Agreement shall not be deemed exclusive of any other rights to which Indemnitee may at any time be entitled under applicable law, the Company's certificate of incorporation or bylaws, any agreement, a vote of stockholders or a resolution of directors, or otherwise. To the extent that a change in Delaware law, whether by statute or judicial decision, permits greater indemnification or advancement of Expenses than would be afforded currently under the Company's certificate of incorporation and bylaws and this Agreement, it is the intent of the parties hereto that Indemnitee shall enjoy by this Agreement the greater benefits so afforded by such change, subject to the restrictions expressly set forth herein or therein. Except as expressly set forth herein, no right or remedy herein conferred is intended to be exclusive of any other right or remedy, and every other right and remedy shall be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. Except as expressly set forth herein, the assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other right or remedy. The DGCL and the bylaws permit the Company to purchase and maintain insurance or furnish similar protection or make other arrangements including, but not limited to, providing a trust fund, letter of credit, or surety bond ("**Indemnification Arrangements**") on behalf of Indemnitee against any liability asserted against him or incurred by or on behalf of him or in such capacity as a director, officer, employee or agent of the Company, or arising out of his status as such, whether or not the Company would have the power to indemnify him against such liability under the provisions of this Agreement or under the DGCL, as it may then be in effect. The purchase, establishment, and maintenance of any such Indemnification Arrangement shall not in any way limit or affect the rights and obligations of the Company or of the Indemnitee under this Agreement except as expressly provided herein, and the execution and delivery of this Agreement by the Company and the Indemnitee shall not in any way limit or affect the rights and obligations of the Company or the other party or parties thereto under any such Indemnification Arrangement.

15. **Primary Responsibility.** The Company acknowledges that Indemnitee has certain rights to indemnification and advancement of expenses provided by an entity the Indemnitee served or is serving and certain affiliates thereof (collectively, the "**Secondary Indemnitors**"). The Company agrees that, as between the Company and the Secondary Indemnitors, the Company is primarily responsible for amounts required to be indemnified or advanced under the Company's certificate of incorporation or bylaws or this Agreement and any obligation of the Secondary Indemnitors to provide indemnification or advancement for the same amounts is secondary to those Company obligations. To the extent not in contravention of any insurance policy or policies providing liability or other insurance for the Company or any director, trustee, general partner, managing member, officer, employee, agent or fiduciary of the Company or any other Enterprise, the Company waives any right of contribution or subrogation against the Secondary Indemnitors with respect to the liabilities for which the Company is primarily responsible under this Section 15. In the event of any payment by the Secondary Indemnitors of amounts otherwise required to be indemnified or advanced by the Company under the Company's certificate of incorporation or bylaws or this Agreement, the Secondary Indemnitors shall be subrogated to the extent of such payment to all of the rights of recovery of Indemnitee for indemnification or advancement of expenses under the Company's certificate of incorporation or bylaws or this Agreement or, to the extent such subrogation is unavailable and contribution is found to be the applicable remedy, shall have a right of contribution with respect to the amounts paid; *provided, however*, that the foregoing sentence will be deemed void if and to the extent that it would violate any applicable insurance policy. The Secondary Indemnitors are express third-party beneficiaries of the terms of this Section 15.

16. **No Duplication of Payments.** The Company shall not be liable under this Agreement to make any payment of amounts otherwise indemnifiable hereunder (or for which advancement is provided hereunder) if and to the extent that Indemnitee has otherwise actually received payment for such amounts under any insurance policy, contract, agreement or otherwise.

17. **Insurance.** To the extent that the Company maintains an insurance policy or policies providing liability insurance for directors, trustees, general partners, managing members, officers, employees, agents or fiduciaries of the Company or any other Enterprise, Indemnitee shall be covered by such policy or policies to the same extent as the most favorably-insured persons under such policy or policies in a comparable position.

18. **Subrogation.** In the event of any payment under this Agreement, the Company shall be subrogated to the extent of such payment to all of the rights of recovery of Indemnitee, who shall execute all papers required and take all action necessary to secure such rights, including execution of such documents as are necessary to enable the Company to bring suit to enforce such rights.

19. **Services to the Company.** Indemnitee agrees to serve as a director or officer of the Company or, at the request of the Company, as a director, trustee, general partner, managing member, officer, employee, agent or fiduciary of another Enterprise, for so long as Indemnitee is duly elected or appointed or until Indemnitee tenders his or her resignation or is removed from such position. Indemnitee may at any time and for any reason resign from such position (subject to any other contractual obligation or any obligation imposed by operation of law), in which event the Company shall have no obligation under this Agreement to continue Indemnitee in such position. This Agreement shall not be deemed an employment contract between the Company (or any of its subsidiaries or any Enterprise) and Indemnitee. Indemnitee specifically acknowledges that any employment with the Company (or any of its subsidiaries or any Enterprise) is at will, and Indemnitee may be discharged at any time for any reason, with or without cause, with or without notice, except as may be otherwise expressly provided in any executed, written employment contract between Indemnitee and the Company (or any of its subsidiaries or any Enterprise), any existing formal severance policies adopted by the Company's board of directors or, with respect to service as a director or officer of the Company, the Company's certificate of incorporation or bylaws or the DGCL. No such document shall be subject to any oral modification thereof.

20. **Duration.** This Agreement shall continue during the period Indemnitee serves as a director or officer of the Company or as a director, officer, trustee, partner, manager, managing member, fiduciary, advisor, employee or agent of any other corporation, partnership, joint venture, trust, employee benefit plan or other Enterprise which Indemnitee serves at the request of the Company and shall continue thereafter so long as Indemnitee shall be subject to any possible Proceeding (including any rights of appeal thereto and any Proceeding commenced by Indemnitee pursuant to Section 12 of this Agreement) by reason of Indemnitee's Corporate Status, whether or not Indemnitee is acting in any such capacity at the time any liability or expense is incurred for which indemnification or advancement can be provided under this Agreement..

21. **Successors.** This Agreement shall be binding upon the Company and its successors and assigns, including any direct or indirect successor, by purchase, merger, consolidation or otherwise, to all or substantially all of the business or assets of the Company, and shall inure to the benefit of Indemnitee and Indemnitee's heirs, executors and administrators. The Company shall require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business or assets of the Company, expressly to assume and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform if no such succession had taken place.

22. **Severability.** Nothing in this Agreement is intended to require or shall be construed as requiring the Company to do or fail to do any act in violation of applicable law. The Company's inability, pursuant to court order or other applicable law, to perform its obligations under this Agreement shall not constitute a breach of this Agreement. If any provision or provisions of this Agreement shall be held to be invalid, illegal or unenforceable for any reason whatsoever: (i) the validity, legality and enforceability of

the remaining provisions of this Agreement (including without limitation, each portion of any section of this Agreement containing any such provision held to be invalid, illegal or unenforceable, that is not itself invalid, illegal or unenforceable) shall not in any way be affected or impaired thereby and shall remain enforceable to the fullest extent permitted by law; (ii) such provision or provisions shall be deemed reformed to the extent necessary to conform to applicable law and to give the maximum effect to the intent of the parties hereto; and (iii) to the fullest extent possible, the provisions of this Agreement (including, without limitation, each portion of any section of this Agreement containing any such provision held to be invalid, illegal or unenforceable, that is not itself invalid, illegal or unenforceable) shall be construed so as to give effect to the intent manifested thereby.

23. **Enforcement.** The Company expressly confirms and agrees that it has entered into this Agreement and assumed the obligations imposed on it hereby in order to induce Indemnitee to serve as a director or officer of the Company, and the Company acknowledges that Indemnitee is relying upon this Agreement in serving as a director or officer of the Company.

24. **Entire Agreement.** This Agreement constitutes the entire agreement between the parties hereto with respect to the subject matter hereof and supersedes all prior agreements and understandings, oral, written and implied, between the parties hereto with respect to the subject matter hereof; *provided, however*, that this Agreement is a supplement to and in furtherance of the Company's certificate of incorporation and bylaws and applicable law, and shall not be deemed a substitute therefor, and does not diminish or abrogate any rights of Indemnitee thereunder.

25. **Modification and Waiver.** No supplement, modification or amendment to this Agreement shall be binding unless executed in writing by the parties hereto. No amendment, alteration or repeal of this Agreement shall adversely affect any right of Indemnitee under this Agreement in respect of any action taken or omitted by such Indemnitee in his or her Corporate Status prior to such amendment, alteration or repeal. No waiver of any of the provisions of this Agreement shall constitute or be deemed a waiver of any other provision of this Agreement nor shall any waiver constitute a continuing waiver.

26. **Notices.** All notices and other communications required or permitted hereunder shall be in writing and shall be mailed by registered or certified mail, postage prepaid, sent by facsimile or electronic mail or otherwise delivered by hand, messenger or courier service addressed:

(a) if to Indemnitee, to Indemnitee's address, facsimile number or electronic mail address as shown on the signature page of this Agreement or in the Company's records, as may be updated in accordance with the provisions hereof; or

(b) if to the Company, to the attention of the Chief Executive Officer or Chief Financial Officer of the Company at 13241 Woodland Park Road, Suite 300, Herndon, VA 20171, or at such other current address as the Company shall have furnished to Indemnitee, with a copy (which shall not constitute notice) to Craig Sherman, Wilson Sonsini Goodrich & Rosati, P.C., 701 Fifth Avenue, Suite 5100, Seattle, WA 98104-7036.

Each such notice or other communication shall for all purposes of this Agreement be treated as effective or having been given (i) if delivered by hand, messenger or courier service, when delivered (or if sent *via* a nationally-recognized overnight courier service, freight prepaid, specifying next-business-day delivery, one business day after deposit with the courier), (ii) if sent *via* mail, at the earlier of its receipt or five days after the same has been deposited in a regularly-maintained receptacle for the deposit of the United States mail, addressed and mailed as aforesaid, or (iii) if sent *via* facsimile, upon confirmation of facsimile transfer or, if sent *via* electronic mail, upon confirmation of delivery when directed to the relevant electronic mail address, if sent during normal business hours of the recipient, or if not sent during normal business hours of the recipient, then on the recipient's next business day.

27. **Applicable Law and Consent to Jurisdiction.** This Agreement and the legal relations among the parties shall be governed by, and construed and enforced in accordance with, the laws of the State of Delaware, without regard to its conflict of laws rules. Except with respect to any arbitration commenced by Indemnitee pursuant to Section 12(a) of this Agreement, the Company and Indemnitee hereby irrevocably and unconditionally (i) agree that any action or proceeding arising out of or in connection with this Agreement shall be brought only in the Delaware Court of Chancery, and not in any other state or federal court in the United States of America or any court in any other country, (ii) consent to submit to the exclusive jurisdiction of the Delaware Court of Chancery for purposes of any action or proceeding arising out of or in connection with this Agreement, (iii) appoint, to the extent such party is not otherwise subject to service of process in the State of Delaware, The Corporation Trust Company, 1209 Orange Street, in the City of Wilmington, County of New Castle, Delaware 19801, as its agent in the State of Delaware as such party's agent for acceptance of legal process in connection with any such action or proceeding against such party with the same legal force and validity as if served upon such party personally within the State of Delaware, (iv) waive any objection to the laying of venue of any such action or proceeding in the Delaware Court of Chancery, and (v) waive, and agree not to plead or to make, any claim that any such action or proceeding brought in the Delaware Court of Chancery has been brought in an improper or inconvenient forum.

28. **Counterparts.** This Agreement may be executed in one or more counterparts, each of which shall for all purposes be deemed to be an original but all of which together shall constitute one and the same Agreement. This Agreement may also be executed and delivered by facsimile signature and in counterparts, each of which shall for all purposes be deemed to be an original but all of which together shall constitute one and the same Agreement. Only one such counterpart signed by the party against whom enforceability is sought needs to be produced to evidence the existence of this Agreement.

29. **Captions.** The headings of the paragraphs of this Agreement are inserted for convenience only and shall not be deemed to constitute part of this Agreement or to affect the construction thereof.

*(signature page follows)*



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The parties are signing this Indemnification Agreement as of the date stated in the introductory sentence.

**BLACKSKY TECHNOLOGY INC.**

\_\_\_\_\_  
*(Signature)*

\_\_\_\_\_  
*(Print name)*

\_\_\_\_\_  
*(Title)*

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**[INSERT INDEMNITEE NAME]**

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*(Signature)*

---

*(Print name)*

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*(Street address)*

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*(City, State and ZIP)*

**FIRST AMENDMENT, CONSENT AND JOINDER TO  
AMENDED AND RESTATED LOAN AND SECURITY AGREEMENT**

**THIS FIRST AMENDMENT, CONSENT AND JOINDER TO AMENDED AND RESTATED LOAN AND SECURITY AGREEMENT** (this "**Amendment**") is entered into September 9, 2021 (the "**First Amendment Effective Date**"), by and among INTELSAT JACKSON HOLDINGS SA ("**Intelsat**"), as lender, SEAHAWK SPV INVESTMENT LLC, as lender, the other lenders from time to time party hereto (such lenders, together with their respective successors and assigns are referred to herein each, individually, as a "**Lender**" and, collectively, as the "**Lenders**"), Intelsat, as collateral agent for the Lenders (in its capacity as collateral agent for benefit of the Lenders, the "**Collateral Agent**"), BLACKSKY TECHNOLOGY INC., a Delaware corporation ("**New Parent**"), BLACKSKY INTERNATIONAL LLC, a Delaware limited liability company ("**Blacksky International**") and together with New Parent, the "**New Co-Borrowers**" and each a "**New Co-Borrower**"), BLACKSKY HOLDINGS, INC., a Delaware corporation ("**Blacksky Holdings**"), SPACEFLIGHT SYSTEMS, INC., a Washington corporation ("**Spaceflight Systems**"), BLACKSKY GLOBAL LLC, a Delaware limited liability company ("**Blacksky Global**"), BLACKSKY GEOSPATIAL SOLUTIONS, INC., a Delaware corporation ("**Blacksky Geospatial**"), and SFI IP HOLDCO, LLC, a Delaware limited liability company ("**IP Holdco**"), and together with New Parent, Blacksky International, Blacksky Holdings, Spaceflight Systems, Blacksky Global and Blacksky Geospatial, each, a "**Co-Borrower**" and collectively, the "**Co-Borrowers**").

**RECITALS**

- A. The Co-Borrowers, other than the New Co-Borrowers, Intelsat and Seahawk are party to that certain Amended and Restated Loan and Security Agreement, dated as of October 31, 2019 (as amended, restated, amended and restated, supplemented or otherwise modified prior to the date hereof, the "**Loan Agreement**" and the Loan Agreement as amended by this Amendment, the "**Amended Loan Agreement**").
- B. The Lenders have extended credit to the Co-Borrowers for the purposes permitted in the Loan Agreement.
- C. The Co-Borrowers have requested that the Collateral Agent and the Lenders amend the Loan Agreement to (i) make certain conforming changes to account for Blacksky Holdings and its subsidiaries becoming subsidiaries of New Parent, which is a publicly traded company, (ii) consent to the extension of the timeline for the joinder of BlackSky Europe Limited, a company organized under the laws of England and Wales ("**UK Subsidiary**") and (iii) add the New Co-Borrowers as Co-Borrowers under the Loan Agreement.
- D. The Lenders and the Collateral Agent have agreed to (i) amend the Loan Agreement to account for Blacksky Holdings and its subsidiaries becoming subsidiaries of a publicly traded company, (ii) consent to the extension of the joinder timeline for the UK Subsidiary, and (iii) amend the Loan Agreement to add each New Co-Borrower as a Co-Borrower under the Loan Agreement, each in accordance with the terms, subject to the conditions and in reliance upon the representations and warranties set forth below.

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**AGREEMENT**

**NOW, THEREFORE**, in consideration of the foregoing recitals and other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, and intending to be legally bound, the parties hereto agree as follows:

**1. Definitions.** Capitalized terms used but not defined in this Amendment, including its preamble and recitals, shall have the meanings given to them in the Amended Loan Agreement.

**2. Amendments to Loan Agreement.**

**2.1** All references in the Loan Documents to “Co-Borrowers” shall hereafter include each New Co-Borrower.

**2.2** All references in the Loan Documents, to “Parent” shall hereafter be a reference to BlackSky Technology Inc., except for such references to Parent in Sections 2.1.1, 3, 5.11, 13.3 and 14 (with respect to the definitions of “Launch Business”, “Mitsui Intercreditor Agreement”, Mitsui Loan Agreement”, “Mitsui Priority Collateral”, “Mitsui Share Purchase Agreement” and “Stock Purchase Agreement”) of the Loan Agreement, which shall hereafter be amended to read and refer to “Blacksky Holdings”.

**2.3 Section 6.2(a) (Financial Statements, Reports, Certificates; Access to Collateral and Books and Records.** Section 6.2(a) of the Loan Agreement is hereby amended and restated in its entirety to read as follows:

“(a) Deliver to each Lender: (i) as soon as available and in any event on or before the date on which such financial statements are required to be filed with the SEC (or, if such financial statements are not required to be filed with the SEC, no later than forty-five (45) days after the last day of each of the first three fiscal quarters of each fiscal year of Parent), a company prepared consolidated balance sheet and income statement covering Parent and each of its Subsidiary’s operations during the period in a form compliant with SEC rules and regulations (or, if such financial statements are not required to be filed with the SEC, then in a form reasonably acceptable to Collateral Agent (at the direction of the Required Lenders)); (ii) with respect to each fiscal year of Parent, as soon as available and in any event on or before the date on which such financial statements are required to be filed with the SEC (or, if such financial statements are not required to be filed with the SEC, no later than ninety (90) days after the last day of such fiscal year), audited consolidated financial statements prepared under GAAP, consistently applied, together with an unqualified opinion (other than any exception, explanatory paragraph, or qualification, that is expressly solely with respect to, or expressly resulting solely from, an upcoming maturity date under any indebtedness) on the financial statements from an independent certified public accounting firm; (iii) within five (5) days of filing, copies of all periodic and other reports, proxy statements and other materials filed by Parent with the SEC, any Governmental Authority succeeding to any or all of the functions of the SEC or with any national securities exchange, or distributed to its shareholders, as the case may be

(documents required to be delivered pursuant to the terms of Section 6.2(a)(i), (ii) and (iii) (to the extent any such documents are included in materials otherwise filed with the SEC, including pursuant to an 8-K, 10-Q or 10-K) may be delivered electronically and if so delivered, shall be deemed to have been delivered on the date on which Parent posts such documents, or provides a link thereto, on Parent's website on the internet at Parent's website address, or are available at www.sec.gov (or any successor site maintained by the SEC for similar purposes); (iv) a prompt report of any legal actions pending or threatened against any Co-Borrower or any Subsidiary that could reasonably be expected to result in damages or costs to any Co-Borrower or any Subsidiary of One Hundred Thousand Dollars (\$100,000) or more; (v) as soon as available, but no later than the earlier of (I) fifteen (15) days after approval by Parent's Board of Directors or (II) January 31st of each year, annual financial projections approved by Parent's Board of Directors; and (vi) such other budgets, sales projections, operating plans or other financial information reasonably requested by Collateral Agent (at the direction of the Required Lenders)."

**2.4 Section 7.2 (Changes in Business, Management, Ownership, Control, Business Locations, Operating Documents, Fiscal Year)**

The first paragraph of Section 7.2 of the Loan Agreement is hereby amended and restated in its entirety to read as follows:

**"7.2 Changes in Business, Management, Ownership, Control, Business Locations, Operating Documents, Fiscal Year**

(a) Engage in or permit any of their Subsidiaries to engage in any business other than the businesses currently engaged in by Co-Borrowers and their Subsidiaries, as applicable, and any other business activities which are extensions thereof or otherwise incidental, complimentary or reasonably related or incidental thereto or ancillary to the foregoing; (b) liquidate or dissolve; (c)(i) at any time consummate any transaction in which any "person" or "group" (as such terms are used in Sections 13(d) and 14(d) of the Exchange Act), shall become, or obtain rights (whether by means or warrants, options or otherwise) to become, the "beneficial owner" (as defined in Rules 13(d)-3 and 13(d) 5 under the Exchange Act), directly or indirectly, of forty percent (40%) or more of the ordinary voting power for the election of directors of Parent (determined on a fully diluted basis), (ii) consummate any transaction or series of related transactions which result in the sale or disposition of all or substantially all assets of the Co-Borrowers, taken as a whole, or (iii) during any period of twelve (12) consecutive months, a majority of the members of the board of directors or other equivalent governing body of the Parent cease to be composed of individuals (x) who were members of that board or equivalent governing body on the first day of such period, (y) whose election or nomination to that board or equivalent governing body was approved by individuals referred to in clause (x) above constituting at the time of such election or nomination at least a majority of that board or equivalent governing body or (z) whose election or nomination to that board or other equivalent governing body was approved by individuals referred to in clauses (x) and (y) above constituting at the time of such election or nomination at least a majority of that board or equivalent governing body (the transaction or series of transactions described by this clause (c), a "**Change of Control**"); (d)

amend or modify in any manner materially adverse to the Lenders (solely in their capacity as lenders hereunder): (i) any Operating Document of a Co-Borrower or (ii) the Industrial JV LLC Agreement (except to the extent modified by or in connection with the consent contemplated in Section 3.1(l) hereof), or (e) change the fiscal year of the Co-Borrowers.”

**2.5 Section 14 (Definitions).** The definitions of the terms “**Material Adverse Change**” or “**Material Adverse Effect**” set forth in Section 14 of the Loan Agreement is hereby amended and restated in its entirety to read as follows:

“**Material Adverse Change**” or “**Material Adverse Effect**” is: (a) a material adverse impairment in the perfection or priority of Collateral Agent’s Lien in the Collateral or in the value of such Collateral; (b) a material adverse change in the business, operations, or condition (financial or otherwise) of the Co-Borrowers, taken as a whole; or (c) a material adverse impairment of the prospect of repayment of any material portion of the Obligations.”

**2.6 Section 14 (Definitions).** The new definition below is hereby added to the definitions in Section 14 of the Loan Agreement in alphabetical order:

“**SEC**” means the Securities and Exchange Commission, or any Governmental Authority succeeding to any of its principal functions.”

**3. Consent.** Pursuant to Section 6.8 of the Loan Agreement, the Co-Borrowers are required to join the UK Subsidiary within thirty (30) days of the formation of such entity. The UK Subsidiary was formed on August 17, 2021. Notwithstanding anything in Section 6.8 to the contrary, the Lenders and the Collateral Agent hereby consent to the extension of the deadline to join the UK Subsidiary as a “Co-Borrower” under the Loan Agreement until October 31, 2021.

**4. Covenants of New Co-Borrower.**

(a) From and after the date of this Amendment, each New Co-Borrower hereby absolutely and unconditionally: (i) joins as and becomes a party to the Loan Agreement as a Co-Borrower thereunder, (ii) assumes, as a joint and several obligor thereunder, all of the obligations, liabilities and indemnities of a Co-Borrower under the Amended Loan Agreement and all other Loan Documents, and (iii) covenants and agrees to be bound by and adhere to all of the terms, covenants, waivers, releases, agreements and conditions of or respecting a Co-Borrower with respect to the Amended Loan Agreement and the other Loan Documents and all of the representations and warranties contained in the Amended Loan Agreement and the other Loan Documents with respect to New Co-Borrower; and

(b) Each New Co-Borrower hereby represents and warrants solely with respect to such New Co-Borrower that all of the representations and warranties contained in the Loan Documents are true and correct on and as of the date hereof as if made on and as of such date, both before and after giving effect to this Amendment, and that no Event of Default has occurred and is continuing or exists or would occur or exist after giving effect to this Amendment.

(c) From and after the date of this Amendment, each New Co-Borrower hereby

absolutely and unconditionally, collaterally assigns and transfers to the Collateral Agent for the benefit of the Lenders, and hereby grants to the Collateral Agent for the benefit of the Lenders, a continuing security interest in all of such New Co-Borrower's now owned and existing and hereafter acquired and arising Collateral, as collateral security for the prompt and complete payment and performance when due (whether at the stated maturity, by acceleration or otherwise) of all Obligations under the Loan Documents. Each New Co-Borrower hereby authorizes the Collateral Agent to file at any time uniform commercial code financing statements in such jurisdictions and offices as the Collateral Agent deems necessary in connection with the perfection of a security interest in all of such New Co-Borrower's now owned or hereafter arising or acquired Collateral as set forth in the Amended Loan Agreement and the other Loan Documents. Each New Co-Borrower has read the Amended Loan Agreement and affirmatively grants to the Collateral Agent all rights to such New Co-Borrower's Collateral as set forth in the Amended Loan Agreement and the Loan Documents.

**5. Limitation of Amendments.**

**5.1** The amendments set forth in Sections 2,3 and 4 above, respectively, are effective for the purposes set forth herein and shall be limited precisely as written and shall not be deemed to (a) be a consent to any amendment, waiver or modification of any other term or condition of any Loan Document, or (b) otherwise prejudice any right or remedy which Collateral Agent or the Lenders may now have or may have in the future under or in connection with any Loan Document.

**5.2** This Amendment shall be construed in connection with and as part of the Loan Documents and all terms, conditions, representations, warranties, covenants and agreements set forth in the Loan Documents are hereby ratified and confirmed and shall remain in full force and effect.

