

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

FORM 10-K

(Mark One)

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

For the fiscal year ended December 31, 2023

OR

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

For the transition period from to
Commission file number 001-39113

BLACKSKY TECHNOLOGY INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)
13241 Woodland Park Road
Suite 300
Herndon, Virginia
(Address of Principal Executive Offices)

47-1949578
(I.R.S. Employer
Identification No.)

20171
(Zip Code)

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

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Class A common stock, par value \$0.0001 per share	BKSY	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	BKSY.W	The New York Stock Exchange

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes No

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports); and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input checked="" type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
		Emerging growth company	<input type="checkbox"/>

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements.

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b).

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes No

The aggregate market value of the registrant's common stock held by non-affiliates as of June 30, 2023 was approximately \$ 303,558,711. Shares of the registrant's Class A common stock held by each executive officer and director and by each other person who may be deemed to be an affiliate of the registrant have been excluded from this computation. This calculation does not reflect a determination that certain persons are affiliates of the registrant for any other purpose.

As of March 15, 2024, there were 146,262,694 shares of the registrant's Class A common stock, at \$0.0001 par value, outstanding.

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SPECIAL NOTE REGARDING FORWARD LOOKING STATEMENTS

This Annual Report on Form 10-K contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the “Securities Act”), and Section 21E of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), which statements involve substantial risks and uncertainties. All statements contained in this Annual Report on Form 10-K other than statements of historical fact, including statements regarding our future results of operations and financial position, our business strategy and plans, and our objectives for future operations, are forward-looking statements. The words “believe,” “may,” “will,” “potentially,” “estimate,” “continue,” “anticipate,” “plan,” “intend,” “could,” “would,” “expect” and similar expressions that convey uncertainty of future events or outcomes are intended to identify forward-looking statements. Forward-looking statements included in this Annual Report on Form 10-K include, but are not limited to, statements regarding:

- our ability to retain or recruit key employees;
- our ability to grow distribution channels and partner ecosystems;
- our anticipated capital expenditures, liquidity, and our estimates regarding our capital requirements;
- our ability to integrate proprietary and third-party sensor data;
- our ability to add new satellites to our commercial operations;
- our ability to invest in our software, research and development capabilities;
- our ability to grow a third-party developer community;
- our ability to expand our services and offerings to customers both domestically and internationally;
- our ability to continue delivering data in a cost-effective manner;
- our ability to maintain and protect our brand;
- our ability to expand within our current customer base;
- our ability to compete with legacy satellite imaging providers and other emergent geospatial intelligence providers;
- our ability to maintain intellectual property protection for our products or avoid or defend claims of infringement;
- our ability to comply with laws and regulations applicable to our business;
- our expectations about market trends and needs;
- our estimates of market growth, future revenue, expenses, cash flows, capital requirements and additional financing;
- our expectations regarding our ability to progress toward becoming operating cash flow positive;
- our ability to manage the timing of capital expenditures to allow for additional flexibility to optimize our long-term liquidity requirements;
- our ability to optimize our cash spend to meet short and long-term operational needs;
- the volatility of the trading price of our common stock;
- the performance of our BlackSky Spectra® software platform;
- our plans and expectations for our next generation satellites (“Gen-3”);
- the impact of local, regional, national and international economic conditions and events; and
- other factors including but not limited to those detailed under the section entitled “Risk Factors.”

We have based these forward-looking statements largely on our current expectations and projections about future events and trends that we believe may affect our financial condition, results of operations, business strategy, short-term and long-term business operations and objectives and financial needs. These forward-looking statements

are subject to a number of risks, uncertainties and assumptions, including those described in Part I, Item 1A. "Risk Factors" in this Annual Report on Form 10-K. Moreover, we operate in a very competitive and rapidly changing environment. New risks emerge from time to time. It is not possible for us to predict all risks, nor can we assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements we may make. In light of these risks, uncertainties and assumptions, the forward-looking events and trends discussed in this Annual Report on Form 10-K may not occur and actual results could differ materially and adversely from those anticipated or implied in the forward-looking statements.

You should not rely upon forward-looking statements as predictions of future events. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee that the future results, performance, or events and circumstances reflected in the forward-looking statements will be achieved or occur. We undertake no obligation to revise or publicly release the results of any revision to these forward-looking statements, whether written or oral, except as required by law.

PART I

ITEM 1. BUSINESS

Overview

Founded in 2014, BlackSky Technology Inc. (herein referred to as “BlackSky,” the “Company,” “we,” “us,” or “our”) is a space-based intelligence company that delivers real-time imagery, analytics and high-frequency monitoring of the world’s most critical and strategic locations, economic assets, and events. BlackSky® is trusted by many of the most demanding U.S. and international government agencies and commercial businesses around the world. We are defining a new category of space-based intelligence products and services with real-time imagery and automated analytics, delivered through an easy-to-use interface coupled with our high-revisit and low latency satellite constellation both designed to help customers see, understand and anticipate change for a decisive strategic advantage. BlackSky can image many of the most strategic locations on Earth up to 15 times per day, many traditional Earth observation companies image twice per day.

BlackSky designs, owns and operates the industry’s most advanced, purpose-built commercial, real-time intelligence system that combines the power of the BlackSky Spectra tasking and analytics software platform and our proprietary high resolution, low earth orbit (“LEO”) small satellite (“smallsat” or “smallsats”) constellation. BlackSky Spectra is a first-of-its-kind commercial platform that helps customers manage their monitoring activities from space at industry-leading speed, frequency, and economics. The BlackSky constellation is the primary sensor and communications architecture that delivers space-based data to BlackSky Spectra. BlackSky’s satellites fly in unconventional, inclined orbits, and with built-in automated systems, the constellation can distinctly deliver time-diverse, dawn-to-dusk, rapid revisit imagery, and analytics with no humans in the loop. Customers experience the value of BlackSky’s capabilities in the On-Demand and Assured service and product offerings. BlackSky Spectra augments proprietary data collected from our constellations with input from third-party sensors.

The Changing Geospatial Market

The market is shifting away from static, low-frequency satellite imagery and geospatial mapping solutions toward dynamic and on-demand, high-frequency imagery and advanced analytics that together deliver real-time space-based intelligence. The commercial sensors on orbit expand from a handful of large, expensive commercial satellites to now hundreds and soon to be thousands of space-based sensors that are changing the way we see and understand our world. To capitalize on this paradigm shift, BlackSky deployed a proprietary satellite constellation providing high-frequency, high-resolution imagery and built a fully operational software platform capable of integrating our proprietary data with the data from this proliferation of sensors and other third-party information, such as synthetic aperture radar (SAR) data and radio frequency data from partners, millions of GPS-enabled terrestrial data sources and Internet of Things (IoT) connected devices. Our proprietary software platform, BlackSky Spectra, then applies artificial intelligence (AI) and machine learning (ML) techniques to transform these raw data feeds into real-time actionable intelligence.

BlackSky helps customers improve their decision-making processes by incorporating on-demand imagery and AI-driven analytics into their daily operations through our modern, easy-to-use, software-as-a-service (SaaS) customer experience. We can deliver our proprietary, on-demand imagery at a lower cost than legacy providers due to our scalable software platform, our capital efficient constellation design, and adaptable pricing models, among other things. BlackSky’s commercial SaaS approach also gives customers the ability to quickly activate custom, space-based intelligence capabilities with minimal established infrastructure or geospatial knowledge base.

Our Vertically Integrated Strategic Assets

The need for real-time space-based intelligence is now more important than ever. Recent global events, like the ongoing conflicts in Israel, Sudan and Ukraine and the earthquakes in Turkey and Syria, have reinforced the value of real-time, space-based intelligence. BlackSky is changing the way space is used to deliver vital, actionable intelligence through our two key strategic assets: our high-revisit Earth observation smallsat constellation and our AI-enabled software platform.

Our Satellite Constellation

We design, develop and operate a constellation of proprietary high-resolution, high-revisit LEO smallsats. Our constellation differentiates BlackSky from competitors as it is optimized to provide reliable and dynamic hourly

monitoring of among the most strategic, high-value locations and assets where we believe approximately 90% of the world's gross domestic product occurs. Whereas our competitors are dedicated primarily to mapping the entirety of the Earth on a routine basis and who, therefore, require a larger and more expensive constellation to support their mission, BlackSky's unique architecture delivers highly valued imagery and intelligence with a smaller, more capital efficient, and adaptable constellation. Our constellation can image most locations between the latitudes of 55 degrees North and 55 degrees South with frequent hourly revisits or on-demand, providing our customers with insights and situational awareness throughout the day and as events unfold.

BlackSky operates a constellation of satellites that is licensed by National Oceanic and Atmospheric Administration (NOAA) and is optimized for latency and capacity and delivers high revisit imaging and analytic services without a dependency on any individual satellite. This approach enables us to strategically deploy capacity to meet customer needs and tailor the capability over time to meet market demand. Under optimal conditions and measured from dawn-until-dusk, our constellation achieves a peak revisit rate of up to 15 revisits a day.

Our current satellites (Gen-2) are purpose-built to serve our monitoring mission and are the primary data source for our BlackSky Spectra software platform. Each satellite is equipped with a modern, commercially-derived optical telescope that can collect imagery at 85-centimeter resolution at nadir. Launched into LEO, approximately 450 kilometers above the surface of the Earth and placed into a mid-inclination orbit whereby the satellites travel from West to East, our constellation is optimally distributed to provide maximum coverage for our customers. Our ability to quickly deliver space-based data is enhanced by strategically-placed BlackSky ground stations worldwide. Our satellite design is further complemented by our autonomous tasking, mission planning, command and control services, and satellite health and safety monitoring embedded within our BlackSky Spectra software.

BlackSky's Gen-2 constellation provides unique value with the ability to collect imagery and analytics from dawn-until-dusk at a higher cadence and at lower cost than traditional providers. U.S. and allied militaries rely on our services for high-revisit monitoring of airfields, vehicle depots, troop movements, and other high-value locations to detect changes in pattern-of-life. BlackSky can distinguish landscape features such as roads and buildings, and gauge commercial activities and patterns such as movements from ships in ports, progress at construction sites, and changes in production by estimating the number of cars in a parking lot.

We have designed our next generation satellites (Gen-3) to include significantly enhanced capabilities, including 35-centimeter electro-optical imaging resolution and 1-meter short-wave infrared imaging technology for expanded imaging capabilities in low-light or nighttime. The Gen-3 constellation will also feature improved data communications capabilities that significantly increase the end-to-end delivery speed of intelligence products. We anticipate launching our first Gen-3 satellites in 2024. We believe these Gen-3 advancements will improve our analytics and increase the value we can deliver to our customers.

We are vertically integrated and manufacture our satellites through LeoStella, a 50%-owned satellite manufacturing joint venture with Thales Alenia Space. LeoStella has capacity to manufacture up to 40 satellites per year. This vertical integration enables BlackSky to control our satellites through the entire design, manufacturing, and operation process and optimize performance per unit cost. The LeoStella partnership further allows us to learn from and leverage their manufacturing expertise and commercial best practices.

Our AI-Enabled Software Platform

Our BlackSky Spectra software platform processes millions of observations a day from both our proprietary satellite constellation and by using data from multiple external sources including imaging, radar and radio frequency satellites, environmental sensors, asset tracking sensors, IoT connected devices, internet-enabled narrative sources, and a variety of geotemporal data feeds. The platform uses proprietary mission operations software that optimizes revisit rates and collection capabilities. BlackSky Spectra employs advanced, proprietary AI and ML techniques to process, analyze, and transform these data feeds into fully automated alerts, information, and insights for our customers. These critical insights provide customers with actionable intelligence that supports daily decision making.

Customers access BlackSky Spectra's data and analytics through an easy-to-use web interface on their desktops or mobile devices. Through BlackSky Spectra, customers can task BlackSky's constellation and receive high-resolution imagery and analytics in, on average, under 90 minutes. Importantly, customers can set up alerts so that BlackSky Spectra automatically generates and distributes images from BlackSky satellites and analytics upon the occurrence of certain conditions or changes, giving customers a first-to-know advantage. Understanding the flexibility needed to engage a wide range of customers, BlackSky Spectra gives customers the ability to order imagery from other providers. Customers can also access BlackSky products through application programming interfaces (APIs), which are typically embedded with customers or certain reseller channels.

As we collect data, we establish a baseline view of important conditions around the world. Incremental data enables us to detect and understand changes to or deviations from the baseline. BlackSky Spectra leverages this data, much of it proprietary, to accelerate its learning using neural networks. We believe that BlackSky Spectra will benefit from a "flywheel learning effect" as we continuously expand and enrich our proprietary data repository.

Designed with security and scalability in mind, BlackSky Spectra is built on the Amazon Web Services platform and reinforced with advanced cybersecurity protection enabling safe and secure integration with U.S. government systems. BlackSky Spectra offers a full software stack that includes a data and sensor integration layer, an extract, transform, load (ETL) layer, an analytics layer that hosts our AI and ML algorithms, an application layer for our customers, an API framework for developers, and our global intelligence database that captures sensor data.

BlackSky Spectra has been operating for eight years and is continuously updated and refreshed. We have designed our software stack with a strong focus on API compatibility to enable developers to easily integrate our software with our customers' information technology platforms. Our goal is for customers to be able to access BlackSky Spectra with minimal incremental technology investment. Software development is an important focus for our future as BlackSky Spectra is the key to turning our geospatial data into actionable intelligence that improves and enhances our customers' business processes and decisions.

Our Key Services and Products

BlackSky generates revenue by selling On-Demand and Assured product and service offerings that support a broad range of applications including national security, supply chain intelligence, crisis management, critical infrastructure monitoring, economic intelligence, and others. These offerings are comprised of a predefined, yet customizable, standard set of imagery and software analytics products accessible via our basic subscription plan through our BlackSky Spectra software platform, plus professional and engineering services provided to customers on a project-by-project basis.

Imagery and Software Analytical Services

- *Imagery:* We offer high-revisit, high-resolution, satellite imaging products including single-frame day, multi-frame, broad area 2x1, burst, and stereo (2&5-frame) imagery. Through our BlackSky Spectra software platform, customers can directly task our constellation to collect and deliver imagery over specific locations, sites, and regions that are critical to their operations. All imagery products are included in the basic subscription plan for On-Demand tasking. Another option is the multi-year Assured access bundle program, where customers receive secure priority access and imaging capacity over a region of interest on a take or pay basis.
- *Data, Software, and Analytics:* Our AI-generated analytics are also offered on a subscription basis and provide customers with automated access to our site monitoring, event monitoring, and global data

services. We provide services related to object change and anomaly detection; site monitoring; and enhanced analytics through which we can detect key pattern-of-life changes in critical locations. These critical locations include infrastructure such as ports, airports, and construction sites; retail activity; commodities stockpiles; and other sites that contain critical commodities and supply chain inventory.

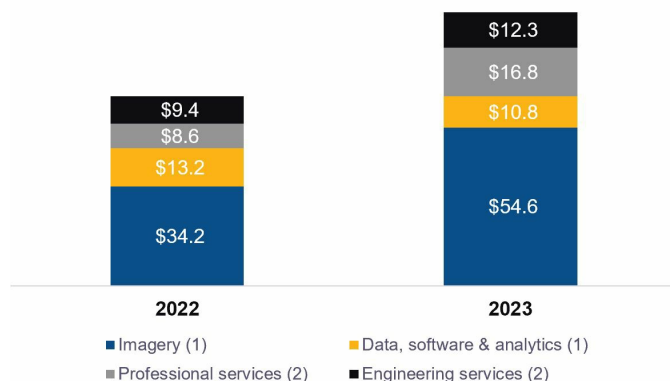
While we offer a variety of pricing and utilization options for our imagery and analytical product offerings, most of our agreements are structured as subscription contracts, followed by usage-based pricing and transactional licenses. These options provide customers with flexibility to utilize our imagery and analytical services in a manner that best suits their business needs. We offer pricing tiers that enable the customer to manage collection priorities. For example, during critical events, customers may pay a premium to prioritize their monitoring and collection requirements, while at other times, customers can select lower priority collections to allow for more economical use of their overall subscription.

Professional and Engineering Services

We also provide professional service solutions to support customer-specific software feature requests and the integration, testing, and training of our imagery and software analytical services into a customer’s organizational processes and workflows. The Company also provides engineering services, which include, developing and delivering advanced satellite and payload systems for a limited number of customers that leverage the Company’s capabilities in mission systems engineering and operations, ground station operations, and software and systems development.

We develop and deliver advanced satellites and payload systems, with operational support, for strategic customers that desire to leverage our expertise in mission systems engineering and operations, ground station operations, software, analytics and systems development. In this model, satellite and payload systems are typically sold to government customers or government resellers under a fixed price contract with additional revenue streams for ongoing support and services once the satellite is in orbit. These contracts allow BlackSky to maintain its production line at scale and also benefiting from technological developments and creates ongoing subscription-like contracts.

**Revenue by Service Offering
(in millions)**



(1) Included in imagery and software analytical services in our Consolidated Statements of Operations and Comprehensive Loss

(2) Included in professional and engineering services in our Consolidated Statements of Operations and Comprehensive Loss

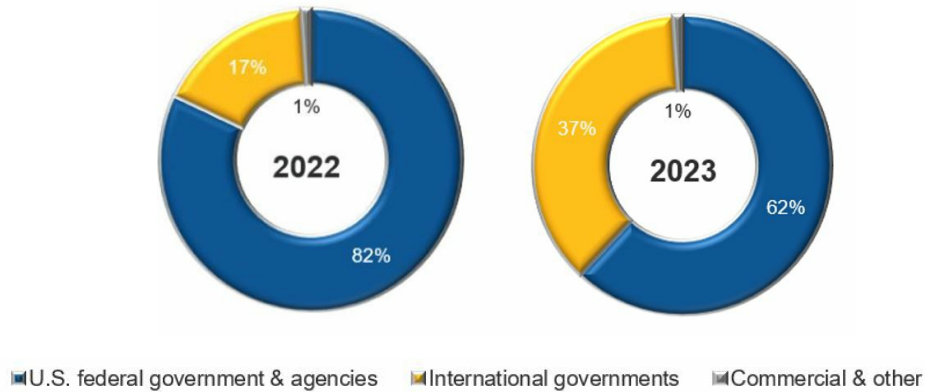
Our Customers

Many of the most important and demanding government and commercial organizations in the world, including U.S. defense and intelligence agencies and international ministries of defense, rely on the actionable intelligence we provide. To compete effectively in today's data-driven military battlefields and commercial market environments, governments and organizations of all sizes and industries face a growing need for timely and affordable geospatial intelligence and analytics to help shape critical decisions. To meet these customer demands, next generation geospatial intelligence platforms must have the ability to deliver situational awareness, location intelligence, and insights into events and activities as they unfold.

Our current customer base and market mix are weighted towards U.S. defense and intelligence customers, as we have a long history serving these agencies as a trusted mission partner. We believe there are significant opportunities to expand our imagery and software analytical services, as well as our professional and engineering service offerings, to a broad set of domestic and international customers. Management classifies our customer base predominantly into three categories:

- **U.S. Federal Government & agencies:** We sell to multiple U.S. government agencies that span defense, intelligence, and federal and civilian agencies. Our intelligence customers include the National Reconnaissance Office ("NRO") and the National Geospatial-Intelligence Agency ("NGA"). In May 2022, we were awarded our largest imagery contract to date, valued at up to \$1 billion over a ten-year period with the NRO. Through this contract, we have delivered thousands of images to the NRO and continue to support this important agency through additional study contracts focused on expanding new technologies. We provide analytic services to the NGA under an up to five-year \$60 million contract and have continued to win task orders on a regular basis. We also have won contracts across a range of other governmental customers including Department of Defense customers such as the Air Force.
- **International Governments and Organizations:** We sell to multiple foreign governments, agencies, and organizations worldwide. For example, we were awarded a \$150+ million, multi-year subscription contract with a major international ministry of defense to provide next generation space-based tactical geospatial intelligence services. We won a multi-year renewal agreement with an international defense sector customer for more than \$30 million, expanding and securing priority access to BlackSky's high-frequency imagery services. Furthermore, we signed a multi-year contract to support the Indonesian Ministry of Defense with space-based capabilities totaling more than \$35 million. We also have won contracts with various other foreign agencies, many of which are multi-million-dollar contracts and multi-year in length.
- **Commercial and Other:** Currently, commercial and industrial customers represent a small but important emerging portion of our business. Our services and products can benefit customers in a variety of commercial and industrial infrastructure markets including, but not limited to, energy and utilities, insurance, commodities, mining, manufacturing, logistics, supply chain management, agriculture, environmental monitoring, disaster and risk management, engineering and construction, retail, and consumer behavior.

Revenue by Customer Group



Our Competitive Differentiation

We believe that we are well-positioned to compete with legacy satellite imaging providers and other emerging geospatial intelligence providers. Our strategy to combine a high-revisit satellite constellation with an AI-enabled SaaS platform has been validated by contract awards from the most demanding customers. Our unique approach removes three important barriers that we believe have hindered the legacy industry from achieving a broader market adoption including: low costs, ease of use through a modern software interface and platform, and assured access to imaging services where, when, and at the frequency customers need it. Key elements of our competitive differentiation include the following:

- **Low-cost imagery capture.** Our constellation leverages the disruptive economics of small satellites to enable us to capture data in a more cost-effective manner than legacy satellite imagery providers and offer a variety of pricing models. Lower cost, more adaptable products allow us to expand the market for our services.
- **High-revisit rate, dawn-to-dusk imagery collection.** We have optimized our constellation to deliver high-revisit collection capability of critical, strategic, and economic assets and locations where we estimate about 90% of the world's GDP occurs. Under ideal conditions and measured from dawn-until-dusk, we are capable of revisiting specific locations on Earth up to 15 times per day.
- **On-demand satellite tasking capabilities.** Using our BlackSky Spectra software platform, which can be accessed through a web-browser or via APIs, customers can easily task our constellation and receive high-resolution imagery and advanced analytics delivered to their email, in-house ERP system, or cloud environment in, on average, under 90 minutes. This first of its kind capability enables an expansion in the market for geospatial intelligence by eliminating the need for customers to deploy resources to design their own platform or employ geospatial analysts.
- **Integration of proprietary and third-party sensor data.** By combining proprietary and third-party data sources, we can increase the value of our database of sensor-based information at low cost and serve as a full-service geospatial data solution provider.
- **Continuously growing proprietary intelligence data repository.** As our data repository grows, we expect to benefit from a flywheel effect whereby incremental data enhances our baseline understanding of the world, thereby enabling the delivery of increasingly valuable insights and analytics to our customers.

- **Proprietary, cloud-based software stack.** Our cloud-based software platform includes proprietary customer applications—such as an ETL layer, advanced AI/ML modules, and our API framework—that enhance BlackSky Spectra's ability to scale quickly and efficiently deliver meaningful data.
- **Vertical integration.** We design our satellites and manufacture them at LeoStella, our satellite manufacturing joint venture. Control of the satellite production process from design through manufacturing enables us to upgrade our satellites during production and continuously improve our satellites' capabilities, as well as build and maintain our optimal constellation size at a relatively low cost.
- **API kit for developers to build geospatial intelligence into next gen applications** We support our customers with a robust, flexible API kit that enables them to integrate our capabilities into their existing platforms and applications with a low upfront financial and time investment.

Industry Overview

We operate in a large and growing geospatial market that includes both imaging services and analytic solutions. The industry has been evolving over time from a focus on static observation and mapping to a focus on dynamic, high-frequency monitoring capabilities that enable on-demand actionable intelligence. Space-based intelligence is playing an increasingly critical role in decision-making for government agencies, commercial enterprises and organizations around the world. At the same time, a growing number of government defense and intelligence agencies are increasing their reliance on commercial satellite providers to complement their in-house geospatial data sources. According to Markets and Markets, an independent industry research firm, the global geospatial analytics market is projected to grow from about \$79 billion in 2023 to about \$142 billion by 2028, resulting in a compound annual growth rate of 12.6%.

Organizations like the U.S. Space Force, U.S. Army, and Space Development Agency are seeking to leverage commercial small satellite constellations for space-based defense and mission-critical intelligence, a key priority in the U.S. defense budget. U.S. investments in space programs are outpacing broader defense spending and are viewed by those in government as vital to our country's national security and defense strategy. The U.S. Space Force's \$30 billion budget request for fiscal year 2024 is about \$3.9 billion over what was enacted for the service in fiscal year 2023. About \$19.2 billion of the Space Force budget is aimed at research, development, testing and evaluation. In addition, the Space Development Agency, which re-aligned under the Space Force last October, is requesting about \$4.7 billion for fiscal 2024, an 80% increase over last year's request of \$2.6 billion. We believe BlackSky's innovative architecture and operational capabilities are well aligned to support the U.S. government's space-based defense priorities.

The increase in demand for geospatial imaging and intelligence is coming at a time of limited supply growth. We believe that legacy satellite imaging providers may not be able to provide the capacity needed to meet the growing demand as their aging constellations are being replaced with lower capacity satellites. We believe the expansion of our capacity will be met by strong demand and that we are well positioned to capture a significant share of the growth in the space data and analytics market.

Compliance with Government Regulations

Our industry is highly regulated and our operations are subject to various foreign, federal, state, and local laws and regulations. We must comply with, and are affected by, laws and regulations relating to the formation, administration, and performance of U.S. government and foreign government contracts. Changes to or additional government regulations or policies relating to our business could increase regulatory uncertainty and may have an adverse effect on our business, financial condition and results of operations. For example, our business requires licenses and permits from the Federal Communications Commission (the "FCC") and review by and/or coordination with other agencies of the U.S. Government, including the Department of Defense, NOAA and the National Aeronautics and Space Administration ("NASA"), as well as foreign regulators, such as the New Zealand Space Agency. Additional information about the government regulations affecting our business and the risks relating to government contracts appears in "Risk Factors" in Item 1A of this Annual Report on Form 10-K.

Intellectual Property

We own an intellectual property (“IP”) portfolio that includes a significant amount of proprietary code and actively pursue internal development of proprietary software and other intellectual property. Our portfolio also includes trademarks, service marks, domain names, unpatented trade secrets, know-how, data, and software. While our IP rights in the aggregate are important to our operations, we do not believe that any particular trade secret, trademark, license, or other IP right is of such importance that its loss, expiration, or termination would have a material effect on our business.

Employees and Human Capital

As of December 31, 2023, we had 279 employees. BlackSky employs a highly technical workforce, with the majority of our employees working in engineering or operations functions and the remainder in our sales and general and administrative functions. Many of our employees bring significant experience from prior positions working for leading defense contractors, satellite manufacturers, other commercial and military aerospace and defense companies, and government agencies.

Since our inception, BlackSky has sought to recruit qualified and creative employees who possess diverse business capabilities and align with our core corporate values. Our human capital objectives include identifying, recruiting, retaining, incentivizing and integrating our existing and new employees, advisors, and consultants.

In addition to competitive salaries, the principal purposes of our cash and equity incentive plans are to attract, retain, and reward personnel through the granting of cash-based and stock-based incentive awards. We believe such plans increase stockholder value by motivating individuals to perform to the best of their abilities and achieve corporate objectives.

We are committed to a set of core corporate values. They include:

- **People First.** We operate with respect and transparency. We provide a rich environment for people to grow, fulfill their ambitions and achieve their full potential.
- **Accountability.** We are accountable to meeting and exceeding our commitments to customers and shareholders.
- **Innovation.** We are innovators and thought leaders. We are passionate and relentless about solving problems that matter.
- **Integrity.** We conduct ourselves ethically and honestly. Trust is paramount.
- **Diversity.** We believe that diversity of background and opinion are essential to the strength of our culture. We are committed to an equitable and inclusive environment.
- **Positive Impact.** We are here to contribute to a smarter and safer world. Our shared goal is to contribute to the good of society through the responsible use of our assets.
- **Celebration.** We celebrate our wins and recognize the individual and collective accomplishments of our teams.

Corporate Information

On September 9, 2021, our predecessor company Osprey Technology Acquisition Corp. (“Osprey”), consummated its merger (the “Merger”) with Osprey Technology Merger Sub, Inc., a wholly owned subsidiary of Osprey, and BlackSky Holdings, Inc. Immediately following the Merger, Osprey changed its name to BlackSky Technology Inc. BlackSky Holdings, Inc. (“Legacy BlackSky”) survived the Merger and is now a wholly owned subsidiary of BlackSky Technology Inc. Unless the context otherwise requires, references in this Annual Report on Form 10-K to “BlackSky,” the “Company,” “we,” “us,” or “our” refer to the business and operations of BlackSky Technology Inc. and its consolidated subsidiaries (including Legacy BlackSky), following the closing of the Merger.

Our corporate headquarters is located at 13241 Woodland Park Road, Suite 300, Herndon, VA 20171. Our website is located at www.blacksky.com. The contents of our website are not incorporated into this Annual Report on Form 10-K.

Our Class A Common Stock (“Class A common stock”) and warrants are listed on the New York Stock Exchange (the “NYSE”) under the symbols “BKSJ” and “BKSJ.W”, respectively.

Available Information

Our investor relations website is <https://ir.blacksky.com>. Copies of our Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, proxy statements, registration statements, and amendments to these reports filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, are available free of charge on our investor relations website as soon as reasonably practicable after we file such material electronically with or furnish it to the Securities and Exchange Commission (the "SEC"). The SEC also maintains a website that contains our SEC filings at www.sec.gov. We use our investor relations website to post important information for investors, including news releases, company presentations and events, and supplemental financial information, and as a means of disclosing material non-public information and for complying with our disclosure obligations under Regulation FD. Accordingly, investors should monitor our investor relations website, in addition to following press releases, SEC filings and public conference calls and webcasts.

ITEM 1A. RISK FACTORS

An investment in our Class A common stock involves a high degree of risk. You should carefully consider the risks and uncertainties described below, together with all of the other information contained in this Annual Report on Form 10-K, including the sections titled "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our consolidated financial statements and related notes, before deciding to invest in our Class A common stock. Additional risks and uncertainties that we are currently unaware of, or that we currently believe are not material, may also become important factors that adversely affect our business or results of operations. If any of the following risks occur, our business, financial condition and operating results may be materially adversely affected. In that event, the trading price of our Class A common stock could decline, and you could lose all or part of your investment.

Summary Risk Factors

Our business is subject to numerous risks and uncertainties that you should consider before investing in our Class A common stock, as more fully described below this summary. The principal factors and uncertainties that could adversely affect our business include, among others:

- We have a limited history of operating at our current scale and under our current strategy, which makes it difficult to predict our future operating results, and we may not achieve our expected operating results in the future.
- We may not be able to sustain our revenue growth rate in the future.
- Our results of operations are subject to fluctuation from period to period and may not be an accurate indication of future performance; our operating results have fallen, and may in the future fall, below our financial guidance or other projections or the expectations of securities analysts and investors.
- The loss of one or more of our largest customers could adversely affect our results of operations.
- We have incurred significant losses each year since our inception, we expect our operating expenses to increase, and we cannot give assurances of our future profitability, if any.
- The market for our products and services has not been established with precision, is still emerging and may not achieve the growth potential we expect or may grow more slowly than expected.
- Our business with various governmental entities is subject to the policies, priorities, regulations, mandates, and funding levels of such governmental entities and may be negatively or positively impacted by any change thereto.
- Our ability to grow our business depends on the successful production, launch, commissioning and/or operation of our satellites and related ground systems, which is subject to many uncertainties, some of which are beyond our control.
- Our business involves significant risks and uncertainties that may not be covered by insurance. For example, if one or more of our satellite launches result in catastrophic failure or one or more of our in-orbit satellites or payloads fail, and we have not obtained insurance coverage, we could be required to record significant impairment charges for the satellite or payload.

- If our satellites fail to operate as intended, it could have a material adverse effect on our business, financial condition and results of operations.
- Currently we are dependent on LeoStella as the sole manufacturer of our satellites. Any significant disruption to LeoStella's operations or facilities could have a material adverse effect on our business, financial condition, and results of operations.
- Our business is capital intensive, and we may not be able to adequately finance our capital needs, including funding future satellites, through operations, or by raising capital, or we may be able to do so only on terms that significantly restrict our ability to operate our business.
- Our business is subject to a wide variety of additional extensive and evolving government laws and regulations. Failure to comply with such laws and regulations could have a material adverse effect on our business.

Risks Related to Our Business and Industry

We have a limited history of operating at our current scale and under our current strategy, which makes it difficult to predict our future operating results, and we may not achieve our expected operating results in the future.

We have a limited history of operating at our current scale and under our current strategy to define the future of real-time space-based intelligence, which makes it difficult to forecast our future results. You should consider and evaluate our prospects in light of the risks and uncertainty frequently encountered by growth stage companies in rapidly evolving markets. We have not achieved profitability, and we may not realize sufficient revenue to achieve profitability in future periods.

Further, in future periods, our revenue growth could slow or our revenue could decline for a number of reasons, including slowing demand for our platform, increased competition, changes to technology, a decrease in the growth of our overall market, or our failure to continue to take advantage of growth opportunities. We have also encountered, and will continue to encounter, risks and uncertainties frequently experienced by growing companies in rapidly changing industries, such as the risks and uncertainties described below. If our assumptions regarding these risks and uncertainties and our future revenue growth are incorrect or change, or if we do not address these risks successfully, our operating and financial results could differ materially from our expectations, and our business could suffer.

We may not be able to sustain our revenue growth rate in the future.

Although our revenue increased in 2023, there can be no assurances that revenue will continue to grow or do so at current rates, and you should not rely on the revenue of any prior quarterly or annual period as an indication of our future performance. Our revenue growth rate may decline in future periods. Many factors may contribute to declines in our revenue growth rate, including increased competition, slowing demand for our products and services from existing and new customers, increased regulatory burdens domestically or abroad, a failure by us to continue capitalizing on growth opportunities, terminations of existing contracts by our customers, and the maturation of our business, among others. If our revenue growth rate declines, our business, financial condition, and results of operations could be adversely affected.

Our results of operations are subject to fluctuation from period to period and may not be an accurate indication of future performance; our operating results have fallen, and may in the future fall, below our financial guidance or other projections or the expectations of securities analysts and investors.

Our results of operations, including cash flows, have fluctuated significantly in the past and are likely to continue to do so in the future. Accordingly, the results of any one quarter or measuring period should not be relied upon as an indication of future performance. Our quarterly results, financial position, and operations are likely to fluctuate as a result of a variety of factors, many of which are outside of our control, and as a result, may not fully reflect the underlying performance of our business. We have presented many of the factors that may cause our

results of operations to fluctuate in this “Risk Factors” section. Fluctuations in our results of operations have caused, and may in the future cause, such results to fall below our financial guidance or other projections, or the expectations of analysts or investors, which could cause the trading price of our Class A common stock to decline.

Our financial performance is dependent on our ability to generate a sustainable order rate for products and services. This can be challenging and may fluctuate on an annual basis as the number of contracts awarded and as the timing of such awards vary. If we are unable to win new contracts or execute on existing contracts as expected, our business, results of operations and financial position could be further adversely affected.