**6. Representations and Warranties.** To induce the Collateral Agent and the Lenders to enter into this Amendment, each Co-Borrower hereby represents and warrants to the Lenders and the Collateral Agent as follows:

**6.1** Immediately after giving effect to this Amendment, the representations and warranties contained in the Loan Documents, solely with respect to the Co-Borrowers that are not New Co-Borrowers, are true, accurate and complete in all material respects as of the date hereof (except to the extent such representations and warranties relate to an earlier date, in which case they are true and correct in all material respects as of such date);

**6.2** Each Co-Borrower has the power and due authority to execute and deliver this Amendment and to perform its obligations under the Amended Loan Agreement;

**6.3** The execution and delivery by each Co-Borrower of this Amendment and the performance by each Co-Borrower of its obligations under the Amended Loan Agreement do not and will not contravene (a) any material law or regulation binding on or affecting such Co-Borrower, (b) any material contractual restriction with a Person binding on such Co-Borrower, (c) any order, judgment or decree of any court or other governmental or public body or authority, or subdivision thereof, binding on Borrower, or (d) the Operating Documents of such Co-Borrower;

**6.4** The execution and delivery by each Co-Borrower of this Amendment and the performance by each Co-Borrower of its obligations under the Amended Loan Agreement do not require any order, consent, approval, license, authorization or validation of, or filing, recording or registration with, or exemption by any governmental or public body or authority, or subdivision thereof, binding on such Co-Borrower, except as already has been obtained or made; and

**6.5** This Amendment has been duly executed and delivered by each Co-Borrower and is the binding obligation of each Co-Borrower, enforceable against each Co-Borrower in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, liquidation, moratorium or other similar laws of general application and equitable principles relating to or affecting creditors' rights.

**7. Prior Agreement.** The Loan Documents are hereby ratified and reaffirmed and shall remain in full force and effect. This Amendment is not a novation and the terms and conditions of this Amendment shall be in addition to and supplemental to all terms and conditions set forth in the Loan Documents. In the event of any conflict or inconsistency between this Amendment and the terms of such documents, the terms of this Amendment shall be controlling, but such document shall not otherwise be affected or the rights therein impaired.

**8. Integration.** This Amendment and the Loan Documents represent the entire agreement about this subject matter and supersede prior negotiations or agreements. All prior agreements, understandings, representations, warranties, and negotiations between the parties about the subject matter of this Amendment and the Loan Documents merge into this Amendment and the Loan Documents.

**9. Counterparts.** This Amendment may be executed in any number of counterparts and all of such counterparts taken together shall be deemed to constitute one and the same instrument.

**10. Effectiveness.** This Amendment shall be deemed effective upon (a) the due execution and delivery to the Collateral Agent and the Lenders of (i) this Amendment by each party hereto, (ii) a certificate of a Responsible Officer or applicable manager of each New Co-Borrower, dated the First Amendment Effective Date, certifying as to the Operating Documents of such New Co-Borrower (which, to the extent filed with a Governmental Authority, shall be certified as of a recent date by such Governmental Authority), the resolutions of such New Co-Borrower's board of directors, members, or managers, as applicable, approving the Loan Documents and the transactions contemplated thereby, the good standing, existence or its equivalent of such New Co-Borrower and of the incumbency (including specimen signatures) of the Responsible Officers of such New Co-Borrower and (iii) a Perfection Certificate from each New Co-Borrower and (b) the delivery to the Collateral Agent and the Lenders of certified copies, dated no earlier than thirty (30) days prior to the date hereof, of financing statement searches for such New Co-Borrower, as Collateral Agent shall request.



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**11. Governing Law.** This Amendment and the rights and obligations of the parties hereto shall be governed by and construed in accordance with the laws of the State of New York.

*[Signature Page Follows.]*

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IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed and delivered as of the date first written above.

**BLACKSKY TECHNOLOGY INC.**, as a New Co-Borrower

By: /s/ Brian O'Toole  
Name: Brian O'Toole  
Title: Chief Executive Officer and President

**BLACKSKY INTERNATIONAL LLC**, as a New Co-Borrower

By: /s/ Brian O'Toole  
Name: Brian O'Toole  
Title: Chief Executive Officer

**BLACKSKY HOLDINGS, INC.**, as a Co-Borrower

By: /s/ Brian O'Toole  
Name: Brian O'Toole  
Title: President

**SPACEFLIGHT SYSTEMS, INC.**, as a Co-Borrower

By: /s/ Nicholas Merski  
Name: Nicholas Merski  
Title: President

**BLACKSKY GLOBAL LLC**, as a Co-Borrower

By: /s/ Brian Daum  
Name: Brian Daum  
Title: Manager

[Signature Page to First Amendment]

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**BLACKSKY GEOSPATIAL SOLUTIONS, INC.**, as a Co-Borrower

By: /s/ Brian O'Toole  
Name: Brian O'Toole  
Title: President

**SFI IP HOLDCO, LLC**, as a Co-Borrower

By: /s/ Brian O'Toole  
Name: Brian O'Toole  
Title: President

[Signature Page to First Amendment]

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**INTELSAT JACKSON HOLDINGS SA**, as a Lender and as the Collateral Agent

By: /s/ David Tolley  
Name: David Tolley  
Title: Director

**SEAHAWK SPV INVESTMENT LLC**, as a Lender

By: /s/ Alan Kessler  
Name: Alan Kessler  
Title: President

[Signature Page to First Amendment]

## BLACKSKY HOLDINGS, INC.

## OUTSIDE DIRECTOR COMPENSATION POLICY

BlackSky Holdings, Inc. (the “**Company**”) believes that the granting of equity and cash compensation to members of the Company’s Board of Directors (the “**Board**,” and members of the Board, “**Directors**”) represents an effective tool to attract, retain and reward Directors who are not employees of the Company (“**Outside Directors**”). This Outside Director Compensation Policy (the “**Policy**”) is intended to formalize the Company’s policy regarding cash compensation and grants of equity awards to its Outside Directors. Unless otherwise defined herein, capitalized terms used in this Policy will have the meaning given such term in the Company’s 2021 Equity Incentive Plan, as amended from time to time, or if such plan no longer is in use at the time of the grant of an equity award, the meaning given such term or similar term in the equity plan then in place under which the equity award is granted (the “**Plan**”). Each Outside Director will be solely responsible for any tax obligations incurred by such Outside Director as a result of the equity awards and cash and other compensation such Outside Director receives under this Policy.

1. **Effective Date.** This Policy will be effective as of immediately prior to the consummation of the transactions contemplated by that certain Agreement and Plan of Merger dated as of February 17, 2021, by and among Osprey Technology Acquisition Corp., Osprey Technology Merger Sub, Inc., and the Company, as may be amended from time to time (such transactions, the “**Merger**,” such date of consummation of the Merger, the “**Closing Date**,” and the effective date of this Policy, the “**Effective Date**”).

2. **Cash Compensation.**

2.1 **Board Member Annual Cash Retainer.** Following the Effective Date, each Outside Director will be paid an annual cash retainer of \$90,000 for service on the Board. There are no additional retainers for service as a member (or chair) of a committee of the Board, as Chairperson of the Board, or as Lead Director and no per-meeting attendance fees for attending Board meetings or meetings of any committee of the Board.

2.2 **Payment Timing and Proration.** Each annual cash retainer under this Policy will be paid quarterly in arrears on a prorated basis to each individual who has served as an Outside Director at any time during the immediately preceding fiscal quarter of the Company (“**Fiscal Quarter**”), and such payment will be made no later than 30 days following the end of such immediately preceding Fiscal Quarter. For clarity, an individual who has served as an Outside Director during only a portion of the relevant Fiscal Quarter will receive a prorated payment of the quarterly installment of the annual cash retainer, calculated based on the number of days during such Fiscal Quarter such individual has served as an Outside Director. For clarity, an individual who has served as an Outside Director from the Effective Date through the end of the Fiscal Quarter containing the Effective Date (the “**Initial Period**”) will receive a prorated payment of the quarterly installment of the annual cash retainer, calculated based on the number of days during the Initial Period that such individual has served as an Outside Director.

3. **Equity Compensation.** Outside Directors will be eligible to receive all types of Awards (except Incentive Stock Options) under the Plan, including discretionary Awards not covered

under this Policy. All grants of Awards to Outside Directors pursuant to Sections 3.2 and 3.3 of this Policy will be automatic and nondiscretionary, except as otherwise provided herein, and will be made in accordance with the following provisions:

3.1 **No Discretion.** No person will have any discretion to select which Outside Directors will be granted Awards under this Policy or to determine the number of Shares to be covered by such Awards (except as provided in Sections 3.4.2 and 9 below).

3.2 **Initial Awards.** Each individual who first becomes an Outside Director following the effectiveness of the first FormS-8 registration statement filed with the U.S. Securities and Exchange Commission with respect to the Shares issuable under the Company's 2021 Equity Incentive Plan automatically will be granted an award of Restricted Stock Units (an "**Initial Award**"). The grant date of the Initial Award will be the first Trading Day on or after the date on which such individual first becomes an Outside Director (such first date as an Outside Director, the "**Initial Start Date**"), whether through election by the stockholders of the Company or appointment by the Board to fill an existing vacancy or in connection with a Board-approved increase in the number of members of the Board. The Initial Award will have an aggregate grant date fair value (determined in accordance with U.S. Generally Accepted Accounting Principles) (the "**Value**") of \$300,000 (with the number of Shares subject to the Initial Award, to the extent any fractional Share results, rounded down to the nearest whole Share). If an individual was an Inside Director, becoming an Outside Director due to termination of the individual's status as an Employee will not entitle the Outside Director to an Initial Award. Each Initial Award will be scheduled to vest in three equal installments on each of the one-year, two-year and three-year anniversaries of the Initial Award's date of grant (or on the last day of the month, if there is no corresponding day in such month), in each case subject to the Outside Director remaining a Service Provider through the applicable vesting date.

3.3 **Annual Award.** On the first Trading Day immediately following each Annual Meeting of the Company's stockholders (an "**Annual Meeting**") that occurs after the Effective Date, each Outside Director who has served as an Outside Director for at least 6 months through the date of such Annual Meeting automatically will be granted an award of Restricted Stock Units (the "**Annual Award**") that will have a Value of \$150,000 (with the number of Shares subject to the Annual Award, to the extent any fractional Share results, rounded down to the nearest whole Share). The Annual Award will be scheduled to vest in full on the earlier of (i) the one-year anniversary of the Annual Award's grant date, or (ii) the date of the next Annual Meeting following the Annual Award's grant date, subject to the Outside Director remaining a Service Provider through such vesting date.

3.4 **Additional Terms of Initial Awards and Annual Awards** The terms and conditions of each Initial Award and Annual Award (each, a "**Policy Award**") will be as follows.

3.4.1 Each Policy Award will be granted under and subject to the terms and conditions of the Plan and the applicable form of Award Agreement previously approved by the Board or its Committee (as defined in Section 9 below), as applicable, for use thereunder.

3.4.2 The Board or its Committee, as applicable and in its discretion, may change and otherwise revise the terms of Policy Awards to be granted in the future pursuant to this Policy, including without limitation the number of Shares subject thereto and type of Award.

4. **Change in Control.** In the event of a Change in Control, each Outside Director will fully vest in his or her outstanding Company equity awards that were granted to him or her while an Outside Director, as of immediately prior to the Change in Control, including any Policy Award, provided that the Outside Director continues to be an Outside Director through the date of such Change in Control.

5. **Annual Compensation Limit.** Consistent with the Plan, no Outside Director may be granted, in any Fiscal Year, equity awards (including any Awards), the value of which will be based on their grant date fair value determined in accordance with U.S. generally accepted accounting principles, and be provided any other compensation (including without limitation any cash retainers or fees) in amounts that, in any Fiscal Year, in the aggregate, exceed \$500,000, provided that such amount is increased to \$800,000 in the Fiscal Year of his or her initial service as an Outside Director. Any Awards or other compensation provided to an individual (a) for his or her services as an Employee, or for his or her services as a Consultant other than as an Outside Director, or (b) prior to the Closing Date, will be excluded for purposes of this Section 5.

6. **Expenses.** The Company will reimburse each Outside Director's reasonable, customary and properly documented expenses incurred in connection with meetings of the Board and any of its committees, as applicable, and other activities undertaken at the request of the Company.

7. **Adjustments.** In the event that any dividend or other distribution (whether in the form of cash, Shares, other securities or other property), recapitalization, stock split, reverse stock split, reorganization, merger, consolidation, split-up, spin-off, combination, reclassification, repurchase, or exchange of Shares or other securities of the Company, or other change in the corporate structure of the Company affecting the Shares occurs (other than any ordinary dividends or other ordinary distributions), the Administrator, in order to prevent diminution or enlargement of the benefits or potential benefits intended to be made available under this Policy, will adjust the number and class of shares of stock that may be delivered pursuant to Policy Awards and/or the number, class, and price of shares of stock covered by each outstanding Policy Award.

8. **Section 409A.** In no event will cash compensation or expense reimbursement payments under this Policy be paid after the later of (a) the 15th day of the third month following the end of the Company's taxable year in which the compensation is earned or expenses are incurred, as applicable, or (b) the 15th day of the third month following the end of the calendar year in which the compensation is earned or expenses are incurred, as applicable, in compliance with the "short-term deferral" exception under Section 409A. It is the intent of this Policy that this Policy and all payments hereunder be exempt from or otherwise comply with the requirements of Section 409A so that none of the compensation to be provided hereunder will be subject to the additional tax imposed under Section 409A, and any ambiguities or ambiguous terms herein will be interpreted to be so exempt or comply. In no event will the Company or any of its Parents or Subsidiaries have any responsibility, liability, or obligation to reimburse, indemnify, or hold harmless an Outside Director (or any other person) for any taxes imposed, or other costs incurred, as a result of Section 409A.

9. **Revisions.** The Board or any committee of the Board that has been designated appropriate authority with respect to Outside Director compensation (or, with respect to any applicable element or elements thereof, authority with respect to such element or elements) (the "**Committee**")

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may amend, alter, suspend or terminate this Policy at any time and for any reason. Further, the Board may provide for cash, equity, or other compensation to Outside Directors in addition to the compensation provided under this Policy. No amendment, alteration, suspension or termination of this Policy will materially impair the rights of an Outside Director with respect to compensation that already has been paid or awarded, unless otherwise mutually agreed between the Outside Director and the Company. Termination of this Policy will not affect the Board's or the Committee's ability to exercise the powers granted to it with respect to Awards granted under the Plan pursuant to this Policy before the date of such termination, including without limitation such applicable powers set forth in the Plan.

\* \* \*



September 14, 2021

Securities and Exchange Commission  
100 F Street, N.E.  
Washington, DC 20549

Commissioners:

We have read the statements made by BlackSky Technology Inc. (formerly Osprey Technology Acquisition Corp.) under Item 4.01 of its Form 8-K dated September 15, 2021. We agree with the statements concerning our Firm in such Form 8-K; we are not in a position to agree or disagree with other statements of Osprey Technology Acquisition Corp. contained therein.

Very truly yours,

/s/ Marcum LLP

Marcum LLP

**BLACKSKY HOLDINGS, INC.**  
**CONSOLIDATED CONDENSED BALANCE SHEETS**  
(unaudited)  
(in thousands, except par value)

	June 30, 2021	December 31, 2020
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 26,384	\$ 5,098
Restricted cash	5,475	5,475
Accounts receivable, net of allowance of \$0 and \$0, respectively	4,192	2,903
Prepaid expenses and other current assets	1,370	965
Contract assets	2,649	3,796
Total current assets	40,070	18,237
Property and equipment - net	24,481	20,852
Goodwill	9,393	9,393
Investment in equity method investees	4,240	3,277
Intangible assets - net	3,158	3,831
Satellite procurement work in process	45,723	62,664
Other assets	8,432	1,661
Total assets	<u>\$ 135,497</u>	<u>\$ 119,915</u>
<b>Liabilities, redeemable convertible preferred stock and stockholders' deficit</b>		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 23,070	\$ 7,966
Amounts payable to equity method investees	584	8,762
Contract liabilities - current	15,948	14,537
Debt - current portion	19,672	16,739
Other current liabilities	39,878	7,439
Total current liabilities	99,152	55,443
Liability for estimated contract losses	5,205	6,252
Long-term liabilities	4,314	3,605
Long-term contract liabilities	196	2,559
Long-term debt - net of current portion	156,873	84,869
Total liabilities	265,740	152,728
Commitments and contingencies (Note 20)		
Redeemable convertible preferred stock:		
Series A redeemable convertible preferred stock, \$0.00001 par value-authorized, 8,652 shares; issued and outstanding, 8,652 shares as of June 30, 2021 and December 31, 2020. (Liquidation preference of \$7,500)	7,495	7,495
Series B redeemable convertible preferred stock, \$0.00001 par value-authorized, 20,042 shares; issued and outstanding, 18,987 shares as of June 30, 2021 and December 31, 2020. (Liquidation preference of \$22,167)	21,405	21,405
Series B-1 redeemable convertible preferred stock, \$0.00001 par value-authorized, 9,508 shares; issued and outstanding, 9,508 shares as of June 30, 2021 and December 31, 2020. (Liquidation preference of \$25,000)	24,138	24,138
Series C redeemable convertible preferred stock, \$0.00001 par value-authorized, 48,364 shares; issued and outstanding, 41,908 shares as of June 30, 2021 and December 31, 2020. (Liquidation preference of \$201,050)	121,530	121,530
Total redeemable convertible preferred stock	174,568	174,568
Stockholders' deficit:		
Common stock A, \$0.00001 par value-authorized, 1,000,000 and 400,000 shares; issued, 353,564 and 110,789 shares; outstanding, 347,202 shares and 97,816 shares as of June 30, 2021 and December 31, 2020, respectively.	3	1
Common stock B, \$0.00001 par value-authorized, 90,000; issued and outstanding, 71,977 shares and 83,987 shares as of June 30, 2021 and December 31, 2020, respectively.	1	1
Treasury stock, shares at cost, 11,500 shares as of June 30, 2021 and December 31, 2020.	(12,500)	(12,500)
Additional paid-in capital	136,407	28,569
Accumulated other comprehensive loss	(541)	—
Accumulated deficit	(428,181)	(223,452)
Total stockholders' deficit	<u>(304,811)</u>	<u>(207,381)</u>
Total liabilities, redeemable convertible preferred stock and stockholders' deficit	<u>\$ 135,497</u>	<u>\$ 119,915</u>

See notes to unaudited consolidated condensed financial statements

**BLACKSKY HOLDINGS, INC**  
**CONSOLIDATED CONDENSED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS**  
(unaudited)  
(in thousands)

	<b>Six Months Ended June 30,</b>	
	<b>2021</b>	<b>2020</b>
<b>Revenues:</b>		
Service	\$ 11,116	\$ 7,726
Product	3,543	1,685
<b>Total revenues</b>	<b>\$ 14,659</b>	<b>\$ 9,411</b>
<b>Costs and expenses:</b>		
Service costs, excluding depreciation and amortization	8,550	6,440
Product costs, excluding depreciation and amortization	3,367	5,184
Selling, general and administrative	17,893	15,787
Research and development	28	96
Depreciation and amortization	6,301	3,757
Satellite impairment loss	18,407	—
<b>Operating loss</b>	<b>(39,887)</b>	<b>(21,853)</b>
Gain on debt extinguishment	—	284
Unrealized loss on derivative	(14,975)	(279)
Income/(loss) on equity method investment	963	(581)
Interest expense	(2,438)	(2,914)
Other (expense)/income, net	(147,370)	281
<b>Loss before income taxes</b>	<b>(203,707)</b>	<b>(25,062)</b>
<b>Income tax (provision) benefit</b>	<b>—</b>	<b>—</b>
<b>Loss from continuing operations</b>	<b>(203,707)</b>	<b>(25,062)</b>
<b>Discontinued operations:</b>		
(Loss)/gain from discontinued operations, net of tax (including (loss)/gain from disposal of Launch Division of \$1,022 and \$30,672 for the six months ended June 30, 2021 and 2020, respectively)	(1,022)	30,355
Income tax (provision) benefit	—	—
<b>(Loss)/gain from discontinued operations, net of tax</b>	<b>(1,022)</b>	<b>30,355</b>
<b>Net (loss)/income</b>	<b>\$ (204,729)</b>	<b>\$ 5,293</b>
<b>Other comprehensive loss</b>	<b>(541)</b>	<b>—</b>
<b>Total comprehensive (loss)/income</b>	<b>\$ (205,270)</b>	<b>\$ 5,293</b>
<b>Basic and diluted income/(loss) per share of common stock:</b>		
Loss from continuing operations	\$ (0.70)	(0.33)
(Loss)/gain from discontinued operations, net of tax	—	0.40
<b>Net (loss)/income per share of common stock</b>	<b>\$ (0.70)</b>	<b>0.07</b>

See notes to unaudited consolidated condensed financial statements

**BLACKSKY HOLDINGS, INC**  
**CONSOLIDATED CONDENSED STATEMENTS OF CHANGES IN STOCKHOLDERS' DEFICIT**  
**Six Months Ended June 30, 2021 and 2020**  
(unaudited)  
(in thousands)

	Class A Common Stock		Class B Common Stock		Additional Paid-In Capital	Treasury Stock		Other Comprehensive Loss	Accumulated Deficit	Total Stockholders' Deficit
	Shares	Amount	Shares	Amount		Shares	Amount			
<b>Balance as of December 31, 2019</b>	72,319	\$ 1	83,987	\$ 1	\$ 26,146	11,500	\$(12,500)	\$ —	\$ (203,264)	\$ (189,616)
Adoption of Accounting Standards Updates "ASU", ASU 2014-09	—	—	—	—	—	—	—	—	(650)	(650)
<b>Balance as of January 1, 2020</b>	72,319	\$ 1	83,987	\$ 1	\$ 26,146	11,500	\$(12,500)	\$ —	\$ (203,914)	\$ (190,266)
Stock-based compensation, including \$218 thousand in the sale of Spaceflight, Inc.	—	—	—	—	1,536	—	—	—	—	1,536
Issuance of common stock upon exercise of stock options	479	—	—	—	23	—	—	—	—	23
Issuance of common stock upon vesting of restricted stock awards	18,504	—	—	—	—	—	—	—	—	—
Issuance of common stock as contingent consideration for the purchase of OpenWhere, Inc	601	—	—	—	—	—	—	—	—	—
Net income	—	—	—	—	—	—	—	—	5,293	5,293
<b>Balance as of June 30, 2020</b>	91,903	\$ 1	83,987	\$ 1	\$ 27,705	11,500	\$(12,500)	\$ —	\$ (198,621)	\$ (183,414)
<b>Balance as of January 1, 2021</b>	97,816	\$ 1	83,987	\$ 1	\$ 28,569	11,500	\$(12,500)	\$ —	\$ (223,452)	\$ (207,381)
Stock-based compensation	—	—	—	—	1,360	—	—	—	—	1,360
Issuance of common stock due to bridge financing and rights offering, net of issuance	223,054	2	—	—	106,351	—	—	—	—	106,353
Issuance of common stock upon exercise of stock options	7,440	—	—	—	7	—	—	—	—	7
Issuance of common stock upon vesting of restricted stock awards	6,507	—	—	—	—	—	—	—	—	—
Issuance of common stock upon vesting of restricted stock units	375	—	—	—	—	—	—	—	—	—
Issuance of Class A common stock and forfeiture of Class B common stock upon exercise of warrants	12,010	—	(12,010)	—	120	—	—	—	—	120
Other comprehensive loss	—	—	—	—	—	—	—	(541)	—	(541)
Net loss	—	—	—	—	—	—	—	—	(204,729)	(204,729)
<b>Balance as of June 30, 2021</b>	347,202	\$ 3	71,977	\$ 1	\$ 136,407	11,500	\$(12,500)	\$ (541)	\$ (428,181)	\$ (304,811)

See notes to unaudited consolidated condensed financial statements

**BLACKSKY HOLDINGS, INC**  
**CONSOLIDATED CONDENSED STATEMENTS OF CASH FLOWS**  
(unaudited)  
(in thousands)

	June 30,	
	2021	2020
<b>Cash flows from operating activities:</b>		
Net (loss)/income	\$(204,729)	\$ 5,293
(Loss)/gain from discontinued operations, net of tax	(1,022)	30,355
Loss from continuing operations	(203,707)	(25,062)
Adjustments to reconcile net loss to net cash (used in) operating activities:		
Depreciation and amortization expense	6,301	3,757
Gain on debt extinguishment	—	(284)
Stock-based compensation expense	1,360	1,319
Loss on issuance of 2021 convertible bridge notes	96,476	—
Loss on issuance of 2021 convertible bridge notes rights offering	3,193	—
Debt issuance cost expensed for debt carried at fair value	47,718	—
Amortization of debt discount and issuance costs	823	836
(Gain)/loss on equity method investment	(963)	581
Loss on disposal of property and equipment	24	—
Unrealized loss on derivatives	14,975	279
Satellite impairment loss	18,407	—
Bad debt expense	4	—
Changes in operating assets and liabilities:		
Accounts receivable	(1,293)	2,012
Contract assets	1,151	(1,344)
Prepaid expenses, and other current assets	(405)	(56)
Other assets	(150)	(752)
Accounts payable and accrued liabilities	(2,604)	1,012
Other current liabilities	(2,067)	244
Contract liabilities - current and long-term	(952)	4,701
Liability for estimated contract losses	(1,047)	3,340
Other long-term liabilities	1,644	1,482
Cash flows (used in) operating activities - continuing operations	(21,112)	(7,935)
Cash flows (used in) operating activities - discontinued operations	—	(14,207)
Net cash (used in) operating activities	(21,112)	(22,142)
<b>Cash flows from investing activities:</b>		
Purchase of property and equipment	(207)	(41)
Satellite procurement work in process	(11,205)	(15,913)
Purchase of domain name	(7)	—
Cash flows (used in) investing activities - continuing operations	(11,419)	(15,954)
Cash flows provided by investing activities - discontinued operations	—	8,410
Net cash (used in) investing activities	(11,419)	(7,544)
<b>Cash flows from financing activities:</b>		
Proceeds from issuance of debt	58,573	3,600
Proceeds from options exercised	7	23
Proceeds from warrants exercised	120	—
Capital lease payments	—	(17)
Debt payments	(750)	—
Payments for deferred offering costs	(3,487)	—
Payments for debt issuance costs	(646)	(108)
Cash flows provided by financing activities - continuing operations	53,817	3,498
Cash flows (used in) financing activities - discontinued operations	—	—
Net cash provided by financing activities	53,817	3,498
<b>Net increase/(decrease) in cash, cash equivalents, and restricted cash</b>	<b>21,286</b>	<b>(26,188)</b>
<b>Cash, cash equivalents, and restricted cash – beginning of year</b>	<b>10,573</b>	<b>37,190</b>
Cash reclassified to assets held for sale at beginning of period	—	11,383
Cash reclassified to assets held for sale at the end of period	—	—
<b>Cash, cash equivalents, and restricted cash – end of year</b>	<b>\$ 31,859</b>	<b>\$ 22,385</b>

See notes to unaudited consolidated condensed financial statements

The following table provides a reconciliation of cash, cash equivalents, and restricted cash reported within the unaudited consolidated condensed balance sheets that sum to the total of the same such amounts shown in the unaudited consolidated condensed statements of cash flows:

	June 30,	
	2021	2020
Cash and cash equivalents	\$26,384	\$16,911
Restricted cash	5,475	5,475
Total cash, cash equivalents, and restricted cash	<u>\$31,859</u>	<u>\$22,385</u>

	June 30,	
	2021	2020
(in thousands)		
<b>Supplemental disclosures of cash flows information:</b>		
Cash paid for interest	\$ 286	\$ 821
<b>Supplemental disclosures of non-cash financing and investing information:</b>		
Property and equipment additions accrued but not paid	\$ 10,837	\$ 3,071
SPAC costs accrued but not paid	\$ 3,663	\$ —
Debt issuance costs expensed for debt carried at fair value accrued but not paid	\$ 3,129	\$ —
Capitalized Interest	\$ 135	\$ 736
Issuance of common stock due to bridge financing and rights offering, net of issuance	\$106,353	\$ —
Issuance of common stock warrants due to bridge financing	\$ 18,800	\$ —
Consent fees payable in common stock or cash recorded as a derivative	\$ 2,715	\$ —
Contingent liability for working capital adjustment to M&Y Space (“Mitsui USA”)	\$ 1,022	\$ —
Issuance of preferred stock in the sale of Spaceflight, Inc.	\$ —	\$ 3,247
Application of Secured Loan against the 2020 Share Purchase Agreement (“SPA”) purchase price	\$ —	\$26,182
Equipment acquired under capital lease	\$ —	\$ 22

See notes to unaudited consolidated condensed financial statements

**BLACKSKY HOLDINGS, INC**  
**NOTES TO UNAUDITED CONSOLIDATED CONDENSED FINANCIAL STATEMENTS**  
**June 30, 2021**

**1. Organization and Business**

BlackSky Holdings, Inc. (“BlackSky” or the “Company”), formerly known as Spaceflight Industries, Inc., was incorporated in the State of Delaware on September 24, 2014. The Company is headquartered in Herndon, Virginia and had two operating divisions: the BlackSky Division and, prior to June 12, 2020, Spaceflight, Inc. (the “Launch Division”). The BlackSky Division is composed of the Company’s other operating entities, BlackSky Global LLC and BlackSky Geospatial Solutions, Inc. BlackSky also owns a portion of the equity method investment X-Bow Launch Systems Inc. (“X-Bow”) and LeoStella, LLC (“LeoStella”), its joint venture with Thales Alenia Space US Investment LLC (“Thales”). On June 12, 2020, the Company completed the sale of 100% of its equity interests in the Launch Division to M&Y Space Co. Ltd. (“M&Y Space”), as discussed further below.

*The BlackSky Division*

The BlackSky Division is a leading provider of geospatial intelligence, imagery and related data analytic products and services and mission systems. The Company monitors activities and facilities worldwide by leveraging its proprietary small satellite constellation and harnessing the world’s expanding sensor networks. The Company’s on-demand constellation of satellites can image a location multiple times throughout the day, and the Company processes millions of observations from its satellites in space, air sensors, environmental sensors, asset tracking sensors, industrial internet-of-things (“IoT”) connected devices, and internet-enabled narrative sources. The Company monitors for pattern-of-life anomalies to produce alerts and enhance situational awareness for government and commercial customers worldwide. The Company’s monitoring service is powered by cutting-edge computing techniques - including machine learning, artificial intelligence, computer vision, and natural language processing. The Company’s global monitoring service is available via a simple subscription and requires no specialized technological infrastructure or setup.

The Company is a first mover in Earth observation, leveraging the performance and economics of its innovative small satellite constellation to deliver high revisit global monitoring solutions. The Company’s artificial intelligence/machine learning powered analytics platform derives unique insights from its constellation, as well as a variety of space, IoT, and terrestrial based sensors and data feeds. The Company has developed a fully-integrated, proprietary technology stack that includes its constellation of high-resolution small satellites that monitor global events and activities at high revisit rates, an artificial intelligence and machine learning enabled software platform that translates data into actionable insights, a proprietary database that continually captures information on global changes, and an application layer that delivers on-demand solutions directly to its customers.

In 2017, BlackSky and X-Bow entered into a Stock Subscription and Technology Transfer Agreement. Under the agreement, X-Bow issued 13.5 million of its own shares to BlackSky; in exchange, BlackSky irrevocably assigned and transferred certain intellectual property rights to X-Bow. As of June 30, 2021, BlackSky has a 20.6% ownership interest in X-Bow (Note 6).

In 2018, BlackSky and Thales formed a joint venture named LeoStella, LLC, a vertically-integrated small satellite design and manufacturer based in Tukwila, Washington, from which the Company procures satellites to operate its business. BlackSky and Thales each own 50% of LeoStella (Note 6).

As of June 30, 2021, the Company had six satellites in commercial operation. Ultimately, the Company seeks to establish a constellation of 30 high-resolution, multi-spectral satellites capable of monitoring locations on Earth as frequently as every 30 minutes, day or night.

*The Launch Division*

The Launch Division was based in Seattle, Washington and provided small satellite launch brokerage services to customers that manifest, certify, and integrate auxiliary payloads onto a single launch vehicle. The Launch Division leveraged its extensive relationships in the commercial launch market and provided satellite

launch brokerage services for its customers based on specific launch time frames, orbital parameters, payloads, and compatible launch vehicles. The Launch Division specialized in the launch of small satellites with masses between 1 kg and 300 kg into low earth orbit.

As part of the Company's strategy to focus on the BlackSky Division, the Company executed a stock purchase agreement ("2020 SPA") in January 2020 to divest its ownership of the Launch Division. On June 12, 2020, the Company completed the sale of 100% of its equity interests in Launch to M&Y Space under the previously executed 2020 SPA, for a final purchase price of \$31.6 million. The Launch Division's financial results are material to the Company's financial results and, as such, are reported as discontinued operations (Note 7).

### Liquidity

For the six months ended June 30, 2021 and 2020, the Company incurred net losses from continuing operations of \$203.7 million and \$25.1 million, respectively, and incurred negative cash flows from continuing operating activities of \$21.1 million and \$7.9 million, respectively. The Company has incurred operating losses since inception, and continues to face significant risks associated with successful execution of the Company's business plan that include, but are not limited to, customer acquisition, competition and market risk, technical risk, liquidity risk, and risks associated with the retention of key personnel. As of June 30, 2021 and December 31, 2020, the Company had working capital deficits of \$59.1 million and \$37.2 million, respectively. The Company has historically funded its operations through issuance of preferred stock to private investors and debt financings. As a result of the merger consummated on September 9, 2021 (see Note 22), the Company expects to have sufficient liquidity to meet working capital and capital expenditure needs for at least the 12-month period following the issuance of this report.

In the first half of 2020, the Company successfully divested the Launch Division, extinguished \$26.0 million of short-term debt and extended the maturity date of a \$16.1 million line of credit to September 30, 2021. On February 2, 2021, the Company entered into a bridge financing arrangement for \$58.1 million to further improve the Company's liquidity position. On February 17, 2021, the Company entered into a definitive agreement for a merger that would result in the Company becoming a publicly listed company. Given the Company's projected net losses and negative cash flows, there can be no assurance that the Company's business efforts will be successful, that the Company will continue to raise additional funds, or that the Company will be able to delay or reduce planned expenditures if necessary, to maintain sufficient liquidity.

## **2. Basis of Presentation and Summary of Significant Accounting Policies**

### ***Basis of Preparation***

The Company has prepared its unaudited consolidated condensed financial statements in accordance with General Accepted Accounting Principles ("GAAP"). The accompanying unaudited consolidated condensed financial statements include the accounts of the Company and its wholly-owned subsidiaries. In addition, the unaudited consolidated condensed financial statements include the Company's proportionate share of the earnings or losses of its joint venture and a corresponding increase or decrease to its investment, with recorded losses limited to the carrying value of the Company's investment. All intercompany transactions and balances have been eliminated upon consolidation.

The Company's unaudited consolidated condensed financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities, including derivative financial instruments and certain outstanding debt, which are stated at fair value.

These unaudited consolidated condensed financial statements should be read in conjunction with the Company's annual consolidated condensed financial statements and notes. Unless otherwise indicated, amounts presented in the Notes pertain to the Company's continuing operations (See Note 7 for information on discontinued operations). In management's opinion, all adjustments of a normal recurring nature that are necessary for a fair statement of the accompanying unaudited consolidated condensed financial statements have been included.



### ***Use of Estimates***

The preparation of the unaudited consolidated condensed financial statements in accordance with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingencies at the reporting date, and the reported amounts of revenues and expenses during the reporting period. These estimates are based on management's best knowledge of current events and actions the Company may undertake in the future. Actual results could materially differ from those estimates. Significant estimates made by the Company relate to revenue and associated cost recognition, the collectability of accounts receivable, the recoverability and useful lives of property and equipment, the valuation of equity warrants and warrant liabilities, fair value estimates, the recoverability of goodwill and intangible assets, the provision for income taxes, and stock-based compensation.

### ***Revenue Recognition***

The Company generates revenues from the sale of services and products. Service revenues include imagery and data, software & analytics, including professional services, that are recognized from the rendering of services under cost-plus-fixed-fee, firm fixed price, or on a time and materials basis. Product revenues include engineering and integration from long-term construction contracts.

The Company adopted the provisions of the new revenue recognition standard, Accounting Standards Update No. 2014-09, "Revenue from Contracts with Customers (Topic 606)" ("ASC 606"), for the fiscal year beginning January 1, 2020 using the modified retrospective adoption method for the contracts that were not completed at the date of initial application. Concurrent with the adoption of the new standard, the Company has updated its revenue recognition policy in accordance with the five-step model set forth under ASC 606.

The Company generates revenues through offering imagery; data, software and analytics; and engineering and integration solutions (including mission systems), primarily to government agencies. Most of the contracts include multiple promises which are generally separated as distinct performance obligations. The Company allocates the transaction price to each performance obligation based on the relative standalone selling prices using observable sales transactions where applicable.

Revenue is measured at the fair value of consideration received or receivable and net of discounts. The Company applies a policy election to exclude transaction taxes collected from customer sales when the tax is both imposed on and concurrent with a specific revenue-producing transaction. The Company estimates any variable consideration, and whether the transaction price is constrained, upon execution of each contract. The Company did not have any active contracts with significant variable consideration as of June 30, 2021.

The estimation of total revenue and costs at completion is subject to many variables and requires judgment. The Company typically recognizes changes in contract estimates on a cumulative catch-up basis in the period in which the changes are identified. Such changes in contract estimates can result in the recognition of revenue in a current period for performance obligations which were satisfied or partially satisfied in a prior period. Changes in contract estimates may also result in the reversal of previously recognized revenue, if the current estimate differs from the previous estimate. If at any time, the estimate of profitability for a performance obligation indicates a probable anticipated loss, the Company recognizes the total loss for the performance obligation in the period it is identified. Changes in estimates related to contracts accounted for using the cost-to-cost measure of progress are recognized in the period in which such changes are made for the inception-to-date effect of the changes. For the six months ended June 30, 2021, the Company recognized a \$0.3 million favorable impact to revenue attributable to changes in other contract estimates. During the six months ended June 30, 2020, the Company's remaining product costs on a contract in a forward loss position was \$3.3 million. During the six months ended June 30, 2021, there was no revenue recognized from performance obligations satisfied in previous periods.

### ***Imagery***

Imagery services include imagery delivered from the Company's satellites in orbit via an online secure platform. Imagery performance obligations are recognized as service revenues at the point-in-time when the Company delivers images to the platform or, in limited circumstances, ratably over the subscription period when the customer has a right to access the online secure platform for unlimited images.

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### Data, Software and Analytics

The Company leverages proprietary artificial intelligence and machine learning algorithms to analyze data coming from both the Company's proprietary sensor network and third-party sources to provide hard-to-get data, insights and analytics for customers. The Company continues to integrate and enhance our products by performing contract development, while retaining product rights. The Company provides technology enabled professional service solutions to support customer-specific software development requests, integration, testing and training. The Company also provides system engineers to support efforts to manage mass quantities of data. The Company also offers professional service solutions related to object detection, site monitoring and enhanced analytics, through which the Company can detect key objects in critical locations such as ports, airports, and construction sites; monitor changes at, damages to or other anomalies in key infrastructure; and analyze stockpiles or other critical inventory.

Service revenues from data, software and analytics contracts is recognized from the rendering of services over time on a cost-plus, firm fixed price, or time-and-materials basis. For firm fixed price contracts, the Company recognizes revenue using a cost-to-cost measure of progress, pursuant to which the extent of progress towards completion is measured based on the ratio of costs incurred to date to the total estimated costs to complete the performance obligation ("EAC"). A performance obligation's EAC includes all direct costs such as labor, materials, subcontract costs, overhead and an allocable portion of general and administrative costs. In addition, an EAC of a performance obligation includes future losses estimated to be incurred on onerous contracts, as and when known. For contracts structured as cost-plus or on a time-and-materials basis, the Company generally recognizes revenue based on the right-to-invoice practical expedient, as the Company is contractually able to invoice the customer based on the control transferred to the customer in an amount that corresponds directly with the value to the customer of the entity's performance completed to date.

### Engineering and Integration

The Company develops and delivers advanced launch vehicle, satellite and payload systems for customers that leverage the Company's capabilities in mission systems engineering and operations, ground station operations, and software and systems development. These systems are typically sold to government customers under fixed price contracts. The Company generally recognizes revenue over time using the cost-to-cost method to measure progress, pursuant to which the extent of progress towards completion is measured based on the ratio of costs incurred to date to the total EAC. An EAC includes all direct costs such as labor, materials, subcontract costs, overhead and an allocable portion of general and administrative costs. In addition, an EAC of a performance obligation includes future losses estimated to be incurred on onerous contracts, as and when known.

### Service and Product Costs

Service costs primarily include internal aerospace and geospatial software development labor, third-party data and imagery, internal labor to support the ground stations and space operations, and cloud computing and hosting services.

Product costs primarily include the cost of internal labor for product design, integration and engineering in support of long-term development contracts for launch vehicle, satellite and payload systems. The Company also incurs subcontract direct materials and external labor costs to build and test specific components such as the communications system, payload demands and sensor integration. Costs are expensed as incurred except for incremental costs to obtain or fulfill a contract, which are capitalized and amortized on a systematic basis consistent with the transfer of goods and services.

Indirect costs incurred within or allocated to the Company's customers are classified as overhead (included in product and services costs based on the nature of the contract). The Company does not have any contracts that are subject to U.S. Government Cost Accounting Standards.

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### ***Stock-Based Compensation***

The Company has issued equity and equity-based awards under its 2014 Stock Incentive Plan (the “2014 Plan”) and 2011 Stock Incentive Plan (the “2011 Plan”) (collectively the “Plans”), which are administered by the Company’s Board of Directors. Under the 2011 Plan, options to purchase up to 1,608,800 shares of the common stock have been authorized. On May 6, 2021, the 2011 Plan was terminated. Termination of the plan does not impact any outstanding awards, and no other options will be issued.

Under the 2014 Plan, options, restricted stock awards (“RSA”), and restricted stock units (“RSU”) to purchase up to 188,253,287 shares of the common stock have been authorized. Grants are approved by the Board of Directors. Option, RSA, and RSU awards that have been canceled, forfeited, or expired are available for issuance and use in connection with future awards. On May 6, 2021, the Board approved the termination of the 2014 plan subject to the closing of the SPAC transaction. Outstanding awards granted under this plan will not be affected.

#### ***Restricted Stock Awards and Restricted Stock Units***

The estimated fair value of restricted stock awards and restricted stock units are measured based on the grant date estimated fair value of the Company’s Class A common stock. In order to determine the fair value of our Class A common stock on the date of grant, we perform a valuation analysis using a combination of market and income approaches. The Company uses the straight-line method to amortize this fair value as compensation cost over the requisite service period.

Certain of the Company’s outstanding RSUs have performance vesting conditions that are only triggered upon the consummation of the merger between BlackSky and Osprey Technologies (See Note 21) or by a qualified financing transaction as defined in the grant agreement. For these awards that have performance conditions, compensation expense shall be recognized when it is determined that it is probable that the performance conditions will be met. The merger transaction with Osprey Technologies or a qualified financing transaction cannot be deemed probable until it occurs, as these events are not completely within the control of the Company. Accordingly, the recognition of compensation expense related to the RSUs with these performance conditions will not commence until one of the performance conditions has been met.

#### ***Options***

The Company uses the Black-Scholes option pricing model to value all options and the straight-line method to amortize this fair value as compensation cost over the requisite service period. The fair value of each option granted has been estimated as of the date of grant using the following inputs for the six months ended June 30, 2021 and 2020.

*Expected Dividend Yield.* The Black-Scholes valuation model requires an expected dividend yield as an input. The dividend yield is based on historical experience and expected future changes. The Company currently has no plans to pay dividends on its common stock.

*Expected Volatility.* The expected volatility of Company’s common stock was estimated based upon the historical share price volatility of comparable publicly traded companies.

*Risk-free Interest Rate.* The yield on actively traded non-inflation indexed U.S. Treasury notes was used to extrapolate an average risk-free interest rate based on the expected term of the underlying grants.

*Expected Term.* The expected term is the estimated duration to a liquidation event based on a weighted average consideration of the most likely exit prospects for this stage of development. The Company is privately funded, and the lack of marketability is factored into the expected term of options granted. The Company will continue to review its estimate in the future and adjust it, if necessary, due to changes in the Company’s historical exercises.

The most significant assumption used in determining the fair value of the Company’s equity-based awards is the estimated fair value of common stock on the grant date. In order to determine the fair value of the common stock on the grant date, a valuation analysis is performed by management, with the assistance of a third-party valuation firm, using a combination of market and income approaches.

The Company has historically adjusted the exercise price of certain outstanding stock options. For each award, the Company calculated the incremental fair value, which is the excess of the fair value of the modified award over the fair value of the original award immediately before the modification. The incremental fair value is recognized as stock-based compensation expense immediately to the extent that the modified stock option has already vested, and for stock options that are not vested, the incremental fair value is recognized as stock-based compensation expense over the remaining vesting period.

### ***Segment Information***

The Company historically has organized its operations around two operating segments, the Launch Division and the BlackSky Division. Prior to being sold, the Launch Division provided small satellite launch brokerage services to customers, including manifesting, certifying, and integrating auxiliary payloads onto a single launch vehicle. The Company agreed to sell the Launch Division on January 31, 2020, and the sale of the Launch Division was completed on June 12, 2020. Accordingly, the results of the Launch Division are reported as discontinued operations (see Note 7), rather than as a separate operating segment.

Subsequent to the sale of the Launch Division, the Company's Chief Operating Decision Maker, who is the Company's President, has determined the allocation of resources and assessed performance based upon the consolidated results of the Company. Accordingly, the Company is currently deemed to be comprised of only one operating segment and one reportable segment. The BlackSky Division, which comprises the operations of the Company's single operating and reportable segment, provides geospatial intelligence, imagery and related data analytic products and services, and mission systems that include the development, integration, and operations of satellite and ground systems to commercial and government customers.

### ***Debt - Application of the Fair Value Option***

During the six months ended June 30, 2021, the Company issued three tranches of subordinated, unsecured convertible promissory notes (refer to the discussion of the "2021 Bridge Financings and Related Transactions" included in Note 12). The Company has elected to account for these notes under the fair value option. In accordance with the application of the fair value option, the Company (i) recorded these notes at their fair values as of the dates of issuance and (ii) will remeasure the fair value of the notes at each balance sheet date. Both the initial and subsequent measurement of the fair value of the notes contemplate all of the notes' terms and all of the notes' features. Accordingly, when the fair value option has been applied, the Company does not separately evaluate the notes for the existence of embedded features that would require bifurcation as embedded derivatives under other accounting guidance. Changes to the fair value of the notes between balance sheet dates are reported within Other income/(expense), net in the consolidated condensed statements of operations and comprehensive income/loss, if such changes are attributable to base market risk. Changes to the fair value of the notes are reported in other comprehensive income/(loss), if such changes are attributable to instrument-specific credit risk. All debt issuance costs incurred in connection with notes accounted for pursuant to the fair value option were expensed as incurred, as required by GAAP. The Company does not separately report interest expense attributable to notes accounted for pursuant to the fair value option in the consolidated condensed statements of operations and comprehensive loss. Accrued interest, which does not become due until maturity of the notes, is included in the determination of the fair value of the notes and changes thereto.

### ***Warrant Liability***

The Company accounts for warrants as either equity-classified or liability-classified instruments based on an assessment of the warrant's specific terms and applicable authoritative guidance in Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 480, Distinguishing Liabilities from Equity ("ASC 480") and ASC 815, Derivatives and Hedging ("ASC 815"). The assessment considers whether the warrants are freestanding financial instruments that would require classification as a liability under ASC 480, as well as whether the warrants qualify for equity classification or require liability classification after consideration of the guidance and criteria outlined in under ASC 815, including whether the warrants are indexed to the Company's own common shares and whether the warrant holders could potentially require "net cash settlement" in a circumstance outside of the Company's control, among other conditions that impact classification. This assessment, which requires the use of professional judgment, is conducted at the time of warrant issuance and as of each subsequent quarterly period end date while the warrants are outstanding.

For issued or modified warrants that meet all of the criteria for equity classification, the warrants are required to be recorded as a component of additional paid-in capital at the time of issuance. For issued or modified warrants that do not meet all the criteria for equity classification, the warrants are required to be recorded at their initial fair value on the date of issuance, and remeasured at fair value as of each balance sheet date thereafter. The Company accounts for the warrants issued in connection with the 2021 Bridge Financing transactions in accordance with the guidance contained in ASC 815-40-15-7D, under which the warrants do not meet the criteria for equity treatment and must be recorded as liabilities. Accordingly, the Company classifies the warrants as liabilities at their fair value and adjusts the warrants to fair value at each reporting period. This liability is subject to re-measurement at each balance sheet date until exercised, and any change in fair value is recognized in the Company's statement of operations.

#### ***Deferred Offering Costs***

Offering costs consist of legal fees, accounting fees, underwriting fees and other costs incurred which relate directly to the Company's planned reverse recapitalization transaction. These costs will be charged to stockholders' equity (deficit) upon the completion of the reverse recapitalization transaction. The Company incurred \$7.1 million of offering costs related to the transaction and capitalized these costs in the unaudited consolidated condensed balance sheet as of June 30, 2021. There were no deferred offering costs capitalized as of December 31, 2020.

### **3. Accounting Standards Updates ("ASU")**

#### ***Accounting Standards Recently Adopted***

In August 2018, the FASB issued ASUNo. 2018-15, "*Intangibles—Goodwill and Other—Internal-Use Software: Customer's Accounting for Implementation Costs Incurred in a Cloud Computing Arrangement That Is a Service Contract.*" The amendments in this update align the requirements for capitalizing implementation costs incurred in a hosting arrangement that is a service contract with the requirements for capitalizing implementation costs incurred to develop or obtain internal-use software. The update requires an entity to determine which implementation costs to capitalize as an asset related to the service contract and subsequently expense over the term of the hosting arrangement, versus which costs to expense as activities are performed. In addition, the update provides specific guidance regarding the income statement, cash flow statement, and balance sheet presentation of expenses recognized for, payments of, and prepayments attributable to capitalized implementation costs, respectively. This ASU can be applied on a prospective or retrospective basis. The guidance is effective for all public business entities for fiscal years beginning after December 15, 2019, including interim periods therein. For all other entities, the guidance is effective for fiscal years beginning after December 15, 2020, and for interim periods beginning after December 15, 2021. The update also permits early adoption, including adoption in any interim period. The Company adopted the guidance on January 1, 2021. Adoption of the standard did not have a material impact to the unaudited consolidated condensed financial statements.

#### ***Accounting Standards Recently Issued But Not Yet Adopted***

The Company is an "emerging growth Company" ("EGC") as defined in Section 2(a) of the Securities Act, as modified by the Jumpstart Our Business Startups Act of 2012 (the "JOBS Act") and has elected to not opt out of the extended transition period as provided by the JOBS Act. As such, when an accounting standard is issued or revised and it has different application dates for public or private companies, the Company, can adopt the new or revised standard at the time private companies adopt the new or revised standard. This may make comparison of the Company's financial statements with another public company, which is not an emerging growth company, or which has opted out of using the extended transition period, difficult or impossible because of the potential differences in accounting standards applied.