The timing of our sales and related revenue recognition is difficult to predict because of the length and unpredictability of the sales cycle for our products and services. We are often required to spend significant time and resources to better educate and familiarize potential customers with the value proposition of our products and services. Therefore, our sales cycle is often long and can vary substantially from customer to customer. Further, decisions to purchase our imagery services can involve significant financial commitments; potential customers for larger monetary or specialized design/engineering contracts generally evaluate our systems, products and technologies at multiple levels within their organization, each of which often have specific requirements, and can involve their senior management and multiple internal approvals.

As a result of our long and unpredictable sales cycles, large individual sales have, in some cases, occurred in quarters subsequent to those we anticipated, or have not occurred at all. The loss or delay of one or more large sales transactions in a quarter would impact our results of operations and cash flow for that quarter and any future quarters in which revenue from that transaction is lost or delayed. In addition, downturns in new sales may not be immediately reflected in our revenue because we generally recognize revenue over the term of our contracts. The timing of customer billing and payment varies from contract to contract. A delay in the timing of receipt of such collections, or a default on a large contract, may negatively impact our liquidity for the period and in the future. Because a substantial portion of our expenses are relatively fixed in the short-term and require time to adjust, our results of operations and liquidity would suffer if revenue fell below our expectations in a particular period. In addition, our pricing model includes both subscription-based and fixed fee contracts, adding further variability to the timing of our revenue recognition across customer contracts.

Other factors that may cause fluctuations in our quarterly results of operations and financial position include, without limitation, those listed below:

- termination of one or more large contracts by customers, including for convenience;
- the image capacity that is able to be supported by our satellite constellation;
- the cost of raw materials or supplied components for the manufacture and operation of our satellites;
- satellite or geospatial data and analytics platform failures that reduce the planned network size below projected levels, which result in contract delays or cancellations;
- the timing and cost of, and level of investment in, research and development relating to our technologies;
- changes in the competitive dynamics of our industry;
- prolonged periods of unexpected weather patterns, natural disasters or other events that can impact image quality or force a cancellation or rescheduling of satellite launches; and
- general economic, regulatory, and market conditions, such as disruptions in the supply chain due to geopolitical uncertainty and instability.

The individual or cumulative effects of factors discussed above could result in large fluctuations and unpredictability in our quarterly and annual operating results. As a result, comparing our operating results on a period-to-period basis may not be meaningful. These factors make it difficult for us to accurately predict financial metrics for any particular period.

The variability and unpredictability of our quarterly results of operations, cash flows, or other operating metrics could also result in our failure to meet our expectations or those of analysts that cover us or investors with respect to revenue or other key metrics for a particular period. If we fail to meet or exceed such expectations for these or any other reasons, the trading price of our Class A common stock could fall, and we could face costly lawsuits, including securities class action suits.

The loss of one or more of our largest customers could adversely affect our results of operations.

We are dependent on a small number of customers for a large portion of our revenue. A significant decrease in the sales to or loss of any of our major customers would have a material adverse effect on our business, financial condition, and results of operations. In fiscal years 2023 and 2022, we had three customers that each accounted for more than 10% of our total revenue and in the aggregate, accounted for 67% and 42% of our total net revenue, respectively. Customers in the defense market generally purchase our services in connection with government programs that have a limited duration, leading to fluctuating sales to any particular customer in this market from year to year. If we lose one or more of our major enterprise or government customers, or if we experience a significant reduction in business from one or more major enterprise or government customers, there is no assurance that we would be able to replace those customers to generate comparable revenue over a short time period, which could harm our operating results and profitability.

If existing customers do not make subsequent purchases from us or renew their contracts with us, our revenue could decline, and our results of operations would be adversely impacted.

We also derive a significant portion of our revenue from existing customers that expand their relationships with us. Increasing the size and number of the deployments of our existing customers is a major part of our growth strategy. We may not be effective in executing this or any other aspect of our growth strategy.

Our contract terms with our customers and resellers vary in length and may require the customer or reseller to opt-in to extend the term. 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, and our contracts with U.S. government customers may be terminated for convenience. If one or more of our customers or resellers terminate their contracts with us, whether for convenience, for default in the event of a breach by us, or for other reasons specified in our contracts, as applicable; if our customers or resellers elect not to renew their contracts with us; if our customers or resellers renew their contractual arrangements with us for shorter contract lengths; or if our customers or resellers otherwise seek to renegotiate terms of their existing contracts on terms less favorable to us, our business, financial condition, and results of operations could be adversely affected.

Our ability to renew or expand our customer relationships may decrease or vary as a result of a number of factors, including our customers' satisfaction or dissatisfaction with our geospatial data and analytics platform and/or our products and services, the frequency and severity of errors or disruptions in our platform and/or our products and services, our pricing, the effects of general economic conditions, competitive offerings or alternatives, or reductions in our customers' spending levels. Our business, financial condition, and results of operations would also be adversely affected if we face difficulty collecting our accounts receivable from our customers or if we are required to refund customer prepayments and deposits.

Achieving renewal or expansion of deployments may require us to increasingly engage in sophisticated and costly sales efforts that may not result in additional sales. In addition, our customers' decisions to expand the use of our products and services depends on a number of factors, including general economic conditions, the quality of our products and services, and our customers' satisfaction with our products and services. If our efforts to expand within our existing customer base are not successful, our business may suffer.

We rely on the significant experience and specialized expertise of our senior management, engineering, sales and operational staff and must retain and attract qualified and highly skilled personnel in order to grow our business successfully.

Our performance is substantially dependent on the continued services and performance of our senior management and our highly qualified team of engineers and data scientists, many of whom have numerous years of experience, specialized expertise in our business, and security clearances required for certain defense projects. If we are not successful in hiring and retaining highly qualified engineers and data scientists, we may not be able to extend or maintain our engineering and data science expertise, and our future product development efforts could be adversely affected. Competition for hiring these employees is intense, especially regarding engineers and data scientists with specialized skills and security clearances required for our business, and we may be unable to hire and retain enough engineers and data scientists to implement our growth strategy.

Certain U.S. government contracts require us, and some of our employees, to maintain national security clearances. Obtaining and maintaining national security clearances for employees involves a lengthy process, and it is difficult to identify, recruit, and retain employees who already hold national security clearances. Further, some of our contracts contain provisions requiring us to staff an engagement with personnel that the customer considers key to our successful performance under the contract. In the event we are unable to provide these key personnel or acceptable substitutions, the customer may terminate the contract. As a result, if we are unable to recruit and retain a sufficient number of qualified employees, we may lose revenue and our ability to maintain and grow our business could be limited.

Our future success also depends on the successful execution of our strategy to increase our sales to existing customers, identify and engage new customers, and enter new U.S. and non-U.S. markets, which strategy will depend, among other things, on our ability to successfully build and expand our sales organization and operations. Identifying, recruiting, training, and managing sales personnel requires significant time, expense, and attention, including from our senior management and other key personnel, which could adversely impact our business, financial condition, and results of operations in the short and long term.

In order to successfully scale our sales model, we must, and we intend to, increase the size of our direct sales force, both in the United States and outside of the United States, to generate additional revenue from new and existing customers. If we do not hire and retain a sufficient number of qualified sales personnel, our future revenue growth and business could be adversely impacted. It may take a significant period of time before our sales personnel are fully trained and productive, and there is no guarantee we will be successful in adequately training and effectively deploying our sales personnel. Our business would be adversely affected if our efforts to build, expand, train, and manage our sales organization are not successful. Any future sales organization changes may result in a temporary reduction of productivity, which could negatively affect our rate of growth. In addition, any significant change to the way we structure the compensation of our sales organization may be disruptive and may affect our revenue growth. If we are unable to attract, hire, develop, retain, and motivate qualified sales personnel, if our new sales personnel are unable to achieve sufficient sales productivity levels in a reasonable period of time or at all, if our marketing programs are not effective or if we are unable to effectively build, expand, retain, and manage our sales organization and operations, our sales and revenue may grow more slowly than expected or materially decline, and our business may be significantly harmed.

We may not be able to convert our orders in backlog into revenue.

Backlog is typically subject to large variations from quarter to quarter and comparisons of backlog from period to period are not necessarily indicative of future revenue. The contracts comprising our backlog may not result in actual revenue in any particular period or at all, and the actual revenue from such contracts may differ from our backlog estimates. The timing of receipt of revenue, if any, on projects included in backlog could change because many factors affect the scheduling of projects. Cancellation of or adjustments to contracts may occur. Additionally, all U.S. government contracts included in backlog may be terminated at the convenience of the U.S. government. If

a U.S. government contract is terminated before completion of all of the contracted work, we may not receive all potential revenue from these orders.

The failure to realize all amounts in our backlog could adversely affect our future revenue and gross margins. As a result, our backlog as of any particular date may not be an accurate indicator of our future earnings. Furthermore, the presentation of our financial results requires us to make estimates and assumptions that may affect revenue recognition. In some instances, we could reasonably use different estimates and assumptions, and changes in estimates are likely to occur from period to period. Accordingly, actual results could differ significantly from our estimates.

We could incur significant unanticipated costs if we do not accurately estimate and execute the costs of fixed-price engagements.

Certain of our products and services contracts are fixed-price contracts, rather than contracts in which payment to us is determined on a time and materials or other basis. Our failure to estimate accurately the resources and schedule required for a project, or our failure to complete our contractual obligations in a manner consistent with the project plan upon which our fixed-price contract was based, could adversely affect our overall profitability and could have a material adverse effect on our business, financial condition, and results of operations. We are consistently entering into long-term contracts for large projects that magnify this risk. We have been required to commit unanticipated additional resources to complete certain projects, which has resulted in losses on those contracts. In addition, we may fix the price for some projects at an early stage of the project engagement, which could result in a fixed price that is too low. Therefore, any changes from our original estimates could adversely affect our business, financial condition, and results of operations.

If we do not establish relationships with high-impact distributors and resellers, or if we fail to optimize relationships with existing members of our distribution channel, or if our distribution channel members suffer financial losses due to adverse economic conditions or otherwise, our ability to generate revenue will be adversely affected.

We expect our revenue derived from indirect channel sales to increase in the near future. Our ability to establish relationships with a comprehensive network of distributors, resellers, value-added resellers and similar entities with sufficient qualified and experienced personnel with the right relationships to support the sales of our products and services may impact our ability to generate revenue through this sales channel. If we are unable to develop products, structure products bundles, provide business terms, promote system integrations, optimize the effectiveness of our distributor and reseller network, or attract high-impact distributors, our business results may be negatively impacted. In addition, certain distributors and resellers may not be sufficiently capitalized and may experience difficulties during times of economic contraction.

The loss of or a significant reduction in business with those distributors or resellers could harm our business. In particular, if one or more of such distributors or resellers were unable to meet their obligations with respect to accounts payable to us, we could be forced to write off such accounts and may be required to delay the recognition of revenue on future sales to the affected customers. These events could have a material adverse effect on our financial results.

There can be no assurance that we will be successful in developing and marketing, on a timely basis, new products or product enhancements, or that the new products will adequately address the changing needs of the marketplace, or that we will successfully manage the transition from existing products. There can be no assurance that errors will not be found in any new or enhanced products. Certain products require a higher level of sales and support expertise or external validation.

The market for our products and services has not been established with precision, is still emerging and may not achieve the growth potential we expect or may grow more slowly than expected.

The market for our products and services has not been established with precision as the commercialization of space is a relatively new development and is rapidly evolving. Our views of the total addressable market are based on a number of third-party reports and management estimates, which may or may not accurately reflect future market size and growth. As a result, our views of the total addressable market may prove to be incorrect.

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

We operate in highly competitive industries that are evolving and many of our competitors are larger and have substantially greater resources than we have. Our products and services compete with satellite and aerial imagery and related products and services offered by a range of private and government providers. Our current or future competitors may have superior technologies or greater financial resources, more qualified or experienced personnel or other resources than we have. The value of our products and services may also be diluted by related products and services that are made available free of charge.

Competition in our imagery services business is highly diverse, and while our competitors offer different products and services, there is often competition for contracts that are part of governmental budgets. Our major existing and potential competitors for our products and services include commercial satellite imagery companies, state-owned imagery providers, aerial imagery companies, free sources of imagery and unmanned aerial vehicles. We also face competition from companies that provide geospatial data analytic information and services to the U.S. government, including defense contractors.

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

The U.S. government and foreign governments may develop, construct, launch and operate their own imagery satellites with capabilities comparable or similar to ours, which could reduce their need to rely on us and other commercial suppliers. In addition, such governments could sell or provide free of charge Earth imagery from their satellites and thereby compete with our products and services. Also, our government customers may at times make our imagery freely available for humanitarian purposes, which could impair our revenue growth with non-governmental organizations.

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

Some of our competitors have made or could make acquisitions of businesses that allow them to offer more competitive and comprehensive solutions. As a result of such acquisitions, our current or potential competitors may be able to accelerate the adoption of new technologies that better address customer needs, devote greater resources to bring these products and services to market, initiate or withstand substantial price competition, or develop and

expand their product and service offerings more quickly than we do. These competitive pressures in our market or our failure to compete effectively may result in fewer orders, reduced revenue and margins, and loss of market share. In addition, industry consolidation may impact customers' perceptions of the viability of smaller or even mid-size companies and consequently customers' willingness to purchase from such firms.

We may not compete successfully against our current or potential competitors. If we are unable to compete successfully, or if competing successfully requires us to take costly actions in response to the actions of our competitors, our business, financial condition, and results of operations could be adversely affected. In addition, companies competing with us may have a different pricing or distribution model. Increased competition could result in fewer customer orders, price reductions, reduced margins, and loss of market share, any of which could harm our business and results of operations.

We have incurred significant losses each year since our inception, we expect our operating expenses to increase, and we cannot give assurances of our future profitability, if any.

We have incurred significant losses each year since our inception and we may never achieve or maintain profitability. As of December 31, 2023, we had an accumulated deficit of \$599.0 million. As we continue to expand our business and the breadth of our operations, upgrade our infrastructure, expand into new markets, invest in research and development, invest in sales and marketing, including expanding our sales organization, and incur costs associated with general administration, including expenses related to being a public company and hiring additional employees, we expect that our costs of revenue and operating expenses will continue to increase. As we seek to grow our customer base, we may also incur increased losses because the costs associated with acquiring and growing our customers and with research and development are generally incurred upfront, while our revenue from customer contracts is generally recognized over the contract term. We may not be able to increase our revenue at a rate sufficient to offset increases in our costs of revenue and operating expenses in the near term or at all, which would prevent us from achieving or maintaining profitability in the future. Any failure by us to achieve, and then sustain or increase, profitability on a consistent basis could adversely affect our business, financial condition, and results of operations. If we are unable to become profitable, we may not be able to execute our business plan, our prospects may be harmed, and our stock price may be adversely affected and decline.

Risks Related to Our Operations

Any significant disruption in or unauthorized access to our computer systems or those of third parties that we utilize in our operations, including those relating to cybersecurity or arising from cyber-attacks, could result in a loss or degradation of service, unauthorized disclosure of data, or theft or tampering of intellectual property, and give rise to potential harm to customers, remediation and other expenses under a variety of domestic and international laws or other laws or common law theories, subject us to litigation and federal and state governmental inquiries, damage our reputation, and otherwise be disruptive to our business and operations.

Our operations, products, solutions, analysis and intellectual property are inherently at risk of loss, inappropriate access or use, or tampering by both insider threats and external bad actors. In particular, as a defense contractor, we face an increased potential of cyber and other security threats, including:

- attempts to gain unauthorized access to our sensitive information, networks, operations and assets both cyber and physical;
- insider threats;
- threats to the safety of our directors, officers and employees;
- threats to the security and viability of our facilities, infrastructure and supply chain;
- and threats from state-sponsored and otherwise sophisticated actors, terrorist acts or other acts of aggression.

Our customers and partners (including our supply chain, software and data providers, joint ventures and service providers) face similar threats and growing requirements.

With regard to cyber incidents in particular, the secure maintenance of this information and technology is critical to our business operations. We have implemented multiple layers of security measures designed to protect the confidentiality, integrity, availability and privacy of this data and the systems and devices that store and transmit such data. We utilize current security technologies, and our defenses are monitored and routinely tested internally.

However, cybersecurity threats can come from a variety of sources, ranging in sophistication from an individual hacker to malfeasance by employees, consultants or other service providers to state-sponsored attacks. Cyber threats may be generic, or they may be custom-crafted against our information systems. Over the past several years, cyber-attacks have become more prevalent and much harder to detect and defend against. Our network and storage applications and other systems used in our business and operations may be vulnerable to cyber-attack, malicious intrusion, ransomware or other malicious software, malfeasance, loss of data privacy or other significant disruption and may be subject to unauthorized access by hackers, employees, consultants or other service providers. In addition, hardware, software or applications we develop or procure from third parties may contain defects in design or manufacture or other problems that could unexpectedly compromise information security. Unauthorized parties may also attempt to gain access to our systems or facilities through fraud, trickery or other forms of deceiving our employees, contractors and temporary staff. Further, because our teams are distributed and our employees often work remotely, the cybersecurity risks we face may be heightened by an increased attack surface across our business and those of our service providers and other third parties we work with. During times of war and other major conflicts, we, and the third parties upon which we rely, may be vulnerable to a heightened risk of these attacks, including retaliatory cyber-attacks, that could materially disrupt our systems and operations, supply chain, and ability to produce, sell and distribute our goods and services.

Because the techniques used to obtain unauthorized access, disable or degrade service, or sabotage systems change frequently and may not immediately produce signs of intrusion, we may be unable to anticipate these incidents or techniques, timely discover them, or implement adequate preventative measures. There can be no assurance that we will not be subject to cybersecurity incidents that bypass our security measures, impact the integrity, availability or privacy of data, including data that may be subject to privacy or security laws or disrupt our information systems, devices or business. As a result, cybersecurity, physical security and the continued development and enhancement of our controls, processes and practices designed to protect our enterprise, information systems and data from attack, damage or unauthorized access remain a priority for us. As cyber threats continue to evolve, we may be required to expend significant additional resources to continue to modify or enhance our protective measures or to investigate and remediate any cybersecurity vulnerabilities. The occurrence of any of these events, or the perception any such event has occurred, could result in:

- harm to or a loss of customers and partners;
- business interruptions, delays and losses;
- costly remediation and prevention efforts;
- the loss, misappropriation, corruption or unauthorized access to, or alteration or unavailability of data;
- the loss of the ability to communicate with our satellites or for our satellites to communicate with our ground stations;
- government and regulatory investigations, claims, demands and litigation, including potential class action litigation, and potential liability under privacy, security and other applicable laws;
- regulatory fines, penalties and sanctions;
- reputational damage; and
- increase to insurance premiums.

Moreover, given our customer base, a cyber or physical security event that involves classified or other sensitive government information or certain controlled technical information, could subject us to civil or criminal penalties and could result in loss of our facility security clearance and other accreditations, loss of our government contracts, loss of access to classified information, loss of export privileges or debarment as a government contractor.

Any of the foregoing events could have a material, adverse effect on our financial position and operating results and harm our business reputation.

We maintain cyber liability insurance policies covering certain security and privacy damages. However, we cannot be certain that our coverage will be adequate for liabilities actually incurred or that insurance will continue to be available to us on economically reasonable terms, or at all. Risks related to cybersecurity will increase as we continue to grow the scale and functionality of our geospatial data and analytics platform and process, store, and transmit increasingly large amounts of our customers' information and data, which may include proprietary or confidential data or personal data.

We depend on computing infrastructure operated by Amazon Web Services ("AWS"), Microsoft, and other third parties, including other SaaS companies, to support some of our customers and any errors, disruption, performance problems, or failure in their or our operational infrastructure could adversely affect our business, financial condition, and results of operations.

We rely on the technology, infrastructure, and software applications, including software-as-a-service offerings, of certain third parties, such as AWS and Microsoft Azure, in order to operate some or all of certain key features or functions of our business, including deployment of our cloud-based imagery services and other geospatial and data analytic services, customer relationship management activities, billing and order management, and financial accounting services. We do not have control over the operations of the facilities of the third parties that we use. If any of these third-party services experience errors, disruptions, security issues, or other performance deficiencies, if they are updated such that they become incompatible, if these services, software, or hardware fail or become unavailable due to extended outages, interruptions, defects, or otherwise, or if they are no longer available on commercially reasonable terms or prices (or at all), these issues could result in errors or defects in the delivery of our products and services that include the development, integration, and operations of satellite and ground systems, our revenue and margins could decline, our reputation and brand could be damaged, we could be exposed to legal or contractual liability, our expenses could increase, our ability to manage our operations could be interrupted, and our processes for managing our sales and servicing our customers could be impaired until equivalent services or technology, if available, are identified, procured, and implemented, all of which may take significant time and resources, increase our costs, and adversely affect our business. Many of these third-party providers attempt to impose limitations on their liability for such errors, disruptions, defects, performance deficiencies, or failures, and if enforceable, we may have additional liability to our customers or third-party providers.

Our business is dependent upon our ability to keep pace with the latest technological changes.

The market for our products and services is characterized by rapid technological change and evolving industry standards and, as we try to define a new market for space-based intelligence, the need to evolve is even more acute. Failure to respond in a timely and cost-effective way to these technological developments would result in serious harm to our business and operating results. We have derived, and we expect to continue to derive, a substantial portion of our revenue from providing products and services that are based upon today's leading technologies and that are capable of adapting to future technologies. As a result, our success will depend, in part, on our ability to develop and market service offerings that respond in a timely manner to the technological advances and needs of our customers, and evolving industry standards.

We believe that, in order to remain competitive in the future, we will need to continue to invest significant financial resources to develop new offerings and technologies or to adapt or modify our existing offerings and technologies, including through internal research and development, acquisitions and joint ventures or other teaming arrangements. These expenditures could divert our attention and resources from other projects, and we cannot be sure that these expenditures will ultimately lead to the timely development of new offerings and technologies or identification of and expansion into new markets. Due to the design complexity of our products, we may, in the future, experience delays in completing the development and introduction of new products. Any delays could result in increased costs of development or deflect resources from other projects. In addition, there can be no assurance

that the market for our products and services will develop or continue to expand or that we will be successful in newly identified markets as we currently anticipate.

The failure of our technology to gain market acceptance could significantly reduce our revenue and harm our business. Market acceptance of our commercial high-resolution imagery and related products and services depends on a number of factors, including their quality, scope, timeliness, sophistication, and price and the availability of substitute products and services.

We cannot be sure that our competitors will not develop competing technologies that gain market acceptance in advance of our technologies or develop technologies that better meet the needs of our customers. The possibility exists that our competitors might develop new technology or offerings that might cause our existing technology and offerings to become obsolete. If we fail to develop, manufacture, and market innovative technologies or services that meet customers' requirements or our technologies and services fail to achieve market acceptance more rapidly as compared to our competitors, our ability to procure new contracts could be negatively impacted and our business may not continue to grow in line with historical rates or at all. If we are unable to achieve sustained growth, we may be unable to execute our business strategy, expand our business or fund other liquidity needs and our business, financial condition, and results of operations could be materially and adversely affected.

Our business involves significant risks and uncertainties that may not be covered by insurance. For example, if one or more of our satellite launches result in catastrophic failure or one or more of our in-orbit satellites or payloads fail, and we have not obtained insurance coverage or have not obtained sufficient insurance coverage, we could be required to record significant impairment charges for the satellite or payload.

We endeavor to obtain insurance coverage from established insurance carriers to cover certain risks and liabilities related to our business. However, the amount of insurance coverage that we maintain may not be adequate to cover all claims or liabilities, and even if adequate, may delay constellation or platform upgrades, which would negatively impact our ability to meet customer commitments and revenue expectations. Existing coverage may be canceled while we remain exposed to the risk and it is not possible to obtain insurance to protect against all operational risks, natural hazards and liabilities.

While we maintain insurance to cover certain risks and liabilities related to our business, we have not historically obtained and may not maintain launch or in-orbit insurance coverage for our satellites to address the risk of potential systemic anomalies, failures, collisions with our satellites or other satellites or debris, or catastrophic events affecting the existing satellite system. If one or more of our in-orbit uninsured satellites or payloads fail, one or more of our uninsured satellites is destroyed during failed launch, or if we have not obtained sufficient insurance for a particular event, we could be required to record significant impairment charges for the satellite or payload.

We may review the purchase of launch insurance on a case-by-case basis evaluating the launch history of our launch provider, the status of our constellation, our ability to launch additional satellites in the near term, and the cost of insurance, among other factors. We will evaluate risks associated with our satellite business and strive to ensure that such risks are appropriately insured. In some instances, we may not maintain launch or in-orbit insurance coverage for our satellites.

Although we maintain insurance policies, we cannot provide assurance that this insurance will be adequate to protect us from all material judgments and expenses related to potential future claims or that these levels of insurance will be available in the future at economical prices or at all. A successful liability claim could result in substantial cost to us. Even if we are fully insured as it relates to a claim, the claim could nevertheless diminish our brand and divert management's attention and resources, which could have a negative impact on our business, financial condition, and results of operations.

In addition, even though we carry business interruption insurance policies, any business interruption losses could exceed the coverage available or be excluded from our insurance policies. Any disruption of our ability to operate our business could result in a material decrease in our revenue or significant additional costs to replace,

repair or insure our assets, which could have a material adverse impact on our business, financial condition, and results of operations.

Issues in the use of artificial intelligence (“AI”), including machine learning, in our geospatial data and analytics platforms may result in reputational harm or liability.

AI is enabled by or integrated into some of our geospatial data and analytics platforms and is a growing element of our business offerings. As with many developing technologies, AI presents risks and challenges that could affect its further development, adoption, and use, and therefore our business. AI algorithms may be flawed. Datasets may be insufficient, of poor quality, or contain biased information. Inappropriate or controversial data practices by data scientists, engineers, and end-users of our systems could impair the acceptance of AI solutions. If the recommendations, forecasts, or analyses that AI applications assist in producing are deficient or inaccurate, we could be subjected to competitive harm, potential legal liability, and brand or reputational harm. Some AI scenarios present ethical issues. Though our technologies and business practices are designed to mitigate many of these risks, if we enable or offer AI solutions that are controversial because of their purported or real impact on our financial condition and operations or the financial condition and operations of our customers, we may experience competitive harm, legal liability and brand or reputational harm.

Our products and services are complex and could have unknown defects or errors, which may increase our costs, harm our reputation with customers, give rise to costly litigation, or divert our or our customers’ resources from other purposes. We devote substantial resources to research and development, which could cause our operating results to decline.

Our products and services, including our satellites, satellite systems, and ground station infrastructure, are extremely complex and must operate successfully with complex hardware and software from other vendors. Despite testing, our BlackSky Spectra platform and products contain defects and errors and may in the future contain defects or errors, or experience performance problems when first introduced, when new versions or enhancements are released, or even after these products have been used by our customers for a period of time. We also employ sophisticated design and testing processes and practices for our satellites and satellite systems, which include a range of stringent factory and on-site acceptance tests with criteria and requirements that are jointly developed with customers. Our systems may not be successfully implemented, pass required acceptance criteria, or operate or give the desired output, or we may not be able to detect and fix all defects and errors in the satellites and our products and services. These problems could result in expensive and time-consuming design modifications or warranty charges, delays in the introduction of new products or enhancements, significant increases in our service and maintenance costs, diversion of our personnel’s attention from our product development efforts, exposure to liability for damages, damaged customer relationships, and harm to our reputation, any of which could materially harm our results of operations. In addition, increased development costs could be substantial and could reduce our operating margins.

The existence of any defects, errors, or failures in our products and services or the misuse of our products or services could also lead to lawsuits against us, result in injury, death, or property damage, and significantly damage our reputation and support for our products and services in general. Alleviating any of these problems could require additional significant expenditures of our capital and other resources and could cause interruptions, delays, or cessation of our product licenses, which could cause us to lose existing or potential customers and could adversely affect our business, financial condition, results of operations, and growth prospects.

In addition, our products and services integrate a wide variety of other elements, and our products and services must successfully interoperate with products from other vendors and our customers’ own technologies. As a result, when problems occur for a customer using our products and services, it may be difficult to identify the sources of these problems. The occurrence of software errors or errors in data, whether or not caused by our products and services, could delay or reduce market acceptance of our products and services and have an adverse effect on our business and financial performance, and any necessary revisions may cause us to incur significant expenses. In addition, we may not deliver or maintain interoperability quickly or cost-effectively, or at all. These efforts require capital investment and engineering resources. If we fail to maintain the compatibility of our products and services

with our customers' network and security infrastructures, our customers may not be able to fully adopt our offerings, and we may, among other consequences, experience reduced adoption of or demand for our products and services, which could adversely affect our business, financial condition, and results of operations. Further, the incorrect or improper implementation or use of our software, our failure to train customers on how to benefit from full utilization of our platform, or our failure to provide support services to our customers may result in errors or loss of data and as a result, dissatisfied customers, negative publicity, and harm to our reputation and brand, or legal claims against us.

We have limited experience with respect to determining the optimal prices and pricing structures for our products and services.

We expect that we may need to change our pricing model from time to time, including as a result of competition, global economic conditions, reductions in our customers' spending levels generally, changes in product mix, pricing studies or changes in how information technology infrastructure is broadly consumed. Similarly, as we introduce new products and services, or as a result of the evolution of our existing products and services, we may have difficulty determining the appropriate price structure for our products and services. In addition, as new and existing competitors introduce new products or services that compete with ours, or revise their pricing structures, we may be unable to attract new customers at the same price or based on the same pricing model as we have used historically. Moreover, as we continue to target selling our products and services to larger organizations, these larger organizations may demand substantial price concessions. As a result, we may be required from time to time to revise our pricing structure or reduce our prices, which could adversely affect our business, financial condition, and results of operations.

If we fail to meet our service level commitments, our business, results of operations and financial condition could be adversely affected.

Our agreements with customers and resellers may provide for service level commitments, which contain specifications regarding the availability and performance of our products and services such as assured access and guaranteed capacity. Any failure of or disruption to our infrastructure could impact the performance of our satellites and the availability of our products and services to our customers. If we are unable to meet our stated service level commitments or if we suffer extended periods of poor performance or unavailability of our products and services, we may be contractually obligated to provide affected customers with service credits for future subscriptions, and, in certain cases, face contract termination with refunds of prepaid amounts. If we suffer performance issues or downtime that exceeds the service level commitments under our contracts with our customers, our business, financial condition, and results of operations would be adversely affected.

Our business, financial condition, results of operations, and prospects may be harmed if we are unable to cross-sell our solutions.

A significant component of our growth strategy is to increase the cross-selling of our products and services to current and future customers, however, we may not be successful in doing so if our customers find our additional solutions to be unnecessary or unattractive. We have invested, and intend to continue to invest, significant resources in developing and acquiring additional solutions, which resources may not be recovered if we are unable to successfully cross-sell these solutions to customers using our existing solutions. Any failure to sell additional solutions to current and future customers could harm our business, financial condition, results of operations, and prospects.

Any failure to offer high-quality technical support may harm our relationships with our customers and have a negative impact on our business and financial condition.

Our customers depend on our customer support team to resolve technical and operational issues relating to our products and services. Our ability to provide effective customer support globally is largely dependent on our ability to maintain self-service support resources and to attract, train, and retain qualified personnel with experience in

supporting customers with products and services such as ours. As we continue to grow our operations and expand internationally, we need to be able to provide efficient customer support that meets our customers' needs globally at scale and our customer support team will face additional challenges, including those associated with delivering support, training, and documentation in languages other than English, and partner collaboration to deliver the necessary in-language customer support. Any failure to maintain high-quality support, or a market perception that we do not maintain high-quality support, could harm our reputation, our ability to sell our products and services to existing and prospective customers, and our business, financial condition, and results of operations.

We are obligated to develop and maintain proper and effective internal control over financial reporting. If we identify material weaknesses in the future, or otherwise fail to develop and maintain an effective system of internal controls, our ability to produce timely and accurate financial statements or comply with applicable regulations could be adversely affected, which may adversely affect investor confidence in our company and the value of our Class A common stock.

Our management is responsible for establishing and maintaining adequate internal control over financial reporting, as defined in the Exchange Act Rule 13a-15(f). Our internal control over financial reporting is designed to provide reasonable assurance to our management and board of directors regarding the preparation and fair presentation of published financial statements. A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting such that there is a reasonable possibility that a material misstatement of our annual or interim financial statements will not be prevented, or detected and corrected on a timely basis.

We may discover control deficiencies in the future, and we cannot assure you that we will not have a material weakness in future periods. If we are unable to successfully remediate any future material weakness and otherwise to establish and maintain an effective system of internal control over financial reporting, the reliability of our financial reporting, investor confidence in us and the value of our Class A common stock could be materially and adversely affected. Similarly, if our remedial measures are insufficient to address any future material weakness on a timely basis, our consolidated financial statements may contain material misstatements and we could be required to restate our financial results.

Additionally, the process of maintaining internal control over financial reporting required to comply with Section 404 of the Sarbanes-Oxley Act of 2002 is and will continue to be time consuming, costly and complicated. Moreover, the effectiveness of our controls and procedures may be limited by a variety of factors, including:

- faulty human judgment and simple errors, omissions or mistakes;
- fraudulent action of an individual or collusion of two or more people;
- inappropriate management override of procedures; and
- the possibility that any enhancements to controls and procedures may still not be adequate to assure timely and accurate financial control.

Our ability to use net operating loss carryforwards and certain other tax attributes may be limited.

As of December 31, 2023, we had \$57.8 million of tax-effected U.S. federal net operating loss carryforwards available to reduce future taxable income. It is possible that we will not generate sufficient taxable income in time to use these net operating loss carryforwards before their expiration or at all. Under legislative changes made in December 2017, U.S. federal net operating losses incurred in 2018 and in future years may be carried forward indefinitely, but, for taxable years beginning after 2020, the deductibility of such net operating losses is limited to 80% of taxable income. Limitations under state law may differ. In addition, our U.S. federal and state net operating loss carryforwards and certain tax credits may be subject to significant limitations under Section 382 and Section 383 of the U.S. Internal Revenue Code of 1986, as amended (the "Code"), respectively, and similar provisions of state law. Under those sections of the Code, if a corporation undergoes an "ownership change," the corporation's ability to use its pre-change net operating loss carryforwards and other pre-change attributes, such as research tax credits, to offset its post-change income or tax may be limited. In general, an "ownership change" will occur if there is a cumulative change in our ownership (by value) by "5-percent shareholders" that exceeds 50 percentage points

over a rolling three-year period. Similar rules may apply under state tax laws. We completed our analysis of historical “ownership changes” for purposes of Section 382 and Section 383 of the Code and believe an immaterial portion of our cumulative U.S. federal net operating loss carryforwards will expire unutilized.

Risks Related to Our Government Contracts

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

We have contracts with the U.S. government, and we may enter into additional contracts with the U.S. government in the future, and this subjects a large part of our business to statutes and regulations applicable to companies doing business with the government, including the Federal Acquisition Regulation (“FAR”). These government contracts customarily contain provisions that give the government substantial, and sometimes unilateral, rights and remedies, many of which are not typically found in commercial contracts and which are unfavorable to contractors. The FAR governs all aspects of government contracting, including contractor qualifications and acquisition procedures. The FAR provisions in U.S. government contracts must be complied with in order for the contract to be awarded and provide for government audits and reviews of contract procurement, performance and administration.