In February 2016, the FASB issued Accounting Standards Update (“ASU”) ASU2016-02 “Leases”. The amendments in this update require the recognition of lease assets and lease liabilities on the balance sheet, as well as certain qualitative disclosures regarding leasing arrangements. The guidance requires the use of the modified retrospective method, with the cumulative effect of initially applying these updates recognized at the date of initial application. The guidance is effective for public business entities for annual periods, including interim periods within those fiscal years, beginning after December 15, 2018, with early adoption permitted. For all other entities, the guidance is effective for fiscal years beginning after December 15, 2021, and for interim periods beginning after December 15, 2022, with early adoption is permitted. The Company is currently in the planning stage and will adopt the guidance on January 1, 2022. The Company expects the adoption of the standard to have a material impact on the consolidated condensed balance sheet, since the Company will be required to report operating leases on the consolidated condensed balance sheets for the first time; however at this time the Company has yet to begin its adoption efforts and cannot reasonably estimate the impact to the unaudited consolidated condensed financial statements.

In June 2016, the FASB issued ASUNo. 2016-13, “*Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*”. The amendments in this update are primarily for entities holding financial assets and net investment leases measured under an incurred loss impairment methodology. A new methodology must be adopted to reflect expected credit losses and requires consideration of a broader range of reasonable and supportable information to inform credit loss estimates, which may include trade accounts receivable. This ASU requires modified retrospective application. The guidance is effective for public business entities that are not smaller reporting companies for fiscal years beginning after December 15, 2019, including interim periods therein. For all other entities, the guidance is effective for fiscal years beginning after December 15, 2022, including interim periods therein. The Company is currently in the planning stage and will adopt the guidance on January 1, 2023. The Company has not yet determined the potential impact, if any, to the unaudited consolidated condensed financial statements.

In December 2019, the FASB issued ASUNo. 2019-12, *Income Taxes (Topic 740): “Simplifying the Accounting for Income Taxes” (“ASU 2019-12”)*. The amendments in this update are intended to simplify various aspects related to accounting for income taxes. This ASU removes certain exceptions to the general principles in Topic 740 and also clarifies and amends existing guidance to improve consistent application. This ASU can be applied on a retrospective, modified retrospective or prospective basis. The guidance is effective for all public business entities for fiscal years beginning after December 15, 2020, including interim periods therein. For all other entities, the guidance is effective for fiscal years beginning after December 15, 2021, and for interim periods beginning after December 15, 2022. Early adoption is also permitted. The Company is currently in the planning stage and will adopt the guidance on January 1, 2022. The Company has not yet determined the potential impact, if any, to the unaudited consolidated condensed financial statements.

In August 2020, the FASB issued ASUNo. 2020-06, “*Debt—Debt with Conversion and Other Options (Subtopic 470-20) and Derivatives and Hedging—Contracts in Entity’s Own Equity (Subtopic 815-40)—Accounting For Convertible Instruments and Contracts in an Entity’s Own Equity*”. The amendment in this update addresses issues identified as a result of the complexity associated with applying GAAP for certain financial instruments with characteristics of liabilities and equity. This ASU can be applied on a prospective basis. The guidance is effective for public business entities that are not smaller reporting companies for fiscal years beginning after December 15, 2021, including interim periods therein, with early adoption permitted. For all other entities, the guidance is effective for fiscal years beginning after December 15, 2023, and interim periods within those fiscal years, with early adoption permitted. The Company is currently in the planning stage and will adopt the guidance on January 1, 2024. The Company has not yet determined the potential impact, if any, to the unaudited consolidated condensed financial statements.

In May 2021, the FASB issued ASU2021-04, “*Earnings per Share (Topic 260), Debt-Modifications and Extinguishments (Subtopic 470-50), Compensation-Stock Compensation (Topic 718), and Derivatives and Hedging-Contracts in Entity’s Own Equity (Subtopic 815-40)*”, (“ASU 2021-04”) which clarifies and reduces diversity in an issuer’s accounting for modifications or exchanges of freestanding equity-classified written call options (for example, warrants) that remain equity classified upon modification or exchange. ASU 2021-04 is effective for fiscal years beginning after December 15, 2021, including interim periods within those fiscal years.

The Company is currently evaluating this guidance to determine the impact it may have on the unaudited consolidated condensed financial statements.

#### 4. Revenues

##### *Remaining Performance Obligations*

As of June 30, 2021, the Company had \$36.2 million of remaining performance obligations, which represents the transaction price of executed contracts less inception to date revenue recognized. Remaining performance obligations exclude unexercised contract options. The Company expects to recognize revenue relating to remaining performance obligations of \$18.4 million, \$16.8 million, and \$1.0 million during the six months ended December 31, 2021, during fiscal year 2022 and thereafter, respectively.

##### *Disaggregation of Revenue*

The Company earns revenue through the sale of products and services. Imagery; data, software and analytics; and engineering and integration are the disaggregation of revenue primarily used by management, as this disaggregation allows for the evaluation of market trends and certain product lines and services vary in recurring versus non-recurring nature.

The following table disaggregates revenue by type of products and services for the six months ended June 30, 2021 and 2020:

	<b>Six Months Ended June 30,</b>	
	<b>2021</b>	<b>2020</b>
	(in thousands)	
Imagery	\$ 2,848	\$ 408
Data, software and analytics	8,267	7,318
Engineering and integration	3,544	1,685
Total revenues	<u>\$ 14,659</u>	<u>\$ 9,411</u>

The approximate revenue based on geographic location of customers is as follows for the six months ended June 30, 2021 and 2020:

	<b>Six Months Ended June 30,</b>	
	<b>2021</b>	<b>2020</b>
	(in thousands)	
US	\$ 12,359	\$ 7,978
Middle East	1,380	1,197
Asia	770	214
Other	150	22
Total revenues	<u>\$ 14,659</u>	<u>\$ 9,411</u>

Revenues from significant customers for the six months ended June 30, 2021 and 2020 is as follows:

	<b>Six Months Ended June 30,</b>	
	<b>2021</b>	<b>2020</b>
	(in thousands)	
Revenue from significant customers		
U.S. federal government and agencies	\$ 12,307	\$ 7,868
Commercial and other	2,352	1,543
Total revenues	<u>\$ 14,659</u>	<u>\$ 9,411</u>

As of June 30, 2021 and December 31, 2020, accounts receivable consisted of the following:

	June 30, 2021	December 31, 2020
	(in thousands)	
U.S. federal government and agencies	\$ 2,679	\$ 1,335
Commercial and other	1,513	1,568
Allowance for doubtful accounts	—	—
Total accounts receivable	<u>\$ 4,192</u>	<u>\$ 2,903</u>

The following table disaggregates revenue for the six months ended June 30, 2021 and 2020 by when control is transferred:

	Six Months Ended June 30,	
	2021	2020
	(in thousands)	
Point in time	\$ 4,461	\$ 1,172
Over time	10,198	8,239
Total revenues	<u>\$ 14,659</u>	<u>\$ 9,411</u>

## 5. Contract Assets and Liabilities

The components of contract assets and contract liabilities consisted of the following:

	June 30, 2021	December 31, 2020
	(in thousands)	
<b>Contract assets - current</b>		
Unbilled revenue	\$ 307	\$ 749
Contract assets	<u>2,342</u>	<u>3,047</u>
Total contract assets - current	<u>\$ 2,649</u>	<u>\$ 3,796</u>
<b>Contract liabilities - current</b>		
Deferred revenue - short-term	15,602	14,030
Other contract liabilities	346	507
Total contract liabilities - current	<u>\$ 15,948</u>	<u>\$ 14,537</u>
<b>Contract liabilities - long-term</b>		
Deferred revenue - long-term	196	2,559
Total contract liabilities - long-term	<u>\$ 196</u>	<u>\$ 2,559</u>

Deferred revenue and other contract liabilities are reported as Contract liabilities on the accompanying unaudited consolidated condensed balance sheets. Contract liabilities include payments received and billings made in advance of the satisfaction of performance obligations under the contract and are realized when the associated revenue is recognized under the contract. Contract assets include unbilled revenue, which is the amount of revenue recognized in excess of the amount billed to customers, where the rights to payment are not just subject to the passage of time; and costs incurred to fulfill contract obligations. Other contract assets and other contract liabilities primarily relate to contract commissions on customer contracts.



Changes in short-term and long-term contract assets and contract liabilities reported as of January 1, 2021 were as follows:

	<u>Contract Assets</u>	<u>Contract Liabilities</u>
	(in thousands)	
Balance on January 1, 2021	\$ 3,796	\$ 17,096
Reclassification of the beginning contract liabilities to revenue, as the result of performance obligations satisfied	—	(11,992)
Cash received in advance and not recognized as revenue	—	11,242
Reclassification of the beginning contract assets to receivables, as the result of rights to consideration becoming unconditional	(740)	—
Cumulative catch-up adjustment rising from changes in contract estimates.	—	341
Cumulative catch-up adjustment arising from contract modification	—	(382)
Other changes in other contract assets and other contract liabilities	(407)	(161)
Balance on June 30, 2021	<u>\$ 2,649</u>	<u>\$ 16,144</u>

## 6. Equity Method Investments

### *LeoStella*

In 2018, BlackSky and Thales formed a joint venture named LeoStella, a vertically-integrated small satellite design and manufacturer based in Tukwila, Washington, from which the Company procures satellites to operate its business. BlackSky and Thales each own 50% of LeoStella. The Company accounted for the initial investment of \$7.0 million as an equity method investment. The Company did not make any additional capital investments in LeoStella during the six months ended June 30, 2021 and 2020.

During the six months ended June 30, 2021 and 2020, respectively, the Company remitted \$11.2 million and \$6.2 million of payments to LeoStella.

### *X-Bow*

In 2017, the Company entered into a Stock Subscription and Technology Transfer Agreement with X-Bow, whereby the Company assigned and transferred certain intellectual property rights owned by the Company to X-Bow in exchange for 13.5 million shares of X-Bow. As of June 30, 2021, the Company's interest in X-Bow was 20.6%.

The following tables present summarized financial information for the Company's equity method investments as of and for the six months ended June 30, 2021, as of December 31, 2020, and for the six months ended June 30, 2020.

<u>Summarized balance sheets</u>	<u>June 30,</u>	<u>December 31,</u>
	<u>2021</u>	<u>2020</u>
	(in thousands)	
Current assets	\$58,094	\$ 64,355
Non-current assets	6,472	7,468
Total assets	<u>\$64,566</u>	<u>\$ 71,823</u>
Current liabilities	\$53,232	\$ 57,040
Non-current liabilities	1,013	6,589
Total liabilities	<u>\$54,245</u>	<u>\$ 63,629</u>
	<u>Six Months Ended June 30,</u>	
	<u>2021</u>	<u>2020</u>
	(in thousands)	
Revenue	\$ 20,739	\$ 3,342
Gross margin	\$ 4,242	\$ 543
Net income/(loss)	\$ 2,160	\$ (1,678)

Current assets of the Company's equity method investees primarily consist of inventories of \$39.7 million as of June 30, 2021 and \$47.3 million as of December 31, 2020. Total liabilities of the Company's equity method investees primarily consist of customer advances from related parties of \$46.1 million as of June 30, 2021 and \$51.4 million as of December 31, 2020.

The revenue related to equity method investments attributable to related parties is \$14.8 million. The Company has differences between the carrying value of its equity-method investments and the underlying equity in the net assets of the investees of \$1.6 million as of June 30, 2021, and \$0.5 million as of December 31, 2020. The differences are a result of the elimination of upstream intra-entity profits from the sale of a satellite, the recognition of unearned profits as the satellites are depreciated, and the elimination of bad debt expense reserve arising from intra-entity sales.

## 7. Discontinued Operations

On June 12, 2020, the Company completed the sale of 100% of its interest in the Launch Division to M&Y Space for a final purchase price of \$31.6 million. In connection with the sale, the Bridge Loan (defined below) with Mitsui & Co. (U.S.A.), Inc. ("Mitsui U.S.A.") of \$26.0 million, plus unpaid accrued interest of \$0.2 million, was extinguished and deducted from the net proceeds. In connection with the extinguishment of the Bridge Loan, accrued interest of \$0.5 million recorded in accordance with the terms of the Bridge Loan was forgiven.

In connection with the 2020 SPA, the Company entered into a Transition Services Agreement with the Launch Division, wherein the Company will provide post-closing transition services to the Launch Division, including, but not limited to, the sublease of the Company's office facility in Seattle, Washington, and common area maintenance fees related to the sublease.

### *Settlement Arrangement for the Sale of the Launch Division*

On March 30, 2021, the Company reached an agreement with M&Y Space and the Launch Division (collectively referred to as the "Parties"), whereby the Parties settled certain disputes with respect to the purchase price in the total of \$6.8 million which the Company accrued as a liability as of December 31, 2020 see Note 11. The Company made an upfront payment of \$2.0 million on April 1, 2021. The Company terminated a launch arrangement with M&Y Space in April 2021 and the Company expects to offset the amount due to M&Y Space with a contractual refund of \$3.9 million. As a result, the Company recorded a reduction to the accrued liability and a reduction to satellite procurement on the unaudited condensed consolidated balance sheet. Additionally, the Company recognized an unfavorable working capital adjustment of \$1.0 million related to a potential shortfall in accounts receivable in the closing balance sheet delivered to M&Y Space. This number may be adjusted in future periods as the Company continues to analyze payments on account and legal remediation through the collection period ending in December 2021.

The following summarizes the components of the gain from discontinued operations, net of tax, that the Company has reported in the unaudited consolidated condensed statements of operations and comprehensive loss:

	<b>Six Months Ended June 30,</b>	
	<b>2021</b>	<b>2020</b>
	<b>(in thousands)</b>	
Major classes of line items constituting gain from discontinued operations:		
Revenue - launch services	\$ —	\$ 26,925
Total cost and expenses	\$ —	\$ 26,879
Operating (loss)/income	\$ —	\$ 46
Loss from discontinued operations, before income taxes.	\$ —	\$ (317)
(Loss)/gain on disposal of discontinued operations	\$ (1,022)	\$ 30,672
Total (loss)/gain from discontinued operations, net of income taxes	\$ (1,022)	\$ 30,355

## 8. Property and Equipment - net

The following summarizes property and equipment - net as of:

	June 30, 2021	December 31, 2020
	(in thousands)	
Satellites	\$ 41,380	\$ 32,340
Computer equipment and software	1,435	1,315
Office furniture and fixtures	870	1,388
Other equipment	550	434
Site equipment	1,231	1,311
Ground station equipment	1,264	1,415
Total	46,730	38,203
Less: accumulated depreciation	(22,249)	(17,351)
Property and equipment — net	<u>\$ 24,481</u>	<u>\$ 20,852</u>

On May 15, 2021, a Rocket Lab Electron rocket carrying two of our satellites suffered a failure during flight, resulting in the loss of both satellites. This resulted in the total carrying value of \$18.4 million being impaired in the second quarter of 2021 of which; \$8.4 million relates to amounts that had been recorded to satellite procurement work in progress as of December 31, 2020. There was no impairment for the six months ended June 30, 2020

Depreciation of property and equipment from continuing operations during the six months ended June 30, 2021 and 2020 was \$5.6 million and \$3.1 million, respectively. During the six months ended June 30, 2021, the Company has disposed of \$0.7 million property and equipment, which consisted of site equipment, furniture and ground station equipment at a loss of \$24 thousand.

## 9. Goodwill and Intangible Assets

### Goodwill

The Company performed an annual qualitative goodwill assessment over the balance of goodwill held related to the BlackSky Division reporting unit as of December 31, 2020. The Company determined that no triggering events occurred that would require the Company to test goodwill for impairment during the six months ended June 30, 2021. Goodwill reported as of June 30, 2021 and December 31, 2020 is as follows:

	As of June 30, 2021	As of December 31, 2020
	(in thousands)	
Gross carrying amount	\$ 9,393	\$ 9,393
Accumulated impairment losses	—	—
Net carrying value of goodwill	<u>\$ 9,393</u>	<u>\$ 9,393</u>

## Intangible Assets

Intangible assets consisted of the following:

	Gross Carrying Amount	As of June 30, 2021 Accumulated Amortization (in thousands)	Net Carrying Amount
Customer backlog and relationships	\$ 6,530	\$ (3,770)	\$ 2,760
Distribution agreements	326	(326)	—
Technology and domain name	4,054	(3,656)	398
Total amortizable intangible assets at June 30, 2021	<u>\$ 10,910</u>	<u>\$ (7,752)</u>	<u>\$ 3,158</u>

  

		As of December 31, 2020 Accumulated Amortization (in thousands)	
Customer backlog and relationships	\$ 6,530	\$ (3,489)	\$ 3,041
Distribution agreements	326	(326)	—
Technology and domain name	4,047	(3,257)	790
Total amortizable intangible assets at December 31, 2020	<u>\$ 10,903</u>	<u>\$ (7,072)</u>	<u>\$ 3,831</u>

For the six months ended June 30, 2021 and 2020, amortization expense related to intangible assets was \$0.7 million and \$0.7 million, respectively, which is included in depreciation and amortization expense in the unaudited consolidated condensed statements of operations and comprehensive loss.

## 10. Accounts Payable and Accrued Liabilities

The components of accounts payable and accrued liabilities are as follows:

	June 30, 2021	December 31, 2020
	(in thousands)	
Accounts payable	\$ 4,670	\$ 4,177
Accrued financing cost	4,019	—
Accrued satellite impairment cost	9,904	—
Accrued payroll	2,251	2,577
Other Accrued Expenses	2,226	1,212
Total accounts payable and accrued liabilities	<u>\$23,070</u>	<u>\$ 7,966</u>

## 11. Other Current Liabilities

The components of other current liabilities are as follows:

	June 30, 2021	December 31, 2020
	(in thousands)	
Warrant liability	\$34,065	\$ 558
Consent fee liability	2,983	—
Other accrued expenses	178	28
Current portion of capital lease	49	48
Contingent liability	727	—
Working capital liability	1,876	6,805
Total other current liabilities	<u>\$39,878</u>	<u>\$ 7,439</u>

The amounts reported include warrants to purchase preferred and common stock that are required to be reported as liabilities and marked to market at each balance sheet date. Refer to Note 13 for more information.

The contingent liability represents a liability for estimated indirect taxes, previously classified as long term. Refer to Note 20 for more information.

Other current liabilities also includes a working capital liability of \$5.8 million due to M&Y Space in connection with the Company's sale of the Launch Division in June 2020. This adjustment reduced the purchase price and the corresponding gain on sale. The amount due to M&Y Space has been partial offset by a contractual refund of \$3.9 million for which a right of setoff exists. Refer to Note 7 for more information.

## 12. Debt and Other Financing

The carrying value of the Company's outstanding debt, inclusive of debt instruments reported at fair value, consisted of the following amounts as of June 30, 2021 and December 31, 2020:

	June 30, 2021	December 31, 2020
	(in thousands)	
Current portion of long-term debt	\$ 19,698	\$ 16,798
Non-current portion of long-term debt	160,561	86,637
Total long-term debt	180,259	103,435
Unamortized debt issuance cost	(3,714)	(1,827)
Outstanding balance	<u>\$176,545</u>	<u>\$ 101,608</u>

Name of Loan	Effective Interest Rate	June 30, 2021	December 31, 2020
		(in thousand)	
Loans from Related Parties	4.00% - 6.00%	\$ 82,987	\$ 83,737
2021 Convertible Bridge Notes <sup>(1)</sup>	N/A <sup>(2)</sup>	77,574	—
Small Business Administration Loan (Paycheck Protection Program)	1.86%	3,600	3,600
Line of Credit	3.65%	16,098	16,098
Total		<u>\$180,259</u>	<u>\$ 103,435</u>

- (1) The Convertible Bridge Notes includes loans from Mithril II, LP in the principal amount of \$15 million, VCVC in the principal of \$5 million.
- (2) The Convertible Bridge Notes are carried at fair value with changes in fair value attributable to instrument-specific credit risk recorded in other comprehensive income and all other changes in fair value to income or loss recorded in unaudited consolidated condensed statements of operations and comprehensive loss.

### 2021 Bridge Financings and Related Transactions

On February 2, 2021, the Company amended its omnibus agreement, dated as of June 27, 2018 (the "2021 Omnibus Amendment"). As a result of the amendment, the Company is permitted to enter into additional indebtedness by issuing new subordinated, unsecured convertible promissory notes (the "2021 Convertible Bridge Notes") between February 2, 2021 and June 30, 2021 for up to an aggregate principal amount of \$60.0 million (the "2021 Bridge Financing"). The 2021 Convertible Bridge Notes bear interest at the rate of 10% and mature on April 30, 2025, if not converted to Class A common shares. There are no covenants tied to financial metrics. The Company made an irrevocable election to carry the 2021 Convertible Bridge Notes at fair value.

The 2021 Bridge Notes convert in connection with the closing of the merger between the Company and Osprey Technology Acquisition Corp. (see Note 20 for more information) into shares of the Company's Class A Common Stock at a price per share equal to 80% of the price per share of Class A Common Stock as determined in connection with the merger. During the period from February 2, 2021 through February 3, 2021, the Company completed the closing of its initial tranche of the 2021 Bridge Financing from existing stockholders. The aggregate principal amount of the notes issued in the initial tranche was \$18.1 million. All investors participating in the initial tranche also received incentive equity equal to seven shares of Class A Common Stock of the Company for each dollar invested. Certain investors participating in the initial tranche additionally received warrants exercisable for shares of Class A Common Stock of the Company in amounts ranging from 0.14% of the Company's fully-diluted share capital for each dollar invested divided by \$1.0 million to 3.5% of the Company's fully-diluted share capital (see Note 13). On February 18, 2021, the Company completed the closing of a second tranche of the 2021 Bridge Financing, raising an aggregate principal amount of \$40.0 million from an existing stockholder and from new investors. Participants in the second tranche did not receive shares of Class A Common Stock or warrants to purchase Class A Common Stock.

Upon the closing of the two previously mentioned 2021 Bridge Financing tranches, \$1.9 million of 2021 Convertible Bridge Notes remained available to be offered to certain shareholders under terms similar to the initial tranche pursuant to a Rights Offering ("Rights Offering"). The Company subsequently completed the Rights Offering in June with a total of \$0.5 million additional investment, resulting in final aggregate proceeds of \$58.6 million in principal investments pursuant to the 2021 Bridge Financing transactions. As the terms of the Rights Offering were substantially identical to those offered in the initial tranche of the 2021 Bridge Financing, participants received seven shares of the Company's Class A Common Stock for each dollar invested, as well as warrants.

In connection with the 2021 Omnibus Amendment, the investors guaranteeing the SVB line of credit further reaffirmed their guarantees and received a one-time issuance of seven shares of Class A common stock of the Company for every dollar guaranteed. Additionally, the Company agreed to pay a fee to holders of certain related party loans ("Consent Fees"). The Consent Fees are payable in either cash or shares of the Company's Class A common stock at the choice of the lender. Because the Consent Fees are considered variable share-settled liabilities, they are recorded at fair value, see further discussion in Note 19.

On February 18, 2021, the Company amended and restated its certificate of incorporation to increase the total number of authorized shares of capital stock to a new total of 1,176,556,156 shares, which included an increase in the total number of authorized shares common stock to a new total of 1,000,000,000 shares.

The following table summarizes the additional shares of Class A Common Stock and warrants to purchase Class A Common Stock issued as a result of the 2021 Bridge Financings.

	Class A Common Stock	Class A Common Stock Warrants
	(in thousands)	
Issued to Silicon Valley Bank ("SVB") guarantors	93,042	—
Issued in connection with the initial tranche of 2021 Bridge Financing	126,572	42,487
Issued as incentive shares and as incentive warrants, in connection with the Rights Offering	3,440	565
Total	<u>223,054</u>	<u>43,052</u>

#### ***Fair Value of Debt***

The estimated fair value of all of the Company's outstanding long-term debt, excluding the Bridge Financing convertible notes that were issued in February and June of 2021 and are reported at fair value, was \$88.5 million and \$79.7 million as of June 30, 2021, and December 31, 2020, respectively. The fair value of the long-term debt was estimated using Level 3 inputs, based on interest rates available for debt with terms and maturities similar to the Company's existing debt arrangements and credit rating.

We used a probability-weighted payoff scenario approach to value the long-term debt. Under this approach, we considered the stated interest rate on the notes to derive the principal and accrued interest during the period to a conversion event or maturity, considered any discounted conversion ratios or multipliers, utilized a present

value factor based on the remaining payoff period and our risk profile, and assigned a probability to each potential conversion event and to reaching maturity. This estimation process requires the application of significant judgement and assumptions. Changes in any or all of these estimates and assumptions, or the relationships between those assumptions impact our valuations as of each valuation date and may have a material impact on the valuation of our debt.

### ***Compliance with Debt Covenants***

As of June 30, 2021, all debt instruments contain customary covenants and events of default. There are no covenants tied to financial metrics and the Company was in compliance with all non-financial covenants as of June 30, 2021.

### **13. Warrants**

#### ***Common Stock Warrants Liabilities***

As part of the Bridge Financings discussed in Note 12, the Company issued warrants to purchase Class A Common Stock. The number of shares of Class A Common Stock for which the warrants are exercisable is not fixed and adjusts based on the fully diluted capitalization of the Company, as defined in the warrant agreements, at the time of exercise. As of June 30, 2021, the warrants were exercisable for 43.5 million shares of Class A Common Stock. The Company analyzed the provisions of the respective warrant agreements, which requires a multi-step approach to evaluate whether an equity-linked financial instrument has features that require treatment as a derivative liability. Based upon the fact that the number of shares of common stock that the warrants are exercisable for is not fixed and is subject to changes based on the Company's capital structure, the warrants are not considered to be indexed to the Company's stock. Therefore the warrants meet the criteria for derivative liability treatment and, as such, are recorded as other current liabilities in the unaudited consolidated condensed balance sheets.

The warrants issued as part of the Bridge Financing, which have an exercise price of \$0.01, are net exercisable by the holder for a period of ten years. In the event of the merger discussed in Note 20, the warrants automatically net exercise into Class A Common Stock of the Company which will then be exchanged for common stock in Osprey at the exchange rate applicable to the Company's Class A Common Stock.

#### ***Subsequent Accounting for Warrant Liabilities***

Derivative liabilities must be measured at fair value upon issuance and re-valued at the end of each reporting period through expiration. Any change in fair value between the respective reporting dates is recognized as an unrealized gain or loss in the accompanying unaudited consolidated condensed statements of operations and comprehensive loss. Refer to Note 19 for more information.

### **14. Other (Expense)/Income**

	<b>For The Six Months Ended June 30,</b>	
	<b>2021</b>	<b>2020</b>
	<b>(in thousands)</b>	
Loss on Issuance of 2021 Convertible Bridge Notes Tranche One	\$ (84,291)	\$ —
Loss on Issuance of 2021 Convertible Bridge Notes Tranche Two	(12,185)	—
Loss on Issuance of 2021 Convertible Bridge Notes Rights Offering	(3,193)	—
Debt Issuance Costs Expensed For Debt Carried At Fair Value	(47,718)	—
Other	17	281
	<u>\$ (147,370)</u>	<u>\$ 281</u>

In February 2021, the Company issued 2021 Convertible Bridge Notes ("Bridge Notes") in two tranches. The first tranche of the Bridge Notes were issued at par to several existing investors at a principal amount of



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\$18.1 million and a fair value of \$24.2 million. Additionally, certain investors in the first tranche of Bridge Notes received 126.6 million shares of Class A Common Stock with a fair value of \$59.8 million and Warrants to purchase 42.5 million shares of Class A Common Stock with a fair value of \$18.4 million. The transaction was not considered to be at arms-length. The Company had an external valuation performed on the Notes, Class A Common Stock and Warrants were determined that their fair value exceeded the proceeds received. Since no unstated rights and/or privileges were identified with the first tranche of the Bridge Notes, the Company recorded a loss on issuance of \$84.3 million

The second tranche of the Bridge Notes were issued at par to several new investors and an existing investor at a principal amount of \$40.0 million and a fair value of \$52.2 million, resulting in a loss on issuance of \$12.2 million.

In June 2021, the Company offered eligible stockholders an opportunity to invest in a portion of the Bridge Notes as part of a Rights Offering on substantially the same terms as offered to investors in the initial tranche of the Bridge Notes. The aggregate principal amount and fair value of the Bridge Notes issued to the participating shareholders in the Rights Offering were \$0.5 million and \$0.6 million respectively. Additionally, the investors received 3.4 million incentive shares of Class A Common Stock with a fair value of \$2.6 million and 0.6 million incentive warrants exercisable for Class A Common Stock with a fair value of \$0.5 million. No unstated rights and/or privileges were identified with respect to the Bridge Notes issued in connection with the Rights Offering, and the Company recorded a loss on issuance of \$3.2 million.

The Company incurred and expensed \$47.6 million in debt issuance cost related to the Bridge Notes issued in February and the modification of existing debt arrangements. These debt issuance cost consisted of 93.0 million Class A common shares valued at \$43.9 million that were issued to certain guarantors in conjunction with modification of the Company's line of credit and \$3.7 million paid to third parties in cash. Additionally, the Company incurred \$0.1 million in debt issuance costs related to the Rights Offering, which has been expensed.

The debt issuance costs were expensed because the Bridge Notes are being carried on the balance sheet at fair value. The modification of existing debt did not qualify as a Troubled Debt Restructuring nor did it result in the extinguishment of the debt.

## 15. Stockholders' Equity

### Common Stock

As of June 30, 2021, the Company was authorized to issue 1,000.0 million shares of Class A Common Stock and 90.0 million shares of Class B common stock.

Issued and outstanding stock as of June 30, 2021 consisted of 353.6 million and 347.2 million shares of Class A Common Stock respectively, and 72.0 million shares of Class B common stock. The par value of each share of the common stock is \$0.00001 per share.

The Company had reserved shares of Class A Common Stock for issuance in connection with the following:

	<u>June 30,</u> <u>2021</u>	<u>December 31,</u> <u>2020</u>
	(in thousands)	
Conversion of outstanding shares of redeemable convertible preferred stock	79,055	79,055
Redeemable convertible preferred stock warrants (as converted to Class A Common Stock)	1,258	1,258
Class A Common Stock warrants (as exercised for Class A Common Stock) treated as equity	122,986	134,996
Stock options outstanding	29,347	38,525
Restricted stock units outstanding	98,100	—
2021 Convertible Bridge Notes as converted into common stock	86,290	—
Class A Common Stock warrants (as exercised for Class A Common Stock) treated as liability	42,945	—
Class A Common Stock issued as incentive shares in connection with the Rights Offering	3,440	—
Class A common stock warrants (as exercised for Class A Common Stock) treated as liability in connection with the Rights Offering	565	—
Common stock issuable for consent fees	3,456	—
Shares available for future grant	<u>178,994</u>	<u>35,377</u>
Total Class A common stock reserved	<u>646,436</u>	<u>289,211</u>

The Company had reserved shares of Class B Common Stock for issuance of 18.0 million and 6.0 million shares as of June 30, 2021 and December 31, 2020, respectively.

## 16. Net Income/(Loss) Per Share of Common Stock

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

	Six Months Ended June 30,	
	2021	2020
	(in thousands except per share information)	
Loss from continuing operations	\$ (203,707)	\$ (25,062)
(Loss) / gain from discontinued operation	(1,022)	30,355
Net (loss) / income available to common stockholders	<u>\$ (204,729)</u>	<u>\$ 5,293</u>
Basic and diluted net loss per share - continuing operations	\$ (0.70)	\$ (0.33)
Basic and diluted net income per share - discontinued operations	—	0.40
Basic and diluted net (loss) / income per share	<u>\$ (0.70)</u>	<u>\$ 0.07</u>
Shares used in the computation of basic and diluted net (loss)/income per share	294,224	76,769

The following potentially dilutive securities were not included in the calculation of weighted average common shares outstanding, as their effect would have been anti-dilutive during the six months ended June 30, 2021 and 2020:

	June 30,	
	2021	2020
	(in thousands)	
Series A redeemable convertible preferred stock	8,652	8,652
Series B and B-1 redeemable convertible preferred stock	28,495	28,495
Series C redeemable convertible preferred stock	41,908	41,908
Restricted common stock	6,361	17,019
Restricted stock units	98,100	—
Common stock warrants	122,986	134,996
2021 Convertible Bridge Notes as converted in common stock	86,290	—
Class A common stock warrants (as exercised for Class A Common Stock) treated as liability	42,945	—
Class A common stock warrants (as exercised for Class A Common Stock) treated as liability in connection with the Rights Offering	565	—
Common stock issuable for consent fees	3,456	—
Series B preferred stock warrants	1,055	1,055
Series C preferred stock warrants	203	203
Stock options	29,347	40,916

## 17. Stock-Based Compensation

The Company adopted two equity incentive plans in prior years, the 2011 Plan and 2014 Plan. Both Plans allow the Board of Directors to grant stock options, designated as incentive or nonqualified, and stock awards to employees, officers, directors, and consultants. Stock options are granted with an exercise price per share equal to at least the estimated fair value of the underlying common stock on the date of grant. The vesting period is determined through individual award agreements and is generally over a five-year period. Awards generally expire 10 years from the date of grant.

### Stock Options

As of June 30, 2021, the Company had 0.6 million and 28.8 million options outstanding, respectively, under the 2011 and 2014 Plans. The Company has not issued options under the 2011 Plan since 2014.

The Black-Scholes option pricing model is used to determine the fair value of options granted. The Company utilizes assumptions concerning expected life, a risk-free interest rate, and expected volatility to determine such values.

A summary of the weighted-average assumptions is presented below for the six months ended June 30, 2020, and there were no awards of stock options during the six months ended June 30, 2021:

	Six Months Ended June 30, 2020
Fair value per common share	\$ 0.0011
Weighted-average risk-free interest rate	0.85%
Volatility	65.00%
Expected term (in years)	2.50
Dividend rate	0%

A summary of the Company's stock option activity under the 2011 and 2014 Plans during the six months ended June 30, 2021 is presented below:

	Six Months Ended June 30, 2021			
	Options (in thousands)	Weighted- Average Exercise Price	Weighted Average Remaining Contractual Term (Years)	Aggregate Intrinsic Value (in thousands)
Outstanding - January 1, 2021	38,525	\$ 0.0197		
Granted	—	—		
Exercised	(7,440)	0.0079		
Forfeited	(1,738)	0.0011		
Outstanding - June 30, 2021	29,347	0.0238	7.9	\$ 21,727
Exercisable - June 30, 2021	15,409	\$ 0.0413	7.3	\$ 11,140

For options exercised, intrinsic value is calculated as the difference between the estimated fair value on the date of exercise and the exercise price. The total intrinsic value of options exercised during the six months ended June 30, 2021 and 2020, was \$4.4 million and \$0.2 million, respectively. The total fair value of options vested during the six months ended June 30, 2021 and 2020, was \$0.5 million and \$0.6 million, respectively.

For the six months ended June 30, 2021 and 2020, compensation cost charged to continuing operations upon the vesting of stock options was \$1.1 million and \$1.3 million respectively.

The compensation costs attributable to continuing operations were included in selling, general and administrative expense in the unaudited consolidated condensed statements of operations and comprehensive loss. As of June 30, 2021, there was \$0.9 million of total unrecognized compensation cost, which is expected to be recognized over a weighted-average period of 1.3 years.

### Restricted Stock Awards

Beginning in 2020, the Company has granted restricted stock awards, which vest upon on the individual award agreements and generally over a three to four-year period. These shares are deemed issued as of the date of grant, but not outstanding until they vest. The Company intends to settle the restricted stock awards in stock, and the Company has the shares available to do so.

A summary of the Company's nonvested restricted stock awards activity during the six months ended June 30, 2021 is presented below:

	Six Months Ended June 30, 2021	
	Restricted Stock Awards	Weighted-Average Grant-Date Fair Value
	(in thousands)	
Nonvested - January 1, 2021	12,973	\$ 0.0011
Granted	—	—
Vested	(6,507)	0.0011
Canceled	(105)	0.0011
Nonvested - June 30, 2021	<u>6,361</u>	<u>\$ 0.0011</u>

As of June 30, 2021, there was \$0.1 million of total unrecognized compensation cost related to nonvested restricted stock awards granted under the employee share option plan, which amount is expected to be recognized over a weighted-average period of 1.7 years. The total grant date fair value of shares vested during the six months ended June 30, 2021 was \$7 thousand.

#### **Restricted Stock Units**

Pursuant to actions taken by the Company's Board of Directors on February 17, 2021 and March 17, 2021, the Company granted an aggregate of 96,083,025 restricted stock units to certain employees of the Company. On March 24, 2021, the Company granted an additional 1,500,000 restricted stock units to an outside advisor providing consulting services to the Company. On June 22, 2021, the Company granted 1,796,610 restricted stock units under the 2014 Equity Incentive Plan.

The restricted stock units issued to certain employees and advisors of the Company include certain performance-based vesting requirements which had not been met as of June 30, 2021. These vesting requirements are linked to the consummation of the merger between BlackSky and Osprey Technologies Acquisition Corp. (See Note 21) or, with respect to the RSUs issued on February 17, 2021, March 17, 2021, and June 22, 2021 can be satisfied by a qualified financing transaction as defined in the agreement.

Pursuant to the vesting terms related to the restricted stock units issued on February 17, 2021 and March 17, 2021, 50% of such restricted stock units will vest 180 days subsequent to consummation of a transaction that meets either of the specified performance conditions. The remaining 50% of such units will vest ratably over eight consecutive quarters, on specified quarterly vesting dates (i.e., March 10, June 10, September 10, and December 10), with the first of such quarterly vesting dates occurring at least three months after the vesting of the initial 50% of the restricted stock units.

Of the 1,500,000 restricted stock units issued on March 24, 2021, 25% vested immediately upon issuance. An additional 50% of these restricted stock units will vest on the date of a merger between BlackSky and Osprey Technologies Corp. The remaining 25% of the restricted stock units issued on March 24, 2021 vest ratably over 12 months, on the same day of the month that the merger closed, commencing as of the month following satisfaction of the performance condition.

The Company's vesting terms related to the restricted stock units issued on June 22, 2021, states the first vesting date is the latter of a) 180 days subsequent to consummation of a transaction and b) the one year anniversary of the vesting commencement date. On the first vesting date, 25% of the awarded units vest and 1/16th of the remaining shares vest on the 12 consecutive quarterly vesting dates (i.e., March 10, June 10, September 10, and December 10). The Company awarded restricted stock units that will vest in full on the first vesting date which is expected to be, 180 days subsequent to consummation of a transaction that meets either of the specified performance conditions.

A summary of the Company's nonvested restricted stock units activity during the six months ended June 30, 2021 is presented below:

	Six Months Ended June 30, 2021	
	Restricted Stock Units	Weighted-Average Grant-Date Fair Value
	(in thousands)	
Nonvested - January 1, 2021	—	\$ —
Granted	99,380	0.6402
Vested	(375)	0.7333
Canceled	(905)	0.6344
Nonvested - June 30, 2021	<u>98,100</u>	<u>\$ 0.6399</u>

The total fair value of shares vested and for which compensation was recognized during the six months ended June 30, 2021 was \$0.3 million. No compensation expense has been recognized with respect to the restricted stock units for which vesting only commences upon satisfaction of a performance condition, as the defined performance conditions are not deemed to be within the Company's control and, accordingly, also were not deemed probable as of June 30, 2021. Unrecognized compensation costs related to nonvested restricted stock units totaled \$62.8 million as of June 30, 2021.

#### 18. Related Party Transactions

Name	Nature of Relationship	Description of the Transactions	Amount Due to Related Party as of	
			June 30, 2021	December 31, 2020
			(in thousands)	
Seahawk	Debt Issuer	In 2019, the Company raised and converted \$18.4 million from the Seahawk LSA into the Intelsat Facility as outstanding debt and issued 13.5 million warrants to purchase common stock.	\$ 19,198	\$ 19,198
Intelsat	Debt Issuer	In 2019, the Company entered into a term loan facility with Intelsat Facility for \$50.0 million and issued 20.2 million warrants to purchase common stock.	\$ 52,039	\$ 52,039
Jason and Marian Joh Andrews	The Former Co-founders and employees of BlackSky	In 2018, the Company executed the Andrews's Notes worth \$12.5 million in total to repurchase an aggregate 11.5 million of common stock shares.	\$ 11,750	\$ 12,500
Mithril II, LP	Debt Issuer and Equity Holder	In February 2021, the Company issued notes payable to Mithril II, LP totaling \$15.0 million in principal and issued seven shares of common stock per dollar of principal. Mithril also received warrants providing for the right to acquire a number of shares of common stock equal to 3.5% of the Company's fully diluted capitalization upon exercise.	\$ 15,000	\$ —
VCVC	Debt Issuer and Equity Holder	In February 2021, the Company issued a note payable to VCVC IV, LLC for \$5.0 million principal and issued seven shares of common stock per dollar of principal. VCVC also received warrants providing for the right to acquire a number of shares of common stock equal to 0.7% of the Company's fully diluted capitalization upon exercise.	\$ 5,000	\$ —

Name	Nature of Relationship	Description of the Transactions	Amount Due to Related Party as of			
			Total payments in Six Months Ended June 30,		June 30,	December 31,
			2021	2020	2021	2020
			(in thousands)		(in thousands)	
Leostella	Joint Venture	In 2018, the Company formed LeoStella and, pursuant to the terms and conditions of the joint venture agreement, the Company has two designated members of LeoStella's Board of Directors. As described in Note 6, the Company and LeoStella executed an SPC to design, develop and manufacture multiple satellites for the Company's geospatial business operations.	\$ 11,226	\$ 6,205	\$ 584	\$ 8,012
X-Bow	Equity Method Investee	In 2017, the Company entered into a Stock Subscription and Technology Transfer Agreement with X-Bow. As of March 31, 2021, the Company has a 20.6% interest in X-Bow and has one Board seat. As described in Note 6, the Company has engaged X-Bow to develop a rocket for the Company.	\$ 1,865	\$ 1,829	\$ —	\$ 750

Interest on the Intelsat Facility, which includes amounts rolled over from the Seahawk LSA as discussed above, is accrued and compounded annually. No significant interest payments were made in the periods ending June 30, 2021 or 2020. The Company has interest due to related parties in the amount of \$4.6 million as of June 30, 2021, of which \$3.8 million has been recorded as accrued interest and \$0.8 million has not been accrued because the Company has elected the fair value option for the underlying debt. In February 2021, in connection with the Company's bridge financing, the Company agreed to pay consent fees of \$2.5 million to Intelsat and Seahawk. These consent fees are payable in common stock or cash (see Note 12)

In April 2021, the Company paid \$0.8 million to Jason and Marian Joh Andrews towards the principal balance along with a \$25 thousand interest payment. See Note 12 Debt and Other Financing for additional information related to agreements for this debt.

Interest on the notes issued in February 2021 as part of the bridge financing is accrued and compounded annually. No significant interest payments were made in the period ending June 30, 2021. See Note 12

## 19. Fair Value of Financial Instruments

### Recurring basis

The following tables present information about the Company's liabilities that are measured at fair value on a recurring basis as of June 30, 2021 and December 31, 2020, as well as indicate the fair value hierarchy level of the valuation techniques and inputs that the Company utilized to determine such fair value:

June 30, 2021	Quoted Prices in Active Markets (Level 1)	Significant Other Observable Input (Level 2) (in thousands)	Significant Other Unobservable Inputs (Level 3)
<b>Liabilities</b>			
Convertible Bridge Notes <sup>(1)</sup>	\$ —	\$ —	\$ 77,574
Class A Common Stock Warrants	—	—	32,889
Consent Fee Liability	—	—	2,983
Series B Preferred Stock Warrants	—	—	1,106
Series C Preferred Stock Warrants	—	—	70
	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 114,622</u>

(1) The Convertible Bridge Notes includes loans from Mithril II, LP in the principal amount of \$15 million, VCVC in the principal of \$5 million.

December 31, 2020	Quoted Prices in Active Markets (Level 1)	Significant Other Observable Input (Level 2)	Significant Other Unobservable Inputs (Level 3)
<b>Liabilities</b>			
Series B Preferred Stock Warrants	\$ —	\$ —	\$ 508
Series C Preferred Stock Warrants	—	—	50
	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 558</u>

The Company's warrant and consent fee liability are classified as other current liabilities in the unaudited consolidated condensed balance sheets, and changes in the liability balance are recorded to unrealized gain or loss in the unaudited consolidated condensed statement of operations. The consent fee liability can be settled in either shares of Class A common stock at a conversion price of 80% of the deemed closing value on the date of the SPAC Transaction or for a \$2.5 million cash payment. As a result, the consent fee is determined to be a freestanding liability under ASC 480, *Distinguishing Liabilities from Equity*, which provides for freestanding instruments that represent obligations to issue a variable number of shares to be classified as liabilities.

The carrying values of the following financial instruments approximated their fair values as of June 30, 2021 and December 31, 2020 based on their short-term maturities: cash and cash equivalents, restricted cash, accounts receivable, prepaid expenses and other current assets, accounts payable, accrued liabilities, leases payable and short-term debt and other current liabilities.

There were no transfers into or out of any of the levels of the fair value hierarchy during the six months ended June 30, 2021 or 2020.

The following is a summary of changes in the fair value of the Level 3 liabilities during the six months ended June 30, 2021 and 2020:

	Convertible Bridge Notes	Class A Common Stock Warrants	Consent Fee Liability	Preferred Stock Warrant Series B and C
	(in thousands)			
Balance, December 31, 2020	\$ —	\$ —	\$ —	\$ 558
Issuance of financial instruments carried at fair value	77,033	18,800	—	—
Liability recorded at fair value	—	—	2,715	—
Loss from changes in fair value	—	14,089	268	\$ 618
Changes recorded in other comprehensive income	541	—	—	—
Balance, June 30, 2021	<u>\$ 77,574</u>	<u>\$ 32,889</u>	<u>\$ 2,983</u>	<u>\$ 1,176</u>
Balance, December 31, 2019				\$ 1
Loss from changes in fair value of the warrant liabilities				279
Balance, June 30, 2020				<u>\$ 280</u>



The following tables provide quantitative information associated with the fair value measurement of the Level 3 inputs:

	Fair Value as of June 30, 2021 (in thousands)	Valuation Methodology	Transaction	Probability of Occurrence	Period (years)	Discount Rate
Convertible Bridge Notes	\$ 77,574	Probability-Weighted Payoff Approach	Merger	90.0%	0.17	6.9%
			Maturity	5.0%	3.84	8.2%
			Other	5.0%	0.17 -0.34	6.9%-7.0%
Consent Fee Liability	\$ 2,983	Probability-Weighted Payoff Approach	Merger	90.0%	0.17	6.9%
			Maturity	5.0%	3.84	8.2%
			Other	5.0%	0.17-0.34	6.9%

	Fair Value as of June 30, 2021 (in thousands)	Valuation Methodology	Transaction	Probability of Occurrence	Period (years)
Class A Common Stock Warrants	\$ 32,889	Option Pricing Method ("OPM")	Merger	90.0%	0.17
			Other	10.0%	0.17

	Fair Value as of June 30, 2021 (in thousands)	Valuation Methodology	Significant Other Unobservable Inputs	Inputs
Series B Preferred Stock Warrants	\$ 1,106	Black-Scholes Option Pricing Model	Preferred stock value	\$ 1.1140
			Exercise price of warrant	\$ 0.0100
			Term in years	0.17
			Risk-free interest rate	0.05%
			Volatility	50.0%

	Fair Value as of June 30, 2021 (in thousands)	Valuation Methodology	Significant Other Unobservable Inputs	Inputs
Series C Preferred Stock Warrants	\$ 70	Black-Scholes Option Pricing Model	Preferred stock value	\$ 4.6506
			Exercise price of warrant	\$ 4.3177
			Term in years	0.17
			Risk-free interest rate	0.05%
			Volatility	15.0%

## 20. Commitments and Contingencies

### Legal Proceedings

In the normal course of business, the Company may become involved in various legal proceedings which, by their nature, may be inherently unpredictable and which could have a material effect on the unaudited consolidated condensed financial statements, taken as a whole.

The Company's founders, Jason and Marian Joh Andrews, (collectively, the "Founders") have retained legal counsel in connection with claims they assert relating to the closing of the Company's debt financings on October 31, 2019. The Founders claim that these October 2019 financings triggered a prepayment obligation to them under the Andrews Notes in an aggregate amount of \$2.5 million. To date, the Founders have not filed a lawsuit and have taken no further legal action. The Company believes that these claims are without merit and, as such, they would not result in a probable material adverse effect on its financial position. Accordingly, the Company has not recorded a contingency loss. Also, on April 27, 2021, with the consent of our senior lenders, BlackSky entered into an agreement with the Founders under which BlackSky paid the Founders \$0.8 million towards the principal of the Founders Notes on April 28, 2021 and will pay \$1.8 million towards the principal of the Andrews Notes upon the closing of Osprey merger.

As of June 30, 2021, with the exception of the items above, the Company was not aware of any additional pending, or threatened, governmental actions or legal proceedings to which the Company is, or will be, a party that, if successful, would result in a material impact to its business or financial condition or results of operations.

#### ***Other Contingencies***

The Company analyzed its unique facts and circumstances related to potential obligations in a certain state jurisdiction, including the delivery nature of its prior year intercompany services, payroll and other benefits-related services, current shared services between the parent and subsidiaries, and changing state laws and interpretations of those laws, and have determined that the Company may have an indirect tax obligation.

The Company has continued correspondence with the applicable authorities in an effort toward identifying a taxpayer-favorable resolution of the potential liabilities. The Company has recognized a liability including interest and penalties based on its best estimate as of June 30, 2021.

The following table summarizes the estimated indirect tax liability activity during the six months ended June 30, 2021:

	<b>June 30, 2021</b>
	<b>(in thousands)</b>
Balance, December 31, 2020	\$ 921
Payments	(162)
Adjustment to expense	(32)
Balance, June 30, 2021	<u>\$ 727</u>

The Company continues to analyze the additional obligations it may have, if any, it will adjust the liability accordingly.

#### ***Other Commitments***

The Company has commitments for multi-launch and integration services with launch services providers. As of June 30, 2021, the company has commitments for 5 launches to include up to 10 satellites at estimated launch dates totaling an amount of \$40.6 million with options for additional launches. The terms of the arrangements also allow for us to remanifest the satellites if significant delays in excess of 365 days or other inexcusable delays occur with the provider. Subsequent to remanifest efforts four months after the 365 days, the Company can request a refund of all recoverable costs. The launch service provider invoices based on the later of closing the merger transaction or time-based milestone payments from estimated launch dates. Payment terms are 15 days from invoice date.

#### ***BlackSky Merger with Osprey Technology Acquisition Corp.***

On February 17, 2021, the Company entered into a merger agreement with Osprey Technology Acquisition Corp. (“Osprey”), a Special Purpose Acquisition Company. The merger between the Company and Osprey pursuant to this agreement would result in BlackSky becoming a publicly listed company, as the surviving business post-merger. If consummated, the merger will result in all holders of BlackSky’s issued and outstanding preferred stock and Class A Common Stock (inclusive of restricted stock awards), as well as holders of the notes issued as part of BlackSky’s 2021 bridge financings, receiving shares of Osprey Class A Common Stock, in exchange for their BlackSky debt and equity holdings. Holders of BlackSky’s issued and outstanding Class B common stock will receive cash of \$0.00001 per outstanding share.