For instance, the U.S. government will have the right to unilaterally terminate and may have the right to unilaterally modify contracts for its convenience, and in that event, the counterparty to the contract may generally recover only its incurred or committed costs and settlement expenses and profit on work completed prior to the termination. If the government terminates a contract for default, the defaulting party may be liable for any extra costs incurred by the government in procuring undelivered items from another source.

Government contracts often also contain provisions and are subject to laws and regulations that provide government customers with additional rights and remedies not typically found in commercial contracts. These rights and remedies allow government customers, among other things, to:

- Terminate existing contracts for convenience with no prior notice;
- Reduce orders under or otherwise modify contracts unilaterally;
- For contracts subject to the Truthful Cost or Pricing Data Act, reduce the contract price or cost where it was increased because a contractor or subcontractor furnished cost or pricing data during negotiations that was not current, accurate, and complete;
- For some contracts, (i) demand a refund, make a forward price adjustment, or terminate a contract for default if a contractor provided inaccurate or incomplete data during the contract negotiation process and (ii) reduce the contract price under triggering circumstances, including the revision of price lists or other documents upon which the contract award was predicated;
- Cancel multi-year contracts and related orders if funds for contract performance for any subsequent year become unavailable, or if government programs are subject to a continuing resolution;
- Decline to exercise an option on a multi-year contract;
- Claim rights in solutions, systems, or technology produced by us, appropriate such work-product for their continued use without continuing to contract for our services, and disclose such work-product to third parties, including other government agencies and our competitors, which could harm our competitive position;
- Prohibit future procurement awards with a particular agency due to a finding of organizational conflicts of interest;
- Subject the award of contracts to protest by competitors, which may require the contracting federal agency or department to suspend our performance pending the outcome of the protest and may also result in a requirement to resubmit offers for the contract or in the termination, reduction, or modification of the awarded contract;
- Suspend or debar us from doing business with the applicable government; and

- Control or prohibit the export of our products, intellectual property or services.

In addition, government contracts normally contain additional requirements that may increase our costs of doing business, reduce our gross margins, and expose us to liability for failure to comply with these terms and conditions. These requirements include, for example:

- specialized disclosure and accounting requirements unique to government contracts;
- financial and compliance audits that may result in potential liability or price adjustments, recoupment of government funds for misapplication or identification of costs, civil and criminal penalties, or administrative sanctions such as suspension or debarment from doing business with the U.S. government;
- public disclosures of certain contract and company information;
- mandatory socioeconomic compliance requirements, including labor requirements, non-discrimination and affirmative action programs and environmental compliance requirements; and
- requirements to procure certain materials, components and parts from specific countries or supply sources approved by the customer.

Government contracts are also generally subject to greater scrutiny by the government, which can initiate reviews, audits and investigations regarding our compliance with government contract requirements. New regulations or procurement requirements (including, for example regulations regarding counterfeit and corrupt parts, supply chain diligence and cybersecurity) or changes to current requirements could increase our costs and risk of non-compliance. In addition, if we fail to comply with government contracting laws, regulations and contract requirements, our contracts may be subject to termination, and we may be subject to financial and/or other liability under our contracts, the Federal Civil False Claims Act (including treble damages and other penalties), or criminal law. In particular, the False Claims Act's "whistleblower" provisions also allow private individuals, including present and former employees, to sue on behalf of the U.S. government. Any penalties, damages, fines, suspension, or damages could adversely affect our ability to operate our business and our financial results.

Our role as a contractor to agencies and departments of the U.S. government results in our being routinely subject to investigations and reviews relating to compliance with various laws and regulations, including those associated with organizational conflicts of interest, procurement integrity, bid integrity and claim presentation, among others. These investigations may be conducted without our knowledge. Adverse findings in these investigations or reviews can lead to criminal, civil or administrative proceedings, and we could face civil and criminal penalties and administrative sanctions, including termination of contracts, forfeiture of profits, suspension of payments, fines and suspension or debarment from doing business with U.S. government agencies. In addition, we could suffer serious harm to our reputation and competitive position if allegations of impropriety were made against us, whether or not true. If our reputation or relationship with U.S. government agencies were impaired, or if the U.S. government otherwise ceased doing business with us or significantly decreased the amount of business it does with us, our revenue would decline.

Further, changes in government policies, priorities, regulations, use of commercial data providers to meet U.S. government imagery needs, government agency mandates, funding levels through agency budget reductions, the imposition of budgetary constraints or a decline in government support or deferment of funding for programs in which we or our customers participate could result in contract terminations, delays in contract awards, reduction in contract scope, performance penalties or breaches of our contracts, the failure to exercise contract options, the cancellation of planned procurements and fewer new business opportunities, all of which could negatively impact our business, financial condition, results of operations and cash flows. In addition, continued uncertainty related to recent and future disruptions in U.S. federal government operations, such as government shutdowns, the U.S. budget and/or failure of the U.S. government to enact annual appropriations, such as long-term funding under a continuing resolution, could have a material adverse impact on our revenue, earnings and cash flow and may negatively impact regulatory approvals and guidance that are important to our operations.

We face other risks and uncertainties associated with defense-related contracts, which may have a material adverse effect on our business.

Our products and services are incorporated into many different domestic and international defense programs. Whether our contracts are directly with the U.S. government, a foreign government, or one of their respective agencies, or indirectly as a subcontractor or team member, our contracts and subcontracts are subject to special risks. For example:

- Changes in government administration and national and international priorities, including developments in the geopolitical environment, could have a significant impact on national or international defense spending priorities and the efficient handling of routine contractual matters. These changes could have a negative impact on our business in the future.
- Because we contract to supply goods and services to the U.S. and foreign governments and their prime and subcontractors, we compete for contracts in a competitive bidding process. We may compete directly with other suppliers or align with a prime or subcontractor competing for a contract. We may not be awarded the contract if the pricing or product offering is not competitive, either at our level or the prime or subcontractor level. In addition, in the event we are awarded a contract, we are subject to protests by losing bidders of contract awards that can result in the reopening of the bidding process, re-evaluation and new award of the contract to another bidder. In addition, we may be subject to multiple rebid requirements over the life of a defense program in order to continue to participate in such program, which can result in the loss of the program or significantly reduce our revenue or margin from the program. The government's requirements for more frequent technology refreshes on defense programs may lead to increased costs and lower long term revenue.
- Consolidation among defense industry contractors has resulted in a few large contractors with increased bargaining power relative to us. The increased bargaining power of these contractors may adversely affect our ability to compete for contracts and, as a result, may adversely affect our business or results of operations in the future.

Our customers include U.S. government contractors who must comply with and are affected by laws and regulations relating to the formation, administration, and performance of U.S. government contracts. In addition, when we contract with the U.S. government, we must comply with these laws and regulations. A violation of these laws and regulations could result in the imposition of fines and penalties to us or our customers or the termination of our or their contracts with the U.S. government. As a result, there could be a delay in our receipt of orders from our customers, a termination of such orders, or a termination of contracts between us and the U.S. government.

A large portion of our contracts are with U.S. and international defense contractors or directly with the U.S. government on a commercial item basis, eliminating the requirement to disclose and certify cost data. To the extent that there are interpretations or changes in the FAR regarding the qualifications necessary to sell commercial items, there could be a material impact on our business and operating results. For example, there have been legislative proposals to narrow the definition of a "commercial item" (as defined in the FAR) or to require cost and pricing data on commercial items that could limit or adversely impact our ability to contract under commercial item terms. Changes could be accelerated due to changes in our mix of business, in federal regulations, or in the interpretation of federal regulations, which may subject us to increased oversight by the Defense Contract Audit Agency for certain of our products or services. Such changes could also trigger contract coverage under the Federal Cost Accounting Standards ("CAS"), further impacting our commercial operating model and requiring compliance with a defined set of business systems criteria. Growth in the value of certain of our contracts has increased our compliance burden, requiring us to implement new business systems to comply with such requirements. Failure to comply with applicable CAS requirements could adversely impact our ability to win future CAS-type contracts.

We are subject to the Defense Federal Acquisition Regulation Supplement ("DFARS") and the Department of Defense ("DoD") and other federal cybersecurity requirements, in connection with our defense work for the U.S. government and defense contractors. Amendments to DoD cybersecurity requirements, such as through amendments to the FAR or DFARS, may increase our costs or delay the award of contracts if we are unable to certify that we satisfy such cybersecurity requirements.

The U.S. government or a defense contractor customer could require us to relinquish data rights to a product in connection with performing work on a defense contract, which could lead to a loss of valuable technology and intellectual property in order to participate in a government program.

We are subject to various U.S. federal export control statutes and regulations, which affect our business with, among others, international defense customers. In certain cases, the export of our products and technical data to foreign persons, and the provision of technical services to foreign persons related to such products and technical data, may require licenses from the U.S. Department of Commerce or the U.S. Department of State. The time required to obtain these licenses, and the restrictions that may be contained in these licenses, may put us at a competitive disadvantage with respect to competing with international suppliers who are not subject to U.S. federal export control statutes and regulations. In addition, violations of these statutes and regulations can result in civil and, under certain circumstances, criminal liability as well as administrative penalties which could have a material adverse effect on our business, financial condition, and results of operations.

Sales to our U.S. defense contractor customers as part of foreign military sales programs combine several different types of risks and uncertainties highlighted above, including risks related to government contracts, risks related to defense contracts, timing and budgeting of foreign governments, and approval from the U.S. and foreign governments related to the programs, all of which may be impacted by macroeconomic and geopolitical factors outside of our control, including factors related to the conflict in the Middle East or Russia's actions in Ukraine.

We derive a portion of our revenue from programs with governments and government agencies that are subject to security restrictions (e.g., contracts involving classified information, classified contracts, and classified programs), which preclude the dissemination of information and technology that is classified for national security purposes under applicable law and regulation. In general, access to classified information, technology, facilities, or programs requires appropriate personnel security clearances, is subject to additional contract oversight and potential liability, and may also require appropriate facility clearances and other specialized infrastructure. Therefore, certain of our employees with appropriate security clearances may require access to classified information in connection with the performance of a U.S. government contract. We must comply with security requirements pursuant to the National Industrial Security Program Operating Manual ("NISPOM") administered by the Defense Counterintelligence and Security Agency ("DCSA"), and other U.S. government security protocols when accessing sensitive information. Failure to comply with the NISPOM or other security requirements may subject us to civil or criminal penalties, loss of access to sensitive information, loss of a U.S. government contract, or potentially debarment as a government contractor. Further, DCSA has transitioned its review of a contractor's security program to focus on the protection of controlled unclassified information and assets. Failure to meet DCSA's broader requirements could adversely impact our ability to win new business as a government contractor.

We may need to invest additional capital to build out higher level security infrastructure/obtain certain security accreditations to win contracts, and maintain them, related to defense programs with higher level security requirements. Failure to invest in such infrastructure may limit our ability to obtain new contracts with defense programs or maintain existing contracts that contain such contractual or regulatory security requirements. If we win contracts that require a higher level of security infrastructure/accreditation status and do not maintain such standards/accreditations, then it could result in contract termination that has a material adverse effect on our business, financial condition and results of operations, and reputational harm.

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

Current U.S. government policy encourages the U.S. government's use of commercial data and space infrastructure providers to support U.S. national security objectives. We are considered by the U.S. government to be a commercial data provider. U.S. government policy is subject to change and any change in policy away from supporting the use of commercial data and space infrastructure providers to meet U.S. government imagery and

space infrastructure needs, or any material delay or cancellation of planned U.S. government programs, could materially adversely affect our revenue and our ability to achieve our growth objectives.

If our subcontractors or suppliers fail to perform their contractual obligations, our performance and reputation as a contractor and our ability to obtain future business could suffer.

As a prime contractor to the U.S. government, from time to time we rely upon other companies as subcontractors to perform work we are obligated to perform for our customers. As we secure more work under certain of our contracts, we may require an increasing level of support from subcontractors that provide complementary and supplementary services to our offerings. We are responsible for the work performed by our subcontractors, even though in some cases we have limited involvement in that work. If one or more of our subcontractors fails to satisfactorily perform the agreed-upon services on a timely basis or violates U.S. government contracting policies, laws or regulations, our ability to perform our obligations as a prime contractor or meet our customers' expectations may be compromised. In extreme cases, performance or other deficiencies on the part of our subcontractors could result in a customer terminating our contract for default. A termination for default could expose us to liability, including liability for the agency's costs of re-procurement, could damage our reputation and could hurt our ability to compete for future contracts.

We also are required to procure certain materials and parts from supply sources approved by the U.S. government. The inability of a supplier to meet our needs or the appearance of counterfeit parts in our products could have a material adverse effect on our financial position, results of operations or cash flows.

Risks Related to Our Satellites and Ground Stations

Our ability to grow our business depends on the successful production, launch, commissioning and/or operation of our satellites and related ground systems, which is subject to many uncertainties, some of which are beyond our control.

Our current primary research and development objectives focus on the development of our satellites and our products and services. We have limited operational experience with our satellites, and our Gen-3 satellites are still in development and may not be completed on time or at all and the costs associated with development may be greater than expected. While we estimate the gross costs associated with designing, building and launching our Gen-3 satellites will be significant, there can be no assurance that we will complete this on a timely basis, on budget or at all. Design, manufacture and launch of satellite systems are highly complex and historically have been subject to delays and cost over-runs. If we do not complete development of these satellites in our anticipated timeframes or at all, our ability to grow our business will be adversely affected. The successful development, integration, and operations of our satellites and our products and services involves many uncertainties, some of which are beyond our control, including, but not limited to:

- delays in finalizing satellite design and specifications;
- issues with performance of satellites and our space system meeting design specifications;
- failure of satellites and our space system as a result of technological or manufacturing difficulties, design issues or other unforeseen matters;
- engineering and/or manufacturing performance failing or falling below expected levels of output or efficiency;
- increases in costs of materials;
- changes in project scope;
- inability to obtain additional applicable approvals, licenses or certifications from regulatory agencies, if required, or to maintain current approvals, licenses or certifications;
- issues with performance of manufacturing facilities that we use despite risks that disrupt productions, such as natural disasters, catastrophic events or labor disputes;

- issues with performance of a limited number of suppliers for certain raw materials and supplied components, the accuracy of supplier representations as to the suitability of such raw materials and supplied components for our products, and their willingness to do business with us;
- issues with performance of our internal and third-party resources that support our research and development activities;
- inability to protect our intellectual property critical to the design and function of our satellites and our products and services;
- inability to continue funding and maintaining our research and development activities;
- failure to complete demonstration missions; and
- the impact of geopolitical events on us, our customers and suppliers, and the global economy.

If any of the above events occur, they could have a material adverse effect on our ability to continue to develop, integrate and operate our satellites and related infrastructure, products and services, which would materially adversely affect our business, financial condition and results of operations.

Loss of, or damage to, a satellite and the failure to obtain data or alternate sources of data for products and services may have an adverse impact on our business, financial condition, and results of operations. If our satellites and related equipment have shorter useful lives than we anticipate, we may be required to recognize impairment charges.

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

Satellites can experience malfunctions, commonly referred to as anomalies, which have occurred and may occur in the future in our satellites. Any single anomaly could materially and adversely affect our ability to utilize the satellite. Anomalies may also reduce the expected capacity, commercial operation and/or useful life of a satellite, thereby reducing the revenue that could be generated by that satellite or create additional expenses due to the need to provide replacement or back-up satellites or satellite capacity earlier than planned and could have a material adverse effect on our business. For example, we have previously experienced the loss of a satellite that never went into commercial operations as a result of an anomaly, as well as a launch failure in which we lost two satellites before getting to orbit. In addition, if a satellite experiences a malfunction, our backup satellite capacity may be insufficient to meet all of our customers' needs or cause service interruptions, and we may need to potentially blackout or reduce service to certain customers, which would adversely affect our relationships with our customers and result in loss of revenue. Although we work closely with our satellite manufacturer to determine and eliminate the cause of anomalies in new satellites and provide for redundancies of many critical components in the satellites, we may not be able to prevent the impacts of anomalies in the future.

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

We evaluate our satellites for impairment and test for recoverability whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. Certain of the anomalies previously disclosed may be considered to represent a significant adverse change in the physical condition of a particular satellite. There can be no assurance as to the actual operational life of a satellite or that the operational life of individual components will be consistent with their design life. A number of factors will impact the operational lives of our satellites, including, among other things, the quality of their design and construction, the durability of their component parts and availability of any replacement components, and the occurrence of any anomaly or series of anomalies or other risks affecting the satellites during launch and in orbit. In addition, any improvements in technology may make obsolete our existing satellites or any component of our satellites prior to the end of their lives. If our satellites and related equipment have shorter useful lives than we currently anticipate, this may lead to delays in increasing the rate of our commercial payloads and declines in actual or planned revenue, which would have a material adverse effect on our business, financial condition, and results of operations.

Long-lived assets, including goodwill and intangible assets, are tested annually for impairment in the fourth quarter or whenever there is an indication that an asset may be impaired. Disruptions to our business, unexpected significant declines in our operating results, adverse technological events or changes in the regulatory markets in which we operate may result in impairment charges to our tangible and intangible assets. Any future impairment charges could substantially affect our reported results.

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

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

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

The manufacturing, testing, launching and operation of satellites involves complex processes and technology. Our satellites employ advanced technologies and sensors that are exposed to severe environmental stresses that have affected and could affect the performance of our satellites. Hardware component problems could lead to deterioration in performance or loss of functionality of a satellite. In addition, human operators may execute improper implementation commands that may negatively impact a satellite's performance. Exposure of our satellites to an unanticipated catastrophic event, such as a meteor shower or a collision with space debris, could reduce the performance of, or completely destroy, the affected satellite. Even if a satellite is operated properly, minor technical flaws in the satellite's sensors could significantly degrade their performance, which could materially affect our ability to collect imagery and market our products and services successfully.

We cannot provide assurances that our satellites will continue to operate successfully in space throughout their expected operational lives. Even if a satellite is operated properly, technical flaws in that satellite's sensors or other

technical deficiencies or anomalies could significantly hinder its performance, which could materially affect our ability to collect imagery and market our products and services successfully. While certain software deficiencies may be corrected or mitigated remotely, most, if not all, of the satellite anomalies or debris collision damage cannot be corrected or mitigated once the satellites are placed in orbit. Further, although we have some ability to actively maneuver our satellites to avoid potential collisions with space debris or other spacecrafts, this ability is limited by, among other factors, uncertainties and inaccuracies in the projected orbit location of and predicted conjunctions with debris objects tracked and cataloged by the U.S. government. Additionally, some space debris is too small to be tracked and therefore its orbital location is completely unknown; nevertheless, this debris may still be large enough to potentially cause severe damage or a failure of our satellites should a collision occur.

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

Currently we are dependent on LeoStella as the sole manufacturer of our satellites. Any significant disruption to LeoStella's operations or facilities could have a material adverse effect on our business, financial condition, and results of operations.

In 2018, we formed LeoStella, a joint venture owned 50-50 between us and Thales Alenia Space US Investment LLC ("Thales"). LeoStella currently manufactures our Gen-2 and Gen-3 satellites, is assisting with the design of our Gen-3 satellites and has certain exclusivity and/or right of first refusal and right of last offer rights with respect to the supply of our satellites and certain related services to us, subject to certain exceptions. Our ability to execute our business strategy and grow our satellite constellation depends on efficient, proper, timely, and uninterrupted operations at our satellite manufacturer. A significant disruption to our satellite manufacturer could have a material adverse effect on our business, financial condition and results of operations.

Our reliance on our satellite manufacturer poses a number of risks, including lack of control over the manufacturing process and ultimately over the quality and timing of delivery of our satellites. An infrastructure failure at a manufacturer's facilities could result in the destruction of satellites under construction or inventory, manufacturing delays or additional costs incurred. LeoStella has limited operations and does not currently maintain back-up manufacturing facilities or operations. In addition, our arrangement with LeoStella limits our ability to use an alternative manufacturer for our satellites. A change in our relationship with LeoStella could result in a material adverse effect on our business, financial condition, and results of operations. A decision to change manufacturers would result in longer times for design and production as we develop relationships with new suppliers.

We are dependent on a limited number of vendors to provide certain key raw materials, supplied components, products or services, including launch transport and launch services. The inability of these key vendors to meet our needs could have a material adverse effect on our business, financial condition, and results of operations.

Many raw materials and components, particularly for the construction of satellites and management of certain remote ground terminals and direct access facilities, are procured or subcontracted on a single or sole-source basis. Similarly, at this time, there are only a handful of companies who offer launch services and transportation services for our satellites and ground station equipment. Our ability to manage inventory, meet delivery requirements, and maintain launch schedules may be constrained by our suppliers' inability to scale production and adjust delivery of long-lead time products during times of volatile demand. Our inability to fill our supply needs would jeopardize our ability to fulfill obligations under commercial and government contracts, which could, in turn, result in reduced sales, contract penalties or terminations and damage to customer relationships and could have a material adverse effect on our business, financial condition, results of operations, or cash flows. Likewise, if the number of companies offering these products and services on which our business relies does not grow in the future or there is a

consolidation among companies who offer these services, this could result in a shortage of materials and services, which may cause prices to increase or delays in our schedule, increase costs, cause gaps in our service, or otherwise adversely affect our ability to meet customer demand. Any of these situations could have a material adverse effect on our business, financial condition, and results of operations. While delays are common in the space industry, especially launch delays, any delay in a launch could result in a delay in recognizing revenue which could materially impact our financial statements or result in negative impacts to our earnings during a specified time period, which could have a material effect on our business, financial condition, and results of operations.

In addition, if these vendors are unable to meet our needs because they fail to perform adequately, are unable to match new technological requirements or problems, or are unable to dedicate engineering and other resources necessary to provide the services contracted for, our business, financial condition, and results of operations may be adversely affected. While alternative sources for key raw materials, supplied components, products, services, and technologies may exist, we may not be able to develop these alternative sources quickly and cost-effectively, which could materially impair our ability to operate our business. Furthermore, these vendors may request changes in pricing, payment terms or other contractual obligations, which could cause us to make substantial additional investments. Moreover, the imposition of tariffs or import/export restrictions on raw materials or supplied components could have a material adverse effect on our operations.

We have in the past experienced and may in the future experience delays in manufacturing or operation as we go through the requalification process with any replacement third-party supplier, as well as the limitations imposed by the ITAR, EAR, or other restrictions on transfer of sensitive technologies.

Our satellites may not be able to capture Earth images due to weather, natural disasters or other external factors, or as a result of our constellation of satellites having restrained capacity.

Our satellites may not be able to capture Earth images, either with sufficient clarity or detail, or at all, due to the occurrence of a variety of factors including cloud cover or haze; adverse weather conditions including hurricanes or tornadoes, fires or volcano eruptions; or other factors that are outside our control. Adverse weather conditions, such as clouds or haze, may also cause our satellites to experience technical difficulties communicating with the ground terminals or collecting imagery in the same quality or volume that was intended. In addition, space weather, such as solar flares, could take our satellites out of orbit, disrupt our ground communication networks, and affect the decay rate of our satellites. Further, if there is high demand on our constellation to capture images in a certain area, we may have difficulty tasking sufficient satellite coverage to capture high-resolution images in this region. The occurrence of any of the foregoing could result in lengthy interruptions in our services and/or damage our reputation, which could have a material adverse effect on our business, revenue, financial condition, and results of operations.

As a result of the foregoing, customers may not be able to procure images they want, which could adversely affect our relationship with such customers and our general reputation. Prolonged adverse periods of weather, natural disasters, or other external factors, such as restrained capacity, can worsen these impacts.

Natural disasters, unusual weather conditions, epidemic outbreaks, terrorist acts and political events could impact our ground operations infrastructure, which could harm our business, prospects, financial condition and results of operations.

We operate an extensive ground infrastructure, including sites worldwide. These ground stations are used for controlling our satellites and downloading imagery to eventually be provided to our customers.

We may experience a partial or total loss of one or more of these facilities due to natural disasters (tornado, earthquake, flood, hurricane or other natural events), fire, acts of war (including the conflict in the Middle East, and Russia's actions in Ukraine) or terrorism or other catastrophic events. A failure at any of these facilities could cause a significant loss of service for our customers. Additionally, we may experience a failure in the necessary equipment at our satellite control center, at the back-up facility, or in the communication links between these facilities and remote teleport facilities. A failure or operator error affecting tracking, telemetry and control operations might lead

to a break-down in the ability to communicate with one or more satellites or cause the transmission of incorrect instructions to the affected satellites, which could lead to a temporary or permanent degradation in satellite performance or to the loss of one or more satellites. Intentional or non-intentional electromagnetic or radio frequency interference, including by nation state actors or their agents, could result in a failure of our ability to deliver satellite services to our customers. A failure at any of our facilities or in the communications links between our facilities or interference with our satellite signal could cause our revenue to decline materially and could adversely affect our ability to market our services and harm our business, prospects, financial condition and results of operations.

Risks Related to Our Intellectual Property

Our technologies contain “open source” software, and any failure to comply with the terms of one or more of these open source licenses could negatively affect our business.

Many of our products are designed to include software licensed from third parties under “open source” licenses. Some of these licenses contain requirements that we make available source code for modifications or derivative works we create under such licenses, and that we license these modifications or derivative works under the terms of a particular open source license or other license granting third-parties certain rights of further use. If we combine our proprietary technologies with open source software in a certain manner, we could, under certain provisions of the open source licenses, be required to release the source code of our proprietary software. In addition to risks related to license requirements, use of open source software can lead to greater risks than use of third-party commercial software, as open source licensors generally do not provide updates, warranties, support, indemnities, assurances of title, or controls on origin of the software. Likewise, some open source projects have known security and other vulnerabilities and architectural instabilities, or are otherwise subject to security attacks due to their wide availability, and are provided on an “as-is” basis. We have implemented processes to help alleviate these risks, including a review process for evaluating open source software and using software tools to review our source code for identifying open source software, but we cannot be sure that such processes will be comprehensive, accurate or effective. In addition, open source license terms may be ambiguous and many of the risks associated with usage of open source software cannot be eliminated, and could, if not properly addressed, negatively affect our business. If we were found to have inappropriately used open source software, we may be required to re-engineer our technology, to release proprietary source code, to remove features or functionalities, or to take other remedial action that may divert resources away from our development efforts, any of which could adversely affect our business, financial condition, results of operations and growth prospects. In addition, if the open source software we use is no longer maintained by the relevant developer or open source community, then it may be more difficult to make the necessary revisions to our software, including modifications to address security vulnerabilities, which could impact our ability to mitigate cybersecurity risks or fulfill our contractual obligations to our customers. We may also face claims from others seeking to enforce the terms of an open source license, including by demanding release under certain open source licenses of the open source software, derivative works or our proprietary source code that was developed using such software. Such claims, with or without merit, could result in litigation, could be time-consuming and expensive to settle or litigate, could divert our management’s attention and other resources, could require us to lease some of our proprietary code, or could require us to devote additional research and development resources to change our technologies, any of which could adversely affect our business.

Many of these risks associated with usage of open source software could be difficult to eliminate or manage, and could, if not properly addressed, negatively affect the performance of our offerings and our business.

We rely on the availability of licenses to third-party technology that may be difficult to replace or that may cause errors or delay delivery of our services should we not be able to continue or obtain a commercially reasonable license to such technology.

We rely on software and other intellectual property licensed from third parties. It may be necessary in the future to renew licenses relating to various aspects of these platforms or to seek new licenses for existing or new platforms or other products. There can be no assurance that the necessary licenses would be available on commercially

acceptable terms, if at all. Third parties may terminate their licenses with us for a variety of reasons, including actual or perceived failures or breaches of security or privacy, or reputational concerns, or they may choose not to renew their licenses with us. In addition, we may be subject to liability if third-party software that we license is found to infringe, misappropriate, or otherwise violate intellectual property or other rights of others. The loss of, or inability to obtain, certain third-party licenses or other rights or to obtain such licenses or rights on reasonable terms, or the need to engage in litigation regarding these matters, could result in product and service roll-backs and delays in product and service releases until equivalent or comparable technology can be identified, acquired, licensed, or developed, if at all, and integrated into our technologies, and may have a material adverse effect on our business, financial condition, and results of operations. Moreover, the inclusion in our technologies of software or other intellectual property licensed from third parties on a nonexclusive basis could limit our ability to differentiate our products and services from offerings of our competitors and could inhibit our ability to maintain or meet service level commitments or expectations of our existing and prospective customers.

In addition, any data that we license from third parties for use or potential use with our technologies may contain errors or defects, which could negatively impact our products and services. This may have a negative impact on how our products and services are perceived by our current and potential customers and could materially damage our reputation and brand.

Changes in or the loss of third-party licenses could lead to our technologies becoming inoperable or the performance of our technologies being materially reduced resulting in our potentially needing to incur additional research and development costs to ensure continued performance of our products and services or a material increase in the costs of licensing, and we may experience decreased demand for our products and services.

We may be unable to protect our intellectual property rights. Disclosure of trade secrets could cause harm to our business.

To protect our proprietary rights, we rely on a combination of trademarks and trade secret laws, and confidentiality agreements and license agreements with consultants, subcontractors, vendors and customers. Our efforts to protect our intellectual property and proprietary rights may not be sufficient. Although we apply rigorous standards, documents and processes to protect our intellectual property, there is no absolute assurance that the steps taken to protect our technology will prevent misappropriation or infringement. Our ability to enforce and protect our intellectual property rights may be limited in certain countries outside the United States, which could make it easier for competitors to capture market position in such countries by utilizing technologies that are similar to those developed or licensed by us. Competitors also may harm our sales by designing products that mirror the capabilities of our products or technology without infringing on our intellectual property rights. If we do not obtain sufficient protection for our intellectual property, or if we are unable to effectively enforce our intellectual property rights, our competitiveness could be impaired, which would limit our growth and future revenue.

We attempt to protect our trade secrets and other proprietary information by entering into confidentiality, licensing and invention assignment agreements or other contracts with similar provisions with third parties, our employees and consultants. However, these agreements can be breached and, if they are, there may not be an adequate remedy available to us. In addition, others may independently discover or reverse engineer our trade secrets and proprietary information, and in such cases we could not assert any trade secret or proprietary rights against such party. Litigation may be necessary to enforce or protect our intellectual property rights or our trade secrets or determine the validity and scope of the proprietary rights of others. Litigating a claim that a party illegally or unlawfully obtained and uses our trade secret without authorization is difficult, expensive and time consuming, and the outcome is unpredictable. If we are unable to protect our intellectual property, our competitors could market services or products similar to our services and products, which could reduce demand for our offerings. Any litigation to enforce our intellectual property rights, protect our trade secrets or determine the validity and scope of the proprietary rights of others could result in substantial costs and diversion of resources, with no assurance of success.

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

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

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

Risks Related to Our Indebtedness and Alternative Financings

Our business is capital intensive, and we may not be able to adequately finance our capital needs, including funding future satellites, through operations, or by raising capital, or we may be able to do so only on terms that significantly restrict our ability to operate our business.

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

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

Our ability to generate the amount of cash needed to pay interest and principal on our outstanding indebtedness and our ability to refinance all or a portion of our indebtedness or obtain additional financing depend on many factors beyond our control.

Our ability to make scheduled payments on, or to refinance our obligations under, our existing debt agreements depends on our financial and operating performance and prevailing economic and competitive conditions.

If our cash flows and capital resources are insufficient to fund our debt service obligations, we may be forced to reduce or delay capital expenditures, sell assets, raise additional equity capital, or restructure our debt. However,

there is no assurance that such alternative measures may be successful or permitted under the agreements governing our indebtedness and, as a result, we may not be able to meet our scheduled debt service obligations. In the absence of such results of operations and resources, we could face substantial liquidity problems and might be required to dispose of material assets or operations to meet our debt service and other obligations, which could harm our business, financial condition, and results of operations.

We cannot guarantee that we will be able to refinance our indebtedness or obtain additional financing on satisfactory terms or at all, including due to existing liens on our assets or our level of indebtedness and the debt incurrence restrictions imposed by the agreements governing our indebtedness. Further, the cost and availability of credit are subject to changes in the economic and business environment. If conditions in major credit markets deteriorate, our ability to refinance our indebtedness or obtain additional financing on satisfactory terms, or at all, may be negatively affected.

The agreements governing our debt permit us, under some circumstances, to incur certain additional indebtedness or obligations. To the extent that we incur additional indebtedness or such other obligations, the risks associated with our leverage described above, including our possible inability to service our debt, would increase.

Our debt agreements contain restrictions that may limit our flexibility in operating our business.

Our existing loan agreement and related documents contain, and instruments governing any future indebtedness of ours would likely contain, a number of covenants that will impose significant operating and financial restrictions on us. These restrictions could limit our ability to plan for or react to market conditions and could otherwise restrict corporate activities. Any failure to comply with these covenants could result in a default under our loan agreement or instruments governing any future indebtedness of ours. Additionally, our existing indebtedness is secured by substantially all of our assets. Upon a default, unless waived, the lenders under our secured credit facility could elect to terminate their commitments, cease making further loans, foreclose on our assets pledged to such lenders to secure our obligations under our credit agreement and force us into bankruptcy or liquidation. In addition, a default under our secured credit facility could trigger a cross default under agreements governing any future indebtedness. Our results of operations may not be sufficient to service our indebtedness and to fund our other expenditures, and we may not be able to obtain financing to meet these requirements. If we experience a default under our existing loan agreements or instruments governing our future indebtedness, our business, financial condition, and results of operations may be adversely impacted.

In addition, a portion of our cash is pledged as cash collateral for letters of credit and bank guarantees which support certain of our real estate leases, customer contracts, and other obligations. While these obligations remain outstanding and are cash collateralized, we do not have access to and cannot use the pledged cash for our operations or to repay our other indebtedness. As of December 31, 2023, we were in compliance with all covenants and restrictions associated with our existing loan agreement.

Changes in our credit ratings or macroeconomic conditions may affect our liquidity, increasing borrowing costs and limiting our financing options.

Macroeconomic conditions, such as increased volatility or disruption in the credit markets, could adversely affect our ability to refinance existing debt or obtain additional financing at terms satisfactory to us, thereby affecting our resources to support operations or to fund new initiatives. In addition, if our credit ratings are lowered, borrowing costs for future long-term debt or short-term credit facilities may increase and our financing options, including our access to the unsecured credit market, could be limited. We may also be subject to restrictive covenants that would reduce our flexibility.

Risks Related to Our Regulatory, Environmental and Legal Issues

Our business is subject to a wide variety of additional extensive and evolving government laws and regulations. Failure to comply with such laws and regulations could have a material adverse effect on our business.