Subsequent to the transaction, BlackSky will be a wholly owned subsidiary of Osprey. However, BlackSky is expected to be deemed the acquirer in the merger transaction for accounting purposes. Accordingly, the merger transaction is expected to be accounted for as a reverse recapitalization, in which case the net assets of Osprey will be stated at historical cost and no goodwill or other intangible assets will be recorded in connection

with the merger. The expectation for the treatment of the merger transaction as a reverse recapitalization is based upon the expectations that (A) the pre-merger shareholders of BlackSky are expected to hold between 57% to 72% of the voting interests of the combined company, (B) BlackSky's existing management team will serve as the initial management team of the combined company, (C) BlackSky will appoint a majority of the initial board of directors of the combined company, and (D) BlackSky's operations will comprise the ongoing operations of the combined company.

Upon consummation of the merger, \$180 million of cash raised by Osprey through a contemporaneous sale of Class A Common Stock in connection with the closing of a PIPE investment, as well as any portion of the cash and marketable securities that is held in Osprey's trust account at the time of the merger and not used to redeem shares of Osprey's Class A Common Stock held by Osprey's public shareholders upon the closing of the merger, is expected to become available to the combined company for general use. Cash available for general use will be reduced by cash payments made for (A) merger transaction costs incurred by both the Company and Osprey, (B) deferred underwriting fees related to Osprey's IPO, (C) portions of the Company's outstanding debt, and (D) other costs directly or indirectly attributable to the merger transaction.

There is no assurance that the merger between the Company and Osprey will occur, as consummation of the transaction is subject to (A) the affirmative vote of at least a majority of the votes cast by Osprey's pre-merger public stockholders at an Osprey special meeting for which a quorum is present and (B) a minimum of \$225 million of aggregate required funds becoming available to the combined company based upon the summation of (i) the \$180 million of cash proceeds from Osprey's contemporaneous PIPE Investment pursuant to which Osprey Class A Common Stock will be sold and (ii) cash and marketable securities held in trust, after permitted redemptions of Class A common shares held by Osprey's public shareholders. Neither approval of the merger transaction by Osprey's public stockholders nor the amount of cash and marketable securities that would remain in Osprey's trust account after permitted redemptions of Class A common shares by Osprey's public stockholders is within the control of the Company or Osprey.

If the merger agreement is validly terminated by Osprey due to the Company changing its recommendation in support of the merger agreement prior to obtaining Company approval of the merger agreement by a majority of the voting power of the outstanding shares of the Company's common stock and the majority of the then outstanding Company preferred stock, the Company would be required to pay a one-time termination fee totaling \$40.7 million.

## **21. Concentrations, Risks, and Uncertainties**

The Company maintains all cash and cash equivalents with one financial institution. Financial instruments that potentially subject us to concentrations of credit risk are primarily accounts receivable and cash deposits.

For the six months ended June 30, 2021 and 2020, revenue from customers representing 10% or more of the consolidated revenue from continuing operations was \$6.1 million and \$5.0 million, respectively. Accounts receivable related to these customers as of June 30, 2021 and December 31, 2020 was \$0.6 million and \$2.0 million, respectively. Revenue from the U.S. federal government and agencies was \$12.3 million and \$7.9 million for the six months ended June 30, 2021 and 2020, respectively. Accounts receivable related to U.S. federal government and agencies was \$2.7 million and \$1.3 million as of June 30, 2021 and December 31, 2020, respectively.

The Company generally extends credit on account, without collateral. Outstanding accounts receivable balances are evaluated by management, and accounts are reserved when it is determined collection is not probable. As of June 30, 2021 and December 31, 2020, the Company evaluated the realizability of the aged accounts receivable, giving consideration to each customer's financial history and liquidity position, credit rating and the facts and circumstances of collectability on each outstanding account, and concluded that no reserve for uncollectible account was required.

## 22. Subsequent Events

Management has evaluated subsequent events that have occurred through September 15, 2021, which is the date that the financial statements were available to be issued, and has determined that there were no subsequent events that required recognition or disclosure in the financial statements as of June 30, 2021, except as disclosed below.

### *Palantir Technologies Inc. Investment and Multi-Year Strategic Partnership*

On September 1, 2021, Palantir Technologies Inc. (“Palantir”), entered into a multi-year \$16.0 million strategic partnership. As part of the strategic partnership Palantir will invest \$8.0 million at \$10.00 per share for the purchase of 800,000 shares of Osprey Class A common stock pursuant to a Subscription Agreement that closed on September 9, 2021, two business days subsequent to the closing of the Business Combination. The Subscription Agreement contains substantially the same terms as the PIPE Investment entered into February 17, 2021. The Company and Palantir also entered into a software subscription agreement which allows the Company to distribute products on Palantir’s platform to customers that are already integrated with Palantir. The Company is required to pay access fees to Palantir over multiple years for an aggregate payment of \$8.0 million. The software subscription agreement contains a termination clause that Palantir must receive a minimum total of \$750 thousand in fees from the effective date through the termination date. The Palantir transaction is deemed a related party transaction due to the fact the Chairman of the Board of Palantir is a founder of Mithril Capital who is a significant beneficial owner of a substantial investment in the Company.

### *Impact of the Business Combination*

On September 9, 2021, the Business Combination was consummated, pursuant to which 78,993,201 shares of Osprey Common Stock were issued for all of the issued and outstanding equity interests of BlackSky, inclusive of shares of Osprey’s Common Stock issued in exchange for both BlackSky’s issued and outstanding preferred stock and issued and outstanding convertible notes (inclusive of interest accrued thereon), as if each had converted into BlackSky common stock immediately prior to the Business Combination. In connection with the Business Combination, 18,000,000 PIPE Shares also were sold and issued for a purchase price of \$10.00 per share, or an aggregate purchase price of \$180.0 million, pursuant to the Subscription Agreements entered into on February 17, 2021. The net proceeds of \$223.1 million received reflect the receipt of gross proceeds of \$291.0 million from the Business Combination, inclusive of cash from PIPE shares, conversion of warrant liabilities and rights offering, offset by the following: 1) settling PPP Loan, SVB line of credit and accrued and unpaid interests related to those loans for a total amount of \$19.6 million, 2) payment of transaction costs, including deferred legal fees, underwriting commissions, and other costs related to the Transaction, incurred by both Osprey and BlackSky for a total of \$48.3 million.

## UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL INFORMATION

### Introduction

The following unaudited pro forma condensed combined financial information has been prepared in accordance with Article 11 of Regulation S-X. This information has been provided to aid in your analysis of the financial impacts of (1) the merger between Osprey Technology Acquisition Corp. (“Osprey”) and BlackSky Holdings, Inc. (“BlackSky”) and (2) certain related transactions. The pro forma financial information reflects the combination of historical financial information of Osprey and BlackSky, adjusted to give effect to (A) the merger, inclusive of the issuance of Osprey common stock for BlackSky’s issued and outstanding Class A common stock, preferred stock, and bridge notes in accordance with the terms of the merger agreement, (B) the repayment of certain of BlackSky’s outstanding debt, (C) certain related equity financing transactions, and (D) the payment of transaction costs (collectively, the “Transactions”), as each are subsequently described in greater detail. Hereinafter, Osprey and BlackSky are collectively referred to as the “companies,” and the companies, subsequent to the merger, are referred to herein as the “combined company.”

The unaudited pro forma condensed combined balance sheet, which has been presented for the combined company as of June 30, 2021, gives effect to the Transactions as if they were consummated on June 30, 2021. The unaudited pro forma condensed combined statements of operations, which have been presented for the combined company for the six months ended June 30, 2021 and for the year ended December 31, 2020, give pro forma effect to the Transactions as if they had occurred on January 1, 2020. The unaudited pro forma condensed combined balance sheet does not purport to represent, and is not necessarily indicative of, what the actual financial condition of the combined company would have been had the Transactions taken place on June 30, 2021, nor is it indicative of the financial condition of the combined company as of any future date. The unaudited pro forma condensed combined statements of operations do not purport to represent, and are not necessarily indicative of, what the actual results of operations of the combined company would have been had the merger taken place on January 1, 2020, nor are they indicative of the results of operations of the combined company for any future period.

The unaudited pro forma condensed combined financial information was derived from, and should be read in conjunction with, the following historical financial statements and the accompanying notes:

- The historical unaudited condensed financial statements of Osprey as of and for the six months ended June 30, 2021 and the historical audited financial statements of Osprey as of and for the year ended December 31, 2020 (as restated), which are incorporated by reference to Osprey’s Form 10-Q for the quarter ended June 30, 2021 and the Proxy Statement, respectively; and
- The historical unaudited condensed consolidated financial statements of BlackSky as of and for the six months ended June 30, 2021, which are attached as exhibit 99.1 to this Form 8-K and incorporated by reference, and the historical audited consolidated financial statements of BlackSky as of and for the year ended December 31, 2020, which are incorporated by reference to the Proxy Statement.

The unaudited pro forma condensed combined financial information should also be read together with *Osprey’s Management’s Discussion and Analysis of Financial Condition and Results of Operations* and *BlackSky’s Management’s Discussion and Analysis of Financial Condition and Results of Operations* included in the Proxy Statement, Osprey’s Form 10-Q for the quarter ended June 30, 2021, and elsewhere in this Form 8-K.

### Description of the Transactions

The unaudited pro forma condensed combined financial statements reflect (1) the merger between Osprey and BlackSky in accordance with the merger agreement entered into by the two companies on February 17, 2021, (2) the issuance of incremental shares of Osprey common stock pursuant to subscription agreements entered into with PIPE investors on February 17, 2021, and (3) additional transactions directly related to and/or triggered by the merger. More specifically, the unaudited pro forma condensed combined financial statements give effect to the following events:

- The merger between Osprey’s newly-formed merger subsidiary and BlackSky, with BlackSky surviving as a wholly-owned subsidiary of Osprey;

- The issuance of shares of Osprey common stock for all of BlackSky’s issued and outstanding Class A common stock and preferred stock, pursuant to exchange ratios determined in accordance with the merger agreement entered into on February 17, 2021 and inclusive of (1) BlackSky Class A common stock issued upon the exercise of certain outstanding Class A common stock warrants and the conversion of all of BlackSky’s issued and outstanding bridge notes (inclusive of interest accrued thereon) into Class A common stock immediately prior to the merger and (2) BlackSky preferred stock issued upon the exercise of certain outstanding preferred stock warrants immediately prior to the merger;
- The sale and issuance of 18 million shares of Osprey common stock for a purchase price of \$10.00 per share, or \$180 million in the aggregate, immediately prior to the merger;
- The sale and issuance of 800,000 shares of Osprey commons stock for a purchase price of \$10.00 per share, or \$8 million in the aggregate, pursuant to a PIPE investment agreement signed in August 2021;
- The exchange of cash for all of BlackSky’s issued and outstanding Class B common stock at a per share price equal to the Class B common stock’s par value;
- Cash payments made in lieu of fractional shares that would otherwise be issued upon consummation of the merger;
- The settlement of certain of BlackSky’s outstanding debt, inclusive of certain accrued and unpaid interest thereon;
- The payment of transaction costs incurred by both Osprey and BlackSky;
- The payment of underwriting fees incurred in connection with Osprey’s initial public offering, for which payment was deferred until Osprey consummated a business combination or similar transaction;
- The cash settlement of consent fees incurred in connection with BlackSky’s 2021 bridge loan financings;
- The cash settlement of certain BlackSky financial obligations for which payment was triggered by consummation of the Transactions; and
- The exchange of all issued, outstanding, and unexercised BlackSky warrants, RSUs and stock options (excluding any BlackSky warrants that automatically terminated because they were not exercised prior to consummation of the merger) for warrants, RSUs and stock options of the combined company.

Pursuant to the merger agreement, the total number of shares of Osprey Class A common stock issued to BlackSky security holders in connection with the merger (the “Total Consideration Share Amount”) was calculated by dividing (x) an amount equal to (a) \$925,000,000, plus (b) the aggregate exercise prices that would have been paid to BlackSky if all options and warrants to purchase BlackSky capital stock outstanding immediately prior to the effective time of the merger were exercised in full, minus (c) \$1,426,825, which amount equals the unfunded portion of the bridge loans that BlackSky had the right to incur prior to the closing of the merger, and minus (d) the total consideration paid to holders of shares of BlackSky’s Class B common stock in connection with the merger (which amount was less than \$1,000 in the aggregate) by (y) \$10.00.

Pursuant to Osprey’s amended and restated certificate of incorporation existing at the time of the merger, Osprey’s public stockholders were offered the opportunity to redeem, upon the close of the merger, shares of Osprey Class A common stock then held by them for cash equal to their pro rata share of the aggregate amount on deposit in Osprey’s Trust Account as of two business days prior to the Closing. The unaudited condensed combined pro forma financial information reflects the redemptions of 21,375,376 shares of Osprey Class A common stock for \$10.05 per share. The following table provides a summary of the shares of the combined company’s common stock that were outstanding immediately subsequent to consummation of the Transactions:

Stockholder	Shares Outstanding	% of Outstanding Shares
BlackSky stockholders	78,993,201	68.1%
Osprey public stockholders	10,249,624	8.9%
Osprey sponsor	7,906,250	6.8%
PIPE Investors	18,800,000	16.2%
	<u>115,949,075</u>	

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## Accounting for the Merger

Notwithstanding the legal form of the merger pursuant to the merger agreement, the merger is accounted for as a reverse recapitalization in accordance with GAAP. Under this method of accounting, Osprey is treated as the acquired company for financial reporting purposes, and BlackSky is treated as the accounting acquiror. In accordance with this accounting method, the merger is treated as the equivalent of BlackSky issuing stock for the net assets of Osprey, accompanied by a recapitalization. The net assets of Osprey are stated at historical cost, with no goodwill or other intangible assets recorded, and operations prior to the merger are those of BlackSky.

BlackSky was deemed the accounting acquiror for purposes of the merger based on an evaluation of the following facts and circumstances:

- Former BlackSky security holders as of immediately prior to the Transactions hold a majority (i.e., greater than 50%) of the outstanding voting interests in the post-merger combined company;
- BlackSky's senior management team as of immediately prior to the Transactions comprises senior management of the post-merger combined company;
- BlackSky designated a majority of the members of the combined company's initial Board of Directors;
- BlackSky was the larger of the combining companies based upon historical operating activity and employee base; and
- BlackSky's operations comprise the ongoing operations of the combined company.

## Basis of Pro Forma Presentation

In accordance with Article 11 of Regulation S-X, pro forma adjustments to the combined historical financial information of Osprey and BlackSky give effect to transaction accounting adjustments that (1) depict in the pro forma condensed combined balance sheet the accounting required to be applied to the Transactions pursuant to GAAP and (2) depict in the pro forma condensed combined statements of operations the effects of the pro forma balance sheet adjustments, assuming those adjustments were made as of the beginning of the fiscal year presented. Accordingly, nonrecurring pro forma adjustments that impact the pro forma income of the combined company have been recorded to the pro forma condensed combined statement of operations for the year ended December 31, 2020, as the Transactions are assumed to have occurred on January 1, 2020 for purposes of presenting pro forma income statement information. The pro forma condensed combined financial information does not give effect to any management adjustments or any synergies, operating efficiencies, or other benefits that may result from consummation of the Transactions. In addition, as (A) Osprey and BlackSky have not had any historical relationship prior to the Transactions and (B) there is no historical activity with respect to Merger Sub, preparation of the accompanying pro forma financial information did not require any adjustments with respect to such activities.

The unaudited pro forma condensed combined financial information has been presented to provide relevant information necessary for an understanding of the combined company subsequent to completion of the Transactions. However, The unaudited pro forma condensed combined financial information has been presented for illustrative purposes only. The pro forma adjustments represent estimates based on information available as of the dates of the unaudited pro forma condensed combined financial information and are subject to change as additional information becomes available. Assumptions and estimates underlying the pro forma adjustments set forth in the unaudited pro forma condensed combined financial information are described in the accompanying notes. The actual financial position and results of operations of the combined company subsequent to consummation of the Transactions may differ significantly from the pro forma amounts reflected herein.

**PRO FORMA CONDENSED COMBINED BALANCE SHEET**  
**AS OF JUNE 30, 2021**  
**(UNAUDITED)**  
**(in thousands)**

	Osprey (Historical)	BlackSky (Historical)	Transaction Accounting Adjustments	Ref	Pro Forma Combined
<b>Assets</b>					
Current assets:					
Cash and cash equivalents	52	26,384	221,347	(A)	247,783
Restricted cash	—	5,475	—		5,475
Accounts receivable, net of allowance of \$0 and \$0, respectively	—	4,192	—		4,192
Prepaid expenses and other current assets	79	1,370	—		1,449
Contract assets	—	2,649	—		2,649
Prepaid income taxes	256	—	—		256
<b>Total current assets</b>	<b>387</b>	<b>40,070</b>	<b>221,347</b>		<b>261,804</b>
Marketable securities held in trust account	317,985	—	(317,985)	(C)	—
Property and equipment - net	—	24,481	—		24,481
Goodwill	—	9,393	—		9,393
Investment in equity method investees	—	4,240	—		4,240
Intangible assets - net	—	3,158	—		3,158
Satellite procurement work in process	—	45,723	—		45,723
Other assets	—	8,432	(7,150)	(K)	1,282
<b>Total assets</b>	<b>318,372</b>	<b>135,497</b>	<b>(103,788)</b>		<b>350,081</b>
<b>Liabilities, redeemable convertible preferred stock and stockholders' equity (deficit)</b>					
Current liabilities:					
Accounts payable and accrued liabilities	4,710	23,070	(9,166)	(L)	18,614
Amounts payable to equity method investees	—	584	—		584
Contract liabilities - current	—	15,948	—		15,948
Debt - current portion	—	19,672	(3,574)	(M)	16,098
Other current liabilities	107	39,878	(37,155)	(N)	2,830
<b>Total current liabilities</b>	<b>4,817</b>	<b>99,152</b>	<b>(49,895)</b>		<b>54,074</b>
Deferred underwriting fee payable	11,069	—	(11,069)	(E)	—
Liability for estimated contract losses	—	5,205	—		5,205
Long-term liabilities	—	4,314	—		4,314
Long-term contract liabilities	—	196	875	(O)	1,071
Long-term debt - net of current portion	—	156,873	(95,422)	(M)	61,451
Warrant liability	47,352	—	—		47,352
<b>Total liabilities</b>	<b>63,238</b>	<b>265,740</b>	<b>(155,511)</b>		<b>173,467</b>
Commitments and contingencies (Note 21)					
Common stock subject to possible redemption	318,220	—	(318,220)	(P)	—
Redeemable convertible preferred stock:					
BlackSky Series A redeemable convertible preferred stock (U)	—	7,495	(7,495)	(Q)	—
BlackSky Series B redeemable convertible preferred stock (U)	—	21,405	(21,405)	(Q)	—
BlackSky Series B-1 redeemable convertible preferred stock (U)	—	24,138	(24,138)	(Q)	—
BlackSky Series C redeemable convertible preferred stock (U)	—	121,530	(121,530)	(Q)	—
<b>Total redeemable convertible preferred stock</b>	<b>—</b>	<b>174,568</b>	<b>(174,568)</b>		<b>—</b>
<b>Stockholders' equity (deficit):</b>					
Osprey Class A common stock (U)	—	—	12	(R)	12
Osprey Class B common stock (U)	1	—	(1)	(R)	—
BlackSky Class A common stock (U)	—	3	(3)	(R)	—
BlackSky Class B common stock (U)	—	1	(1)	(R)	—
BlackSky treasury stock	—	(12,500)	12,500	(R)	—
Additional paid-in capital	—	136,407	514,219	(R)	650,626
Accumulated other comprehensive income	—	(541)	541	(S)	—
Accumulated deficit	(63,087)	(428,181)	17,244	(T)	(474,024)
<b>Total stockholders' equity (deficit)</b>	<b>\$ (63,086)</b>	<b>(304,811)</b>	<b>544,511</b>		<b>176,614</b>
<b>Total liabilities, redeemable preferred stock and stockholders' equity (deficit)</b>	<b>318,372</b>	<b>135,497</b>	<b>(103,788)</b>		<b>350,081</b>

See the accompanying notes to the unaudited pro forma condensed combined financial statements.



**PRO FORMA CONDENSED COMBINED STATEMENT OF OPERATIONS**

**FOR THE SIX MONTHS ENDED JUNE 30, 2021  
(UNAUDITED)**

(in thousands, except share and per share data)

	<u>Osprey (Historical)</u>	<u>BlackSky (Historical)</u>	<u>Transaction Accounting Adjustments</u>	<u>Ref</u>	<u>Pro Forma Combined</u>
<b>Revenues:</b>					
Service	\$ —	\$ 11,116	\$ —		\$ 11,116
Product	—	3,543	—		3,543
Total revenue	—	14,659	—		14,659
<b>Cost and expenses:</b>					
Service costs, excluding depreciation and amortization	—	8,550	—		8,550
Product costs, excluding depreciation and amortization	—	3,367	—		3,367
Selling, general and administrative	—	17,893	7,596	(a)	25,489
Research and development	—	28	—		28
Depreciation and amortization	—	6,301	—		6,301
Satellite impairment loss	—	18,407	—		18,407
Operating costs	3,137	—	—		3,137
Operating loss	(3,137)	(39,887)	(7,596)		(50,620)
Interest earned on marketable securities held in Trust Account	63	—	(63)	(b)	—
Unrealized gain on marketable securities held in Trust Account	—	—	—		—
Unrealized loss on derivative	—	(14,975)	14,975	(c)	—
Gain on equity method investment	—	963	—		963
Interest expense	—	(2,438)	388	(d)	(2,050)
Change in fair value of warrant liability	(11,621)	—	—		(11,621)
Other income/(expense), net	—	(147,370)	—		(147,370)
Net loss before income taxes and discontinued operations	(14,695)	(203,707)	7,704		(210,698)
Income tax expense	—	—	—	(e)	—
Net loss	<u>\$ (14,695)</u>	<u>\$ (203,707)</u>	<u>\$ 7,704</u>		<u>\$ (210,698)</u>
Weighted average number of shares outstanding					118,969,564 (f)
Basic and diluted net loss per share					(1,77) (f)

**PRO FORMA CONDENSED COMBINED STATEMENT OF OPERATIONS**

**FOR THE YEAR ENDED DECEMBER 31, 2020  
(UNAUDITED)**

(in thousands, except share and per share data)

	<b>Osprey (Historical As Restated)</b>	<b>BlackSky (Historical)</b>	<b>Transaction Accounting Adjustments</b>	<b>Ref</b>	<b>Pro Forma Combined</b>
<b>Revenues:</b>					
Service	\$ —	\$ 18,737	\$ —		18,737
Product	—	2,398	—		2,398
Total revenue	—	21,135	—		21,135
<b>Cost and expenses:</b>					
Service costs, excluding depreciation and amortization	—	13,331	—		13,331
Product costs, excluding depreciation and amortization	—	10,535	—		10,535
Selling, general and administrative	—	28,609	38,156	(aa)	66,765
Research and development	—	255	—		255
Depreciation and amortization	—	9,803	—		9,803
Satellite impairment loss	—	—	—		—
Operating costs	3,136	—	—		3,136
Operating loss	(3,136)	(41,398)	(38,156)		(82,690)
Interest income	1,794	—	(1,794)	(bb)	—
Unrealized gain on marketable securities held in Trust Account	3	—	(3)	(bb)	—
Gain on debt extinguishment	—	284	—		284
Unrealized loss on derivative	—	(558)	558	(cc)	—
Loss on equity method investment	—	(953)	—		(953)
Interest expense	—	(5,201)	873	(dd)	(4,328)
Change in fair value of warrant liability	(13,925)	—	—		(13,925)
Other income/(expense), net	—	103	(290)	(ee)	(187)
Net loss before income taxes and discontinued operations	(15,264)	(47,723)	(38,812)		(101,799)
Income tax expense	(1)	—	1	(ff)	—
Net loss	\$ (15,265)	\$ (47,723)	\$ (38,867)		\$ (101,799)
Weighted average number of shares outstanding					115,862,510 (gg)
Basic and diluted net loss per share					(0.88) (gg)

See the accompanying notes to the unaudited pro forma condensed combined financial statements.

**NOTE 1—BASIS OF PRO FORMA PRESENTATION**

The merger between Osprey and BlackSky is accounted for as a reverse recapitalization in accordance with GAAP. Under this method of accounting, Osprey is treated as the acquired company for financial reporting purposes, and BlackSky is treated as the accounting acquiror. The merger is treated as the equivalent of BlackSky issuing stock for the net assets of Osprey, accompanied by a recapitalization. The net assets of Osprey are stated at historical cost, with no goodwill or intangible assets recorded. Operations prior to the merger are those of BlackSky.

The unaudited pro forma condensed combined statements of operations for the six months ended June 30, 2021 and for the year ended December 31, 2020 give pro forma effect to the Transactions as if they had occurred on January 1, 2020. The unaudited pro forma condensed combined balance sheet as of June 30, 2021 assumes that the Transactions were completed on June 30, 2021. Nonrecurring pro forma adjustments that impact the pro forma income of the combined company have been recorded to the pro forma condensed combined statement of operations for the year ended December 31, 2020, as the Transactions are assumed to have occurred on January 1, 2020 for purposes of presenting pro forma income statement information.