We are subject to a wide variety of laws and regulations relating to various aspects of our business, including employment and labor, licensing, export, tax, privacy and data security, health and safety, communications, and environmental issues. Laws and regulations at the foreign, federal, state and local levels frequently change, especially in relation to new and emerging industries, and we cannot always reasonably estimate the impact from, or the ultimate cost of compliance with, current or future regulatory or administrative changes, such as regulations on the use of AI. We monitor these developments and devote a significant amount of management's time and external resources towards compliance with these laws, regulations and guidelines, and such compliance places a significant burden on management's time and other resources, and it may limit our ability to expand into certain jurisdictions. Moreover, changes in law, the imposition of new or additional regulations or the enactment of any new or more stringent legislation that impacts our business could require us to change the way we operate and could have a material adverse effect on our sales, profitability, cash flows and financial condition. For example, our products and services may be subject to state sales and use taxes to which we may not be compliant, and taxability is generally determined by statutory state laws, as well as an assessment of nexus. Whether the sale of our products and services is subject to additional states' sales and use taxes is uncertain, due in part to the unique nature and delivery of our products and services, as well as applicability of whether our customers are exempt from tax. There is a risk that one or more states may seek to impose sales or use tax or other tax collection obligations on us for past sales and it could have a material adverse impact on our sales, profitability, cash flows and financial condition.

Failure to comply with these laws or regulations or failure to satisfy any criteria or other requirement under such laws or regulations, such as with respect to obtaining and maintaining licenses, certificates, authorizations and permits critical for the operation of our business, may result in civil penalties or private lawsuits, or result in a delay or the denial, suspension or revocation of licenses, certificates, authorizations or permits, which would prevent us from operating our business. For example, our business requires licenses and permits from the Federal Communications Commission (the "FCC") and review by and/or coordination with other agencies of the U.S. Government, including the Department of Defense, the National Oceanic and Atmospheric Administration ("NOAA") and the National Aeronautics and Space Administration ("NASA"), as well as foreign regulators, such as the New Zealand Space Agency. License approval can include an interagency review of safety, operational, radio frequency interference, national security, and foreign policy and international obligations implications, as well as a review of foreign ownership. Since our satellites have space-qualified photographic equipment installed, we are also subject to licensing and compliance requirements and regulations administered by NOAA's Commercial Remote Sensing Regulatory Affairs office.

The rules and regulations of U.S. and foreign authorities, and their interpretation and application, may change, and such authorities may adopt regulations that impact our ability to collect imagery or otherwise limit or restrict our operations as presently conducted or currently contemplated. Such authorities may also make changes in the licenses of our competitors that affect our spectrum. These changes in rules or regulatory policy may significantly affect our business. For example, the FCC adopted rules requiring the deorbiting of certain satellites – including those maintained by BlackSky – after five years to mitigate the risk of orbital debris. The FCC continues to consider the imposition of additional rules and reporting obligations that could affect us and our operations; in addition, some legislators have discussed vesting additional authority in NASA in certain areas related to our operations. Application of these laws to our business may negatively impact our performance in various ways, limiting the collaborations we may pursue, further regulating the export and re-export of our products, services, and technology from the U.S. and abroad, and increasing our costs and the time necessary to obtain required authorization. The adoption of a multi-layered regulatory approach to any one of the laws or regulations to which we are or may become subject, particularly where the layers are in conflict, could require alteration of our manufacturing processes or operational parameters which may adversely impact our business. In addition, the U.S. government could in the future exercise "shutter control" authority – the interruption of service by limiting imagery collection and/or distribution as necessary to meet significant U.S. government national security or foreign policy interests or international obligations – which, for example, could limit the resolution, collection or distribution of imagery over

certain geographies. We cannot anticipate whether or under what circumstances the U.S. government would exercise its “shutter control” authority, nor can we reasonably determine what costs and terms would be negotiated between us and the U.S. government in such event.

Further, because regulations in each country are different, we may not be aware if some of our partners or persons with whom we or they do business do not hold the requisite licenses and approvals. Our failure to provide services in accordance with the terms of our licenses or our failure to operate our satellites or ground stations as required by our licenses and applicable laws and government regulations could result in the imposition of government sanctions on us, including the suspension or cancellation of our licenses. Our failure or delay in obtaining the approvals required to operate in other countries would limit or delay our ability to expand our operations into those countries. Our failure to obtain industry-standard or government-required certifications for our products could compromise our ability to generate revenue and conduct our business in other countries. Any imposition of sanctions, loss of license or failure to obtain the authorizations necessary to use our assigned radio frequency spectrum and to distribute our products in the U.S. or foreign jurisdictions could cause us to lose sales, hurt our reputation and impair our ability to pursue our business plan.

If we do not maintain regulatory authorizations for our existing satellites, associated ground facilities and terminals, and services we provide, or obtain authorizations for our future satellites, associated ground facilities and terminals, and services we provide, we may not be able to operate our existing satellites or expand our operations.

We hold FCC licenses for our satellite constellation and earth stations (collectively, our “satellite system”) and, because our satellites have space-qualified photographic equipment installed, licenses from NOAA’s Commercial Remote Sensing Regulatory Affairs office. As we build out our satellite constellation, we will require new licenses from the FCC and NOAA or modifications to existing licenses. Changes to our satellite system may also require prior FCC and/or NOAA approval. From time to time, we may have pending applications for permanent or temporary changes in frequencies and technical design. From time to time, we have filed or will need to file applications to replace or add satellites to our satellite constellation. The FCC has waived certain application processing rules for certain of the frequencies on which we operate but there is no guarantee that the FCC will continue to waive those rules. The FCC licenses are also subject to modification by the FCC. In addition, the FCC licenses require coordination with various entities, including other federal government agencies. There can be no assurance that the FCC or NOAA will renew the licenses we hold, modify the licenses we currently hold, grant new licenses, or that coordination conditions can continue to be met. If the FCC or NOAA revokes, modifies or fails to renew the licenses we hold, or fails to grant a new license or modification in a timely manner, or if we fail to satisfy any of the conditions of our respective licenses, we may not be able to continue to provide our products and services. In addition, the operation of ground station assets in non-U.S. jurisdictions may require either direct or indirect licensing from non-U.S. regulatory bodies.

We believe our current operations adhere to FCC, NOAA and non-U.S. licensing jurisdiction requirements. In some cases, we rely upon partners or persons with whom we or they do business to obtain and maintain required non-U.S. regulatory approvals. However, if we or they do not maintain the authorizations necessary to operate our existing satellites, we will not be able to operate the satellites covered by those authorizations, unless we obtain authorization from another licensing jurisdiction. Some of our authorizations provide waivers of regulations. If we do not maintain these waivers, we will be subject to operational restrictions or interference that will affect our use of existing satellites. Loss of a satellite authorization could cause us to lose the revenue from services provided by that satellite at a particular orbital location or using a particular frequency band, to the extent these services cannot be provided by satellites at other orbital locations or with a different frequency band or be subject to additional bond requirements.

Our launch and operation of planned satellites and ground stations may require additional regulatory authorizations from the FCC, NOAA, and/or a non-U.S. licensing jurisdiction. Obtaining launch windows for planned satellites and ground stations, preparing for launch, and working with the requisite equipment in foreign jurisdictions may require coordination with U.S. and foreign regulators. If any of our current operations are deemed

not to be in compliance with applicable regulatory requirements, we may be subject to various sanctions, including fines, loss of authorizations, or denial of applications for new authorizations or renewal of existing authorizations. It is not uncommon for licenses for new satellites to be granted just prior to launch. If we do not obtain required authorizations in the future, we will not be able to operate our planned satellites. If we obtain a required authorization but we do not meet milestones regarding the construction, launch and operation of a satellite by deadlines that may be established in the authorization, we may lose our authorization to operate a satellite using certain frequencies in an orbital location. Any authorizations we obtain may also impose operational restrictions or permit interference that could affect our use of planned satellites.

Coordination results may adversely affect our ability to use our satellites in certain frequency bands for our proposed service or coverage area, or may delay our ability to launch satellites and thereby operate our proposed services.

We are required to record frequencies and operational parameters of our satellites with the International Telecommunication Union and to coordinate with other satellite operators and national administrations the use of these frequencies and operational parameters in order to avoid interference to or from other satellites. The results of coordination may adversely affect our use of our satellites using certain frequencies, as well as the type of applications or services that we can accommodate. If we are unable to coordinate our satellites by specified deadlines, we may not be able to use our satellites or certain frequencies for our proposed service or coverage area or we may lose interference protection for our satellites. The use of our satellites may also be temporarily or permanently adversely affected if the operation of other satellite networks does not conform to coordination agreements resulting in the acceptable interference levels being exceeded (such as due to operational errors associated with the transmissions to other satellite networks).

Loss of existing export control approvals or the inability to obtain required new approvals for the use of particular components, the transfer of company technologies, or the provision of analytical products or related services may have an adverse impact on our business, financial condition, and results of operations.

Many of our products, services, and technologies are regulated by the U.S. Department of State's Directorate of Defense Trade Controls ("DDTC") under the International Traffic in Arms Regulations ("ITAR") and/or the U.S. Department of Commerce's Bureau of Industry and Security ("BIS") under the Export Administration Regulations ("EAR").

We are required to obtain licenses or authorizations from U.S. government regulators in order to disclose technical data/technology associated with the development of our satellites, export of our satellites and related equipment for the launch, and shipment of equipment to foreign ground stations, and to provide defense services to foreign persons. As we build out our satellite constellation or provide services to additional customers, we may require new licenses from DDTC or BIS, or modifications to existing licenses. These licenses may also impose certain conditions on us or our customers. There can be no assurance that DDTC or BIS will renew the licenses we hold, modify the licenses we currently hold, or grant new licenses. The delayed receipt of or failure to obtain licenses in a timely manner may interrupt the completion of contracts or result in our inability to continue to provide our products and services.

We are subject to international trade and governmental export and import controls and economic sanctions programs that could impair our ability to compete in international markets or subject us to liability if we violate these controls.

The export of our software, satellites and ground station equipment, and the provision of services and related technical data, in some cases, are subject to U.S. and international export control laws and regulations and trade and economic sanctions including the ITAR, the EAR, and trade and economic sanctions maintained by the Office of Foreign Assets Control ("OFAC"). As such, an export license may be required to export or reexport our software and services to certain countries and end-users for certain end-uses. In addition, as we grow, we may hire employees in jurisdictions outside of the United States or engage a professional employer organization to hire and employ such

persons, which may subject us to foreign export and import rules and regulations, as well as international sanctions, foreign direct investment requirements, and other international trade rules. If we do not maintain our existing authorizations or obtain future export licenses in accordance with the export control laws and regulations, we may be unable to export our software or ground station equipment or provide services and related technical information to non-U.S. persons and companies. If we were to fail to comply with such export control laws and regulations, economic sanctions, international trade regulations, or other similar laws, we could be subject to both civil and criminal penalties, including substantial fines, possible incarceration for employees and managers for willful violations, and the possible loss of our export or import privileges. Obtaining the necessary export license for a particular sale or offering may not be possible, may be time-consuming and may result in the delay or loss of sales opportunities to the extent non-U.S. competitors are not subject to OFAC or similar export control laws and regulations. Furthermore, export control laws and economic sanctions in many cases prohibit the export of software and services to certain embargoed or sanctioned countries, governments and persons, as well as for prohibited end-uses. Monitoring and ensuring compliance with these complex export controls and sanctions is particularly challenging because our offerings are available throughout the world. Even though we take precautions to ensure that we and our partners comply with all relevant export and import control laws and regulations, any failure by us or our partners to comply with such laws and regulations could have negative consequences for us, including reputational harm, government investigations and penalties.

In addition, various countries regulate the import of certain encryption software and technology, including through import permit and license requirements, and have enacted laws that could limit our ability to distribute our products and services or could limit our end-customers' ability to implement our products in those countries. Because we incorporate encryption functionality into our products, we are subject to certain of these provisions. Changes in our products or changes in export and import regulations in such countries may create delays in the introduction of our products and services into international markets, prevent our end-customers with international operations from deploying our products globally or, in some cases, prevent or delay the export or import of our products and services to certain countries, governments or persons altogether. The following developments could result in decreased use of our products and services by, or in our decreased ability to export or sell our products to, existing or potential end-customers with international operations: any change in export or import laws or regulations, economic sanctions or related legislation; shift in the enforcement or scope of existing export, import or sanctions laws or regulations; or change in the countries, governments, persons, or technologies targeted by such export, import or sanctions laws or regulations. Any decreased use of our products or services or limitation on our ability to export to or sell our products or services in international markets could adversely affect our business, financial condition and operating results.

U.S. export control laws and regulations are continuing to evolve, as are our products and services. For example, the U.S. State Department, the U.S. Department of Commerce, and other cognizant U.S. government agencies are evaluating the imposition of additional export restrictions on so-called "emerging and foundational technologies." Any changes to or further extension of U.S. export control laws and regulations could negatively impact our ability to provide our products and services internationally, or to retain talent required for further development of our products or services. While we educate our employees on export controls, utilize contractual provisions to require our employees and vendors to comply with export laws, and utilize experts to assist with export compliance, our compliance efforts may not be sufficient.

As a growing part of our business strategy, we leverage third parties, including resellers, representatives, and agents, to conduct our business abroad and are expanding our efforts to directly contract with foreign parties, which increases our risk for compliance with ITAR, EAR, and other export laws. Despite the significant challenges in asserting and maintaining control and compliance by these third parties, we may be held liable for third parties' actions. Any failure on the part of these third parties to comply could harm our reputation, inhibit our plans for expansion, or either lead to extensive liability to private parties or subject us to penalties from government regulators, which could adversely impact our business, results of operations, and financial condition.

Failure to comply with anti-bribery and anti-corruption laws could subject us to penalties and other adverse consequences.

We are subject to the United States Foreign Corrupt Practices Act (“FCPA”), the U.S. domestic bribery statute contained in 18 U.S.C. § 201, the United States Travel Act, and other anti-corruption and anti-bribery laws and regulations in the jurisdictions in which we do business, both domestic and abroad. Anti-corruption and anti-bribery laws have been enforced aggressively in recent years and are interpreted broadly. These laws and regulations generally prohibit companies, their employees, business partners, third-party intermediaries, representatives, and agents from authorizing, offering, or providing, directly or indirectly, improper payments to government officials, political candidates, political parties, or commercial partners for the purpose of obtaining or retaining business or securing an improper business advantage.

We have interactions with foreign officials, including in furtherance of sales to governmental or quasi-governmental entities in the United States and in non-U.S. countries. As a growing part of our business strategy, we leverage third parties to conduct our business abroad, and our third-party business partners, representatives, and agents may also have direct or indirect interactions with officials and employees of government agencies or state-owned or affiliated entities. We may be held liable for the corrupt or other illegal activities of our employees or such third parties even if we do not explicitly authorize such activities. The FCPA and other applicable laws and regulations also require that we keep accurate books and records and maintain internal controls and compliance procedures designed to prevent any such actions. While we have implemented policies and procedures to address compliance with such laws, we cannot assure you that our employees, business partners, third-party intermediaries, representatives, and agents will not engage in conduct in violation of our policies or applicable law for which we might ultimately be held responsible. Our exposure for violating these laws increases as our international presence expands and as we increase sales and operations in foreign jurisdictions.

Violations of the FCPA and other applicable anti-bribery and anti-corruption laws may result in whistleblower complaints, adverse media coverage, investigations, loss of export privileges, as well as severe criminal or civil sanctions, settlements, prosecution, enforcement actions, fines, damages, or suspension or debarment from government contracts, all of which could have an adverse effect on our reputation, business, stock price, financial condition, results of operations, and growth prospects. In addition, responding to any investigation or action will likely result in a significant diversion of management’s attention and resources and significant defense costs and other professional fees.

We may be subject to assertions that taxes must be collected based on gross receipts, sales and use of our services and the location of our remote employees in various states, which could expose us to liability and cause material harm to our business, financial condition, and results of operations.

Our products and services may be subject to gross receipts, sales and use taxes in certain states and taxability is generally determined by statutory state laws and regulations, as well as an assessment of physical and economic nexus. Whether sales of our products and services are subject to additional states’ sales and use taxes is uncertain, due in part to the unique nature of our products and services, the delivery method of our products and services, whether our customer is subject to tax as a government entity, as well as changing state laws and interpretations of those laws. One or more additional states may seek to impose sales or use tax or other tax collection obligations on us, whether based on sales by us or our resellers or customers, including for past sales. A successful assertion that we should be collecting sales or other related taxes on our products and services could result in substantial audit defense fees and tax liabilities for past sales, discourage customers from offering or billing for our products and services, or otherwise cause material harm to our business, financial condition, and results of operations.

Changes in tax laws could have a material adverse effect on our business, cash flow, results of operations or financial conditions.

We are and will be generally subject to tax laws, regulations, and policies of several taxing jurisdictions. Changes in applicable tax laws and regulations, as well as other factors, including the possibility of retroactive effect, could cause us to experience fluctuations in our tax obligations and effective tax rates and could affect our tax positions and/or our tax liabilities. During the third quarter of 2022, the Creating Helpful Incentives to Produce

Semiconductors (CHIPS) act of 2022, which includes an advance manufacturing investment tax credit, among other provisions, and the inflation Reduction Act of 2022, which includes implementation of a new alternative minimum tax and a one percent excise tax on share repurchases, among other provisions, were signed into law. In addition, many countries, and organizations such as the Organization for Economic Cooperation and Development, have implemented or have proposed to implement changes to existing tax laws, including a proposed 15% global minimum tax. We are currently not subject to the enacted alternative minimum tax or proposed global minimum tax. Changes in our tax provisions or an increase or decrease in our tax liabilities, whether due to changes in applicable laws and regulations, the interpretation or application thereof, could have a material adverse effect on our financial position, results of operation and cash flows.

We may become involved in litigation that may materially adversely affect us.

From time to time, we may become involved in various legal proceedings relating to matters incidental to the ordinary course of our business, including intellectual property, commercial, employment, class action, whistleblower and other litigation and claims, and governmental and other regulatory investigations and proceedings. Such matters can be time-consuming, divert management's attention and resources, cause us to incur significant expenses or liability or require us to change our business practices. Because of the potential risks, expenses and uncertainties of litigation, we may, from time to time, settle disputes, even where we believe that we have meritorious claims or defenses. Because litigation is inherently unpredictable, we cannot assure you that the results of any of these actions will not have a material adverse effect on our business.

Increasing regulatory focus on privacy issues and expanding laws may impact our business or expose us to increased liability.

We collect and process customer data and other data relating to individuals, which may include personal data. Due to the sensitivity of the personal information and data we manage and expect to manage in the future, as well as the nature of our customer base, the security features of our information systems are critical. A variety of federal, state and foreign laws and regulations govern the collection, use, retention, sharing and security of this information. Laws and regulations relating to privacy, data protection and consumer protection are evolving and subject to potentially differing interpretations. These requirements may not be harmonized, may be interpreted and applied in a manner that is inconsistent from one jurisdiction to another or may conflict with other rules or our practices. As a result, our practices may not have complied or may not comply in the future with all such laws, regulations, requirements and obligations both in the United States and abroad. These statutes and any other state, federal, or foreign legislation that is passed could increase our potential liability, add layers of complexity to compliance in the markets in which we operate, increase our compliance costs and adversely affect our business.

Any actual or perceived failure to comply with applicable laws or regulations relating to privacy, data protection, or information security, or related contractual or other obligations, or any perceived privacy rights violation, could lead to investigations, claims, and proceedings by governmental entities and private parties, damages for contract breach, and other significant costs, penalties, and other liabilities, restrictions upon our operations, as well as harm to our reputation and market position.

We are subject to environmental laws and regulations which could result in material liabilities or obligations. In addition, our operations have involved the handling, storage and disposal of hazardous materials, which could result in potential exposure to environmental liabilities.

We are subject to various U.S. federal, state, local and non-U.S. laws and regulations related to environmental protection, including the discharge, treatment, storage, disposal and remediation of hazardous substances and wastes. We could incur substantial costs, including cleanup costs, fines and civil or criminal sanctions, as well as third-party claims for property damage or personal injury, if we were to violate or become liable under environmental laws or regulations. In addition, new laws and regulations, more stringent enforcement of existing laws and regulations, or the discovery of previously unknown contamination could result in material obligations and costs. Permits issued

pursuant to certain environmental laws are required for our operations, and these permits are subject to renewal, modification and, in some cases, revocation.

In addition, under environmental laws, ordinances or regulations, a current or previous owner or operator of property may be liable for the costs of removal or remediation of some kinds of petroleum products or other hazardous substances on, under, or in its property, adjacent or nearby property, or offsite disposal locations, without regard to whether the owner or operator knew of, or caused, the presence of the contaminants, and regardless of whether the practices that resulted in the contamination were legal at the time they occurred. We could be subject to future liabilities under environmental laws at our current or former facilities, adjacent or nearby properties or offsite disposal locations if any such properties are discovered to be contaminated with hazardous substances.

Intelsat has a right of first offer with respect to the sale of BlackSky Holdings, Inc., (which is our subsidiary), which might discourage, delay or prevent a sale of BlackSky Technology, Inc., and therefore, depress the trading price of our Class A common stock.

In October 2019, BlackSky Holdings, Inc. (which is our subsidiary) entered into a Right of First Offer Agreement with Intelsat (the “Right of First Offer Agreement”). Pursuant to the terms of the Right of First Offer Agreement, prior to commencing or engaging in a sale of our subsidiary BlackSky Holdings, Inc., BlackSky Holdings, Inc. is obligated to provide written notice of any such proposed sale to Intelsat and Intelsat will have the opportunity to provide BlackSky Holdings, Inc. with an offer to purchase BlackSky Holdings, Inc. (an “Intelsat Offer”). Pursuant to the terms of the Right of First Offer Agreement, if BlackSky Holdings, Inc. does not accept an acquisition offer made by Intelsat, BlackSky Holdings, Inc. would be permitted to negotiate and enter into an alternative sale transaction, so long as the total enterprise value for BlackSky Holdings, Inc. and its subsidiaries is greater than 110% of the value implied by any Intelsat Offer. The Right of First Offer Agreement is scheduled to expire on October 31, 2026. This description of the Right of First Offer Agreement is only a summary. You should also refer to a copy of the complete Right of First Offer Agreement, which has been filed with the SEC as an exhibit to this Annual Report on Form 10-K.

The Right of First Offer Agreement may delay our ability to undertake a sale of BlackSky Holdings, Inc. and, since BlackSky Holdings, Inc. is our main operating subsidiary, the existence of the Right of First Offer Agreement could limit the price that investors might be willing to pay in the future for our shares of Class A common stock. The Right of First Offer Agreement could also deter potential acquirers of BlackSky Technology Inc.

Joint ventures, partnerships, and strategic alliances may have a material adverse effect on our business, results of operations and prospects.

We expect to continue to enter into joint ventures, partnerships, and strategic alliances as part of our long-term business strategy. Joint ventures, partnerships, strategic alliances, and other similar arrangements involve significant investments of both time and resources, and there can be no assurances that they will be successful. They may present significant challenges and risks, including that they may not advance our business strategy, we may get an unsatisfactory return on our investment or lose some or all of our investment, they may distract management and divert resources from our core business, they may expose us to unexpected liabilities, or we may choose a partner that does not cooperate as we expect them to and that fails to meet its obligations or that has economic, business, or legal interests or goals that are inconsistent with ours. For example, in 2018 we formed LeoStella, a 50-50 joint venture focusing on building small imaging satellites for sale on a commercial basis, with Thales, from which we procure our satellites. LeoStella operates in a highly competitive environment and the interests of Thales may not be aligned with ours, or may change over time, which could affect the effectiveness and success of the joint venture.

Entry into certain joint ventures, partnerships, or strategic alliances now or in the future may be subject to government regulation, including review by U.S. or foreign government entities related to foreign direct investment. If a joint venture or similar arrangement were subject to regulatory review, such regulatory review might limit our

ability to enter into the desired strategic alliance and thus limit our ability to carry out our long-term business strategy.

As our joint ventures, partnerships, and strategic alliances come to an end or terminate, we may be unable to renew or replace them on comparable terms, or at all. When we enter into joint ventures, partnerships, and strategic alliances, our partners may be required to undertake some portion of sales, marketing, implementation services, engineering services, or software configuration that we would otherwise provide. In such cases, our partner may be less successful than we would have otherwise been absent the arrangement. In the event we enter into an arrangement with a particular partner, we may be less likely (or unable) to work with one or more direct competitors of our partner with which we would have worked absent the arrangement. We may have interests that are different from our joint venture partners and/or which may affect our ability to successfully collaborate with a given partner. Similarly, one or more of our partners in a joint venture, partnership, or strategic alliance may independently suffer a bankruptcy or other economic hardship that negatively affects its ability to continue as a going concern or successfully perform on its obligation under the arrangement. In addition, customer satisfaction with our products provided in connection with these arrangements may be less favorable than anticipated, negatively impacting anticipated revenue growth and results of operations of arrangements in question. Further, some of our strategic partners offer competing products and services or work with our competitors. As a result of these and other factors, many of the companies with which we have joint ventures, partnerships, or strategic alliances may choose to pursue alternative technologies and develop alternative products and services in addition to or in lieu of ours, either on their own or in collaboration with others, including our competitors. If we are unsuccessful in establishing or maintaining our relationships with these partners, our ability to compete in a given marketplace or to grow our revenue would be impaired, and our results of operations may suffer. Even if we are successful in establishing and maintaining these relationships with our partners, we cannot assure you that these relationships will result in increased customer usage of our systems, products or technologies or increased revenue.

Further, winding down joint ventures, partnerships, or other strategic alliances can result in additional costs, litigation, and negative publicity. Any of these events could adversely affect our business, financial condition, results of operations, and growth prospects.

Risks Relating to Ownership of Our Class A Common Stock

Our stock price may fluctuate significantly and you could lose all or part of your investment as a result.

The trading price of our Class A common stock has been, and may continue to be, volatile. The stock market has experienced extreme volatility in the past and may experience similar volatility moving forward. This volatility often has been unrelated or disproportionate to the operating performance of particular companies. You may not be able to resell your shares at an attractive price due to a number of factors such as those listed in this Risk Factors section and the following:

- results of operations that vary from the expectations of securities analysts and investors;
- results of operations that vary from those of our competitors;
- changes in expectations as to our future financial performance, including financial estimates and investment recommendations by securities analysts and investors;
- declines in the market prices of stocks generally;
- strategic actions by us or our competitors;
- announcements by us or our competitors of significant contracts, acquisitions, joint ventures, other strategic relationships or capital commitments;
- any significant change in our management;
- changes in general economic or market conditions or trends in our industry or markets;
- changes in business or regulatory conditions, including new laws or regulations or new interpretations of existing laws or regulations applicable to our business;
- future sales of our Class A common stock or other securities;

- investor perceptions or the investment opportunity associated with our Class A common stock relative to other investment alternatives;
- the public’s response to press releases or other public announcements by us or third parties, including our filings with the SEC;
- litigation involving us, our industry, or both, or investigations by regulators into our operations or those of our competitors;
- guidance, if any, that we provide to the public, any changes in this guidance or our failure to meet this guidance;
- the development and sustainability of an active trading market for our stock;
- actions by institutional or activist stockholders;
- changes in accounting standards, policies, guidelines, interpretations or principles;
- general economic and political conditions such as recessions, interest rates, fuel prices, trade wars, pandemics, currency fluctuations and acts of war(including ongoing geopolitical tensions related to the conflict in the Middle East or Russia’s actions in Ukraine, resulting sanctions imposed by the United States and other countries, and retaliatory actions taken by other countries in response to such sanctions) or terrorism; and
- the effects of natural disasters, terrorist attacks and the spread and/or abatement of infectious diseases, including with respect to potential operational disruptions, labor disruptions, increased costs, and impacts to demand related thereto.

These broad market and industry fluctuations may adversely affect the market price of our Class A common stock, regardless of our actual operating performance. In addition, price volatility may be greater if the public float and trading volume of our Class A common stock is low.

In the past, following periods of market volatility, stockholders have instituted securities class action litigation. If we are involved in securities litigation, it could have a substantial cost and divert resources and the attention of our executive management from our business regardless of the outcome of such litigation.

We are an emerging growth company and a smaller reporting company within the meaning of the Securities Act, and the reduced disclosure requirements applicable to emerging growth companies and smaller reporting companies could make it more difficult to compare our performance with other public companies, and make our Class A common stock less attractive to investors.

We are an “emerging growth company,” as defined in the Jumpstart Our Business Startups Act (“JOBS Act”). For as long as we continue to be an emerging growth company, we are eligible for and intend to take advantage of exemptions from various reporting requirements applicable to other public companies but not to “emerging growth companies,” including:

- not being required to have an independent registered public accounting firm audit our internal control over financial reporting under Section 404 of the Sarbanes-Oxley Act of 2002;
- reduced disclosure obligations regarding executive compensation in our periodic reports and Annual Report on Form 10-K; and
- exemptions from the requirements of holding non-binding advisory votes on executive compensation and stockholder approval of any golden parachute payments not previously approved.

As a result, the stockholders may not have access to certain information that they may deem important. We will remain an emerging growth company until the earliest of:

- the last day of the fiscal year in which we have at least \$1.235 billion in annual revenue;
- the date we qualify as a “large accelerated filer,” with at least \$700.0 million of equity securities held by non-affiliates;
- the date on which we have issued, in any three-year period, more than \$1.0 billion in non-convertible debt securities; or

- the last day of the fiscal year ending after the fifth anniversary of the Osprey Technology Acquisition Corp. ("Osprey") initial public offering.

Under the JOBS Act, emerging growth companies can also delay adopting new or revised accounting standards until such time as those standards apply to private companies. We may elect to take advantage of this extended transition period and as a result, our financial statements may not be comparable with similarly situated public companies.

We cannot predict if investors will find our Class A common stock less attractive if we choose to rely on any of the exemptions afforded emerging growth companies. If some investors find our Class A common stock less attractive because we rely on any of these exemptions, there may be a less active trading market for our Class A common stock.

Further, as a smaller reporting company we may take advantage of certain reduced disclosure requirements, such as, among others, providing only two years of audited financial statements. We will remain a smaller reporting company until the last day of the fiscal year in which the market value of our common stock held by non-affiliates is equal to or exceeds \$250 million as of the end of that fiscal year's second quarter or, if the market value of our common stock held by non-affiliates is less than \$700 million as of the end of that fiscal year's second quarter, we will remain a smaller reporting company until our annual revenue is equal to or exceeds \$100 million. To the extent we take advantage of reduced disclosure requirements available to smaller reporting companies, a comparison of our financial statements to those of other public companies may be difficult.

Because there are no current plans to pay cash dividends on our Class A common stock for the foreseeable future, you may not receive any return on investment unless you sell your Class A common stock for a price greater than that which you paid for it.

We intend to retain future earnings, if any, for future operations, expansion and debt repayment and there are no current plans to pay any cash dividends for the foreseeable future. The declaration, amount and payment of any future dividends on shares of our Class A common stock will be at the sole discretion of our board of directors. Our board of directors may take into account general and economic conditions, our financial condition and results of operations, our available cash and current and anticipated cash needs, capital requirements, contractual, legal, tax, and regulatory restrictions, implications on the payment of dividends by us to our stockholders or by our subsidiaries to us and such other factors as our board of directors may deem relevant. In addition, our ability to pay dividends is limited by covenants of our existing and outstanding indebtedness and may be limited by covenants of any future indebtedness we incur. As a result, you may not receive any return on an investment in our Class A common stock unless you sell our Class A common stock for a price greater than that which you paid for it.

If securities analysts do not publish research or reports about our business or if they downgrade our stock or our sector, our stock price and trading volume could decline.

The trading market for our Class A common stock will rely in part on the research and reports that industry or financial analysts publish about us or our business. We have no influence over these analysts, some of whom may have limited expertise with our business model and operations. Furthermore, if one or more of the analysts who do cover us downgrade our stock or industry, or the stock of any of our competitors, or publish inaccurate or unfavorable research about our business, the price of our stock could decline. If one or more of these analysts ceases coverage of us or fails to publish reports on us regularly, we could lose visibility in the market, which in turn could cause our stock price or trading volume to decline.

We have broad discretion in the use of our assets and may not use them effectively.

We cannot specify with certainty the particular uses of our assets, including cash that we received from our merger. Our management will have broad discretion in the use of our assets. Our management may spend a portion

or all of BlackSky's cash or utilize BlackSky's assets in ways that our stockholders may not agree with or that may not yield a favorable return. The failure by our management to apply these funds effectively could harm our business, financial condition, results of operations and prospects. Pending their use, we may invest our cash in a manner that does not produce income or that loses value.

Anti-takeover provisions in our organizational documents could delay or prevent a change of control.

Certain provisions of our amended and restated certificate of incorporation and amended and restated bylaws may have an anti-takeover effect and may delay, defer or prevent a merger, acquisition, tender offer, takeover attempt or other change of control transaction that a stockholder might consider in its best interest, including those attempts that might result in a premium over the market price for the shares held by our stockholders.

These provisions provide for, among other things:

- a classified board of directors whose members serve staggered three-year terms;
- the ability of our board of directors to issue one or more series of preferred stock;
- advance notice for nominations of directors by stockholders and for stockholders to include matters to be considered at our annual meetings;
- certain limitations on convening special stockholder meetings;
- limiting the ability of stockholders to act by written consent;
- providing that our board of directors is expressly authorized to make, alter or repeal our bylaws; and
- the removal of directors only for cause and only upon the affirmative vote of holders of at least 66 2/3% of the voting power of our issued and outstanding capital stock entitled to vote in the election of directors, voting together as a single class.

These anti-takeover provisions could make it more difficult for a third party to acquire us, even if the third-party's offer may be considered beneficial by many of our stockholders. As a result, our stockholders may be limited in their ability to obtain a premium for their shares. These provisions could also discourage proxy contests and make it more difficult for you and other stockholders to elect directors of your choosing and to cause us to take other corporate actions you desire. See "Description of Securities" filed as an Exhibit to this Annual Report on Form 10-K for more information.

Our amended and restated certificate of incorporation designates the Court of Chancery of the State of Delaware as the sole and exclusive forum for certain types of actions and proceedings that may be initiated by our stockholders, which could limit our stockholders' ability to obtain a favorable judicial forum for disputes with us or our directors, officers, employees or stockholders.

Our amended and restated certificate of incorporation provides that, subject to limited exceptions, any (1) derivative action or proceeding brought on behalf of us, (2) action asserting a claim of breach of a duty (including any fiduciary duty) owed by any of our current or former directors, officers, stockholders, employees or agents to us or our stockholders, (3) action asserting a claim against us or any of our current or former directors, officers, stockholders, employees or agents arising out of or relating to any provision of the Delaware General Corporation Law ("DGCL") or our amended and restated certificate of incorporation or our amended and restated bylaws (each, as in effect from time to time) or (4) action asserting a claim against us or any of our current or former directors, officers, stockholders, employees or agents governed by the internal affairs doctrine of the State of Delaware shall, to the fullest extent permitted by applicable law, be exclusively brought in the Court of Chancery of the State of Delaware or, if such court lacks subject matter jurisdiction thereof, another state or federal court located within the State of Delaware, provided that, unless we consent in writing to the selection of an alternative forum, the federal district courts of the United States of America will, to the fullest extent permitted by law, be the sole and exclusive forum for the resolution of any complaint against any person in connection with any offering of our securities, asserting a cause of action arising under the Securities Act. Any person or entity purchasing or otherwise acquiring

any interest in shares of our capital stock shall be deemed to have notice of and to consent to the provisions of our amended and restated certificate of incorporation described above. This choice of forum provision may limit a stockholder's ability to bring a claim in a judicial forum that it finds favorable for disputes with us or our directors, officers or other employees, which may discourage such lawsuits against us and our directors, officers and employees. Alternatively, if a court were to find these provisions of our amended and restated certificate of incorporation inapplicable to, or unenforceable in respect of, one or more of the specified types of actions or proceedings, we may incur additional costs associated with resolving such matters in other jurisdictions, which could adversely affect our business and financial condition.