The unaudited pro forma condensed combined financial information was derived from, and should be read in conjunction with, the following historical financial statements and the accompanying notes:

- The historical unaudited condensed financial statements of Osprey as of and for the six months ended June 30, 2021 and the historical audited financial statements of Osprey as of and for the year ended December 31, 2020, which are incorporated by reference to Osprey's Form 10-Q for the quarter ended June 30, 2021 and the Proxy Statement, respectively; and
- The historical unaudited condensed consolidated financial statements of BlackSky as of and for the six months ended June 30, 2021, which are attached as exhibit 99.1 to this Form 8-K and incorporated by reference, and the historical audited consolidated financial statements of BlackSky as of and for the year ended December 31, 2020, which are incorporated by reference to the Proxy Statement.

The unaudited pro forma condensed combined financial information does not give effect to any management adjustments or anticipated synergies, operating efficiencies, cost savings or other benefits that may result from consummation of the Transactions. The pro forma adjustments are based on currently available information and certain assumptions and methodologies believed to be reasonable under the circumstances. Management has made significant estimates and assumptions in its determination of the pro forma adjustments and, accordingly, actual amounts may differ materially from the information presented. However, management believes that its assumptions and estimates provide a reasonable basis for presenting all of the significant effects of the Transactions based on information available to management at the time, and the pro forma adjustments give appropriate effect to those assumptions and are properly applied in the unaudited pro forma condensed combined financial information.

The unaudited pro forma condensed combined financial information is not necessarily indicative of what the actual results of operations and financial position of the combined company would have been had the Transactions taken place on the dates indicated, nor is the information indicative of the future consolidated results of operations or financial position of the combined company.

**NOTE 2—ADJUSTMENTS TO UNAUDITED PRO FORMA CONDENSED COMBINED BALANCE SHEET AS OF JUNE 30, 2021**

The unaudited pro forma condensed combined balance sheet as of June 30, 2021 includes the following adjustments:

**A**—Represents the aggregate impact of the following pro forma adjustments to cash to give effect to the merger, the redemption of Osprey Class A common stock by certain of Osprey’s existing public stockholders immediately prior to consummation of the merger, the PIPE Investment, transaction costs, and the cash settlement of certain Osprey and BlackSky financial obligations, for which payment was triggered by the merger:

	<b>Pro Forma Adjustments (in thousands)</b>
Cash inflow from PIPE Investment	188,000 <b>(B)</b>
Cash released from Osprey’s Trust Account (before redemptions)	317,955 <b>(C)</b>
Cash inflow related to the vesting and exercise of Series B and Series C preferred warrants	888 <b>(D)</b>
Payment of Osprey’s deferred underwriting fee liability	(11,069) <b>(E)</b>
Settlement of BlackSky’s SVB loan facility, PPP loan and required payments on certain outstanding term loans, inclusive of accrued interest	(21,535) <b>(F)</b>
Payment of transaction fees incurred by BlackSky	(19,586) <b>(G)</b>
Payment of consent fees	(2,464) <b>(H)</b>
Payment of transaction fees incurred by Osprey	(15,936) <b>(I)</b>
Redemptions of Osprey publicly traded shares for cash	(214,906) <b>(J)</b>
<b>Net Pro Forma Adjustment to Cash</b>	<b>221,347(A)</b>

**B**—Represents gross cash proceeds attributable to the sale and issuance of 18.8 million shares of Osprey common stock (inclusive of 0.8 million shares sold and issued pursuant to a subscription agreement entered into in August 2021) for \$10.00 per share, or \$188 million in aggregate gross proceeds, upon the closing of the PIPE Investments that occurred in connection with the consummation of the merger. Refer to balance sheet tickmark “**R**” for the pro forma impact of the share issuance on the combined company’s equity.

**C**—Reflects the release of cash equivalents from Osprey’s Trust Account. The pro forma cash impact of this adjustment is directly reduced on a dollar-for-dollar basis by redemptions of Osprey publicly traded shares for cash immediately prior to consummation of the merger (refer to balance sheet tickmark “**J**”). All restrictions regarding the use of the remaining cash equivalents were relieved upon consummation of the merger and, accordingly, the remaining cash equivalents will be available for general use by the combined company.

**D**—Reflects \$0.9 million of cash received from a holder of Series B and Series C preferred stock warrants as (1) a prepayment for future services, in exchange for the accelerated vesting of all of the holder’s unvested Series B and Series C preferred stock warrants that would have otherwise expired upon consummation of the Transactions and (2) payment to cash exercise all Series B and Service C preferred stock warrant holdings immediately prior to the consummation of the merger. Refer to balance sheet tickmark “**O**” for the pro forma recognition of the cash received as a prepayment as a long-term contract liability. Refer to balance sheet tickmarks “**N**” and “**R**”, as well as tickmark “**T**” to the June 30, 2021 pro forma income statement, for the pro forma impacts of the exercise of the preferred stock warrants, and the subsequent exchange of the resulting BlackSky preferred shares for Osprey common shares, on the combined company’s other current liabilities, additional paid-in capital, and outstanding shares.

**E**—Reflects the cash payment of underwriting fees incurred by Osprey in connection with its initial public offering. Payment of these fees was deferred until Osprey consummated a business combination, merger, or similar transaction.

**F**—Reflects the use of cash proceeds, upon consummation of the merger, for (1) the repayment of \$16.1 million related to BlackSky’s outstanding debt facility with Silicon Valley Bank, (2) the repayment of \$3.6 million related to BlackSky’s Payroll Protection Plan loan (“PPP loan”), (3) partial payment of \$1.8 million on notes payable due to BlackSky’s founders, and (4) the payment of certain accrued and unpaid interest on the aforementioned borrowings. Also refer to balance sheet tickmark “**M**” for details regarding all debt that was reported on BlackSky’s balance sheet as of June 30, 2021 and subsequently settled for cash or converted upon consummation of the merger.

**G**—Reflects cash that was used to pay (1) \$3.1 million of debt issuance costs reflected in BlackSky’s accounts payable and accrued liabilities balance reported as of June 30, 2021 and (2) \$16.5 million of direct and incremental merger transaction costs — comprised primarily of underwriting, legal, and other fees that were due from BlackSky upon consummation of the Transactions — inclusive of portions that had been accrued and reported as a liability on BlackSky’s balance sheet as of June 30, 2021 (also refer to balance sheet tickmark “**L**”). For purposes of this reverse recapitalization transaction, the direct and incremental transaction costs are treated as a reduction of the cash proceeds resulting from the Transactions and, accordingly, as a reduction to additional paid-in capital. Refer to balance sheet tickmark “**R**” for the corresponding pro forma adjustment to additional paid-in capital reported for the

combined company. The corresponding adjustment at tickmark “**R**”, which totals \$20.0 million, also includes an incremental \$3.5 million of transaction costs already paid by BlackSky and reported within other noncurrent assets on BlackSky’s June 30, 2021 balance sheet, as further described at balance sheet tickmark “**K**”.

**H**—Reflects the cash payment of \$2.5 million of lender consent fees incurred upon BlackSky’s execution of the bridge loans. BlackSky had historically accounted for the associated liability as a derivative that was remeasured at fair value as of each balance sheet date, which resulted in the liability being reported in BlackSky’s June 30, 2021 balance sheet at a carrying value of \$3.0 million. Derivative accounting treatment was historically applied since the lenders could elect for the consent fees to be settled with BlackSky Class A common shares, instead of cash, at a conversion price that represented a discount to the deemed value of BlackSky’s Class A common stock. Refer to balance sheet tickmarks “**N**” and “**T**”, tickmark “**c**” to the June 30, 2021 pro forma income statement, and tickmark “**ee**” to the December 31, 2020 pro forma income statement for additional details regarding the pro forma impact of the settlement of the consent fee liability on the combined company’s liabilities, accumulated deficit, and earnings.

**I**—Reflects cash that was used to pay Osprey’s direct and incremental transaction costs – comprised primarily of legal and other fees that were due from Osprey upon close of the merger – as well as certain other unsettled expenses, inclusive of \$4.8 million accrued and reported as a liability on Osprey’s balance sheet as of June 30, 2021. For purposes of this reverse recapitalization transaction, these costs ultimately will result in a reduction to additional paid-in capital reported by the combined company, since Osprey’s closing accumulated deficit will be reclassified to additional paid-in capital upon recognition of the merger. Refer to balance sheet adjustments “**L**”, “**N**” and “**R**” for the corresponding pro forma adjustments to the accrued liabilities and additional paid-in capital reported for the combined company.

**J**—Represents cash used from Osprey’s trust account to redeem Osprey Class A common shares from public stockholders immediately prior to consummation of the merger.

**K**—Reflects the reclassification of incurred merger-related transaction costs deferred and reported as an asset on BlackSky’s balance sheet as of June 30, 2021. These transaction costs are accounted for as a reduction of the cash proceeds resulting from the Transactions and, accordingly, have been reported as a reduction to additional paid-in capital. Of the total adjustment of \$7.1 million, \$3.5 million relates to amounts that had been paid as of June 30, 2021; whereas, the remaining \$3.6 million relates to costs that had been accrued, as described in balance sheet tickmark “**L**”. Refer to balance sheet tickmark “**R**” for the corresponding pro forma adjustment to additional paid-in capital reported for the combined company.

**L**—Reflects the cash settlement of \$4.7 million and \$3.6 million of transaction costs accrued and reported as liabilities on the June 30, 2021 balance sheets of Osprey and BlackSky, respectively. The adjustment also reflects the payment of \$3.1 million related to the BlackSky Bridge financing costs reported as a liability as of June 30, 2021. Balance sheet tickmarks “**I**” and “**G**” reflect the corresponding total cash outlays related to the transaction costs incurred by Osprey and Bridge financing costs and transaction costs incurred by BlackSky, respectively, inclusive of these amounts which have been accrued. This adjustment also reflects the cash settlement of \$43,600 of accrued interest related to BlackSky’s PPP loan that was settled upon consummation of the Transactions, for which the corresponding cash outlay is reflected in balance sheet adjustment “**F**.”

The aforementioned settlements of certain liabilities reported on the June 30, 2021 balance sheets of Osprey and BlackSky are partially offset by a pro forma adjustment to accrue for \$2.3 million of transaction bonuses due to BlackSky employees. These bonuses were triggered by the merger, but were not settled on the transaction close date.

**M**—Adjustments reflect the cash settlement of \$21.4 million of outstanding debt in connection with the consummation of the Transactions, which amount is inclusive of (1) all amounts borrowed under BlackSky’s Silicon Valley Bank debt facility and PPP loan as of June 30, 2021 and (2) \$1.8 million related to outstanding notes payable due to BlackSky’s founders. The adjustment also reflects the conversion of BlackSky’s bridge notes, carried at

\$77.6 million, into BlackSky Class A common stock, which was then immediately exchanged for Osprey common shares. Refer to balance sheet tickmark “**F**” for the corresponding cash outlay related to the debt that was settled for cash and balance sheet tickmark “**R**” for the pro forma impact of conversion of the bridge notes and exchange of the resulting BlackSky Class A common shares for Osprey common shares on the combined company’s equity.

**N**—Adjustment reflects the exercise of BlackSky’s liability classified Series B preferred stock warrants, Series C preferred stock warrants, and Class A common stock warrants, and the immediate exchange of the shares issued upon exercise for Osprey common shares. These warrants are reported as an aggregate liability of \$34.1 million on BlackSky’s June 30, 2021 balance sheet. Refer to balance sheet tickmark “**R**” for the corresponding pro forma impact of the exercise of the warrants and the exchange of the issued BlackSky preferred shares and Class A common shares for Osprey common shares on the combined company’s equity.

This adjustment also reflects the settlement of BlackSky’s liability for consent fees, which had a carrying value of approximately \$3.0 million at June 30, 2021. Refer to balance sheet tickmark “**H**” for additional details regarding the cash settlement of BlackSky’s consent fee.

This adjustment also reflects the settlement of \$0.1 million that Osprey owed to its Sponsor for the working capital funding reported as other current liabilities on the June 30, 2021 balance sheet of Osprey.

**O**—Represents a long-term contract liability associated with cash received as a prepayment for future services from a holder of Series B and Series C preferred stock warrants, in order to permit the accelerated vesting and exercise of unvested Series B and Series C preferred stock warrants that would have otherwise been cancelled upon consummation of the Transactions.

**P**—Represents the reclassification of Osprey redeemable Class A common stock to permanent equity upon consummation of the merger, prior to the impact of any redemptions. Balance sheet tickmark “**R**” presents the corresponding pro forma impact of this reclassification of Osprey redeemable Class A common stock to permanent equity on both the common stock par value and additional paid-in-capital of the combined company.

**Q**—Represents the derecognition of BlackSky’s issued and outstanding redeemable convertible preferred stock, for which shares of Osprey common stock were exchanged at the following exchange ratios in connection with the merger:

Class of redeemable convertible preferred stock	Preferred Stock Exchange Ratio (Osprey Class A common shares issued per Preferred Share)
Series A redeemable convertible preferred stock <sup>(1)</sup>	0.0912
Series B redeemable convertible preferred stock <sup>(2)</sup>	0.1105
Series B-1 redeemable convertible preferred stock <sup>(2)</sup>	0.2628
Series C redeemable convertible preferred stock <sup>(2)</sup>	0.4794

Refer to balance sheet tickmark “**R**” for the pro forma impact of the exchange of Osprey shares of common stock for BlackSky’s issued and outstanding redeemable convertible preferred stock on the pro forma common stock par value and additional paid-in capital reported for the combined company.

**R**—Represents the net impact of the following pro forma adjustments to the combined company’s capital accounts based upon (1) the merger, inclusive of the issuance of Osprey Class A common stock for (i) BlackSky’s issued and outstanding preferred stock and (ii) outstanding bridge loans, as if the bridge loans converted to BlackSky Class A common stock immediately prior to the merger, (2) redemptions of Osprey’s publicly traded

Class A common stock by public stockholders, (3) the PIPE Investment, (4) transaction costs, and (5) certain other transactions triggered by the merger:

	Osprey Par Value		BlackSky Par Value		Additional Paid-In Capital
	Class A Stock <sup>(1)</sup>	Class B Stock	Class A Stock	Class B Stock	
<i>(in thousands)</i>					
Reclassification of redeemable Osprey shares to Class A Stock	3	—	—	—	318,217
Conversion of Osprey Class B shares to Osprey common stock <sup>(2)</sup>	1	(1)	—	—	—
Exchange of Osprey shares for BlackSky's issued and outstanding convertible notes	1	—	—	—	77,574
Redemption of Osprey Class A common stock by public stockholders	(2)	—	—	—	(214,904)
Vesting of RSU units <sup>(3)</sup>	—	—	—	—	43,455
Exercise of BlackSky warrants and exchange of issued BlackSky shares for Osprey shares	1	—	—	—	34,077
Exchange of Osprey shares for BlackSky's issued and outstanding preferred stock	2	—	—	—	174,565
PIPE Investments	2	—	—	—	187,998
Shares issued to BlackSky common stockholders as consideration	4	—	(3)	(1)	(1)
<b>Adjustment for share issuance, redemption and conversion transactions</b>	12	(1)	(3)	(1)	620,981
Osprey transaction costs	—	—	—	—	(11,119)
BlackSky transaction costs	—	—	—	—	(20,027)
Reduction to Osprey Trust balance after June 30, 2021	—	—	—	—	(29)
Elimination / reclassification of treasury stock	—	—	—	—	(12,500)
Elimination of Osprey's historical accumulated deficit	—	—	—	—	(63,087)
<b>Total adjustments to par value and additional paid-in capital</b>	12	(1)	(3)	(1)	514,219

- (1) Represents the par value of Osprey's Class A common stock prior to the merger and the par value of Osprey's single class of common stock subsequent to the merger.
- (2) Osprey's issued and outstanding Class B shares converted into the single class of Osprey common stock that was outstanding subsequent to the merger on a one-for-one basis immediately prior to consummation of the merger.
- (3) Adjustment reflects the aggregate impact of the vesting of restricted stock units ("RSUs") over the period from January 1, 2020 through June 30, 2021, pursuant to the assumption that the Transactions occurred on January 1, 2020 for purposes of preparing the information included in the pro forma statements of operations. Refer to tickmark "a" to the June 30, 2021 pro forma income statement and tickmark "aa" to the December 31, 2020 pro forma income statement for additional details regarding the pro forma impact of RSU units for which vesting was triggered upon consummation of the Transactions.

**S**—Represents the elimination of the other comprehensive income balance attributable to the changes in the fair value of BlackSky’s bridge notes, which were accounted for pursuant to the fair value option prior to conversion upon consummation of the merger. Amounts recorded in other comprehensive income related to instrument-specific credit risk attributable to BlackSky’s bridge notes, and the reclassification of such amounts to earnings was triggered upon the conversion of the bridge notes to BlackSky Class A common stock and the immediately subsequent exchange of such common stock for Osprey common shares. Refer to balance sheet tickmark “**T**” and December 31, 2020 pro forma income statement tickmark “**ee**” for the corresponding adjustments to accumulated deficit and other income/(expense), net, respectively, for the combined company.

**T**—Represents the aggregate impact of the pro forma adjustments to the combined company’s accumulated deficit to give effect to the following items triggered by consummation of the merger:

	<b>Amount (in thousands)</b>
Accrual of transaction bonuses <sup>(1)</sup>	(2,296)
Recognition of stock compensation expense for performance-based RSUs <sup>(2)</sup>	(43,455)
Gain on settlement of consent fees for cash <sup>(3)</sup>	519
Deferred financing costs and interest expense related to the repayment of terms notes <sup>(4)</sup>	(70)
Elimination of OCI related to BlackSky’s bridge loans <sup>(5)</sup>	(541)
Elimination of Osprey accumulated deficit to additional paid-in capital <sup>(6)</sup>	63,087
<b>Net Pro Forma Adjustment to Accumulated Deficit</b>	<b>17,244</b>

- (1) Refer to December 31, 2020 pro forma income statement tickmark “**aa**”, which includes the corresponding pro forma income statement adjustment related to this pro forma adjustment to the combined company’s accumulated deficit.
- (2) Refer to December 31, 2020 pro forma income statement tickmark “**aa**” and June 30, 2021 pro forma income statement tickmark “**a**”, which include the corresponding pro forma income statement adjustments related to this pro forma adjustment to the combined company’s accumulated deficit.
- (3) Refer to December 31, 2020 pro forma income statement tickmark “**ee**” and June 30, 2021 pro forma income statement tickmark “**e**”, which include the corresponding pro forma income statement adjustments related to this pro forma adjustment to the combined company’s accumulated deficit.
- (4) Refer to December 31, 2020 pro forma income statement tickmark “**dd**”, which includes the corresponding pro forma income statement adjustment related to this pro forma adjustment to the combined company’s accumulated deficit.
- (5) Refer to December 31, 2020 pro forma income statement adjustment “**ee**”, which includes the corresponding pro forma income statement adjustment related to this pro forma adjustment to the combined company’s accumulated deficit.
- (6) Refer to balance sheet tickmark “**R**” for the corresponding pro forma impact of this adjustment on the combined company’s additional paid-in capital.



U—Authorized, issued, and outstanding shares for each class of BlackSky’s and Osprey’s preferred stock common stock as of June 30, 2021 and on a pro forma basis are as follows:

	June 30, 2021			Pro Forma Combined Company		
	Authorized	Issued	Outstanding	Authorized	Issued	Outstanding
<b>BlackSky redeemable preferred stock</b>						
Series A redeemable convertible preferred stock	8,651,880	8,651,880	8,651,880	N/A	N/A	N/A
Series B redeemable convertible preferred stock	20,041,828	18,986,995	18,986,995	N/A	N/A	N/A
Series B-1 redeemable convertible preferred stock	9,508,194	9,508,194	9,508,194	N/A	N/A	N/A
Series C redeemable convertible preferred stock	48,364,254	41,908,167	41,908,167	N/A	N/A	N/A
Osprey Class A common shares subject to possible redemption	N/A	31,625,000	31,625,000	N/A	N/A	N/A
Osprey Preferred Stock	1,000,000	—	—	100,000,000	—	—
Osprey Class A common Stock	150,000,000	—	—	300,000,000	115,949,075	115,949,075
Osprey Class B common Stock	25,000,000	7,906,250	7,906,250	N/A	N/A	N/A
BlackSky Class A common stock	1,000,000,000	353,563,670	347,201,794	N/A	N/A	N/A
BlackSky Class B common stock	90,000,000	71,976,536	71,976,536	N/A	N/A	N/A

N/A—Upon consummation of the merger, Osprey common stock was issued for BlackSky’s issued and outstanding preferred stock and common stock. Accordingly, there is no longer any authorized, issued or outstanding BlackSky preferred stock or common stock subsequent to the merger. In addition, subsequent to the merger, Osprey’s authorized, issued, and outstanding common stock consists of a single class, of which none of the issued and outstanding common shares are redeemable by the shareholders.

**NOTE 3—ADJUSTMENTS TO UNAUDITED PRO FORMA CONDENSED COMBINED STATEMENT OF OPERATIONS FOR THE SIX MONTHS ENDED JUNE 30, 2021**

The unaudited pro forma condensed combined statement of operations for the six months ended June 30, 2021 includes the following adjustments:

**a**—Represents incremental share-based compensation expense expected to be recognized by the combined company subsequent to the Transactions. This incremental compensation expense relates to 96.8 million BlackSky restricted stock units (“RSUs”) that (1) were issued in February, March, and June of 2021, (2) remained outstanding as of the transaction date, and (3) require the commencement of expense recognition due to consummation of the Transactions, since the merger between BlackSky and Osprey (the “Merger”) satisfied the restricted stock units’ performance-based vesting condition. Vesting terms vary amongst the granted RSUs based upon both the grant date and the specific vesting terms attributed to certain of the awards; however, each award provides for (A) the vesting of 25%, 50%, or 100% of the granted RSUs on that date which is 180 days subsequent to consummation of the Merger (the “Initial Vesting Date”) and (B) subsequent vesting of the remainder of the granted RSUs on a monthly or quarterly basis in accordance with the terms of the respective underlying grant agreement. Although certain awards provide for the acceleration of the Initial Vesting Date if, prior to 180 days subsequent to the consummation of the Merger, (a) the combined company were to enter into certain specified transactions post-Merger or (b) the combined company’s common stock closes above a specified per share price, for a specified number of days, over a defined trading period, the Initial Vesting Date has been assumed to be 180 days subsequent to consummation of the Merger for purposes of preparing the pro forma income statements for the periods ended December 31, 2020 and June 30, 2021.

As the Merger is assumed to have occurred on January 1, 2020 for purposes of the preparation of this pro forma income statement information, the estimated incremental share-based compensation expense attributable to the 12-month period immediately subsequent to consummation of the Merger has been reflected in tickmark “**aa**” to the December 31, 2020 pro forma income statement. This adjustment reflects the incremental stock-based compensation expense that would be recognized for the RSUs over the six-month period that immediately follows the initial 12 months of expense recognition. This pro forma adjustment and pro forma adjustment “**aa**” to the December 31, 2020 pro forma income statement exclude the recognition of stock-based compensation expense related to 4,768,428 RSUs, with an aggregate fair value of approximately \$3.6 million, that were issued during June 2021 and August 2021, and for which vesting will commence upon the later of 180 days subsequent to consummation of the Merger and the one-year anniversary of the Vesting Commencement Date. These RSUs were excluded from the pro forma adjustments, as (1) the Initial Vesting Date is not solely based upon the passage of a specified period of time subsequent to the consummation of the Merger and (2) the application of an Initial Vesting Date based upon the one-year anniversary of the Vesting Commencement Date could not be sufficiently aligned to the pro forma income statement assumption that the Transactions occurred on January 1, 2020. Aggregate share-based compensation expense that would be recognized for the excluded RSUs on the one-year anniversary of their Vesting Commencement Date and during each of the first two quarters occurring immediately subsequent to the one-year anniversary of the RSUs Vesting Commencement Date is estimated to be approximately \$0.9 million and \$0.2 million, respectively.

Refer to balance sheet tickmark “**T**” for the impact that this pro forma adjustment to capture incremental stock-based compensation expense has on the combined company’s accumulated deficit. Also, refer to balance sheet tickmark “**R**” for the impact of the vesting of RSUs on the combined company’s additional paid-in capital.

**b**—Represents the elimination of interest income and unrealized gains earned on cash equivalents held in Osprey’s Trust Account during the period. Cash equivalents, net of redemptions (refer to balance sheet tickmark “**S**”), were released from Osprey’s Trust Account and became available for general use by the combined company upon consummation of the merger.