General Risk Factors

Our employees or others acting on our behalf may engage in misconduct or other improper activities, which could cause us to lose contracts or cause us to incur costs.

We are exposed to the risk that employee fraud or other misconduct from our employees or others acting on our behalf could occur. Misconduct by employees or others could include intentional failures to comply with U.S. government procurement regulations, engaging in unauthorized activities, insider threats to our cybersecurity, or falsifying time records. Misconduct by our employees or others acting on our behalf could also involve the improper use of our customers' sensitive or classified information, which could result in regulatory sanctions against us, serious harm to our reputation, a loss of contracts and a reduction in revenue, or cause us to incur costs to respond to any related governmental inquiries. It is not always possible to deter misconduct, and the precautions we take to prevent and detect this activity may not be effective in controlling unknown or unmanaged risks or losses, which could cause us to lose contracts or cause a reduction in revenue. In addition, alleged or actual misconduct by employees or others acting on our behalf could result in investigations or prosecutions of persons engaged in the subject activities, which could result in unanticipated consequences or expenses and management distraction for us regardless of whether we are alleged to have any responsibility.

We may in the future experience such misconduct, despite our various compliance programs. Misconduct or improper actions by our employees, agents, subcontractors, suppliers, business partners and/or joint ventures could subject us to administrative, civil or criminal investigations and enforcement actions; monetary and non-monetary penalties; liabilities; and the loss of privileges and other sanctions, including suspension and debarment, which could negatively impact our reputation and ability to conduct business and could have a material adverse effect on our financial position, results of operations and cash flows.

We use our judgment and estimates relating to our critical accounting policies including accounting for contracts, and any changes in such estimates or errors in our underlying assumptions could have an adverse effect on our overall financial performance.

The preparation of our financial statements in conformity with Generally Accepted Accounting Principles in the United States of America ("GAAP") requires management to make judgments, estimates, and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. We base our estimates on historical experience and on various other assumptions that we believe to be reasonable under the circumstances.

When agreeing to contractual terms, our management makes assumptions and projections about future conditions and events, many of which extend over long periods. These projections assess the productivity and availability of labor, complexity of the work to be performed, cost and availability of materials, impact of delayed performance and timing of product deliveries. Contract accounting requires judgment relative to assessing risks, estimating contract revenue and costs, and making assumptions for schedule and technical issues. Due to the size and nature of many of our contracts, the estimation of total revenue and costs at completion is complicated and subject to many variables. For example, assumptions are made regarding the length of time to complete a contract since costs also include expected increases in wages, prices for materials and allocated fixed costs. Similarly, assumptions are made regarding the future impact of our efficiency initiatives and cost reduction efforts. Incentives, awards or penalties related to performance on contracts are considered in estimating revenue and profit rates and are

recorded when there is sufficient information to assess anticipated performance. Suppliers' assertions are also assessed and considered in estimating costs and profit rates.

Because of the significance of the judgment and estimation processes described above, it is possible that materially different amounts could be obtained if different assumptions were used or if the underlying circumstances were to change. Changes in underlying assumptions, circumstances or estimates may have a material adverse effect upon the profitability of one or more of the affected contracts, future period financial reporting and performance. Our results of operations may be adversely affected if our assumptions change or if actual circumstances differ from those in our assumptions, which could cause our results of operations to fall below the expectations of securities analysts and investors, resulting in a decline in the trading price of our Class A common stock. Significant judgments, estimates, and assumptions used in preparing our consolidated financial statements include, or may in the future include, those related to revenue recognition, stock-based compensation, recoverability of goodwill, warrant valuations, and income taxes.

Future acquisitions may adversely affect our financial condition.

As part of our strategy for growth, in the future we may explore acquisitions or strategic alliances, which ultimately may not be completed or be beneficial to us. The risks associated with pursuing acquisitions include the difficulty of assimilating solutions, operations, and personnel; inheriting liabilities such as intellectual property infringement claims; the failure to realize anticipated revenue and cost projections and expected synergies; and the diversion of management's time and attention. We may not be successful in overcoming such risks, and any acquisitions and strategic alliance may negatively impact our business. In addition, such acquisitions and investments may in the future contribute to fluctuations in our quarterly financial results. These fluctuations could arise from transaction-related costs and charges associated with eliminating redundant expenses or write-offs of impaired assets recorded in connection with acquisitions and investments. These costs or charges could negatively impact our financial results for a given period, cause quarter-to-quarter variability in our financial results, or negatively impact our financial results for future periods.

We are exposed to risks related to geopolitical and economic factors, laws and regulations and our international business subjects us to numerous political and economic factors, legal requirements, cross-cultural considerations and other risks associated with doing business globally.

Our operations and performance depend significantly on global macroeconomic, specific foreign country and U.S. domestic economic conditions. Adverse conditions in the macroeconomic environment, such as the ongoing geopolitical tensions related to the conflict in the Middle East or Russia's actions in Ukraine, resulting sanctions imposed by the United States and other countries, and retaliatory actions taken by other countries in response to such sanctions, may result in a decreased demand for our products and services, constrained credit and liquidity, reduced government spending and volatility in equity and foreign exchange markets. In addition, to the extent the global economy experiences a significant downturn or volatility, we may be exposed to impairments of certain assets if their values deteriorate. Tighter credit due to economic conditions may diminish our future borrowing ability and increase borrowing costs under our existing credit facilities. Customers' ability to pay for our products and services may also be impaired, which could lead to an increase in our allowance for doubtful accounts and write-offs of accounts receivable.

If any of the foreign economies in which we do business deteriorates or suffers a period of uncertainty, our business and performance may be negatively impacted through reduced customer and government spending, changes in purchasing cycles or timing, reduced access to credit for our customers, or other factors impacting our international sales and collections. Furthermore, customer spending levels in any foreign jurisdiction may be adversely impacted by changes in domestic policies, including tax and trade policies. The services we provide internationally are sometimes in countries with unstable governments, economic or fiscal challenges, military or political conflicts and/or developing legal systems. This may increase the risk to our employees, subcontractors or other third parties, and/or increase the risk of a wide range of liabilities, as well as loss of property.

We cannot predict the timing, strength, or duration of any crisis, economic slowdown or any subsequent recovery generally, or for any industry in particular. Although certain aspects of the effects of a crisis or an economic slowdown may provide potential new opportunities for our business, we cannot guarantee that the net impact of any such events will not be materially negative. Accordingly, if the conditions in the general economy and the markets in which we operate worsen from present levels, our business, financial condition, and results of operations could be adversely affected.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 1C. CYBERSECURITY

Risk Management and Strategy

We have established policies and processes for assessing, identifying, and managing material risk from cybersecurity threats, and have integrated these processes into our overall risk management systems and processes as described below.

We conduct at least quarterly assessments of risks from cybersecurity threats, including any potential unauthorized occurrence on or conducted through our information systems that may result in adverse effects on the confidentiality, integrity, or availability of our information systems or any information residing therein.

In addition to these quarterly risk assessments, we conduct assessments when there is a material change in our business practices that may affect information systems that are vulnerable to such cybersecurity threats. These risk assessments include identification of reasonably foreseeable internal and external risks, the likelihood and potential damage that could result from such risks, and the sufficiency of existing policies, procedures, systems, and safeguards in place to manage such risks.

Following these risk assessments, we evaluate whether and how to re-design, implement, and maintain reasonable safeguards to minimize identified risks; reasonably address any identified gaps in existing safeguards; and evaluate the effectiveness of our safeguards at least semi-annually. We devote significant resources and designate high-level personnel, including our Chief Information Officer who reports to our Chief Executive Officer, to manage the risk assessment and mitigation process.

As part of our overall risk management system, we monitor and test our safeguards and train our employees on these safeguards, in collaboration with the people operations, IT, compliance, and legal departments, and management. Personnel at all levels and departments are made aware of our cybersecurity policies through trainings at least annually.

We engage assessors, consultants, or other third parties for supplemental cyber monitoring and assessment of cybersecurity policies and controls in support of the risk assessment. We contractually require key and/or relevant third-party service providers to certify that it has the ability to implement and maintain appropriate security measures, consistent with all applicable laws, to implement and maintain reasonable security measures in connection with their work with us, and to promptly report any suspected breach of its security measures that may affect our company. Depending on the severity of the suspected breach these reports may be among the information supplied to our Chief Information Officer.

We, like any technology company operating in the current environment, have previously experienced cybersecurity incidents. However, as of the date of this Annual Report on Form 10-K, we do not believe that any risks from cybersecurity threats, including as a result of previous cybersecurity incidents, are reasonably likely to have a material effect on us, our business strategy, results of operations, or financial condition. For additional information regarding risks related to cybersecurity threats, including our business strategy, results of operations, or financial condition, please refer to Item 1A, "Risk Factors," in this Annual Report on Form 10-K, including the risk factor entitled "Any significant disruption in or unauthorized access to our computer systems or those of third parties"

that we utilize in our operations, including those relating to cybersecurity or arising from cyber-attacks, could result in a loss or degradation of service, unauthorized disclosure of data, or theft or tampering of intellectual property, and give rise to potential harm to customers, remediation and other expenses under a variety of domestic and international laws or other laws or common law theories, subject us to litigation and federal and state governmental inquiries, damage our reputation, and otherwise be disruptive to our business and operations."

Governance

One of the key functions of our board of directors is informed oversight of our risk management process, including risks from cybersecurity threats. Our board of directors is responsible for monitoring and assessing strategic risk exposure, and our executive officers are responsible for the day-to-day management of the material risks we face. Our board of directors administers its cybersecurity risk oversight function directly as a whole, as well as through its strategy committee.

Our Chief Information Officer is primarily responsible for assessing and managing our material risks from cybersecurity threats. Our Chief Information Officer has nearly four decades of overall information technology experience in secure environments, including eight years of infrastructure and cybersecurity leadership at our Company. Furthermore, our Strategy Committee Chair brings nearly four decades of technical and organizational leadership experience, having previously held senior US government positions as the Principal Deputy Director of National Intelligence and the Senior Advisor to the Director for Cyber and Director of Information Operations for the CIA, where she was responsible for cyber operations, foreign cyber threat assessment, and cybersecurity. She sits on the boards of several public and private technology companies, filling the role of their cybersecurity expert.

Our Chief Information Officer oversees our cybersecurity policies and processes, including those described in "Risk Management and Strategy" above. The process by which our Chief Information Officer is informed about and monitors the prevention, detection, mitigation, and remediation of cybersecurity incidents includes the review of weekly reports provided by our security team highlighting metrics that relate to potential threats and vulnerabilities as well as status updates on our security initiatives and mitigations. The updates also include a review of emerging cyber risks and other relevant issues identified in our cyber threat intelligence reporting.

Our Chief Information Officer presents quarterly briefings to the strategy committee and/or our board of directors regarding our cybersecurity risks and activities, including any recent cybersecurity incidents and related responses, cybersecurity systems testing, and activities of third parties. The strategy committee provides at least quarterly updates to the board of directors on such reports. In the event of a material cybersecurity incident or series of incidents, our Chief Information Officer will notify the strategy committee and the audit committee of the Company's board of directors and work with legal counsel to ensure appropriate disclosures are made to regulatory agencies.

ITEM 2. PROPERTIES

We lease approximately 23,738 square feet of office space in Herndon, Virginia for our U.S. administrative headquarters. The building also houses the majority of our sales and marketing support staff and other administrative personnel. The current lease for the building expires on August 31, 2024. We entered into a subsequent lease for approximately 17,119 square feet in Herndon, Virginia effective January 2023. The lease for the new building expires in August 2036.

We also lease approximately 14,503 square feet of office space in Seattle, Washington. The space serves as the primary satellite operations center and a secondary office space for employees. The lease for the building expires in November 2033.

ITEM 3. LEGAL PROCEEDINGS

From time to time, we may be involved in claims and proceedings arising in the ordinary course of our business. The outcome of any such claims or proceedings, regardless of the merits, is inherently uncertain.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Market Information

Our Class A common stock is listed on the NYSE under the symbol "BKSY" and our Public Warrants are traded on the NYSE under the symbol "BKSY.W." Prior to the consummation of the Business Combination, our Class A common stock and our Public Warrants were listed on the NYSE under the symbols "SFTW" and "SFTW.WS," respectively.

Holders of Common Stock

As of March 15, 2024, there were approximately 693 holders of record of our Class A common stock. Because many of the shares of Class A common stock are held by brokers and other institutions on behalf of stockholders, we are unable to estimate the total number of beneficial owners represented by these record holders.

Dividend Policy

We have not paid any cash dividends on our Class A common stock to date. We may retain future earnings, if any, for future operations, expansion and debt repayment and we have no current plans to pay cash dividends for the foreseeable future. The payment of cash dividends in the future will depend upon our results of operations, capital requirements and general financial condition, and will be at the discretion of our board of directors at such time. In addition, our board of directors is not currently contemplating and does not anticipate declaring any stock dividends in the foreseeable future. Further, our ability to pay dividends may be limited by covenants of any future outstanding indebtedness we or our subsidiaries incur.

Unregistered Sales of Equity Securities and Use of Proceeds from Registered Securities

On December 15, 2022, we entered into an "at the market" (ATM) sales agreement with Jefferies LLC as our sales agent, under which we may offer and sell from time to time up to \$75 million of shares of our Class A common stock in negotiated transactions or transactions that are deemed to be an ATM offering. During the year ended December 31, 2023, we raised gross proceeds of \$5.0 million through the sale of 3,462,155 shares in our ATM offering. We sold such shares at an average purchase price per share of \$1.45. After deducting commissions and other offering expenses associated with the ATM offering of \$1.2 million, the net proceeds to us from the transactions were \$3.8 million. We currently intend to use the net proceeds from the sale of the shares for working capital and other general corporate purposes.

Purchases of Equity Securities by the Issuer and Affiliated Purchasers

None.

ITEM 6. [RESERVED]

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our consolidated financial statements and related notes appearing elsewhere in this Annual Report on Form 10-K. As discussed in the section titled "Special Note Regarding Forward Looking Statements," the following discussion and analysis contains forward looking statements that involve risks and uncertainties, as well as assumptions that, if they never materialize or prove incorrect, could cause our results to differ materially from those expressed or implied by such forward-looking statements. Factors that could cause or contribute to these differences include, but are not limited to, those discussed in the section titled "Risk Factors" under Part I, Item 1A in this Annual Report on Form 10-K. Unless the context otherwise requires, references in this "Management's Discussion and Analysis of Financial Condition and Results of Operations" to "BlackSky," "the Company," "we," "us" and "our" refer to the business and operations of Legacy BlackSky and its consolidated subsidiaries prior to the Merger and to BlackSky Technology Inc. and its consolidated subsidiaries, following the closing of the Merger.

Company Overview

We own and operate one of the industry's leading high-performance low earth orbit small satellite constellations. Our constellation is optimized to cost-efficiently capture imagery at high revisit rates where and when our customers need it. The orbital configuration of our constellation is designed to collect data on the most critical and strategic locations in the world. Our constellation is able to image certain locations approximately every 90 minutes, from dawn-to-dusk, providing our customers with insights and situational awareness throughout the day. Our satellites are designed with agile pointing capabilities that enable our customers to task our constellation on demand to collect specific locations of interest. The constellation is optimized for agility and capacity and delivers high revisit imaging and analytic products without a dependency on an individual satellite. This approach enables us to strategically deploy capacity to meet customer needs and tailor the capability over time to meet market demand. Our tasking methodology employs proprietary artificial intelligence ("AI")-enabled software to efficiently collect images of the most important strategic and economic assets and areas of interest to our customers. We believe that our focus on critical strategic and economic infrastructure and the AI-enabled tasking of our constellation differentiates us from many of our competitors, who are primarily dedicated to mapping the entirety of the Earth on a routine basis. Our differentiated approach to space enables us to deliver highly targeted and valuable intelligence with a smaller constellation fleet that has the added benefit of greater operating and capital efficiencies.

Our BlackSky Spectra software platform can, among other things, process millions of observations a day from our proprietary satellite constellation and from multiple external data sources including imaging, radar and radio frequency satellites, environmental sensors, asset tracking sensors, Internet-of-Things connected devices, internet-enabled narrative sources, and a variety of geotemporal data feeds. BlackSky Spectra employs advanced, proprietary AI and machine learning ("ML") techniques to process, analyze, and transform these data feeds into alerts, information, and insights that our customers receive, all fully automated. Customers can access BlackSky Spectra's data and analytics through easy-to-use web services or through platform application programming interfaces.

Our next generation satellites ("Gen-3"), expected to launch in 2024, are designed to improve imaging resolution even further and include short wave infrared imaging technology for a broad set of imaging conditions, including nighttime and low-light. We believe these advancements will expand the relevance and certainty of our analytics to continue to ensure our importance to our customers. We also believe the combination of our high-revisit, small satellite constellation, our BlackSky Spectra platform, and low constellation cost is transforming the market for real-time, space-based imagery and analytics.

Our operating strategy is to continue to enhance the capabilities of our satellite constellation, to increase the number of third-party data sources processed by our BlackSky Spectra platform, and to expand our analytics offerings in order to increase the value we deliver to our customers. Our two strategic assets—our satellite constellation and our BlackSky Spectra platform—are mutually reinforcing: as we capture more information about the world's most important strategic and economic assets and locations, our proprietary database expands and increases its utility, enabling us to better detect, understand, and predict changes that matter most to our customers. Our business has a natural and powerful "flywheel" effect: the more data we collect and analyze, the more valuable the insights we can deliver to our customers.

Our current customer base and end market mix are weighted towards U.S. and international defense and intelligence customers and markets. We believe there are significant opportunities to expand our imagery and software analytical services, as well as our professional and engineering service offerings, to a broad set of customers both domestically and internationally. In addition, our services and products can benefit customers in a variety of commercial markets including, but not limited to, energy and utilities, insurance, commodities, mining, manufacturing, logistics, supply chain management, agriculture, environmental monitoring, disaster and risk management, engineering and construction, and retail and consumer behavior.

We generate revenue by selling On-Demand and Assured product and service offerings that support a broad range of applications including national security, supply chain intelligence, crisis management, critical infrastructure monitoring, economic intelligence, and others. These offerings are comprised of a predefined, standard set of imagery and software analytics products accessible via our basic subscription plan through our BlackSky Spectra software platform, plus professional and engineering services provided to customers on a project-by-project basis. We offer a variety of pricing and utilization options for our imagery and software analytical service offerings, with the majority of our agreements structured as subscription contracts, followed by usage-based pricing and transactional licenses. These options provide customers flexibility to utilize our imagery and software analytical services in a manner that best suits their business needs. We offer a range of pricing tiers that enables the customer to manage collection priorities, when during critical events they can pay a premium to prioritize their monitoring and collection requirements. At other times, customers can select lower priority collections to allow for more economical utilization. Variable and fixed price plans allow our customers to choose what matters most to them—platform licensing-levels, priority for imagery tasking, and whether to apply analytics or monitoring capabilities overtop the imaging service.

Components of Operating Results

Revenue

Our revenue is generated by selling imagery and software analytics services through our Blacksky Spectra platform and by providing professional and engineering services to strategic customers on a project basis.

- **Imagery and Software Analytical Services Revenue**

- **Imagery:** We offer our customers high-revisit, on-demand high resolution electro optical satellite imaging services. Through our BlackSky Spectra software platform, customers can directly task our proprietary satellite constellation to collect and deliver imagery over specific locations, sites, and regions that are critical to their operations. We offer customers several service level options that include basic plans for on-demand tasking or multi-year assured access programs, where customers can secure priority access and imaging capacity at a premium over a region of interest on a take or pay basis.
- **Data, Software, and Analytics:** Our analytics services are also offered on a subscription or consumption basis and provide customers with access to our site monitoring, event monitoring and global data services. We leverage our proprietary AI and ML algorithms to analyze data coming from both our proprietary sensor network and third-party space sources in real-time to provide data, insights, and analytics for our customers. We provide services related to object, change and anomaly detection, site monitoring, and enhanced analytics through which we can detect key pattern of life changes in critical locations. These critical locations can include strategic locations and infrastructure such as ports, airports, and construction sites; retail activity; commodities stockpiles; and other sites that contain critical commodities and supply chain inventory.

We expect continued imagery and software analytical services revenue growth as a result of increases in our sales orders driven by stronger customer demand.

- **Professional and Engineering Services Revenue**—We develop and deliver advanced satellites and payload systems for specific strategic customers that desire to leverage our capabilities in mission systems engineering and operations, ground station operations, software, analytics and systems development. These systems are sold to government customers under fixed price contracts and are often sold with imagery

service subscriptions. We generally retain rights to intellectual property for developed technology of certain systems.

We also provide technology enabled professional service solutions, that are highly-interrelated, to support customer-specific feature request and to support the integration, testing, and training of our imagery and software analytical services into the customer's organizational processes and workflows. We also provide software systems engineering development services to support the integration of high volume and mass quantities of data in their operating platforms.

We expect continued meaningful contribution from our professional and engineering services revenue, which we expect will be primarily from contracts with existing U.S. and international defense and intelligence customers with whom we have contracted to perform development work prior to the implementation of their subscription service contracts.

Costs and Expenses

Our costs and expenses are incurred from the following categories:

- Imagery and software analytical services 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. Costs are expensed as incurred except for incremental costs to obtain a contract, primarily sales commissions on contracts greater than one year, which are capitalized and amortized to selling, general, and administrative expenses on a systematic basis consistent with the transfer of goods and services and directly identifiable costs to fulfill a contract. Expense related to stock-based payments is classified in the consolidated statements of operations and comprehensive loss based upon the classification of each employees' cash compensation. We recognize stock-based compensation expense for those employees whose work supports the imagery and software analytical service costs we provide to customers, under imagery and software analytical service costs, excluding depreciation and amortization.
- Professional and engineering service costs primarily include the cost of internal labor for design and engineering in support of long-term development contracts for satellites and payload systems as well as subcontract direct materials and external labor costs to build and test specific components, such as the communications system, payload demands, and sensor integration. In addition, we also recognize internal labor costs and external subcontract labor costs for our customer-centric software service solutions. We recognize stock-based compensation expense for those employees who provide professional and engineering services support to customers, under professional and engineering service costs, excluding depreciation and amortization.

Operating Expenses

Our operating expenses are incurred from the following categories:

- Selling, general, and administrative expense consists of salaries and benefit costs, development costs, professional fees, and other expenses which includes other personnel-related costs, stock-based compensation expenses for those employees who generally support our business and operations, and occupancy costs. Our development costs include internal labor costs to design and plan critical real-time software and geospatial analytic solutions and solution enhancements, including mapping, analysis, site target monitoring, and news feeds.
- Research and development expense consists of employees' salaries, taxes, and benefits costs incurred for data science modeling and algorithm development related to our Blacksky Spectra software platform, and for the strategic development efforts to support our long-term strategy. In addition, we employ and classify third-party vendors who fulfill our strategic projects as research and development expense. 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 expense is related to property and equipment which mainly consists of operational satellites. Amortization expense is related to intangible assets which mainly consists of customer relationships.

Results of Operations for the Years Ended December 31, 2023 and 2022

The following table provides the components of results of operations for the years ended December 31, 2023 and 2022:

	Years Ended December 31,		\$ Change	% Change
	2023	2022		
(dollars in thousands)				
Revenue				
Imagery & software analytical services	\$ 65,391	\$ 47,415	\$ 17,976	37.9 %
Professional & engineering services	29,101	17,935	11,166	62.3 %
Total revenue	<u>94,492</u>	<u>65,350</u>	<u>29,142</u>	<u>44.6 %</u>
Costs and expenses				
Imagery & software analytical service costs, excluding depreciation and amortization	13,793	14,462	(669)	(4.6)%
Professional & engineering service costs, excluding depreciation and amortization	19,988	21,365	(1,377)	(6.4)%
Selling, general and administrative	72,617	79,672	(7,055)	(8.9)%
Research and development	643	739	(96)	(13.0)%
Depreciation and amortization	43,431	35,661	7,770	21.8 %
Operating loss	<u>(55,980)</u>	<u>(86,549)</u>	<u>30,569</u>	<u>35.3 %</u>
Gain on derivatives	7,679	11,812	(4,133)	(35.0)%
Income on equity method investments	4,165	2,087	2,078	99.6 %
Interest income	2,063	1,116	947	84.9 %
Interest expense	(9,306)	(5,426)	(3,880)	(71.5)%
Other (expense) income, net	(1,807)	2,081	(3,888)	(186.8)%
Loss before income taxes	(53,186)	(74,879)	21,693	29.0 %
Income tax expense	(673)	—	(673)	(100.0)%
Loss from continuing operations	<u>(53,859)</u>	<u>(74,879)</u>	<u>21,020</u>	<u>28.1 %</u>
Discontinued operations:				
Gain from discontinued operations	—	707	(707)	(100.0)%
Income tax (expense) benefit	—	—	—	— %
Gain from discontinued operations, net of income taxes	<u>—</u>	<u>707</u>	<u>(707)</u>	<u>(100.0)%</u>
Net loss	<u>\$ (53,859)</u>	<u>\$ (74,172)</u>	<u>\$ 20,313</u>	<u>27.4 %</u>

Revenue

	Years Ended December 31,		\$ Change	% Change
	2023	2022		
(dollars in thousands)				
Imagery & software analytical revenue	\$ 65,391	\$ 47,415	\$ 17,976	37.9 %
% of total revenue	69.2 %	72.6 %		
Professional & engineering services revenue	29,101	17,935	11,166	62.3 %
% of total revenue	30.8 %	27.4 %		
Total revenue	<u>\$ 94,492</u>	<u>\$ 65,350</u>	<u>\$ 29,142</u>	<u>44.6 %</u>

Selling, General, and Administrative

	Years Ended December 31,		\$	%
	2023	2022	Change	Change
	(dollars in thousands)			
Salaries and benefit costs	\$ 40,720	\$ 36,517	\$ 4,203	11.5 %
Stock-based compensation expense	10,118	18,131	(8,013)	(44.2)%
Information technology and other administrative expenses	8,938	6,290	2,648	42.1 %
Selling and marketing	3,789	5,553	(1,764)	(31.8)%
Professional fees	3,498	5,082	(1,584)	(31.2)%
Insurance	2,755	4,452	(1,697)	(38.1)%
Rent expense	1,762	2,821	(1,059)	(37.5)%
Development costs	1,037	826	211	25.5 %
Selling, general and administrative	<u>\$ 72,617</u>	<u>\$ 79,672</u>	<u>\$ (7,055)</u>	<u>(8.9)%</u>

Selling, general, and administrative expenses decreased during the year ended December 31, 2023 as compared to the same period in 2022. Stock-based compensation expense decreased \$8.0 million related to the 2022 cumulative vesting of restricted stock units ("RSUs") triggered by the successful execution of the Merger in 2021. Salaries and payroll-related benefits increased due to expansion of our sales team and investments in AI capabilities.

The following is our forecast for total RSU expense as of December 31, 2023, which, in addition to the amounts recognized in selling, general, and administrative expenses, includes the portion that will be capitalized or classified in imagery and software analytical service costs and professional and engineering service costs:

	(in thousands)
For the years ending December 31,	
2024	8,571
2025	6,971
2026	4,731
2027	1,566
	<u>\$ 21,838</u>

Research and Development

	Years Ended December 31,		\$	%
	2023	2022	Change	Change
	(dollars in thousands)			
Research and development	\$ 643	\$ 739	\$ (96)	(13.0)%

Research and development expense decreased slightly for the year ended December 31, 2023 as compared to the same period in 2022.

Depreciation and Amortization

	Years Ended December 31,		\$	%
	2023	2022	Change	Change
			(dollars in thousands)	
Depreciation of satellites	\$ 37,270	\$ 33,053	\$ 4,217	12.8 %
Depreciation of all other property and equipment	5,600	2,047	3,553	173.6 %
Amortization	561	561	—	— %
Depreciation and amortization	<u>\$ 43,431</u>	<u>\$ 35,661</u>	<u>\$ 7,770</u>	21.8 %

Depreciation expense from satellites increased for the year ended December 31, 2023 as compared to the same period in 2022, driven by an increase in the number of satellites in service.

Depreciation expense from all other property and equipment increased for the year ended December 31, 2023 as compared to the same period in 2022, primarily driven by capitalization of software and the buildout of new office space.

Amortization expense remained flat for the year ended December 31, 2023 as compared to the same period in 2022.

Non-Operating Expenses

	Years Ended December 31,		\$	%
	2023	2022	Change	Change
			(dollars in thousands)	
Gain on derivatives	\$ 7,679	\$ 11,812	\$ (4,133)	(35.0)%
Income on equity method investments	4,165	2,087	2,078	99.6 %
Interest income	2,063	1,116	947	84.9 %
Interest expense	(9,306)	(5,426)	(3,880)	(71.5)%
Other (expense) income, net	(1,807)	2,081	(3,888)	(186.8)%

Gain on derivatives

Fluctuations in our equity warrants and other equity instruments that we classify as derivative liabilities in the consolidated balance sheets and measure at fair value are significantly driven by our common stock price. Fluctuations to these instruments are inversely related to changes in our common stock price, the volatility of the markets, and the duration of the equity warrants. The gains or losses recognized in the period are non-cash fair value adjustments and generated gains during the years ended December 31, 2023 and 2022.

Income on equity method investments

The fluctuations in earnings from our equity method investment is directly related to the operating performance of our joint venture LeoStella. Additionally, during 2023, we recognized a gain of \$9.5 million from the sale of our investment in X-Bow.

Interest income

Interest income increased during the year ended December 31, 2023 as a result of the short-term investments we began purchasing in the second quarter of 2022 as well as an increase in the effective interest rate received for our investments.

Interest expense

Interest expense increased during the year ended December 31, 2023 as a result of a higher effective interest rate on our loan modification with related parties.

Other (expense) income, net

For the year ended December 31, 2023, other (expense) income, net, included \$0.9 million of allocated transaction costs associated with new warrants that are accounted for as derivative liabilities and \$0.8 million of transaction costs associated with our loan modification during the second quarter of 2023.

Gain from discontinued operations, net of income taxes

	<u>Years Ended December 31,</u>		<u>\$</u>	<u>%</u>
	<u>2023</u>	<u>2022</u>	<u>Change</u>	<u>Change</u>
	(dollars in thousands)			
Gain from discontinued operations, net of income taxes	\$ —	\$ 707	\$ (707)	(100.0)%

On June 12, 2020, we completed the sale of 100% of our interests in Spaceflight, Inc. to M&Y Space Co., Ltd for a final purchase price of \$31.6 million. During the year ended December 31, 2022, the Company received an indemnification claim notice regarding certain collection and tax payments related to the Share Purchase Agreement among BlackSky Holdings, Inc., Spaceflight, Inc., and M&Y Space Co., Ltd. The parties agreed to the framework for a global settlement of such indemnification claims, to include a settlement payment by the Company of \$1.0 million and a holdback amount of \$0.1 million subject to M&Y Space Co.'s ability to collect against certain receivables. As a result, we reduced our existing contingent liability by \$0.7 million.

Non-GAAP Financial Measures

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

Adjusted EBITDA

Adjusted EBITDA is defined as net income or loss attributable to us before interest income, interest expense, income tax expense or benefit, depreciation and amortization, as well as significant non-cash and/or non-recurring expenses as our management believes these items are not useful in evaluating our core operating performance. These items include, but are not limited to stock-based compensation expense, unrealized (gain) loss on certain warrants/shares classified as derivative liabilities, severance, impairment losses, income on equity method investment, investment loss on short-term investments, transaction costs associated with debt and equity financings, forgiveness of non-trade receivables, and gain from discontinued operations, net of income taxes. We have presented Adjusted EBITDA because it is a key measure 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 Adjusted EBITDA provides additional information for investors to use in evaluating our ongoing operating results and trends. This non-GAAP measure provides investors with incremental information for the evaluation of our performance after isolation of certain items deemed unrelated to our core business operations.

Adjusted EBITDA is presented as a supplemental measure to our GAAP measures of performance. When evaluating Adjusted EBITDA, you should be aware that we may incur future expenses similar to those excluded when calculating this measure. In addition, our presentation of this measure 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, Adjusted EBITDA should not be considered in isolation, nor should this measure 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 Adjusted EBITDA below and not rely on any single financial measure to evaluate our performance.

The table below reconciles our net loss to Adjusted EBITDA for the years ended December 31, 2023 and 2022:

	Years Ended December 31,	
	2023	2022
	(in thousands)	
Net loss	\$ (53,859)	\$ (74,172)
Interest income	(2,063)	(1,116)
Interest expense	9,306	5,426
Income tax expense	673	—
Depreciation and amortization	43,431	35,661
Stock-based compensation expense	10,862	20,025
Gain on derivatives	(7,679)	(11,812)
Income on equity method investment	(4,165)	(2,087)
Transaction costs associated with debt and equity financings	1,738	—
Severance	590	1,196
Impairment losses	81	—
Investment loss on short-term investments	55	—
Proceeds from earn-out payment	—	(2,000)
Gain from discontinued operations, net of income taxes	—	(707)
Forgiveness of non-trade receivables	—	106
Adjusted EBITDA	<u>\$ (1,030)</u>	<u>\$ (29,480)</u>

Liquidity and Capital Resources

As of December 31, 2023, our existing sources of liquidity included cash and cash equivalents and short-term investments. Our cash and cash equivalents excluding restricted cash totaled \$32.8 million and \$34.2 million as of December 31, 2023 and 2022, respectively, and our short-term investments totaled \$19.7 million and \$38.0 million as of December 31, 2023 and 2022, respectively. We have incurred losses and generated negative cash flows from operations since our inception in September 2014. As of December 31, 2023, we had an accumulated deficit of \$599.0 million.

Our short-term liquidity as of December 31, 2023 was comprised of the following:

	(in thousands)	
Cash and cash equivalents	\$	32,815
Restricted cash		619
Short-term investments ⁽¹⁾		19,697
	<u>\$</u>	<u>53,131</u>

⁽¹⁾ Short-term investments are included in cash flows from investing activities in the consolidated statements of cash flows.

We expect cash and cash equivalents and cash generated from operating activities to be sufficient to meet our working capital and capital expenditure needs for the foreseeable future. Our future long-term capital requirements

will depend on many factors including our growth rate, customer demand for capacity, 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. We do not have a line of credit or access to immediate funds. However, an additional source of liquidity is our ability to offer and sell from time to time up to \$75.0 million of newly issued shares in open trading windows at market prices through a designated broker dealer pursuant to an at-the-market ("ATM") offering, of which we have sold \$5.0 million through December 31, 2023. 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.

In November 2023, the Company entered into a commercial agreement with a launch provider with financing terms providing for a \$3.0 million initial payment, and for \$27.0 million to be repaid quarterly on a pro-rata basis across a three-year period after each successful launch milestone, with payments to accrue interest at 12.6% per annum. We may prepay at any time until the maturity date without premium or penalty. Under certain circumstances, a default interest rate will apply on all outstanding and payable obligations during the existence of an event of default under the Loan Agreement at 18.9% per annum above the applicable interest rate. As of December 31, 2023, the Company has not drawn or accrued any interest on the agreement.

On May 9, 2023, we entered into the Second Amendment (the "Amendment") to our Amended and Restated Loan and Security Agreement with Intelsat Jackson Holdings SA and Seahawk SPV Investment LLC, dated October 31, 2019 and previously amended on September 9, 2021.

The Amendment amends the secured loan facility to, among other things: (i) extend the maturity date of the loan from October 31, 2024 to October 31, 2026, (ii) roll the cash interest payment due on May 1, 2023 into the outstanding principal to be paid on the maturity date; (iii) increase the interest rate on the loan as of the Amendment date from 9% to 12%, of which (x) 9.6% will be paid in kind as principal due on the maturity date, with the remainder paid as cash interest on a semi-annual basis, until May 1, 2025 and (y) after May 1, 2025, up to 4% can be paid in kind as principal due on the maturity date, with the remainder to be paid as cash interest on a semi-annual basis, and (iv) add certain financial covenants. As part of our new financial covenants, we are required to maintain a minimum cash and cash equivalents balance of not less than \$10.0 million, measured quarterly as of the last day of each fiscal quarter.

In addition, we are required to maintain Adjusted EBITDA, measured quarterly as of the last day of each fiscal quarter, of not less than:

- \$5.0 million for the trailing four quarter period ending as of December 31, 2024 through September 30, 2025 and
- \$10.0 million for the trailing four quarter period ending as of December 31, 2025 and as of the end of each fiscal quarter thereafter.

The Company was in compliance with all covenants as of December 31, 2023 and expects to remain in compliance with all covenants the next 12 months from the issuance of the financial statements. The Company was not subject to any financial covenants as of December 31, 2022. Please refer to the section entitled "Non-GAAP Financial Measures" for additional information on our definition of Adjusted EBITDA.

Funding Requirements

While our expenses may continue to exceed our revenues in the near term due to investments we are making in sales, marketing and products to increase our market share, this difference has declined as we progress to becoming operating cash flow positive. We expect to continue to incur capital expenditures as we procure and launch Gen-3 satellites, as well as our BlackSky Spectra software platform to significantly expand our product capabilities in the future.

Short-Term Liquidity Requirements

As of December 31, 2023, our current assets were \$79.3 million, consisting primarily of cash and cash equivalents, short-term investments, and contract assets.

As of December 31, 2023, our current liabilities were \$27.5 million, consisting primarily of accounts payable and accrued liabilities. Accordingly, we have sufficient cash and working capital to fund our short-term liquidity requirements.

Long-Term Liquidity Requirements

We anticipate that our most significant long-term liquidity and capital needs will relate to continued funding of operations, satellite development capital expenditures, launch capital expenditures, and ongoing investments in our Blacksky Spectra software platform and internal infrastructure that will enable us to continue to scale the business efficiently and securely. We can manage the timing for a large part of our capital expenditures, including the design, build, and launch of our new satellites currently under development, to provide us with additional flexibility to optimize our long-term liquidity requirements. Macroeconomic conditions and credit markets could also impact the availability and, or, the cost of potential future debt or equity financing.

Cash Flow Analysis

The following table provides a summary of cash flow data for the years ended December 31, 2023 and 2022. Our short-term liquidity at December 31, 2023 was \$53.1 million. Short-term investments of \$19.7 million are not classified as cash, cash equivalents, or restricted cash.

	Years Ended December 31,		\$ Change
	2023	2022	
	(in thousands)		
Net cash used in operating activities	\$ (17,421)	\$ (44,456)	\$ 27,035
Net cash used in investing activities ⁽¹⁾	(15,211)	(81,579)	66,368
Net cash provided by (used in) financing activities	29,050	(5,053)	34,103
Net decrease in cash, cash equivalents, and restricted cash	(3,582)	(131,088)	127,506
Cash, cash equivalents, and restricted cash – beginning of year	37,016	168,104	(131,088)
Cash, cash equivalents, and restricted cash – end of period	\$ 33,434	\$ 37,016	\$ (3,582)

⁽¹⁾ 2023 includes \$43.7 million of capital expenditures partially offset by net proceeds of \$19.0 million of short-term investments not categorized as cash, cash equivalents, or restricted cash

Operating activities

For the year ended December 31, 2023, net cash used in operating activities was \$17.4 million. The contributor to the significant decrease in cash used during the year ended December 31, 2023 as compared to the year ended December 31, 2022 was the decrease in the operating loss, adjusted for depreciation, amortization, stock-based compensation expense, gain on derivatives, and other non-cash items. The operating loss decrease in the year ended December 31, 2023 as compared to the year ended December 31, 2022 was primarily due to increased revenue and decreased cost of sales.

Investing activities

The decrease in net cash used in investing activities was primarily due to increased proceeds from the redemption and maturity of \$59.1 million of our short-term investments in corporate debt and governmental securities in addition to decreased purchases of these same type of investments of \$40.1 million during the year ended December 31, 2023, as compared to \$13.0 million of proceeds and \$50.3 million of purchases during the year

ended December 31, 2022. Additionally, we received proceeds of \$9.5 million from the sale of our investment in X-Bow in 2023.

We continue to have significant cash outflows for satellite procurement and launch related services and incur labor costs for internally developed capitalized software as we add innovative new services and tools to our Blacksky Spectra software platform; however, the total amount paid for capital expenditures decreased slightly year over year.

Financing activities

The most significant impact in the change in cash flows from financing activities in the year ended December 31, 2023 as compared to the year ended December 31, 2022 is the receipt of \$32.7 million in proceeds from our equity issuances, net of equity issuance costs, of which \$17.7 million was allocated to the liability-classified warrants in accordance with our accounting policy. Our equity issuances in the year ended December 31, 2023 included a private placement of 16.4 million shares at a purchase price of \$1.79 per share, which resulted in \$29.4 million in gross proceeds, as well as the sale of 3.5 million shares under our ATM offering program, which resulted in \$5.0 million in gross proceeds.

In addition, withholding tax payments on the vesting of RSUs decreased from \$5.1 million in the year ended December 31, 2022 to \$1.4 million in the year ended December 31, 2023. We also incurred \$0.9 million of transaction costs related to derivative liabilities and \$1.3 million of payments related to debt modification costs in the year ended December 31, 2023.

Contractual Obligations and Commitments

As of December 31, 2023, we had a debt facility from related parties with an outstanding principal amount of \$84.6 million, which matures in October 2026, and interest due to related parties of \$1.7 million, of which \$0.3 million was included in other current liabilities and \$1.4 million was included in other liabilities. Please see Note 20 for further information on this facility.

We have significant operational commitments with vendors for the development and production of our Gen-3 satellites over the next several years that contain termination for convenience options, subject to applicable termination fees. For example, we have work orders to manufacture our Gen-3 satellites at LeoStella, our satellite manufacturing joint venture. Our work orders with LeoStella and other manufacturing partners all contain termination for convenience options that allow us to manage the satellite production process from design through manufacturing. We also have minimum cash commitments for office leases and remote ground station service arrangements of \$13.8 million and \$2.2 million, respectively. In addition, we have approximately \$7.3 million of minimum cash commitments for an office space lease that has not yet commenced. The lease commenced in January 2024 with a lease term of 13 years. Please see Note 22 for further information.

During the year ended December 31, 2023, we entered into a commitment for non-refundable multi-launch and integration services. We also entered into a commercial agreement with financing terms providing for multiple satellite launches of which \$3.0 million is to be paid upfront, and \$27.0 million will be drawn down in equal portions per launch and will be repaid quarterly on a pro-rata basis across a three-year period after each successful launch milestone. Payments will accrue interest at 12.6% per annum. We may prepay at any time until the maturity date without premium or penalty. As of December 31, 2023, the minimum commitment associated with the agreement was \$8.4 million. Under certain circumstances, a default interest rate will apply on all outstanding and payable obligations during the existence of an event of default under the Loan Agreement at 18.9% per annum above the applicable interest rate. As of December 31, 2023, the Company has not drawn or accrued any interest on the agreement.

In addition to the above, we have entered into various non-refundable operational commitments for the next several years totaling \$6.6 million as of December 31, 2023.

Critical Accounting Estimates

The preparation of our consolidated financial statements and related notes requires management to make judgments, estimates, and assumptions that affect the reported amounts of assets, liabilities, revenue, and expenses. Management has based its estimates on historical experience and on various other assumptions that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions.

For a description of our significant accounting policies see Note 2—“Basis of Presentation and Summary of Significant Accounting Policies,” of the notes to the consolidated financial statements. An accounting policy is considered to be critical if it requires an accounting estimate to be made based on assumptions about matters that are highly uncertain at the time the estimate is made, and if different estimates that reasonably could have been used, or changes in the accounting estimates that are reasonably likely to occur periodically, could materially impact the consolidated financial statements. Management believes the following critical accounting policies reflect the more significant estimates and assumptions used in the preparation of our consolidated financial statements.

Revenue Recognition

The recognition and measurement of revenue requires the use of judgments and estimates. Specifically, judgment is used in interpreting complex arrangements with nonstandard terms and conditions and determining when all criteria for revenue recognition have been met.

We primarily generate revenue from the sale of imagery, data, software, and analytics, as well as, professional and engineering services.

Identifying the contract with the customer, identifying the performance obligations contained in a contract, determining transaction price, allocating transaction price, and determining when performance obligations are satisfied can require the application of significant judgment, as further discussed below.

Identifying the Contract with the Customer

We evidence approval of the contract with the customer with dual signatures or approved purchase orders that detail the rights of each party and define payment terms. We also consider the probability of collectability in our assessment, specifically the presence of any collectability issues as the significant majority of our customers are domestic or international governments.

Identifying the Performance Obligations in a Contract

We execute contracts for a single promise or multiple promises. Specifically, our firm fixed price contracts typically include multiple promises which may be accounted for as separate performance obligations if they are capable of being distinct and distinct within the context of the contract. Significant judgment is required in determining performance obligations, including if some of the customized services are highly-interrelated, and these decisions could change the amount of revenue and profit or loss recorded in each period.

Classification of Revenue

We classify revenue as imagery and software analytical services, and professional and engineering services in our consolidated statements of operations and comprehensive loss based on the predominant attributes of the performance obligations.

Determination of and Allocation of Transaction Price

Each customer contract sets forth the transaction price for the products and services purchased under the arrangement. The Company estimates any variable consideration, and whether the transaction price is constrained, upon execution of each contract. We may adjust the transaction price over time for any estimated constraints that become probable based on service level provisions within some of our customer purchase orders. For contracts with multiple performance obligations, we evaluate whether the stated selling prices for the products or services represent their standalone selling prices. When it is necessary to allocate the transaction price to multiple performance obligations, management uses the listed price for imagery and analytics subscriptions and the expected cost plus a reasonable profit margin to estimate the standalone selling price of each product or service, which is mostly professional services. In these situations, the observable standalone revenue transactions are used to determine the standalone selling price.

Determination of when Performance Obligations are Satisfied

Imagery and analytics revenue is recognized ratably over the subscription period based on the promise to continuously provide contractual satellite capacity for tasked imagery or software analytical services at the discretion of the customer. Professional and engineering services revenue is generated from time and materials basis contracts, firm-fixed price service solutions contracts and firm-fixed price long-term engineering and construction contracts. Due to the long-term nature of our engineering and construction contracts, we generally recognize revenue over time using a cost-to-complete measure of progress because it best depicts the transfer of control to the customer as we incur costs on the contracts. Under this measure of progress, 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(s). The estimation of total estimated costs at completion is subject to many variables and requires significant judgment. We recognize changes in the estimation of total costs at completion on a cumulative catch-up basis in the period in which the changes are identified. Such changes in 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. If at any time, the estimate of contract profitability indicates a probable anticipated loss on the contract, we recognize the total loss as and when known.

Equity Valuations

Equity valuations impact various amounts and accounting conclusions reflected in our consolidated financial statements, inclusive of the recognition of equity-based compensation and warrant valuations. The following

discussion provides additional details regarding the significant estimates, assumptions, and judgments that impacted the determination of the fair values of equity-based compensation awards, warrants, and the common stock that comprise our capital structure. The following discussion also explains why these estimates, assumptions, and judgments could be subject to uncertainties and future variability.

Equity-Based Compensation

We have equity and equity-based awards outstanding under our 2021 Equity Incentive Plan ("2021 Plan"), 2014 Equity Incentive Plan ("2014 Plan"), and Amended and Restated 2011 Equity Incentive Plan ("2011 Plan"). Awards issued include stock options, restricted stock awards ("RSAs"), and RSUs. In addition, the Company's eligible employees are able to participate in our 2021 Employee Stock Purchase Plan ("ESPP") pursuant to purchase right offerings that are established under the ESPP.

For purposes of recognizing equity-based compensation related to RSAs, RSUs, and stock options granted to employees and other service providers, management estimates the grant date fair values of such awards to measure the costs to be recognized as services are received. For awards with time-based vesting conditions, we recognize compensation costs based upon the straight-line amortization of the grant date fair value of the awards over the requisite service period. When equity-based compensation awards include a performance condition, no compensation is recognized until the performance condition is deemed probable to occur; we then recognize compensation costs based on the accelerated attribution method, which accounts for awards with discrete vesting dates as if they were a separate award.

Stock Option and Class A Common Stock Warrant Valuations

We use the Black-Scholes option-pricing model to value all options, including options under our ESPP, and Class A common stock warrants. Estimating the fair value of stock options using the Black-Scholes option-pricing model requires the application of significant assumptions, such as the estimated term of the options, risk-free interest rates, the expected volatility of the price of our Class A common stock, and an expected dividend yield. Each of these assumptions is subjective, requires significant judgment, and is based upon management's best estimates. If any of these assumptions were to change significantly in the future, equity-based compensation related to future awards may differ significantly, as compared with awards previously granted.

We have largely moved towards granting RSUs to the bulk of our employees, for which the grant date fair value is equal to the trading price fair value of our Class A common stock on the date of grant. For stock options, which are primarily granted to certain management employees, we use the following inputs under Black-Scholes as follows:

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. We historically have not paid, and currently have no plans to pay dividends on our Class A common stock and, accordingly, have assumed no dividend yield upon valuation of our stock options.

Expected Volatility—As there was no observable volatility with respect to Legacy BlackSky Class A common stock and due to the lack of sufficient history of BlackSky Class A common stock, the expected volatility of Legacy BlackSky and BlackSky Class A common stock was estimated based upon the historical share price volatility of guideline comparable 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—For options granted since 2021, as there is not a significant history of option exercises as a public company, we considered the option vesting terms and contractual period, as well as the demographics of the holders, in estimating the expected term. For options granted prior to 2021 when we were a private company, the expected term was the estimated duration to a liquidity event based on a weighted average consideration of the most likely exit prospects for that stage of development. We will continue to review our estimate in the future and adjust it, if necessary, due to changes in our historical exercises.

Private Placement Warrants and Sponsor Shares

We have classified the Private Placement Warrants issued in October 2019 and March 2023 and the Osprey pre-merger Class B common shares that were exchanged for shares of our Class A common stock (the "Sponsor Shares") as long-term liabilities in our consolidated balance sheets as of December 31, 2023 and December 31, 2022. The Private Placement Warrants issued in October 2019 and the Sponsor Shares were initially recorded at fair value on the date of the merger and the Private Placement Warrants issued in March 2023 were recorded at fair value on the date of issuance. The Private Placement Warrants were recorded at fair value using a Black-Scholes option pricing model and the Sponsor Shares were recorded at fair value using a Monte Carlo simulation model. These liabilities are re-measured to fair value at each subsequent reporting date and recorded to gain on derivatives in our consolidated statements of operations and comprehensive loss. We will continue to adjust the liability for changes in fair value until the financial instruments are exercised, redeemed, cancelled or released.

The fair value models require inputs including, but not limited to, the fair value of our Class A common stock, the risk-free interest rate, expected term, expected dividend yield and expected volatility. The fair value of our Class A common stock is the closing stock price on the NYSE as of the measurement date. The risk-free interest rate assumption is determined by using U.S. Treasury rates for the same period as the expected terms of the financial instruments. The dividend yield assumption is based on the dividends expected to be paid over the expected life of the financial instruments. We have historically been a private company and lacked sufficient company-specific historical and implied volatility information. Therefore, the expected stock volatility includes both our Class A common stock and public warrant historical volatility as well as the historical volatility of a publicly traded set of peer companies. Changes in these assumptions can materially affect the estimate of the fair value of these instruments and ultimately the change in fair value.

Goodwill Impairment

We assess goodwill for impairment at the reporting unit level, which is defined as an operating segment or one level below an operating segment. Goodwill is tested annually for impairment as of October 1st, or more frequently if events or circumstances indicate the carrying value may be impaired. A significant amount of judgement is involved in determining if an indicator of impairment has occurred. Such indicators may include (a) a significant decline in our common stock value; (b) a significant decline in our expected future cash flows; (c) a significant adverse change in legal factors or the business climate; (d) unanticipated competition; or (e) slower growth rates. We identify potential impairment by comparing the fair value of each of our reporting units with its carrying amount, including goodwill. If the carrying amount of a reporting unit exceeds its fair value, an impairment loss is recognized in an amount equal to that excess.

We performed an annual qualitative goodwill assessment over the balance of goodwill we held related to the BlackSky reporting unit as of October 1, 2023. We also determined that no triggering events occurred during the year ended December 31, 2023 that would require a quantitative assessment. We determined that it is more likely than not that the fair value of the BlackSky reporting unit sufficiently exceeds its carrying value, including goodwill. Although we have a history of recurring losses from operations, negative cash flows from operations, and a significant accumulated deficit, as of the October 1, 2023 analysis, the fair value was greater than 82% in excess of the carrying value for BlackSky. As of December 31, 2023, we believe that the estimated fair values of the BlackSky reporting unit is still in excess of its respective carrying value and therefore is not at-risk of being impaired.

Long Lived Asset Impairment

We evaluate long-lived assets, including finite-lived intangible assets, property and equipment, satellite procurement work in process and other long-term assets, for impairment whenever events or changes in circumstances indicate that the carrying amounts of the assets may not be fully recoverable. Significant judgments in this area involve determining whether a triggering event has occurred and determining the future cash flows for assets involved. In conducting this analysis, we compare the undiscounted cash flows expected to be generated from the long-lived assets (or asset group) to the related net book values. If the undiscounted cash flows exceed the net book value, the long-lived assets are considered not to be impaired. If the net book value exceeds the undiscounted

cash flows, an impairment charge is measured and recognized based upon the difference between the carrying value of long-lived assets (or asset group) and their fair value.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Not applicable.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

The information required by this item is set forth beginning on page 81 on this Annual Report on Form 10-K.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURES

None.

ITEM 9A. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

Disclosure controls are procedures that are designed with the objective of ensuring that information required to be disclosed in our reports filed under the Exchange Act, such as this Annual Report on Form 10-K, is recorded, processed, summarized, and reported within the time period specified in the SEC's rules and forms. Disclosure controls are also designed with the objective of reasonably ensuring that such information is accumulated and communicated to our management, including the chief executive officer and chief financial officer, as appropriate to allow timely decisions regarding required disclosure. Our management evaluated, with the participation of our Chief Executive Officer and Chief Financial Officer (our "Certifying Officers"), the effectiveness of our disclosure controls and procedures as of December 31, 2023, pursuant to Rule 13a-15(b) under the Exchange Act. Based upon that evaluation, our Certifying Officers concluded that, as of December 31, 2023, our disclosure controls and procedures were effective at a reasonable assurance level.

In designing and evaluating the disclosure controls and procedures, management recognized that controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives. Further, because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that misstatements due to error or fraud will not occur or that all control issues and instances of fraud, if any, within the Company will be detected.

Management's Report on Internal Control Over Financial Reporting

Our management, including our Chief Executive Officer and Chief Financial Officer, is responsible for establishing and maintaining adequate internal control over financial reporting, as defined in Rules 13a-15(f) and 15d-15(f) of the Exchange Act. Our internal control over financial reporting is a process designed under the supervision of the Company's Chief Executive Officer and Chief Financial Officer, and effected by the Company's board of directors, management, and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of our consolidated financial statements for external purposes in accordance with GAAP.

Because of its inherent limitations, internal control over financial reporting may not detect or prevent misstatements. Also, projections of any evaluation of the effectiveness to future periods are subject to risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

As of December 31, 2023, our management assessed the effectiveness of our internal control over financial reporting based on the criteria for effective internal control over financial reporting established in Internal Control - Integrated Framework, issued by the Committee of Sponsoring Organizations of the Treadway Commission in 2013. Based on the assessment, management believes that we maintained effective internal control over financial reporting as of December 31, 2023, based on those criteria.

Attestation Report of the Registered Public Accounting Firm

Our independent registered public accounting firm is not required to formally attest to the effectiveness of our internal control over financial reporting for as long as we are an "emerging growth company" pursuant to the provisions of the JOBS Act.

Changes in Internal Control Over Financial Reporting

There was no change in our internal control over financial reporting, (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during the quarter ended December 31, 2023 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

ITEM 9B. OTHER INFORMATION

During the three months ended December 31, 2023, none of our directors or officers adopted or terminated a “Rule 10b5-1 trading arrangement” or a “non-Rule 10b5-1 trading arrangement” (each as defined in Item 408 of Regulation S-K).

ITEM 9C. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS

None.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

We will provide information that is responsive to this Item 10 in our definitive proxy statement for our 2024 Annual Meeting of Stockholders or in an amendment to this Annual Report on Form 10-K not later than 120 days after December 31, 2023. Such information is incorporated into this Item 10 by reference.

ITEM 11. EXECUTIVE COMPENSATION

We will provide information that is responsive to this Item 11 in our definitive proxy statement for our 2024 Annual Meeting of Stockholders or in an amendment to this Annual Report on Form 10-K not later than 120 days after December 31, 2023. Such information is incorporated into this Item 11 by reference.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

We will provide information that is responsive to this Item 12 in our definitive proxy statement for our 2024 Annual Meeting of Stockholders or in an amendment to this Annual Report on Form 10-K not later than 120 days after December 31, 2023. Such information is incorporated into this Item 12 by reference.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

We will provide information that is responsive to this Item 13 in our definitive proxy statement for our 2024 Annual Meeting of Stockholders or in an amendment to this Annual Report on Form 10-K not later than 120 days after December 31, 2023. Such information is incorporated into this Item 13 by reference.

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

Information about aggregate fees billed to us by our principal accountant, Deloitte & Touche LLP (PCAOB ID No. 34) will be presented in our definitive proxy statement for our 2024 Annual Meeting of Stockholders or in an amendment to this Annual Report on Form 10-K not later than 120 days after December 31, 2023. Such information is incorporated into this Item 14 by reference.

PART IV

ITEM 15. EXHIBIT AND FINANCIAL STATEMENT SCHEDULES

1. and 2. Financial Statements and Financial Statement Schedules

The consolidated financial statements and financial statement schedules of BlackSky required by Part II, Item 8, are included in Part IV of this report. See Index to Consolidated Financial Statements and Financial Statement Schedules beginning on Page 81.

3. Exhibits

The documents listed below are incorporated by reference or are filed with this report, in each case as indicated therein.

Exhibit No.	Exhibit Description	Form	SEC File No.	Exhibit No.	Filing Date	Filed or Furnished Herewith
2.1†	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.	424(b)(3)	333-256103	Annex A	August 11, 2021	
3.1	Amended and Restated Certificate of Incorporation of the Company.	8-K	001-39113	3.1	September 15, 2021	
3.2	Amended and Restated Bylaws of the Company.	8-K	001-39113	3.2	September 15, 2021	
4.1	Specimen Common Stock Certificate	S-3	333-267889	4.1	October 14, 2022	
4.2	Form of Indenture	S-3	333-267889	4.3	October 14, 2022	
4.3	Specimen Warrant Certificate	S-1	333-234180	4.3	October 11, 2019	
4.4	Warrant Agreement, dated October 31, 2019, between Continental Stock Transfer & Trust Company and Osprey Technology Acquisition Corp.	8-K	001-39113	4.1	November 5, 2019	
4.5	Description of Securities	10-K	001-39113	4.5	March 23, 2023	
4.6	Form of Warrant	8-K	001-39113	4.1	March 9, 2023	
10.1+	BlackSky Technology Inc. 2021 Equity Incentive Plan.	424(b)(3)	333-256103	Annex E	August 11, 2021	
10.2+	BlackSky Technology Inc. 2021 Employee Stock Purchase Plan.	424(b)(3)	333-256103	Annex F	August 11, 2021	
10.3+	BlackSky Technology Inc. Outside Director Compensation Policy.	8-K	001-39113	10.13	September 15, 2021	
10.4+	BlackSky Technology Inc. Form of Indemnification Agreement.	8-K	001-39113	10.4	September 15, 2021	
10.5	Right of First Offer Agreement, dated as of October 31, 2019, by and between Spaceflight Industries, Inc. and Intelsat Jackson Holdings, S.A.	S-4	333-256103	10.10	May 13, 2021	
10.6	Sponsor Support Agreement, dated as of February 17, 2021 by and among BlackSky Holdings, Inc., Osprey Sponsor II, LLC, and Osprey Technology Acquisition Corp.	8-K/A	001-39113	10.3	February 22, 2021	
10.7	Form of Registration Rights Agreement	8-K	001-39113	10.5	February 22, 2021	
10.8	Form of Subscription Agreement	8-K	001-39113	10.1	February 22, 2021	
10.9+	Offer Letter from BlackSky Holdings Inc. to Brian O'Toole, dated August 18, 2021.	8-K	001-39113	10.1	August 18, 2021	
10.10+	Offer Letter from BlackSky Holdings Inc. to Henry Dubois, dated August 18, 2021.	8-K	001-39113	10.3	August 18, 2021	
10.11+	Amendment to Offer Letter from BlackSky Holdings Inc. to Henry Dubois, dated June 10, 2022.	10-Q	001-39113	10.2	August 10, 2022	
10.12+	Offer Letter from BlackSky Holdings Inc. to Chris Lin, dated August 18, 2021.	8-K	001-39113	10.4	August 18, 2021	

Exhibit No.	Exhibit Description	Form	SEC File No.	Exhibit No.	Filing Date	Filed or Furnished Herewith
10.13	Amended and Restated Loan and Security Agreement, dated October 31, 2019, by and between Intelsat Jackson Holdings SA, Seahawk SPV Investment LLC, Spaceflight Industries, Inc. and its subsidiaries.	S-4/A	333-256103	10.17	June 25, 2021	
10.14	Satellite Program Contract, dated March 12, 2018, by and between LeoStella LLC and BlackSky Global LLC	S-4/A	333-256103	10.18	June 25, 2021	
10.15	Amendment No. 1 to Satellite Program Contract, dated February 20, 2019, by and between LeoStella LLC and BlackSky Global LLC	S-4/A	333-256103	10.19	June 25, 2021	
10.16	Amendment No. 2 to Satellite Program Contract, dated May 27, 2020, by and between LeoStella LLC and BlackSky Global LLC	S-4/A	333-256103	10.20	June 25, 2021	
10.17	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.	8-K	001-39113	10.5	September 15, 2021	
10.18	Second Amendment to Amended and Restated Loan and Security Agreement, dated as of May 9, 2023 by and among BlackSky Technology Inc. and the subsidiaries named therein, Intelsat Jackson Holdings SA and Seahawk SPV Investment LLC	10-Q	001-39113	10.3	May 10, 2023	
10.19	BlackSky HO Lease Agreement, dated February 28, 2019, by and between Northridge Office Building LLC and Spaceflight Industries, Inc.	S-1	333-260458	10.25	October 25, 2021	
10.20	BlackSky HO Lease Agreement, dated November 20, 2023, by and between 2411 Dulles Corner Metro Owner LLC and BlackSky Holdings, Inc.					X
10.21+	BlackSky Technology Inc. Executive Change in Control and Severance Plan, adopted August 16, 2021, and form of participation agreement attached as appendix A.	8-K	001-39113	10.6	August 18, 2021	
10.22+	Form of Stock Option Agreement under the BlackSky 2021 Equity Incentive Plan	S-8	333-261778	4.4	December 20, 2021	
10.23+	Form of Restricted Stock Unit Agreement under the BlackSky 2021 Equity Incentive Plan	S-8	333-261778	4.5	December 20, 2021	
10.24+	Form of Stock Appreciation Right Agreement under the BlackSky 2021 Equity Incentive Plan	S-8	333-261778	4.7	December 20, 2021	
10.25+	2014 Equity Incentive Plan	S-8	333-261778	4.8	December 20, 2021	
10.26+	Spaceflight, Inc. Amended and Restated 2011 Equity Incentive Plan Assumed by Spaceflight Industries and forms of agreements thereunder	S-8	333-261778	4.9	December 20, 2021	
10.27+	Form of Restricted Stock Award Agreement	S-8	333-261778	4.6	December 20, 2021	
10.28+	Form of Restricted Stock Unit Agreement under the BlackSky 2014 Equity Incentive Plan	S-8	333-261778	4.4	March 4, 2022	
10.29+	2022 Executive Incentive Compensation Plan	10-K	001-39113	10.34	March 31, 2022	
10.30†	NRO Contract, dated May 23, 2022, by and between the National Reconnaissance Office and BlackSky Technology Inc.	10-Q	001-39113	10.1	August 10, 2022	
10.31	Open Market Sale Agreement, dated December 15, 2022, by and between BlackSky Technology Inc. and Jefferies LLC	8-K	001-39113	1.1	December 15, 2022	
10.32	Form of Registration Rights Agreement, dated as of March 6, 2023 by and among the Company and the Investors	8-K	001-39113	10.2	March 9, 2023	
10.33†**	Production Work Order 003, dated November 13, 2023, by and between BlackSky Global LLC and LeoStella LLC					X

Exhibit No.	Exhibit Description	Form	SEC File No.	Exhibit No.	Filing Date	Filed or Furnished Herewith
10.34†**	Subordinated Loan and Security Agreement, dated November 3, 2023, by and between BlackSky Technology Inc. and the subsidiaries named therein and Rocket Lab USA, Inc.					X
21.1	List of Subsidiaries					X
23.1	Consent of Deloitte & Touche LLP, independent registered public accounting firm of BlackSky Technology Inc.					X
24.1	Power of Attorney (included in signature pages hereto)					X
31.1	Certification of the Company's Chief Executive Officer, Brian O'Toole, pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.					X
31.2	Certification of the Company's Chief Financial Officer, Henry Dubois, pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.					X
32.1*	Certification of the Company's Chief Executive Officer, Brian O'Toole, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.					X
32.2*	Certification of the Company's Chief Financial Officer, Henry Dubois, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.					X
97.1	Compensation Recovery Policy					X
101.INS	Inline XBRL Instance Document					X
101.SCH	Inline XBRL Taxonomy Extension Schema Document					X
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document					X
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document					X
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document					X
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document					X
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)					X

+ Indicates management contract or compensatory plan.

† Certain portions of this exhibit have been omitted in accordance with Regulation S-K Item 601. The Registrant agrees to furnish an unredacted copy of the exhibit to the SEC upon request.

* The certifications attached as Exhibit 32.1 and 32.2 that accompany this Annual Report on Form 10-K are not deemed filed with the Securities and Exchange Commission and are not to be incorporated by reference into any filing of the Registrant under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, whether made before or after the date of this Annual Report on Form 10-K, irrespective of any general incorporation language contained in such filing.

** Certain schedules to this exhibit have been omitted pursuant to Item 601(a)(5) of Regulation S-K. A copy of any omitted schedule will be furnished supplementally to the SEC upon request; provided, however, that the parties may request confidential treatment pursuant to Rule 24b-2 of the Securities Exchange Act of 1934, as amended, for any document so furnished.

ITEM 16. FORM 10-K SUMMARY

None.

ITEM 16A. SIGNATURES

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

March 19, 2024

BlackSky Technology Inc.

By: /s/ Brian E. O'Toole
Brian E. O'Toole
Chief Executive Officer and Director
(Principal Executive Officer)

By: /s/ Henry Dubois
Henry Dubois
Chief Financial Officer
(Principal Financial Officer)

By: /s/ Tracy Ward
Tracy Ward
Senior Vice President and Controller
(Principal Accounting Officer)

POWER OF ATTORNEY

Each person whose signature appears below constitutes and appoints Brian O'Toole, Henry Dubois, and Tracy Ward, and each one of them, as his or her true and lawful attorney-in-fact and agent with full power of substitution and resubstitution, for such individual in any and all capacities, to sign any and all amendments to this Annual Report on Form 10-K, and to file the same, with all exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in connection therewith, as fully for all intents and purposes as he or she might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, or any of them, or the individual's substitute, may lawfully do or cause to be done by virtue thereof.

Pursuant to the requirements of the Securities Exchange Act of 1934, this Annual Report on Form 10-K has been signed by the following persons in the capacities and on the dates indicated on behalf of the registrant.

Signature	Title	Date
<u>/s/ Brian E. O'Toole</u> Brian O'Toole	Chief Executive Officer, President and Director (Principal Executive Officer)	March 19, 2024
<u>/s/ Henry Dubois</u> Henry Dubois	Chief Financial Officer (Principal Financial Officer)	March 19, 2024
<u>/s/ Tracy Ward</u> Tracy Ward	Senior Vice President and Controller (Principal Accounting Officer)	March 19, 2024
<u>/s/ Magid Abraham</u> Magid Abraham	Director	March 19, 2024
<u>/s/ David DiDomenico</u> David DiDomenico	Director	March 19, 2024
<u>/s/ Susan Gordon</u> Susan Gordon	Director	March 19, 2024
<u>/s/ Timothy Harvey</u> Timothy Harvey	Director	March 19, 2024
<u>/s/ William Porteous</u> William Porteous	Director	March 19, 2024
<u>/s/ James Tolonen</u> James Tolonen	Director	March 19, 2024

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the shareholders and the Board of Directors of BlackSky Technology Inc.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of BlackSky Technology Inc. (the "Company") as of December 31, 2023 and 2022, the related consolidated statements of operations and comprehensive loss, changes in stockholders' equity, and cash flows, for each of the two years in the period ended December 31, 2023, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2023 and 2022, and the results of its operations and its cash flows for each of the two years in the period ended December 31, 2023, in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ Deloitte & Touche LLP

McLean, VA
March 19, 2024
We have served as the Company's auditor since 2015.