**c**—Represents the elimination of (1) the \$14.7 million unrealized loss attributable to certain outstanding Series B preferred stock warrants, Series C preferred Stock warrants, and Class A common stock warrants reported as liabilities on BlackSky’s balance sheet as of June 30, 2021 (and through the date of the Transactions) and (2) the \$0.3 million unrealized loss attributable to certain debt issuance costs (i.e., the Intelsat and Seahawk/Thales consent fees) reported as a derivative liability on BlackSky’s balance sheet as of June 30, 2021 (and through the date of the Transactions), since each lender had the option to have the fees due to them settled for a variable number of shares, instead of cash. Based upon the accounting treatment applicable to the warrants and the consent fees, BlackSky historically recognized changes in their fair value between reporting periods in its income statement. Upon consummation of the Transactions, the warrants were exercised for shares of BlackSky’s Series B preferred stock, Series C preferred stock, and Class A common stock, and those shares were immediately exchanged for shares of Osprey common stock at the applicable exchange ratio. As the warrants were exercised and the consent fees were settled upon consummation of the Transactions, the combined company is not expected to incur similar future unrealized losses (or unrealized gains) attributable to these liability classified financial instruments.

d—Represents the elimination of interest expense that BlackSky recognized during the period, which related to (1) its SVB loan facility and PPP loan, each of which was fully settled for cash upon the closing of the merger, and (2) \$1.8 million of the notes payable due to BlackSky’s founders, representing the portion of the outstanding principal balance that BlackSky agreed to pay off in connection with entering the merger agreement with Osprey. Refer to balance sheet tickmark “F” for additional information regarding the debt settled for cash in connection with the Transactions.

e— No pro forma income tax adjustments have been recorded for the period, as BlackSky has recognized significant losses for all historical reporting periods, which has resulted in the recognition of no income tax expense and a full valuation allowance against any available deferred tax assets generated during those historical periods. Accordingly, if the merger had occurred as of January 1, 2020, no income tax expense or benefit would be expected to have been recognized by the combined company for the six months ended June 30, 2021.

f—Represents the pro forma weighted-average number of shares of Osprey common stock outstanding and pro forma loss per share calculated after giving effect to the Transactions, as follows:

Numerator	<b>Six Months Ended</b>
	<b>June 30, 2021</b>
Pro forma net loss (in thousands)	\$ (210,698)
<b>Denominator</b>	
Osprey public shares <sup>(1)</sup>	10,249,624
Sponsor’s shares <sup>(2)</sup>	5,534,375
PIPE Investors’ shares <sup>(3)</sup>	18,800,000
Shares issued to BlackSky’s existing security holders at time of the merger <sup>(4)</sup>	78,993,201
Shares related to vesting of RSUs <sup>(5)</sup>	5,392,364
Basic and diluted weighted average shares outstanding	118,969,564(f)
Loss per share	
Basic and diluted <sup>(6)</sup>	\$ (1.77)(f)

- (1) The weighted-average number of outstanding Osprey public shares gives effect to the redemption of approximately 21.4 million shares of Osprey Class A common stock, which occurred immediately prior to the consummation of the Transactions. As the merger is assumed to have occurred as of January 1, 2020 for purposes of preparing each of the pro forma condensed combined statements of operations, the weighted-average number of shares outstanding reflects those shares of Osprey common stock that would be deemed outstanding for the period under the assumption that the share redemptions occurred on January 1, 2020.
- (2) Represents the Sponsor’s holdings of Osprey Class A common stock subsequent to the one-for-one conversion of the Sponsor’s holdings of Osprey Class B common stock into Osprey Class A common stock immediately prior to the consummation of the merger, excluding 2,371,875 shares of the newly issued Osprey Class A common stock that are subject to lock-up arrangements that will remain in effect until Osprey’s common stock price achieves certain targets or the shares are otherwise forfeited. Consistent with the assumption related to the merger, the conversion of the Sponsor’s Class B common shares is assumed to have occurred on January 1, 2020 and, accordingly, the shares are assumed to have been outstanding shares of Osprey common stock for the entire reporting period.
- (3) The PIPE Investors’ shares are assumed to have been issued on January 1, 2020, consistent with the assumed date of the merger for purposes of preparation of the condensed combined pro forma statements of operations. Accordingly, these shares are assumed to have been outstanding for the entire reporting period for purposes of calculating the weighted-average number of shares outstanding.

- (4) Shares of Osprey common stock issued to BlackSky security holders to consummate the merger are assumed to have been issued on January 1, 2020. Accordingly, these shares are assumed to have been outstanding for the entire reporting period for purposes of calculating the weighted-average number of Osprey common shares outstanding. The number of Osprey shares issued to former BlackSky security holders was determined based upon (1) the exchange ratio applicable to BlackSky Class A common shares, including those BlackSky Class A common shares that were issued upon the conversion or exercise of certain of BlackSky's other outstanding financial instruments in connection with the Transactions, and (2) the exchange ratio applicable to each class of BlackSky preferred shares, including those preferred shares that were issued upon the exercise of certain warrants in connection with the Transactions. Refer to the table below, as well as the incremental explanations that accompany the table, for additional details regarding the number of Osprey common shares that were issued to former BlackSky security holders:

Outstanding BlackSky Financial Instrument	Common Shares, Preferred Shares, Warrants, and Outstanding Debt Subject to Exchange / Conversion <sup>(i)</sup>	BlackSky Class A Common Share Equivalent	Applicable Exchange Ratio <sup>(ii)</sup>	Osprey Shares to be Issued to BlackSky Security Holders
Outstanding common shares	376,952,973 shares	376,952,973	0.0912	34,377,453
Series A redeemable convertible preferred stock	8,651,880 shares	N/A <sup>(iii)</sup>	0.0912	789,038
Series B redeemable convertible preferred stock	20,041,828 shares	N/A <sup>(iii)</sup>	0.1105	2,215,226
Series B-1 redeemable convertible preferred stock	9,508,194 shares	N/A <sup>(iii)</sup>	0.2628	2,498,375
Series C redeemable convertible preferred stock	42,110,853 shares	N/A <sup>(iii)</sup>	0.4794	20,189,137
Class A common stock warrants <sup>(iv)</sup>	123,952,844 warrants	122,673,926	0.0912	11,187,631
Convertible bridge notes and accrued interest <sup>(vi)</sup>	\$ 61,890,749	84,829,689	0.0912	7,736,341
				<u>78,993,201</u>

- (i) Amounts reflect the number of securities and the amount of outstanding debt (principal and interest) for which Osprey common shares were exchanged upon consummation of the Transactions.

- (ii) Represents the number of Osprey common shares that were issued per outstanding share of BlackSky common stock, per BlackSky common share equivalent, or per share of BlackSky preferred stock, as applicable.
- (iii) Each class of BlackSky preferred stock was exchanged directly for Osprey common shares (i.e., without initially being converted to BlackSky Class A common shares or equivalents), at the exchange ratio determined based upon either the liquidation preference attributable to the class of preferred stock or the common stock exchange ratio, whichever was most advantageous to the holder of the outstanding shares.
- (iv) Includes BlackSky Class A common stock warrants issued before, as well as in connection with, the bridge notes. The outstanding BlackSky Class A common stock warrants were automatically net exercised into BlackSky Class A common shares (refer to the “BlackSky Class A Common Share Equivalent” column), and those shares were exchanged for Osprey common shares based upon the Class A common stock exchange ratio.
- (v) Represents the principal balance of bridge notes, inclusive of those bridge notes issued in connection with the June 2021 rights offering, as well as the interest accrued on the bridge notes as of consummation of the Transactions. Upon consummation of the Transactions, all outstanding bridge notes were converted into BlackSky Class A common stock at a conversion price of 80% of the deemed value of a single BlackSky Class A common share (refer to the “BlackSky Class A Common Share Equivalent” column for the number of shares of BlackSky Class A common stock issued upon conversion) and, immediately thereafter, those BlackSky Class A common shares were exchanged for Osprey common shares based the common stock exchange ratio.
- (5) BlackSky RSUs that were exchanged for Osprey RSUs have been included in the determination of basic and diluted EPS on a weighted-average basis determined based upon the Class A common stock exchange ratio and the RSUs respective vesting schedules. Refer to adjustments “a” and “aa” to the June 30, 2021 and December 31, 2020 pro forma income statements, respectively, for additional information regarding the manner in which the RSUs vest.
- (6) Potentially dilutive shares have been deemed to be anti-dilutive and, accordingly, have been excluded from the calculation of diluted loss per share. Potentially dilutive shares that have been excluded from the determination of diluted loss per share include (1) 24,137,495 outstanding warrants issued by Osprey, (2) the 2,371,875 shares of Osprey Class A common stock that were issued to the former holders of Osprey Class B common stock upon consummation of the merger, but are subject to lock-up arrangements that will remain in effect until Osprey’s post-merger common stock price achieves certain targets, (3) approximately 45,826,240 options and warrants to purchase shares of BlackSky common stock that, upon consummation of the merger and, based on the common stock exchange ratio indicated in the foregoing table (0.0912), were exchanged for options and warrants to purchase approximately 4,179,060 shares of Osprey common stock in accordance with the terms of the merger agreement, and (4) approximately 34,886,561 BlackSky restricted stock units that, upon the consummation of the merger and, based on the common stock exchange ratio indicated in the foregoing table (0.0912), were exchanged for Osprey restricted stock units, convertible into approximately 3,181,602 shares of Osprey common stock, in accordance with the terms of the merger agreement.

**NOTE 4—ADJUSTMENTS TO UNAUDITED PRO FORMA CONDENSED COMBINED STATEMENT OF OPERATIONS FOR THE YEAR ENDED DECEMBER 31, 2020**

The unaudited pro forma condensed combined statement of operations for the year ended December 31, 2020 includes the following adjustments:

**aa**—Represents \$2.3 million of expense related to non-recurring transaction bonuses triggered upon consummation of the merger and due to BlackSky employees, as well as incremental share-based compensation expense of approximately \$35.9 million related to 96.8 million BlackSky restricted stock units (“RSUs”) that (1) were issued in February, March, and June of 2021, (2) remained outstanding as of the transaction date, and (3) require the commencement of expense recognition due to consummation of the Transactions, as the merger between BlackSky and Osprey (the “Merger”) satisfied the restricted stock units’ performance-based vesting condition. Vesting terms vary amongst the granted RSUs based upon both the grant date and the specific vesting terms attributed to certain of the awards; however, each award provides for (A) the vesting of 25%, 50%, or 100% of the granted RSUs on that date which is 180 days subsequent to consummation of the Merger (the “Initial Vesting Date”) and (B) subsequent vesting of the remainder of the granted RSUs on a monthly or quarterly basis in accordance with the terms of the respective underlying grant agreement. Although certain awards provide for the acceleration of the Initial Vesting Date if, prior to 180 days subsequent to the consummation of the Merger, (a) the combined company were to enter into certain specified transactions post-Merger or (b) the combined company’s common stock closes above a specified per share price, for a specified number of days, over a defined trading period, the Initial Vesting Date has been assumed to be 180 days subsequent to consummation of the Merger for purposes of preparing the pro forma income statements for the periods ended December 31, 2020 and June 30, 2021.

As the Merger is assumed to have occurred on January 1, 2020 for purposes of the preparation of this pro forma income statement information, the estimated incremental share-based compensation expense attributable to the 12-month period immediately subsequent to consummation of the Merger has been reflected in this adjustment. This pro forma adjustment and pro forma adjustment “a” to the June 30, 2021 pro forma income statement exclude the recognition of stock-based compensation expense related to 4,768,428 RSUs, with an aggregate fair value of approximately \$3.6 million, that were issued during June 2021 and August 2021, and for which vesting will commence upon the later of 180 days subsequent to consummation of the Merger and the one-year anniversary of the Vesting Commencement Date. These RSUs were excluded from the pro forma adjustments, as (1) the Initial Vesting Date is not solely based upon the passage of a specified period of time subsequent to the consummation of the Merger and (2) the application of an Initial Vesting Date based upon the one-year anniversary of the Vesting Commencement Date could not be sufficiently aligned to the pro forma income statement assumption that the Transactions occurred on January 1, 2020. Aggregate share-based compensation expense that would be recognized for the excluded RSUs on the one-year anniversary of their Vesting Commencement Date and during each of the first two quarters occurring immediately subsequent to the one-year anniversary of the RSUs Vesting Commencement Date is estimated to be approximately \$0.9 million and \$0.2 million, respectively.

Refer to balance sheet tickmark “T” for the impact of this pro forma adjustment to capture incremental stock-based compensation expense on the combined company’s accumulated deficit. Also, refer to balance sheet tickmark “R” for the impact of the vesting of RSUs on the combined company’s additional paid-in capital.

**bb**—Represents the elimination of interest income and unrealized gains earned on cash equivalents held in Osprey’s Trust Account during the period. Cash equivalents, net of redemptions (refer to balance sheet tickmark “S”), were released from Osprey’s Trust Account and became available for general use by the combined company upon consummation of the merger.

**cc**—Represents the elimination of the unrealized loss attributable to certain outstanding Series B and Series C preferred stock warrants that are reported as liabilities on BlackSky’s balance sheet. Based upon the accounting treatment applicable to these warrants, BlackSky historically recognized changes in their fair value between reporting periods in its income statement. Upon consummation of the Transactions, these warrants were exercised for shares of BlackSky’s Series B and Series C preferred stock, and those shares were immediately exchanged for shares of Osprey common stock at the applicable exchange ratio. As these warrants were exercised in connection with the consummation of the Transactions, the combined company is not expected to incur similar future unrealized losses (or unrealized gains) attributable to the warrants.

**dd**—Represents the elimination of \$873,264 of interest expense that BlackSky recognized on (1) its SVB loan facility and PPP loan, each of which was fully settled for cash upon the closing of the merger, and (2) \$1.8 million of the notes payable due to BlackSky’s founders, representing the portion of the outstanding principal balance that BlackSky agreed to pay off in connection with entering the merger agreement with Osprey. The interest expense that has been eliminated has been partially offset by a nonrecurring charge to write off \$26,143 of deferred financing fees, representing the aggregate deferred financing fees outstanding and reported in the June 30, 2021 balance sheet related to the debt that was paid off upon consummation of the Transactions. The write-off of the June 30, 2021 deferred financing fee balances has been reflected in the pro forma condensed combined statement of operations for the year ended December 31, 2020, as the Transactions have been assumed to have been consummated as of January 1, 2020 for purposes of preparing each of the pro forma income statements. Refer to balance sheet tickmark “F” for additional information regarding debt settled for cash in connection with the Transactions.

**ee**—Represents income statement impacts of the following nonrecurring amounts related to (1) the conversion of the bridge notes and (2) the settlement of the Intelsat and Thales/Seahawk consent fees for cash:

	<b>Amount (in thousands)</b>
Reclassification of amounts related to changes in the fair value of the bridge notes from OCI <sup>(1)</sup>	(541)
Gain on settlement of consent fees for cash <sup>2)</sup>	251
<b>Net Pro Forma Adjustment to Other income/(expense), net</b>	<b>(290)</b>

(1) In connection with BlackSky’s application of the fair value option to the bridge notes, certain losses related to the remeasurement of the notes at fair value were recorded in other comprehensive income (“OCI”). Conversion of the bridge notes in connection with the Transactions required the reclassification of the amounts previously recorded in OCI into earnings.

- (2) Amount reflects the non-recurring gain recognized for the difference between the carrying value of the consent fees liability as of June 30, 2021 and the cash settlement amount at the time of consummation of the Transactions. This adjustment records the incremental gain recognized above the reversal of the fair value remeasurement adjustment reflected in pro forma income statement tickmark “c” related the six months ended June 30, 2021. The nonrecurring portion of this adjustment has been recorded in the pro forma income statement for the period ended December 31, 2020, as the Transactions have been assumed to occur as of January 1, 2020 for purposes of preparing each pro forma income statement.

**ff**—Represents the elimination of the income tax expense recognized by Osprey. The income tax expense has been eliminated, and no additional pro forma income tax adjustments have been recorded, as BlackSky has recognized significant losses for all historical reporting periods, which has resulted in the recognition of no income tax and a full valuation allowance against any available deferred tax assets in historical periods. Accordingly, if the merger had occurred as of January 1, 2020, no income tax expense or benefit would have been recognized by the combined company.

**gg**—Represents the pro forma weighted-average number of shares of Osprey common stock outstanding and pro forma loss per share calculated after giving effect to the Transactions, as follows:

Numerator	Year Ended December 31, 2020
Pro forma net loss (in thousands)	(101,798)
<b>Denominator</b>	
Osprey public shares <sup>(1)</sup>	10,249,624
Sponsor’s shares <sup>(2)</sup>	5,534,375
PIPE Investors’ shares <sup>(3)</sup>	18,800,000
Shares issued to BlackSky’s existing security holders at time of the merger <sup>(4)</sup>	78,993,201
Shares related to vesting of RSUs <sup>(5)</sup>	2,285,310
Basic and diluted weighted average shares outstanding	115,862,510(gg)
<b>Loss per share</b>	
Basic and diluted <sup>(6)</sup>	\$ (0.88)(gg)

- (1) The weighted-average number of Osprey public shares gives effect to the redemption of approximately 21.4 million shares of Osprey Class A common stock, which occurred immediately prior to consummation of the Transactions. As the merger is assumed to have occurred as of January 1, 2020 for purposes of preparing each of the pro forma condensed combined statements of operations, the weighted-average number of shares outstanding reflects those shares of Osprey common stock that would be deemed outstanding for the period under the assumption that the share redemptions occurred on January 1, 2020.
- (2) Represents the Sponsor’s holdings of Osprey Class A common stock subsequent to the one-for-one conversion of the Sponsor’s holdings of Osprey Class B common stock into Osprey Class A common stock immediately prior to the consummation of the merger, excluding 2,371,875 shares of the newly issued Osprey Class A common stock that are subject to lock-up arrangements that will remain in effect until Osprey’s common stock price achieves certain targets or the shares are otherwise forfeited. Consistent with the assumption related to the merger, the conversion of the Sponsor’s Class B common shares is assumed to have occurred on January 1, 2020 and, accordingly, the shares are assumed to have been outstanding shares of Osprey common stock for the entire reporting period.
- (3) The PIPE Investors’ shares are assumed to have been issued on January 1, 2020, consistent with the assumed date of the merger for purposes of preparation of the condensed combined pro forma statements of operations. Accordingly, these shares are assumed to have been outstanding for the entire reporting period for purposes of calculating the weighted-average number of shares outstanding.

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- (4) Shares of Osprey common stock issued to BlackSky security holders to consummate the merger are assumed to have been issued on January 1, 2020. Accordingly, these shares are assumed to have been outstanding for the entire reporting period for purposes of calculating the weighted-average number of Osprey common shares outstanding. The number of Osprey common shares issued to former BlackSky security holders in connection with the merger was determined based upon (1) the exchange ratio applicable to BlackSky Class A common shares, including those BlackSky Class A common shares that were issued upon the conversion or exercise of certain of BlackSky's other outstanding financial instruments in connection with the Transactions, and (2) the exchange ratio applicable to each class of BlackSky preferred shares, including those preferred shares that were issued upon the exercise of certain warrants in connection with the Transactions. Refer to tickmark "f" related to the pro forma condensed combined statement of operations for the six months ended June 30, 2021 for additional details regarding the calculation of the total number of shares of Osprey common stock that were issued to former BlackSky security holders to consummate the Transactions.
- (5) BlackSky RSUs that were exchanged for Osprey RSUs have been included in the determination of basic and diluted EPS on a weighted-average basis determined based upon the Class A common stock exchange ratio and the RSUs respective vesting schedules. Refer to adjustments "a" and "aa" to the June 30, 2021 and December 31, 2020 pro forma income statements, respectively, for additional information regarding the manner in which the RSUs vest.
- (6) Potentially dilutive shares have been deemed to be anti-dilutive and, accordingly, have been excluded from the calculation of diluted loss per share. Potentially dilutive shares that have been excluded from the determination of diluted loss per share include (1) 24,137,495 outstanding warrants issued by Osprey, (2) the 2,371,875 shares of Osprey Class A common stock that were issued to the former holders of Osprey Class B common stock upon consummation of the merger, but are subject to lock-up arrangements that will remain in effect until Osprey's post-merger common stock price achieves certain targets, (3) approximately 45,826,240 options and warrants to purchase shares of BlackSky common stock that, upon consummation of the merger and, based on the common stock exchange ratio indicated in the foregoing table (0.0912), were exchanged for options and warrants to purchase approximately 4,179,060 shares of Osprey common stock in accordance with the terms of the merger agreement, and (4) approximately 46,941,960 BlackSky restricted stock units that, upon the consummation of the merger and, based on the common stock exchange ratio indicated in the foregoing table (0.0912), were exchanged for Osprey restricted stock units, convertible into approximately 4,281,037 shares of Osprey common stock, in accordance with the terms of the merger agreement.



**BlackSky Announces Completion of Merger with Osprey Technology Acquisition Corp.**

*BlackSky's Common Stock to Commence Trading on NYSE Under the Ticker "BKSJ"*

*Gross Proceeds to BlackSky totaled \$283 million, combining funds held in Osprey's Trust and concurrent PIPE financing*

Herndon, Va. and New York, N.Y. – September 9, 2021 – BlackSky Holdings, Inc. (“BlackSky”), a leading technology platform providing real-time geospatial intelligence and global monitoring, today announced it has completed its previously announced business combination with Osprey Technology Acquisition Corp. (“Osprey”) to take BlackSky public. The combined company has been renamed “BlackSky Technology Inc.” and its shares will commence trading on the New York Stock Exchange (NYSE) on September 10, 2021, under the ticker symbol “BKSJ” for BlackSky common stock and “BKSJ.W” for BlackSky warrants.

Upon closing, the combined company received approximately \$283 million in gross proceeds, comprised of approximately \$103 million in cash held in trust by Osprey and the proceeds of a \$180 million PIPE. Osprey’s shareholders approved the transaction at a shareholder meeting on September 8, 2021.

“Our team is excited that we have reached this major milestone on our first-to-know mission to lead a new era of real-time global intelligence. We are looking forward to this next chapter as a public company and the many opportunities that lie ahead in the new space economy,” said BlackSky CEO Brian O’Toole. “We welcome our new shareholders to join our journey as we provide global customers with critical insights to see and understand important changes that impact their business.”

As a public company, BlackSky’s position as a leading geospatial data, analytics and monitoring services company is further strengthened. CEO Brian O’Toole will continue to lead the combined company with Will Porteous remaining as chairman of the board. In connection with the business combination, Magid Abraham, Timothy Harvey and James Tolonen will join BlackSky’s board. David DiDomenico, a partner at JANA Partners who heads its SPAC initiative and, in such role, serves as president, CEO and a director of Osprey, will continue to serve on the combined company’s board of directors.

“The Osprey team is very excited for Brian O’Toole and the BlackSky organization. We look forward to watching them execute on BlackSky’s strategic growth plan as a public company,” said Osprey Co-Executive Chairman Jonathan Z. Cohen.

To memorialize the completion of the business combination, BlackSky will be ringing the opening bell at the NYSE at 9:30 a.m. ET on September 13, 2021. A live stream of the event and replay can be accessed by visiting <https://www.nyse.com/bell>.

**Advisors**

Credit Suisse Securities (USA) LLC acted as lead financial advisor and as capital markets advisor to BlackSky, and Credit Suisse Securities (USA) LLC acted as lead placement agent and Moelis & Company LLC also acted as placement agents in connection with the PIPE offering. Moelis & Company LLC acted as lead financial advisor and Union Square Advisors LLC acted as capital markets and strategic advisor to

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Osprey, PJT Partners LP is one of BlackSky's financial advisors and a placement agent with respect to this transaction. Wilson Sonsini Goodrich & Rosati, P.C. is legal advisor to BlackSky. Skadden, Arps, Slate, Meagher & Flom LLP is legal advisor to Osprey. Paul, Weiss, Rifkind, Wharton & Garrison LLP is legal advisor to Credit Suisse Securities (USA) LLC.

#### **About BlackSky Holdings, Inc.**

BlackSky is a leading provider of real-time geospatial intelligence. BlackSky monitors activities and facilities worldwide by harnessing the world's emerging sensor networks and leveraging its own satellite constellation. BlackSky processes millions of observations from space, air, environmental sensors, asset tracking sensors, Industrial IoT, and Internet-enabled narrative sources. BlackSky's on-demand constellation of satellites can image a location multiple times throughout the day. BlackSky monitors for pattern-of-life anomalies to produce alerts and enhance situational awareness. BlackSky's monitoring service is powered by cutting-edge compute techniques including machine learning, artificial intelligence, computer vision, and natural language processing. BlackSky's global monitoring is available via a simple subscription and requires no IT infrastructure or setup. For more information visit [www.blacksky.com](http://www.blacksky.com).

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#### **Forward-Looking Statements**

This communication contains certain forward-looking statements within the meaning of the federal securities laws with respect to the proposed transactions between Osprey and BlackSky. These forward-looking statements generally are identified by the words "believe," "project," "expect," "anticipate," "estimate," "intend," "strategy," "future," "opportunity," "plan," "may," "should," "will," "would," "will be," "will continue," "will likely result," and similar expressions. Forward-looking statements are predictions, projections and other statements about future events that are based on current expectations and assumptions and, as a result, are subject to risks and uncertainties. Many factors could cause actual future events to differ materially from the forward-looking statements in this document, including but not limited to: (i) changes in the competitive and regulated industries in which BlackSky operates, variations in operating performance across competitors, changes in laws and regulations affecting BlackSky's business and changes in the combined capital structure, (ii) the ability to implement business plans, forecasts, and other expectations, and identify and realize additional opportunities, and (iii) the effects of natural disasters, terrorist attacks and the spread and/or abatement of infectious diseases, such as COVID-19, on the ability to implement business plans, forecasts, and other expectations. The foregoing list of factors is not exhaustive and is based on information available as of the date of this communication, and current expectations, forecasts and assumptions, and involve a number of judgments, risks and uncertainties. If any of these risks materialize or underlying assumptions prove incorrect, actual results could differ materially from the results implied by these forward-looking statements. There may be additional risks that we do not presently know, or that we currently believe are immaterial, that could also cause actual results to differ from those contained in the forward-looking

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statements. In addition, forward-looking statements reflect our expectations, plans, or forecasts of future events and views as of the date of this communication. We anticipate that subsequent events and developments will cause their assessments to change. Accordingly, forward-looking statements should not be relied upon as representing our views as of any subsequent date, and we do not undertake any obligation to update forward-looking statements to reflect events or circumstances after the date they were made, whether as a result of new information, future events or otherwise, except as may be required under applicable securities laws. Additional risks and uncertainties are identified and discussed in the parties' reports filed with the SEC, including within the section titled "Risk Factors" on Osprey's registration statement on Form S-4 (File No. 333-256103), and available at the SEC's website at <http://www.sec.gov>.