PART I. FINANCIAL INFORMATION
ITEM 1. FINANCIAL STATEMENTS

BLACKSKY TECHNOLOGY INC.
CONSOLIDATED BALANCE SHEETS
(in thousands, except par value)

	December 31, 2023	December 31, 2022
Assets		
Current assets:		
Cash and cash equivalents	\$ 32,815	\$ 34,181
Restricted cash	619	2,835
Short-term investments	19,697	37,982
Accounts receivable, net of allowance of \$ 51 and \$ 0, respectively	7,071	3,112
Prepaid expenses and other current assets	3,916	4,713
Contract assets	15,213	5,706
Total current assets	79,331	88,529
Property and equipment - net	67,116	71,584
Operating lease right of use assets - net	1,630	3,586
Goodwill	9,393	9,393
Investment in equity method investees	—	5,285
Intangible assets - net	1,357	1,918
Satellite procurement work in process	55,976	50,954
Other assets	9,263	2,841
Total assets	\$ 224,066	\$ 234,090
Liabilities and stockholders' equity		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 11,573	\$ 14,368
Amounts payable to equity method investees	10,843	3,728
Contract liabilities - current	3,670	6,783
Other current liabilities	1,405	2,048
Total current liabilities	27,491	26,927
Operating lease liabilities	3,041	3,132
Derivative liabilities	15,149	5,113
Long-term debt	83,502	76,219
Other liabilities	1,724	825
Total liabilities	130,907	112,216
Commitments and contingencies (Note 22)		
Stockholders' equity:		
Class A common stock, \$0.0001 par value-authorized,300,000 shares; issued, 145,232 and 121,938 shares; outstanding, 142,837 shares and 119,508 shares as of December 31, 2023 and 2022, respectively.	14	12
Additional paid-in capital	692,115	666,973
Accumulated deficit	(598,970)	(545,111)
Total stockholders' equity	93,159	121,874
Total liabilities and stockholders' equity	\$ 224,066	\$ 234,090

See notes to consolidated financial statements

BLACKSKY TECHNOLOGY INC.
CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
(in thousands, except per share amounts)

	Years Ended December 31,	
	2023	2022
Revenue		
Imagery & software analytical services	\$ 65,391	\$ 47,415
Professional & engineering services	29,101	17,935
Total revenue	94,492	65,350
Costs and expenses		
Imagery & software analytical service costs, excluding depreciation and amortization	13,793	14,462
Professional & engineering service costs, excluding depreciation and amortization	19,988	21,365
Selling, general and administrative	72,617	79,672
Research and development	643	739
Depreciation and amortization	43,431	35,661
Operating loss	(55,980)	(86,549)
Gain on derivatives	7,679	11,812
Income on equity method investments	4,165	2,087
Interest income	2,063	1,116
Interest expense	(9,306)	(5,426)
Other (expense) income, net	(1,807)	2,081
Loss before income taxes	(53,186)	(74,879)
Income tax expense	(673)	—
Loss from continuing operations	(53,859)	(74,879)
Discontinued operations:		
Gain from discontinued operations	—	707
Income tax (expense) benefit	—	—
Gain from discontinued operations, net of income taxes	—	707
Net loss	(53,859)	(74,172)
Other comprehensive income	—	—
Total comprehensive loss	\$ (53,859)	\$ (74,172)
Basic and diluted loss per share of common stock:		
Loss from continuing operations	\$ (0.40)	\$ (0.64)
Gain from discontinued operations, net of income taxes	—	0.01
Net loss per share of common stock	\$ (0.40)	\$ (0.63)

See notes to consolidated financial statements

BLACKSKY TECHNOLOGY INC.
CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
(in thousands)

	Year Ended December 31, 2023				
	Common Stock		Additional Paid-In	Accumulated	Total Stockholders'
	Shares	Amount	Capital	Deficit	Equity
Balance as of January 1, 2023	119,508	\$ 12	\$ 666,973	\$ (545,111)	\$ 121,874
Stock-based compensation	—	—	11,571	—	11,571
Issuance of common stock upon exercise of stock options	407	—	10	—	10
Issuance of common stock upon vesting of restricted stock awards	34	—	—	—	—
Issuance of common stock upon vesting of restricted stock units	4,029	—	—	—	—
Issuance of common stock, net of equity issuance costs	19,866	2	14,971	—	14,973
Withholding of stock units to satisfy tax withholding obligations upon the vesting of restricted stock units and exercise of stock options	(1,007)	—	(1,410)	—	(1,410)
Net loss	—	—	—	(53,859)	(53,859)
Balance as of December 31, 2023	<u>142,837</u>	<u>\$ 14</u>	<u>\$ 692,115</u>	<u>\$ (598,970)</u>	<u>\$ 93,159</u>

	Year Ended December 31, 2022				
	Common Stock		Additional Paid-In	Accumulated	Total Stockholders'
	Shares	Amount	Capital	Deficit	Equity
Balance as of January 1, 2022	114,452	\$ 11	\$ 650,518	\$ (470,909)	\$ 179,620
Stock-based compensation	—	—	21,477	—	21,477
Issuance of common stock upon exercise of stock options	709	—	47	—	47
Issuance of common stock upon vesting of restricted stock awards	200	—	—	—	—
Issuance of common stock upon vesting of restricted stock units	6,728	1	—	—	1
Withholding of stock units to satisfy tax withholding obligations upon the vesting of restricted stock units and exercise of stock options	(2,566)	—	(5,069)	—	(5,069)
Repurchase and retirement of common stock	(15)	—	—	(30)	(30)
Net loss	—	—	—	(74,172)	(74,172)
Balance as of December 31, 2022	<u>119,508</u>	<u>\$ 12</u>	<u>\$ 666,973</u>	<u>\$ (545,111)</u>	<u>\$ 121,874</u>

See notes to consolidated financial statements

BLACKSKY TECHNOLOGY INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)

	Years Ended December 31,	
	2023	2022
Cash flows from operating activities:		
Net loss	\$ (53,859)	\$ (74,172)
Gain from discontinued operations, net of income taxes	—	707
Loss from continuing operations	(53,859)	(74,879)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization expense	43,431	35,661
Transfer of satellite procurement work in process to engineering service costs	4,854	—
Operating lease right of use assets amortization	883	1,640
Bad debt expense (recovery)	179	(22)
Stock-based compensation expense	10,862	20,025
Income on equity method investment	(4,165)	(2,087)
Loss on disposal of property and equipment	127	—
Loss on impairment of assets	81	—
Gain on derivatives	(7,679)	(11,812)
Amortization of debt issuance costs and non-cash interest expense	7,967	1,805
Non-cash interest income	(796)	(656)
Other, net	—	106
Changes in operating assets and liabilities:		
Accounts receivable	(4,137)	(461)
Contract assets - current and long-term	(16,299)	(5,996)
Prepaid expenses and other current assets	1,118	1,413
Other assets	1,328	(12)
Accounts payable and accrued liabilities	3,316	(74)
Other current liabilities	(1,041)	(1,180)
Contract liabilities - current and long-term	(3,053)	(4,942)
Other liabilities	(538)	(2,985)
Net cash used in operating activities	(17,421)	(44,456)
Cash flows from investing activities:		
Purchase of property and equipment	(15,274)	(11,677)
Satellite procurement work in process	(28,441)	(32,385)
Purchases of short-term investments	(40,078)	(50,343)
Proceeds from maturities of short-term investments	59,110	13,000
Proceeds from sale of equity method investment	9,450	—
Proceeds from sale of property and equipment	22	—
Distributions from equity method investment	—	804
Cash flows used in investing activities - continuing operations	(15,211)	(80,601)
Cash flows used in investing activities - discontinued operations	—	(978)
Net cash used in investing activities	(15,211)	(81,579)
Cash flows from financing activities:		
Proceeds from equity issuances, net of equity issuance costs	32,733	—
Proceeds from options exercised	10	47
Withholding tax payments on vesting of restricted stock units	(1,410)	(5,069)
Payments of transaction costs for debt modification	(1,311)	—
Payments of transaction costs related to derivative liabilities	(905)	—
Payments for deferred financing costs	(67)	—
Payments for deferred offering costs	—	(31)
Net cash provided by (used in) financing activities	29,050	(5,053)
Net decrease in cash, cash equivalents, and restricted cash	(3,582)	(131,088)
Cash, cash equivalents, and restricted cash – beginning of year	37,016	168,104
Cash, cash equivalents, and restricted cash – end of year	\$ 33,434	\$ 37,016

See notes to consolidated financial statements

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

	December 31,	
	2023	2022
Cash and cash equivalents	\$ 32,815	\$ 34,181
Restricted cash	619	2,835
Total cash, cash equivalents, and restricted cash	<u>\$ 33,434</u>	<u>\$ 37,016</u>

	Years Ended December 31,	
	2023	2022
(in thousands)		
Supplemental disclosures of cash flow information:		
Cash paid for interest	\$ 989	\$ 5
Cash paid for income taxes	460	—
Supplemental disclosures of non-cash financing and investing information:		
Property and equipment additions accrued but not yet paid	\$ 10,420	\$ 6,455
Increase of debt principal for paid-in-kind interest	7,446	3,006
Transfer of satellite procurement work in process to engineering service costs	4,854	—
Accretion of short-term investments' discounts and premiums	777	640
Capitalized stock-based compensation	709	1,470
Capitalized interest for property and equipment placed into service	220	220
Credits from LeoStella applied to satellite procurement costs	125	—
Satellite procurement costs included in settlement with LeoStella	36	—
Equity issuance costs accrued but not yet paid	13	491
Deferred financing costs accrued but not yet paid	4	—
Repurchase and retirement of common stock	—	30

See notes to consolidated financial statements

BLACKSKY TECHNOLOGY INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2023

1. Organization and Business

BlackSky Technology Inc. (“BlackSky” or the “Company”), headquartered in Herndon, Virginia, is a space-based intelligence company that delivers real-time imagery, analytics and high-frequency monitoring. The Company owns and operates an advanced purpose-built commercial, real-time intelligence system that combines the power of the BlackSky Spectra tasking and analytics software platform and the Company’s proprietary high-resolution low earth orbit (“LEO”) small satellite constellation. The constellation is optimized to cost-efficiently capture imagery at high revisit rates where and when customers need it. The BlackSky Spectra software platform processes millions of observations a day by integrating data from the Company’s proprietary satellite constellation and from other third-party sensors such as synthetic aperture radar and radio frequency satellites, millions of GPS-enabled terrestrial data sources and Internet of Things (“IoT”) connected devices. Blacksky Spectra applies advanced, proprietary artificial intelligence (“AI”) and machine learning (“ML”) techniques to process, analyze, and transform these raw feeds into actionable intelligence via alerts, information, and insights. Customers can access Blacksky Spectra’s data and analytics through easy-to-use web services or through platform application programming interfaces.

BlackSky has two primary operating subsidiaries, BlackSky Global LLC and BlackSky Geospatial Solutions, Inc. The Company also owns fifty percent of LeoStella LLC (“LeoStella”), its joint venture with Thales Alenia Space US Investment LLC (“Thales”). LeoStella is a vertically-integrated small satellite design and manufacturer based in Tukwila, Washington, from which the Company procures satellites to operate its business. The Company accounts for LeoStella as an equity method investment.

The Company’s equity issuances during the year ended December 31, 2023 included a private placement and an at-the-market (“ATM”) offering. In March 2023, the Company completed the private placement of 16.4 million shares of the Company’s Class A common stock and an equal number of corresponding warrants, for a purchase price of \$1.79 per share and associated warrant. The Company received \$29.4 million in gross proceeds from the private placement. The Company also sold 3.5 million common shares in its ATM offering, at an average purchase price per share of \$1.45, resulting in gross proceeds of \$5.0 million. The transaction costs for these equity issuances consisted of legal fees, accounting fees, placement agent fees, and other third-party costs directly related to the equity issuances. During the year ended December 31, 2023, \$1.8 million of transaction costs that had been incurred were recorded as a reduction to additional paid-in capital in the consolidated statements of changes in stockholders’ equity and consolidated balance sheets, and as a reduction to the proceeds from the transaction in the consolidated statements of cash flows.

On May 9, 2023, BlackSky and its subsidiaries entered into the Second Amendment (the “Amendment”) to its Amended and Restated Loan and Security Agreement with Intelsat Jackson Holdings SA (“Intelsat”) and Seahawk SPV Investment LLC (“Seahawk”), dated October 31, 2019 and previously amended on September 9, 2021. The Amendment amended the secured loan facility to, among other things, extend the maturity date of the loan, roll the cash interest payment due on May 1, 2023 into the outstanding principal to be paid on the maturity date, and increase the interest rate. See Note 13 for more information regarding the Amendment.

2. Basis of Presentation and Summary of Significant Accounting Policies

Basis of Preparation

The Company has prepared its consolidated financial statements in accordance with Generally Accepted Accounting Principles in the United States of America ("GAAP") and the instructions to Form 10-K and Article 8 of Regulation S-X of the Securities and Exchange Commission (the "SEC"). The accompanying consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries. In addition, the consolidated financial statements include the Company's proportionate share of the earnings or losses of its equity method investments 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 consolidated financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities, including derivative financial instruments, which are stated at fair value. Unless otherwise indicated, amounts presented in the Notes pertain to the Company's continuing operations.

Emerging Growth Company

The Company is an emerging growth company ("EGC"), as defined in the Jumpstart Our Business Startups Act of 2012 (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 defer the adoption of 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 for by 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 certain 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 the requirement in Public Company Accounting Oversight Board Auditing Standard 3101, The Auditor's Report on an Audit of Financial Statements When the Auditor Expresses an Unqualified Opinion, to communicate critical audit matters in the auditor's report; (iv) comply with any new audit rules adopted by the PCAOB after April 5, 2012 unless the SEC determines otherwise, and (v) 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.

Use of Estimates

The preparation of the consolidated financial statements 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 revenue 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 these estimates. Significant estimates made by the Company include, but are not limited 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, the incremental borrowing rate to measure the operating lease right of use assets, and stock-based compensation.

Segment Information

The Company's Chief Operating Decision Maker (as defined under GAAP), who is the Company's Chief Executive Officer, 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. This segment, which comprises the continuing 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 operation of satellite and ground systems to government and commercial customers.

Cash and Cash Equivalents

Cash and cash equivalents are comprised of cash in banks and highly liquid investments with original maturities of three months or less.

Restricted Cash

The Company classifies cash as restricted when the cash is unavailable for withdrawal or usage for general operations. Restricted cash represents certificates of deposits held by a bank as a compensating balance for letters of credit that facilitate certain contracts with customers and cash collateral for leasing arrangements.

Accounts Receivable - net

Accounts receivable are customer obligations due to the Company under normal trade terms. The majority of the Company's sales are with domestic and international government and agencies, which limits uncollectible accounts receivable. The Company performs continuing credit evaluations on each customer's financial condition and reviews accounts receivable on a periodic basis to determine if any accounts receivable will potentially be uncollectible. The Company reserves for any accounts receivable balances that are determined to be uncollectible in the allowance for doubtful accounts. After all attempts to collect an accounts receivable balance have failed, the accounts receivable balance is written off against the allowance for doubtful accounts. The Company assessed all existing accounts receivable and recorded an allowance for doubtful accounts of \$151 thousand and \$0 as of December 31, 2023 and 2022, respectively.

Prepaid Expenses and Other Current Assets

Prepaid expenses are advance payments made in the ordinary course of business and are amortized on a straight-line basis over the period of benefit. Other current assets consist primarily of non-trade receivables and short-term deposits.

Investments

The Company invests in short-term investments, which generally consist of A-1, or higher, rated corporate debt and governmental securities. The investments are classified as held-to-maturity and have a stated maturity date of one year or less from the balance sheet date. Any investments with original maturities less than three months are considered cash equivalents.

As of December 31, 2023 and 2022, the Company's short-term investments had a carrying value of \$19.7 million and \$38.0 million, respectively, which represents amortized cost, and an aggregate fair value of \$19.7 million and \$37.9 million, respectively, which represents a Level 1 measurement based off of the fair value hierarchy. The gross unrecognized holding gains as of December 31, 2023 and 2022 were \$6 thousand and \$0, respectively; the gross unrecognized holding losses as of December 31, 2023 and 2022 were \$0 and \$134 thousand, respectively.

Property and Equipment - net

Property and equipment are stated at cost, less accumulated depreciation. Depreciation expense is recognized in the consolidated statements of operations and comprehensive loss on a straight-line basis over the estimated useful life of the related asset to its residual value.

The estimated useful lives are as follows:

	Estimated useful lives (years)
Satellites	3
Computer equipment and software	3
Site and other equipment	3 - 5
Office furniture and fixtures	5
Capitalized software	3
Leasehold improvements	shorter of useful life or remaining lease term

Capitalized satellite costs include material costs, labor costs incurred from the start of the pre-acquisition stage through the construction stage, insurance, and the costs incurred to launch the satellite into orbit for its intended use. Labor costs incurred prior to and after the pre-acquisition and construction stages are charged to expense. Once the satellite has reached orbit and makes contact with the Company's network, the Company commences depreciation. The designated useful life of the Company's satellites is estimated to be three years, and depreciation is recognized using the straight-line method. Subsequent to launch, the Company's satellites must meet certain performance and operational criteria to be deemed commercially viable. If the criteria are not met, the Company assesses the satellite for impairment.

The Company capitalizes internal and external costs incurred to develop and implement internal-use software, which consist primarily of costs related to design, coding, and testing. Internal costs include salaries and allocations of fringe and stock-based compensation. When the software is ready for its intended use, capitalization ceases and such costs are amortized on a straight-line basis over the estimated life to either depreciation or cost of sales depending on the nature of the software. Costs incurred prior to and after the application development stage are charged to expense. We regularly review our capitalized software projects for impairment.

Leases

The Company leases office space under various non-cancellable operating leases with varying lease expiration dates through 2033. Several leases contain renewal options and termination options that were not reasonably certain to be exercised upon inception of the lease and are not included in the lease expiration dates. We determine whether a contract is or contains a lease and whether the lease should be classified as an operating or finance lease at contract inception.

The Company determines if an arrangement is a lease at inception of the contract. Operating leases are included in operating lease right-of-use ("ROU") assets, current portion of operating lease liabilities, and long-term operating lease liabilities in the consolidated balance sheets.

ROU assets represent the Company's right to use underlying assets for the lease term, and lease liabilities represent the Company's obligation to make lease payments arising from the leases. ROU assets and lease liabilities are recognized at the commencement date based on the present value of lease payments over the lease term. The Company uses the implicit rate when readily determinable. For leases where the rate is not determinable, the Company determines the incremental borrowing rate. We do not recognize a ROU asset and a lease liability for leases with an initial term of 12 months or less; we recognize lease expense for these leases on a straight-line basis over the lease term. Many of the Company's lease agreements contain incentives for tenant improvements. For tenant improvement incentives received, if the incentive is determined to be a leasehold

improvement owned by the lessee, the Company generally records the incentives as a reduction to the ROU asset, which reduces rent expense over the lease term. For these lease incentives, the Company uses the date of initial possession as the commencement date, which is generally when the Company is given the right of access to the space and begins to make improvements in preparation for intended use. Many of the Company's lease arrangements contain multiple lease components, such as fixed rent payments and non-lease components, such as common-area maintenance ("CAM") costs. The Company elected not to separate the lease and non-lease components for new and modified leases executed after the adoption date. The Company's variable lease expense primarily consists of CAM expenses paid directly to lessors of real estate leases. Finance leases are not material to our consolidated financial statements and the Company is not a lessor in any material arrangements. We do not have any material restrictions or covenants in our lease agreements, sale-leaseback transactions, land easements or residual value guarantees.

Goodwill, Intangible Assets - net, and Other Long-Lived Assets

Goodwill

Goodwill represents the excess of purchase price over the fair value of the identifiable assets acquired less the liabilities assumed in the acquisition of a business.

Goodwill is tested annually for impairment at October 1, or more frequently if events or circumstances indicate that the carrying value of goodwill may be impaired. Goodwill is tested for impairment at the reporting unit level by first taking a qualitative approach to determine whether it is more likely than not that a reporting unit's fair value is less than its carrying value. If the Company determines that it is more likely than not that a reporting unit's fair value is less than its carrying amount, the Company compares the reporting unit's carrying amount to the fair value of the reporting unit. If the carrying amount of the reporting unit exceeds its fair value, an impairment loss is recognized in an amount equal to that excess. In testing for goodwill impairment, the Company may utilize a mix of income and market approaches that include the use of comparable multiples of publicly traded companies whose services are comparable to ours.

The Company continuously evaluates whether indicators of impairment exist to determine whether it is necessary to perform a quantitative goodwill impairment test. A significant amount of judgment is involved in determining if an indicator of impairment has occurred. Such indicators may include (a) a significant decline in the Company's common stock value; (b) a significant decline in the Company's expected future cash flows; (c) a significant adverse change in legal factors or in the business climate; (d) unanticipated competition; (e) the testing for recoverability of a significant asset group within a reporting unit; or (f) slower growth rates. Any adverse change in these factors could have a significant impact on the recoverability of goodwill and could have a material impact on the consolidated financial statements.

Long-Lived Assets and Finite-Lived Intangible Assets

The Company reviews long-lived assets, including finite-lived intangible assets, property and equipment, satellite procurement work in process and other long-term assets, for impairment whenever events or changes in circumstances indicate that the carrying amounts of the assets may not be fully recoverable. Significant judgments in this area involve determining whether a triggering event has occurred and determining the future cash flows for assets involved. In conducting this analysis, the Company compares the undiscounted cash flows expected to be generated from the long-lived assets (or asset group) to the related net book values. If the undiscounted cash flows exceed the net book value, the long-lived assets are considered not to be impaired. If the net book value exceeds the undiscounted cash flows, an impairment charge is measured and recognized based upon the difference between the carrying value of long-lived assets (or asset group) and their fair value.

Intangible assets subject to amortization include customer backlog and relationships, distribution agreements, and technology. Such intangible assets, excluding customer-related intangibles, are amortized on a straight-line basis over their estimated useful lives. Customer-related intangible assets are amortized on either a straight-line or accelerated basis, depending upon the pattern in which the economic benefits of the intangible asset are utilized.

The estimated useful lives of the Company's finite-lived intangible assets are as follows:

	Estimated useful lives (years)
Distribution agreements	2
Customer backlog and relationships	1 - 10
Technology	3 - 5

Equity Method Investments

Investments where the Company has the ability to exercise significant influence, but not control, are accounted for under the equity method of accounting and are included in investment in equity method investees on the Company's consolidated balance sheets. Significant influence typically exists if the Company has a 20% to 50% ownership voting interest in the investee or retains a voting seat on the investee's board of directors. In evaluating whether the Company has significant influence, the Company considers the nature of its ownership interest in the investee, as well as other factors that may give the Company the ability to exercise significant influence over the investee's operating and capital financial policies. Under this method of accounting, the Company's share of the net earnings or losses of the investee are included in the Company's consolidated statements of operations and comprehensive loss.

In November 2023, the Company sold its equity method investment in X-Bow Launch Systems Inc. ("X-Bow"), a space technology company specializing in additive manufacturing of solid rocket motors, and received \$9.5 million from the sale of the investment. The \$9.5 million gain on the sale of X-Bow was recognized as income on equity method investments in the consolidated statements of operations and comprehensive loss. As of December 31, 2023, the Company accounts for its LeoStella joint venture as its only equity method investment. The investment in LeoStella is not significant to the financial statements.

Intra-entity profits arising from the sale of assets from the equity method investments to the Company are eliminated and deferred if those assets are still held by the Company at the end of the reporting period. The intra-entity profits will be recognized as the assets are consumed. As of December 31, 2023 and 2022, the Company had differences between the carrying value of its equity method investment and the underlying equity in the net assets of the investee of \$1.2 million and \$2.6 million, respectively.

Equity method investments are evaluated for impairment whenever events or changes in circumstances indicate that the carrying amounts of such investments may be impaired. If a decline in the value of an equity method investment is determined to be other than temporary, a loss is recorded in earnings in the current period.

Satellite Procurement Work in Process

Satellite procurement work in process primarily represents deposits paid to (a) third party vendors, including LeoStella, for progress payments associated with the engineering, long lead procurement of satellite components, and manufacturing of the Company's satellites and (b) launch service vendors for the costs associated with launching the Company's satellites. Satellite procurement work in process capitalized, but not yet paid, is recognized as the Company has the rights to the in-process assets being engineered on the Company's behalf or a refund of amounts paid to date, less certain costs. At launch, these costs, and other costs incurred to put a satellite into service, are aggregated and reclassified as property and equipment, subject to depreciation (Note 7).

Contingent Liabilities

The Company may become involved in litigation or other financial claims in the normal course of its business operations. The Company periodically analyzes currently available information relating to these claims, assesses the probability of loss, and provides a range of possible outcomes when it believes that sufficient and appropriate information is available. The Company accrues a liability for those contingencies where the occurrence of a loss is probable and the amount can be reasonably estimated. If a loss is probable and a range of amounts can be reasonably estimated but no amount within the range is a better estimate than any

other amount in the range, then the minimum of the range is accrued. We do not accrue a liability when the likelihood that the liability has been incurred is believed to be probable but the amount cannot be reasonably estimated or when the likelihood that a liability has been incurred is believed to be only reasonably possible or remote. For contingencies where an unfavorable outcome is reasonably possible and the impact could potentially be material, we disclose the nature of the contingency and, where feasible, an estimate of the possible loss or range of loss.

Debt Issuance Costs and Debt Discount

Debt issuance costs are capitalized and amortized to interest expense using the effective interest method over the life of the related debt. In prior years, a debt discount was recorded upon the issuance of detachable warrants, which were granted in conjunction with the issuance of debt and calculated at fair market value. The debt discount was amortized to interest expense using the effective interest method over the life of the related debt. Short-term and long-term debt are presented net of the unamortized debt issuance costs and debt discount in the consolidated balance sheets.

Fair Value of Financial Instruments

The Company accounts for certain assets and liabilities at fair value. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The process for analyzing the fair value measurement of certain financial instruments on a recurring, or non-recurring, basis includes significant judgment and estimates of inputs including, but not limited to, share price, volatility, discount for lack of marketability, application of an appropriate discount rate, and probability of liquidating events. The Company utilizes the market valuation methodology and specific option pricing methodology, such as the Monte Carlo simulation, method to value the more complex financial instruments and the Black-Scholes option-pricing model to value standard common stock warrants and common stock options.

The framework for measuring fair value specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect the Company's assumptions. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurement) and the lowest priority to unobservable inputs (Level 3 measurement).

The three levels of the fair value hierarchy are as follows:

Level 1 Inputs. Inputs are unadjusted quoted prices in active markets for identical assets or liabilities available at the measurement date.

Level 2 Inputs. Inputs are unadjusted quoted prices for similar assets and liabilities in active markets, quoted prices for identical or similar assets and liabilities in markets that are not active, inputs other than quoted prices that are observable, and inputs derived from or corroborated by observable market data.

Level 3 Inputs. Inputs are unobservable inputs which reflect the Company's own assumptions on what assumptions market participants would use in pricing the asset or liability based on the best available information.

Revenue Recognition

The Company generates revenue from the sale of imagery and software analytical services and professional and engineering services. Imagery and software analytical services revenue, which is mostly from contracts from government agencies, includes imagery, data, software, and analytics. This revenue is primarily recognized from services rendered under non-cancellable subscription order agreements or, in limited circumstances, variable not-to-exceed purchase orders. Professional and engineering services revenue is generated from both time and materials basis contracts and firm fixed price service solutions contracts and firm fixed price long-term engineering and construction contracts.

In accordance with Accounting Standards Update No. 2014-09, "Revenue from Contracts with Customers (Topic 606)" ("ASC 606"), the Company uses the five-step model of identifying the contract with a customer, identifying the performance obligations contained in a contract, determining the transaction price, allocating the transaction price, and determining when performance obligations are satisfied, which can require the application of significant judgment, as further discussed below.

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 December 31, 2023.

Imagery & Software Analytical Services Revenue

Imagery

Imagery services include imagery delivered from the Company's proprietary satellite constellation and Spectra software platform and in limited cases directly uploaded to certain customers. Customers can directly task our proprietary satellite constellation to collect and deliver imagery over specific locations, sites and regions that are critical to their operations. We offer customers several service level subscription options that include on-demand tasking or multi-year assured access programs, where customers can secure priority access and imaging capacity at a premium over a region of interest on a take or pay basis. Imagery revenue is recognized ratably over the subscription period based on the promise to continuously provide contractual satellite capacity for tasked imagery or analytics at the discretion of the customer.

Data, Software, and Analytics

The Company leverages proprietary AI and ML algorithms to analyze data coming from both the Company's proprietary sensor network and third-party space and terrestrial sources to provide hard-to-get data, insights, and analytics for customers. The Company continues to integrate and enhance its offerings by performing contract development, while retaining the intellectual property rights. The Company also offers services related to object, change and anomaly detection, site monitoring, and enhanced analytics, through which the Company can detect key pattern of life changes in critical locations such as ports, airports, and construction sites; retail activity; commodities stockpiles; and other sites that contain critical commodities and supply chain inventory.

Our analytics services are also offered on a similar subscription basis and provide customers with access to our site monitoring, event monitoring and global data services. Analogous with the recognition of revenue for imagery, software analytical services revenue is recognized ratably over the subscription period.

Professional and Engineering Services Revenue

The Company performs various professional services, that are highly-interrelated, including providing technology enabled professional service solutions to support customer-specific software development requests, integration, testing, and training. The Company also provides engineering services, which include, developing and delivering advanced satellite and payload systems for a limited number of customers that leverage the Company's capabilities in mission systems engineering and operations, ground station operations, and software and systems development. These promises, based on the context of the contract, are capable of being distinct performance obligations.

For firm fixed price professional and engineering service contracts, the Company recognizes revenue over time using the cost-to-complete method to measure progress to complete the performance obligation, ("Estimate at Completion" or "EAC"). A performance obligation's EAC includes all direct costs such as labor, fringe, materials, subcontract costs and overhead. Significant judgment is used to estimate total costs at completion on a contract by contract basis including, but not limited to, labor productivity, program schedule, technical risk analysis, complexity, scope of the work to be performed and other identified risks. Due to the continuous nature of the work, as well as when a change in circumstances warrants a modification, the EAC is reviewed and may result in cumulative changes to the contract profit. We recognize changes in estimated contract sales or costs and the resulting changes in contract profit on a cumulative basis in the period in which the change is identified. If at any time, the estimate of contract profitability indicates a probable anticipated loss on the contract, we recognize the total loss as and when known. The following table presents the effect of aggregate net EAC adjustments on our professional and engineering services contracts:

	Years Ended December 31,	
	2023	2022 ⁽¹⁾
	(in thousands)	
Revenue	\$ (1,477)	\$ (2,316)
Basic and diluted net loss per share	\$ (0.01)	\$ (0.02)

⁽¹⁾ For the year ended December 31, 2022, the amounts represent the effect of aggregate net EAC adjustments on two professional and engineering service contracts

For contracts structured as cost-plus-fixed-fee or on a time and materials basis, the Company generally recognizes revenue based on the right-to-invoice when practically 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.

Imagery and Software Analytical Service and Professional and Engineering Service Costs

Imagery and software analytical service costs primarily include internal labor to support the ground station network and space operations, third-party data and imagery, and cloud computing and hosting services. The Company recognizes stock-based compensation expense for those employees whose work supports the imagery and software analytical service costs we provide to customers, under imagery and software analytical service costs, excluding depreciation and amortization. For those employees who provide these services to support customer-based programs, the stock-based compensation expense is classified under imagery and software analytical services costs.

Professional and engineering service costs primarily include the cost of internal labor for design and engineering in support of long-term development contracts for satellites and payload systems, as well as subcontract direct materials and external labor costs to build and test specific components, such as the communications system, payload demands, and sensor integration. In addition, we also recognize internal labor costs and external subcontract labor costs for our customer-centric software service solutions. We recognize stock-based compensation expense for those employees who provide professional and engineering services support to customers, under professional and engineering service costs, excluding depreciation and amortization.

Research and Development Costs

The Company incurs research and development costs, which are expensed as incurred, for data science modeling and algorithm development related to its geospatial analytical platform. In addition, the Company recognizes costs incurred before the technological feasibility stage for internal projects, such as aerospace and other satellite developments, as research and development costs.

Advertising Costs

Advertising costs are expenses associated with promoting the Company's services and products. Advertising costs are expensed as incurred and included in selling, general and administrative expenses in the accompanying consolidated statements of operations and comprehensive loss. For the years ended December 31, 2023 and 2022, advertising costs were \$1.5 million and \$1.3 million, respectively.

Income Taxes

The Company accounts for income taxes following the asset and liability method, which requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been included in the consolidated financial statements. Under this method, deferred tax assets and liabilities are determined based on differences between the consolidated financial statements carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on the deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enacted date.

The Company measures deferred tax assets based on the amount that the Company believes is more likely than not to be realized. In making such a determination, the Company considers all available positive and negative evidence, including reversals of existing taxable temporary differences, tax-planning strategies, and historical results of recent operations. In evaluating the objective evidence that historical results provide, the Company considers three trailing years of cumulative operating income or loss. Valuation allowances are provided, if, based upon the weight of the available evidence, it is more likely than not that some or all of the deferred tax assets will not be realized. A full valuation allowance was recorded against the deferred tax assets as of December 31, 2023 and 2022. Changes in tax laws and rates may affect recorded deferred tax assets and liabilities and the Company's effective tax rate in the future.

The Company believes that its tax positions comply with applicable tax law. The Company may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by the taxing authorities, based on the technical merits of the position.

The Company's income tax expense or benefit, liability and/or receivable, deferred tax assets and liabilities, and liabilities for uncertain tax benefits reflect management's best assessment of estimated current and future taxes to be paid or received.

Sponsor Shares

On September 9, 2021, BlackSky's predecessor company, Osprey Technology Acquisition Corp. ("Osprey"), completed its merger (the "Merger") with Osprey Technology Merger Sub, Inc., a wholly owned subsidiary of Osprey, and BlackSky Holdings, Inc. Osprey pre-Merger Class B common shares were exchanged for shares of the Company's Class A common stock (the "Sponsor Shares") upon completion of the Merger. The Company accounted for the Sponsor Shares in accordance with the guidance contained in ASC 815-40, under which the Sponsor Shares did not meet the criteria for equity treatment and were recorded as derivative liabilities in the Company's consolidated balance sheets as of December 31, 2023. The Sponsor Shares are adjusted to fair value at each reporting period and the change in fair value is recognized in gain on derivatives in the Company's consolidated statements of operations and comprehensive loss.

Stock-Based Compensation

Restricted Stock Awards and Restricted Stock Units

The Company has granted restricted stock awards ("RSAs") and grants restricted stock units ("RSUs") to certain employees, for which the grant date fair value is equal to the fair value of the Class A common stock on the date of grant. In order to determine the fair value of its Class A common stock on the date of grant prior to the Merger, we historically performed a valuation analysis using a combination of market and income approaches. Subsequent to the Merger, the Company uses the New York Stock Exchange ("NYSE") trading price as the fair value of the Class A common stock for valuation purposes. For all awards for which vesting is only subject to a service condition, including those subject to graded vesting, the Company has elected to use the straight-line method to recognize the fair value as compensation cost over the requisite service period.

Certain of the Company's outstanding RSUs had performance vesting conditions that were triggered upon the consummation of the Merger. Therefore, since the performance conditions attributable to these RSUs had been met, the Company commenced recording the associated compensation expense, inclusive of a catch-up amount for the service period between their grant date and satisfaction of the performance condition, as of the closing of the Merger. The fair value of the RSUs that include a performance condition is recognized as compensation expense over the requisite service period using the accelerated attribution method, which accounts for RSUs with discrete vesting dates as if they were a separate award. Expense related to stock-based payments is classified in the consolidated statements of operations and comprehensive loss based upon the classification of each employees' cash compensation.

Stock Options

The Company uses the Black-Scholes option pricing model to value all options, including options under the 2021 Employee Stock Purchase Plan ("ESPP"), and the straight-line method to recognize the fair value as compensation cost over the requisite service period. The fair value of each option granted was estimated as of the date of grant. The Company granted options in the year ended December 31, 2023. The Company uses the following inputs when applying the Black-Scholes option pricing model:

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 has not historically paid and currently has no plans to pay dividends on its Class A common stock.

Expected Volatility. The Company does not have sufficient historical share price history; therefore, the expected volatility was estimated based upon the historical share price volatility of guideline comparable 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. For options granted in 2021 through 2023, since there was not a history of option exercises as a public company, the Company considered the option vesting terms and contractual period, as well as the demographics of the holders, in estimating the expected term. For options granted prior to 2021, the expected term was the estimated duration to a liquidity event based on a weighted average consideration of the most likely exit prospects for that stage of development. Legacy BlackSky was privately funded and, accordingly, the lack of marketability was factored into the expected term of options granted. The Company will 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 to determine the fair value of the Legacy BlackSky equity-based awards was the estimated fair value of the Legacy BlackSky Class A common stock on the grant date. In order to determine the fair value of its Class A common stock on the date of grant prior to the Merger, Legacy BlackSky historically relied on a valuation analysis performed using a combination of market and income approaches. Subsequent to the Merger, the Company uses the NYSE trading price as the fair value of the Company's Class A common stock for valuation purposes.

Legacy BlackSky historically adjusted the exercise price of certain outstanding stock options. For each award with an adjusted exercise price, Legacy BlackSky calculated the incremental fair value, which was 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 was recognized as stock-based compensation expense immediately to the extent that the modified stock option already had vested, and for stock options that were not yet vested, the incremental fair value has been recognized as stock-based compensation expense over the remaining vesting period.

Warrant Liabilities

In October 2019, Osprey, BlackSky's predecessor company and special purpose acquisition company, issued 15.8 million public warrants and 8.3 million Private Placement Warrants in connection with its public offering. In March 2023, the Company issued 16.4 million Private Placement Warrants in connection with a private placement of shares of Class A common stock and accompanying warrants (see Note 14 and Note 16). The Company accounts for its warrants as either equity-classified or liability-classified instruments based on an assessment of the warrant's specific terms and applicable authoritative guidance in 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 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.

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 of the criteria for equity classification, the warrants are required to be recorded at their initial fair value on the date of issuance. The Company accounted for the warrants issued in October 2019 and March 2023 in accordance with the guidance contained in ASC 815-40-55-2 as liabilities at their fair value.

As of December 31, 2023, the Company's consolidated balance sheets included liability classified warrants, reported as derivative liabilities. The fair value of the public warrants was estimated as of December 31, 2023 using the public warrants' quoted market price. The October 2019 and March 2023 Private Placement Warrants were valued using a Black-Scholes option pricing model for initial and subsequent measurements. The liabilities associated with the public warrants and the Private Placement Warrants are subject to re-measurement at each balance sheet date until exercised, and any change in fair value is recognized in gain on derivatives in the Company's consolidated statements of operations and comprehensive loss.

Transaction Costs

Transaction costs consist of legal fees, accounting fees, placement agent fees, commissions, and other third-party costs related directly to equity issuances and debt restructuring. Transaction costs incurred for equity issuances are allocated to the components of the transaction based on their relative fair market value, including common equity and equity warrants classified as derivatives and, as such, based on the Company's allocation, are either expensed in the consolidated statements of operations and comprehensive loss or recorded as a reduction to additional paid-in capital in the consolidated statements of changes in stockholders' equity and consolidated balance sheets.

The Company incurred lender fees and other incremental third-party costs associated with its debt Amendment, as described in Note 13. Lender fees were capitalized and included in long-term debt in the consolidated balance sheets. Third-party costs associated with the debt modification were expensed in the consolidated statements of operations and comprehensive loss.

Deferred Offering Costs

Offering costs consist of legal fees, accounting fees, underwriting fees, and other third-party costs that are directly related to the Company's future equity offering(s) and will be charged to additional paid in capital upon the completion of the applicable future transactions. During the year ended December 31, 2022 the Company incurred offering costs of \$0.5 million, which were included in other assets in the Company's consolidated balance sheets as of December 31, 2022; there were no deferred offering costs capitalized as of December 31, 2023.

Deferred Financing Costs

Financing costs consist of legal fees, accounting fees, and other third-party costs that are directly related to the Company's future financing transactions and will be assigned to the cost of financing upon the completion of the applicable future transaction(s). During the year ended December 31, 2023, the Company incurred financing costs of \$0.1 million, which are included in other assets in the Company's consolidated balance sheets as of December 31, 2023; there were no deferred financing costs capitalized as of December 31, 2022.

3. Accounting Standards Updates ("ASU")

Accounting Standards Recently Issued But Not Yet Adopted

On November 27, 2023, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2023-07 Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures. Among other new disclosure requirements, ASU 2023-07 requires companies to disclose significant segment expenses that are regularly provided to the chief operating decision maker ("CODM"). ASU 2023-07 will be effective for annual periods beginning on January 1, 2024 and interim periods beginning on January 1, 2025. ASU 2023-07 must be applied retrospectively to all prior periods presented in the financial statements. The Company is assessing the effect of this update on our consolidated financial statements and related disclosures.

On December 14, 2023, the FASB issued ASU No. 2023-09 Income Taxes (Topic 740): Improvements to Income Tax Disclosures. ASU 2023-09 requires companies to disclose, on an annual basis, specific categories in the effective tax rate reconciliation and provide additional information for reconciling items that meet a quantitative threshold. In addition, ASU 2023-09 requires companies to disclose additional information about income taxes paid. ASU 2023-09 will be effective for annual periods beginning January 1, 2025 and will be applied on a prospective basis with the option to apply the standard retrospectively. The Company is assessing the effect of this update on our consolidated financial statements and related disclosures.

Other accounting standards updates adopted and/or issued, but not effective until after December 31, 2023, are not expected to materially impact the Company.

4. Revenue

Disaggregation of Revenue

The Company earns revenue through the sale of imagery and software analytical services and professional and engineering services. The Company's management primarily disaggregates revenue as follows: (i) imagery; (ii) data, software and analytics; (iii) professional services; and (iv) engineering services. This disaggregation allows the Company to evaluate market trends in certain imagery and software analytical services and professional and engineering services.

The following table disaggregates revenue by type for the years ended December 31, 2023 and 2022:

	Years Ended December 31,	
	2023	2022
	(in thousands)	
Imagery	\$ 54,630	\$ 34,242
Data, software, and analytics	10,761	13,173
Professional services	16,824	8,563
Engineering services	12,277	9,372
Total revenue	<u>\$ 94,492</u>	<u>\$ 65,350</u>

The approximate revenue based on geographic location of end customers is as follows for the years ended December 31, 2023 and 2022:

	Years Ended December 31,	
	2023	2022
	(in thousands)	
North America	\$ 60,023	\$ 54,052
Middle East	8,385	3,459
Asia Pacific	25,058	6,246
Other	1,026	1,593
Total revenue	<u>\$ 94,492</u>	<u>\$ 65,350</u>

Revenue from categories of end customers for the years ended December 31, 2023 and 2022 is as follows:

	Years Ended December 31,	
	2023	2022
	(in thousands)	
U.S. federal government and agencies	\$ 58,445	\$ 53,186
International governments	34,580	11,375
Commercial and other	1,467	789
Total revenue	<u>\$ 94,492</u>	<u>\$ 65,350</u>

As of December 31, 2023 and 2022, accounts receivable consisted of the following:

	December 31,	December 31,
	2023	2022
	(in thousands)	
U.S. federal government and agencies	\$ 5,994	\$ 2,540
International governments	895	261
Commercial and other	333	311
Allowance for doubtful accounts	(151)	—
Total accounts receivable	<u>\$ 7,071</u>	<u>\$ 3,112</u>

Backlog

Backlog represents the future sales the Company expects to recognize on firm orders it receives and is equivalent to the Company's remaining performance obligations at the end of each period. It comprises both

funded backlog (firm orders for which funding is authorized and appropriated) and unfunded backlog. The Company's backlog excludes unexercised contract options. As of December 31, 2023, the Company had \$261.7 million of backlog, which represents the transaction price of executed contracts less inception to date revenue recognized. The Company expects to recognize revenue relating to its backlog, of which a portion is recorded in deferred revenue in the consolidated balance sheets, of \$65.1 million, \$34.4 million, and \$162.2 million in fiscal year 2024, fiscal year 2025, and thereafter, respectively.

5. Contract Assets and Liabilities

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

	December 31, 2023	December 31, 2022
(in thousands)		
Contract assets - current:		
Unbilled revenue	\$ 15,213	\$ 5,706
Total contract assets - current	\$ 15,213	\$ 5,706
Contract assets - long-term:		
Unbilled revenue - long-term	\$ 8,150	\$ 1,287
Contract assets - long-term	610	681
Total contract assets - long-term⁽¹⁾	\$ 8,760	\$ 1,968
Contract liabilities - current:		
Deferred revenue - current	\$ 3,670	\$ 6,783
Total contract liabilities - current	\$ 3,670	\$ 6,783
Contract liabilities - long-term:		
Other contract liabilities - long-term	\$ 169	\$ 109
Total contract liabilities - long-term	\$ 169	\$ 109

(1) Total contract assets - long term is included in other assets in the consolidated 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 (i) 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 (ii) costs incurred incremental to the contract and 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 for the year ended December 31, 2023 were as follows:

	Contract Assets	Contract Liabilities
	(in thousands)	
Balance as of January 1, 2023	\$ 7,674	\$ 6,892
Billings or revenue recognized that was included in the beginning balance	(3,063)	(6,191)
Changes in contract assets or contract liabilities, net of reclassification to receivables	18,854	2,512
Cumulative catch-up adjustment arising from changes in estimates to complete	595	225
Cumulative catch-up adjustment arising from contract modifications	(16)	341
Changes in costs to fulfill and amortization of commission costs	(71)	—
Changes in contract commission costs	—	60
Balance as of December 31, 2023	<u>\$ 23,973</u>	<u>\$ 3,839</u>

6. Discontinued Operations

On June 12, 2020, the Company completed the sale of 100% of its equity interests in Spaceflight to M&Y Space. Under a transition services agreement that ended in March 2022, the Company provided post-closing transition services to Spaceflight, 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 Spaceflight

On February 9, 2022, the Company received an indemnification claim notice regarding certain collection and tax payments related to the Share Purchase Agreement dated as of January 31, 2020 among BlackSky Holdings, Inc., Spaceflight, and M&Y Space. On October 21, 2022, the parties agreed to the framework for a global settlement of such indemnification claims, to include a settlement payment by the Company of \$1.0 million and a holdback amount of \$0.1 million subject to M&Y Space Co.'s ability to collect against certain receivables. As a result, the existing contingent liability was reduced by \$0.7 million, which was recorded as a gain from discontinued operations in the year ended December 31, 2022.

7. Property and Equipment - net

The following summarizes property and equipment - net as of:

	December 31, 2023	December 31, 2022
	(in thousands)	
Satellites	\$ 125,124	\$ 116,219
Software	20,384	8,503
Software development in process	2,673	2,942
Computer equipment	1,642	1,996
Office furniture and fixtures	4,039	674
Other equipment	811	631
Site equipment	2,557	2,558
Total	<u>157,230</u>	<u>133,523</u>
Less: accumulated depreciation	<u>(90,114)</u>	<u>(61,939)</u>
Property and equipment — net	<u>\$ 67,116</u>	<u>\$ 71,584</u>

Depreciation of property and equipment was \$42.9 million and \$35.1 million for the years ended December 31, 2023 and 2022, respectively. The Company recognized impairment losses of \$121 thousand of capitalized software and leasehold improvements, resulting in a net impairment loss of \$81 thousand. As of December 31, 2023 and 2022, the Company's primary long-lived assets, including satellites in service, are owned and operated by United States entities and are classified within the United States geographic region.

8. Goodwill and Intangible Assets

Goodwill

The Company performed an annual qualitative goodwill assessment of the goodwill held related to the BlackSky reporting unit as of October 1, 2023. The Company determined that no triggering events occurred that would require the Company to quantitatively test goodwill for impairment during the year ended December 31, 2023. As of December 31, 2023, the Company believes that the estimated fair value of the BlackSky reporting unit is still in excess of its respective carrying value and therefore is not at-risk of being impaired. To the extent this reporting unit realizes actual operating results in the future below forecasted results, or realizes decreases in forecasted results as compared to previous forecasts or, in the event the estimated fair value of the reporting unit decreases (as a result, among other things, of changes in market capitalization, including further declines in the stock price), the Company may incur goodwill impairment charges in the future. Goodwill was as follows:

	December 31, 2023	December 31, 2022
	(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 - net

Intangible assets - net was as follows:

	December 31, 2023	December 31, 2022
	(in thousands)	
Gross carrying amount	\$ 6,530	\$ 6,530
Accumulated amortization	(5,173)	(4,612)
Net carrying amount ⁽¹⁾	<u>\$ 1,357</u>	<u>\$ 1,918</u>

(1) For the years ended December 31, 2023 and 2022, the net carrying amount of intangible assets was made up entirely of customer relationships.

For the years ended December 31, 2023 and 2022, amortization expense related to intangible assets was \$0.6 million. This amount is included in depreciation and amortization expense in the consolidated statements of operations and comprehensive loss. The Company estimates that it will have the following amortization expense for the future periods indicated below:

For the years ending December 31:	(in thousands)
2024	\$ 561
2025	561
2026	235
Total	<u>\$ 1,357</u>

9. Accounts Payable and Accrued Liabilities

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

	December 31, 2023	December 31, 2022
	(in thousands)	
Accounts payable	\$ 2,318	\$ 2,421
Accrued payroll	5,828	6,127
Accrued professional services, legal, and other general and administrative	1,107	3,040
Accrued cost of goods sold and other expenses	2,320	2,780
Total accounts payable and accrued liabilities	<u>\$ 11,573</u>	<u>\$ 14,368</u>

10. Other Current Liabilities

The components of other current liabilities were as follows:

	December 31, 2023	December 31, 2022
	(in thousands)	
Other current liabilities	\$ 244	\$ 256
Accrued interest	344	1,176
Operating lease right-of-use liabilities	621	530
Estimated non-income tax liability	196	86
Total other current liabilities	<u>\$ 1,405</u>	<u>\$ 2,048</u>

11. Employee Benefit Plan

The Company has a 401(k) savings plan. Eligible employees may voluntarily contribute a percentage of their compensation to their 401(k) plan account. The Company provides a 401(k) employer match of 50% of the first 6% of the employee's contribution of eligible compensation. For the years ended December 31, 2023 and 2022, the 401(k) employer match expense was \$1.1 million and \$0.9 million, respectively.

12. Income Taxes

The Company's consolidated effective income tax rate from continuing operations for the years ended December 31, 2023 and 2022 was 1.26% and 0%, respectively. The Company's provision for income taxes from continuing operations for the years ended December 31, 2023 and 2022 is as follows:

	Years Ended December 31,	
	2023	2022
	(in thousands)	
Current:		
Federal	\$ —	\$ —
State	569	—
Foreign	104	—
Total current	<u>\$ 673</u>	<u>\$ —</u>
Deferred:		
Federal	—	—
State	—	—
Total deferred	<u>\$ —</u>	<u>\$ —</u>
Total provision for income taxes	<u>\$ 673</u>	<u>\$ —</u>

The Company's primary operations are domestically located and the Company is subject to tax in one foreign jurisdiction. The provision for income taxes differed from the amount computed by applying the federal statutory income tax rate of 21% to loss before income taxes due to the following items for the years ended December 31, 2023 and 2022:

	Years Ended December 31,	
	2023	2022
	(in thousands)	
Tax benefit at federal statutory rate	\$ (11,169)	\$ (15,725)
Non-deductible compensation	2,342	(1,092)
State tax, net of federal benefit	(9,393)	(3,227)
Valuation allowance	17,251	18,834
Shortfall of stock compensation deduction	2,666	3,190
Non-taxable warrants	(1,613)	(2,481)
Other	589	501
Income tax expense	<u>\$ 673</u>	<u>\$ —</u>

The deferred income tax expense as of December 31, 2023 and 2022 was \$0. The tax benefits associated with losses generated by the consolidated group have been reduced by a full valuation allowance as the Company does not believe it is more-likely-than-not that the losses will be utilized.

Deferred tax assets and liabilities as of December 31, 2023 and 2022, consisted of the following:

	December 31,	
	2023	2022
	(in thousands)	
Deferred tax assets:		
Net operating loss carryforwards	\$ 68,374	\$ 54,892
Sec. 163(j) carryforward	9,214	7,741
Accruals and reserves	1,841	1,613
Deferred revenue	194	271
Capital loss carryforward	4,004	3,919
Section 174 - research expenditures	7,914	6,238
Other deferred tax assets	6,604	6,385
Total deferred tax assets	<u>98,145</u>	<u>81,059</u>
Valuation allowance	(97,388)	(80,137)
Total net deferred tax assets	<u>757</u>	<u>922</u>
Deferred tax liabilities		
Basis difference in intangibles	(332)	(468)
Other deferred tax liabilities	(425)	(454)
Total deferred tax liabilities	<u>(757)</u>	<u>(922)</u>
Net deferred tax liabilities	<u>\$ —</u>	<u>\$ —</u>

The Company continues to provide for a full valuation allowance on its net deferred tax assets as the Company does not believe it is more-likely-than-not that the losses will be utilized after evaluation of all

significant positive and negative evidence including, but not limited to, historical cumulative losses over the prior three-year period, as adjusted for permanent items, insufficient sources of taxable income in prior carryback periods and unavailability of prudent and feasible tax-planning strategies.

Below is a summary of the Company's estimated loss and tax credit carryforwards. In the year ended December 31, 2023, the Company performed a historic ownership change analysis and concluded that \$1.5 million of federal net operating loss carryforward pre-tax attributes were subject to limitations, as defined by the Internal Revenue Code Sections 382 and 383.

	<u>Tax Effected</u>	<u>Expiration</u>
	(in thousands)	
Federal net operating loss ("NOL") carryforward	\$ 8,313	2033-2037
Federal NOL carryforward	49,512	Indefinite
Federal capital loss carryforward	4,004	2025
State NOL carryforwards	10,548	2034-2043

At December 31, 2023 and 2022 the Company had \$275.4 million and \$252.8 million of NOL carryforwards for U.S. federal tax purposes, respectively. U.S. federal tax NOL carryforwards generated prior to 2018 of \$39.6 million will expire, if unused, between 2033-2037. Under the Tax Cuts and Jobs Act of 2017, as modified by the Coronavirus Aid, Relief, and Economic Security Act, federal NOL carryforwards generated in tax years beginning after December 31, 2017 may be carried forward indefinitely. As of December 31, 2023, the Company had \$235.8 million of NOL carryforwards generated after 2017 for U.S. federal tax purposes, which may be used to offset 80% of its taxable income annually.

The Company files income tax returns in the United States federal jurisdiction and various state jurisdictions. In the normal course of business, the Company is subject to examination by taxing authorities. Tax years 2015-2022 remain open for examination.

Below is a tabular reconciliation of the total amounts of unrecognized tax benefits:

	<u>2023</u>	<u>2022</u>
	(in thousands)	
Unrecognized tax benefits - January 1	\$ 9,006	\$ 8,443
Gross decrease - tax positions in current period	—	—
Gross increase - tax positions in current period	—	563
Unrecognized tax benefits - December 31	<u>\$ 9,006</u>	<u>\$ 9,006</u>

The majority of the unrecognized tax benefits in the year ended December 31, 2023 is from the valuation of guaranteed incentives shares issued for SVB guarantors. The balance of unrecognized tax benefits as of December 31, 2023 and 2022, if recognized, would not affect our effective tax rate and would result in adjustments to other tax accounts, primarily deferred tax assets and the net operating loss carry forward.

13. Debt and Other Financing

The carrying value of the Company's outstanding debt consisted of the following amounts:

	<u>December 31,</u>	<u>December 31,</u>
	2023	2022
	(in thousands)	
Non-current portion of long-term debt	\$ 84,578	\$ 77,132
Unamortized debt issuance cost	(1,077)	(913)
Outstanding balance	<u>\$ 83,502</u>	<u>\$ 76,219</u>

The outstanding debt was solely comprised of loans from related parties with effective interest rates of 2.23% to 12.57% and a maturity date of October 31, 2026.

On May 9, 2023, BlackSky and its subsidiaries entered into an Amendment to its Amended and Restated Loan and Security Agreement with Intelsat and Seahawk, dated October 31, 2019 and previously amended on September 9, 2021. The Amendment amended the secured loan facility to, among other things: (i) extend the maturity date of the loan from October 31, 2024 to October 31, 2026, (ii) roll the cash interest payment due on May 1, 2023 into the outstanding principal to be paid on the maturity date, (iii) increase the interest rate on the loan as of the Amendment date from 9% to 12%, of which (x) 9.6% will be paid in kind as principal due on the maturity date, with the remainder paid as cash interest on a semi-annual basis, until May 1, 2025 and (y) after May 1, 2025, up to 4% can be paid in kind as principal due on the maturity date, with the remainder to be paid as cash interest on a semi-annual basis, and (iv) add certain financial covenants. This facility is secured by substantially all of the Company's assets, is guaranteed by the Company's subsidiaries, and contains customary covenants and events of default. The Amendment was accounted for as a debt modification and related transaction costs of 1.3 million were recorded during the year ended December 31, 2023.

Under the Company's loan agreements, minimum required maturities are as follows:

For the years ending December 31,	(in thousands)
2024	\$ —
2025	—
2026	84,578
Total outstanding	<u>\$ 84,578</u>

Fair Value of Debt

The estimated fair value of the Company's outstanding long-term debt was 78.7 million and \$73.2 million as of December 31, 2023 and 2022, respectively, which is different than the historical cost of the long-term debt as reflected in the Company's consolidated balance sheets. 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.

Compliance with Debt Covenants

As part of the Amendment, the Company is required to maintain a minimum cash and cash equivalents balance of not less than \$0.0 million, measured quarterly as of the last day of each fiscal quarter. In addition, the Company is required to maintain Adjusted EBITDA, measured quarterly as of the last day of each fiscal quarter, of not less than:

- \$5.0 million for the trailing four quarter period ending as of December 31, 2024 through September 30, 2025 and
- \$10.0 million for the trailing four quarter period ending as of December 31, 2025 and as of the end of each fiscal quarter thereafter.

As of December 31, 2023, all debt instruments contained customary covenants and events of default. The Company was in compliance with all covenants as of December 31, 2023.

14. Equity Warrants Classified as Derivative Liabilities

Warrant Issuances

In March 2023, the Company completed the closing of a private placement whereby the Company issued warrants to purchase up to 16.4 million shares of Class A common stock.

The purchase price of each share and associated warrant was \$1.79. Including the issuance of Company's Class A common stock (see Note 16), the aggregate gross proceeds to the Company from the private placement were \$29.4 million, before deducting the placement agent fees and other offering expenses payable by the Company. The Company uses the net proceeds from the private placement for general corporate purposes, including working capital.

The warrants have an exercise price of \$2.20 per share of Class A common stock, and are exercisable until September 8, 2028. The March 2023 Private Placement Warrants provide that a holder of warrants will not have the right to exercise any portion of its warrants if such holder, together with its affiliates, would beneficially own in excess of 4.99% of the number of shares of common stock outstanding immediately after giving effect to such exercise; provided, however, that each holder may increase or decrease the beneficial ownership limitation by giving notice to the Company; but not to any percentage in excess of 9.99%.

The Company incurred transaction costs which consisted of legal fees, accounting fees, placement agent fees, and other third-party costs directly related to the March 2023 private placement. The transaction costs of \$0.9 million related to the 2023 Private Placement Warrants were included in other (expense) income, net in the consolidated statements of operations and comprehensive loss for the year ended December 31, 2023.

The Company also has approximately 24.1 million additional outstanding warrants, including 15.8 million public warrants and 8.3 million Private Placement Warrants, issued by Osprey, the Company's predecessor company, in 2019 in connection with its initial public offering as a special purpose acquisition company. The 2019 warrants are each exercisable for one share of the Company's Class A common stock.

Warrant Valuation

Equity warrants that are classified as derivative liabilities must be measured at fair value upon issuance and re-valued at the end of each reporting period through expiration and are included in derivative liabilities in the Company's consolidated balance sheets. Any change in fair value between the respective reporting dates is recognized as an unrealized gain or loss in the accompanying consolidated statements of operations and comprehensive loss (see Note 21). The Company's derivative liabilities were made up of only equity warrants and the Sponsor Shares as of December 31, 2023 and December 31, 2022.

The following table is a summary of the number of shares of the Company's Class A common stock issuable upon exercise of warrants at December 31, 2023:

	Number of Shares (in thousands)	Exercise Price	Redemption Price	Expiration Date	Classification	Gain in Value for the Year Ended December 31, 2023 (in thousands)	Fair Value as of December 31, 2023
Public Warrants	15,813	\$ 11.50	\$ 18.00	9/9/2026	Liability	\$ 1,301	\$ 795
Private Placement Warrants - Issued October 2019	4,163	11.50	18.00	9/9/2026	Liability	458	416
Private Placement Warrants - Issued October 2019	4,163	20.00	18.00	9/9/2026	Liability	291	167
Private Placement Warrants - Issued March 2023	16,404	2.20	N/A	9/8/2028	Liability	5,249	12,467

In addition, the Company has 1.8 million Class A common stock warrants outstanding which have an exercise price of \$0.11 and expiration dates from June 27, 2028 to October 31, 2029. These warrants are equity classified and are included in additional paid-in capital in the Company's consolidated balance sheets.

15. Other (Expense) Income

	Years Ended December 31,	
	2023	2022
	(in thousands)	
Transaction costs associated with debt and equity financings	\$ (1,738)	\$ —
Proceeds from earn-out payment	—	2,000
Other	(69)	81
	<u>\$ (1,807)</u>	<u>\$ 2,081</u>

16. Stockholders' Equity

Class A Common Stock

As of December 31, 2023, the Company was authorized to issue 300.0 million shares of Class A common stock and 100.0 million shares of preferred stock.

Issued and outstanding stock as of December 31, 2023 consisted of 145.2 million and 142.8 million shares of Class A common stock, respectively. The par value of each share of the Class A common stock is \$0.0001 per share.

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

	December 31,	December 31,
	2023	2022
	(in thousands)	
Common stock warrants (exercisable for Class A common stock) treated as equity	1,770	1,770
Stock options outstanding	8,340	8,641
Restricted stock units outstanding	16,132	7,854
Public Warrants (exercisable for Class A common stock) treated as liability	15,813	15,813
Private Placement Warrants (exercisable for Class A common stock) treated as liability	24,729	8,325
Shares available for future grant	87,984	135,645
Total Class A common stock reserved	<u>154,768</u>	<u>178,048</u>

The Company has approximately 2.4 million Sponsor Shares that are subject to specific lock-up provisions and potential forfeitures depending upon the post-Merger performance of the Company's Class A common stock, and therefore are required to be recorded as derivative liabilities at their fair value and adjusted to fair value at each reporting period. As a result, as of December 31, 2023 and December 31, 2022, the Company's derivative liabilities in the consolidated balance sheets included Sponsor Shares of \$1.3 million and \$1.7 million, respectively. The Company recorded a \$0.4 million gain on derivatives in the Company's consolidated statements of operations and comprehensive loss for the year ended December 31, 2023 related to the fair value adjustments of these Sponsor Shares. The Sponsor Shares have the following provisions:

	Terms
Contractual Life	Seven years from the closing date of the Merger
Release Provision	Exactly half of the Sponsor Shares have a release provision ("Release") at such time that the volume weighted average price ("VWAP") is equal to, or greater than, \$15.00 per share for ten of any twenty consecutive trading days. The remaining Sponsor Shares Release at such time that the VWAP is equal to, or greater than, \$17.50 per share for ten of any twenty consecutive trading days. There is an additional provision for acceleration of the Release upon a defined change in control.
Forfeiture Provision	If, within the seven year period, the Sponsor Shares have not met the Release provisions, the Sponsor Shares will automatically forfeit and be cancelled.

Private Placement

In March 2023, the Company completed a private placement of 16.4 million shares of the Company's Class A common stock and an equal number of corresponding warrants, for a purchase price of \$1.79 per share and associated warrant. The Company received \$29.4 million in gross proceeds from the private placement. The Company sold 3.5 million common shares in its ATM offering during the years ended December 31, 2023, at an average purchase price per share of \$3.45, resulting in gross proceeds of \$5.0 million. The transaction costs for these equity issuances consisted of legal fees, accounting fees, placement agent fees, and other third-party costs related directly to the equity issuances. During the year ended December 31, 2023, \$1.8 million of transaction costs that had been incurred were recorded as a reduction to additional paid-in capital in the consolidated statements of changes in stockholders' equity and consolidated balance sheets, and as a reduction to the proceeds from the transaction in the consolidated statements of cash flows.

17. Net Loss Per Share of Class A Common Stock

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

	Years Ended December 31,	
	2023	2022
	(in thousands except per share information)	
Loss from continuing operations	\$ (53,859)	\$ (74,879)
Gain from discontinued operations	—	707
Net loss available to common stockholders	<u>\$ (53,859)</u>	<u>\$ (74,172)</u>
Basic and diluted net loss per share - continuing operations	\$ (0.40)	\$ (0.64)
Basic and diluted net gain per share - discontinued operations	—	0.01
Basic and diluted net loss per share	<u>\$ (0.40)</u>	<u>\$ (0.63)</u>
Shares used in the computation of basic and diluted net loss per share	135,451	117,821

The potentially dilutive securities listed below were not included in the calculation of diluted weighted average common shares outstanding, as their effect would have been anti-dilutive during the years ended December 31, 2023 and 2022.

	Years Ended December 31,	
	2023	2022
	(in thousands)	
Restricted Class A common stock	23	57
Class A common stock warrants	1,770	1,770
Stock options	8,340	8,641
Restricted stock units	16,132	7,854
Public Warrants (exercisable for Class A common stock) treated as liability	15,813	15,813
Private Placement Warrants (exercisable for Class A common stock) treated as liability	24,729	8,325
Sponsor Shares	2,372	2,372

18. Stock-Based Compensation

Legacy BlackSky adopted two equity incentive plans in prior years and issued equity and equity-based awards under the 2014 Equity Incentive Plan (the "2014 Plan") and the Amended and Restated 2011 Equity Incentive Plan (the "2011 Plan", together with the 2014 Plan, collectively the "Prior Plans"), which are now administered by the Company's board of directors. The Prior Plans are no longer active; however, outstanding awards granted under these Prior Plans were not affected by the termination of the Prior Plans. Both of the Prior Plans allowed the board of directors of Legacy BlackSky to grant stock options, designated as incentive or nonqualified, and other equity awards to employees, officers, directors, and consultants. Stock options were granted with an exercise price per share equal to at least the estimated fair value of the underlying shares of Legacy BlackSky Class A common stock on the date of grant. The vesting period was determined through individual award agreements and was generally over a four-year period. Awards generally expired 10 years from the date of grant. As of December 31, 2023, the Company had 2 thousand and 945 thousand options outstanding, respectively, under the 2011 and 2014 Plans.

In connection with the Merger, the Company adopted its 2021 Equity Incentive Plan (the "2021 Plan", together with the Prior Plans, collectively the "Plans") under which it has granted equity awards following the Merger and the Company adopted its ESPP under which eligible employees began participating in December 2023.

The stock-based compensation expense attributable to continuing operations is included in the consolidated statements of operations and comprehensive loss as indicated in the table below:

	Years Ended December 31,	
	2023	2022
	(in thousands)	
Imagery & software analytical service costs, excluding depreciation and amortization	\$ 242	\$ 553
Professional & engineering service costs, excluding depreciation and amortization	502	1,341
Selling, general and administrative	10,118	18,131
Total stock-based compensation expense	<u>\$ 10,862</u>	<u>\$ 20,025</u>

The Company recorded stock-based compensation related to capitalized internal labor for software development activities of \$0.7 million and \$1.5 million during the years ended December 31, 2023 and 2022, respectively. These amounts are included in property, plant, and equipment - net in the consolidated balance sheets.

Stock Options

Following the Merger, the outstanding stock options issued under the 2011 Plan and the 2014 Plan may be exercised (subject to their original vesting, exercise and other terms and conditions) to purchase a number of shares of Class A common stock equal to the number of shares of Legacy BlackSky Class A common stock, as adjusted for the common stock exchange ratio in the Merger, 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 was equal to the quotient obtained by dividing the exercise price per share applicable to such Legacy BlackSky stock option by the common stock exchange ratio.

The Black-Scholes option pricing model is used to determine the fair value of options granted. The Company utilized assumptions concerning expected term, a risk-free interest rate, and expected volatility to determine such values. A summary of the weighted-average assumptions used by the Company is presented below:

	Years Ended December 31,	
	2023	2022
Fair value per common share	\$1.27	\$2.06 - \$2.15
Weighted-average risk-free interest rate	4.31%	3.20% - 4.72%
Volatility	31.20%	33.90% - 41.10%
Expected term (in years)	8.00	7.63
Dividend rate	0 %	0 %

Legacy BlackSky historically adjusted the exercise price of certain outstanding stock options. For each award with an adjusted exercise price, Legacy BlackSky calculated the incremental fair value, which was 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 was recognized as stock-based compensation expense immediately to the extent that the modified stock option already had vested, and for stock options that were not yet vested, the incremental fair value has been recognized as stock-based compensation expense over the remaining vesting period.

A summary of the Company’s stock option activity under the Plans during the year ended December 31, 2023 is presented below:

	Options (in thousands)	Weighted-Average Exercise Price	Weighted Average Contractual Term (in years)	Aggregate Intrinsic Value (in thousands)
Outstanding - January 1, 2023	8,641	\$ 3.10		
Granted	2,075	1.27		
Exercised	(407)	0.02		
Forfeited	(1,726)	4.62		
Expired	(243)	2.06		
Outstanding - December 31, 2023	8,340	2.51	8.20	\$ 1,364
Exercisable - December 31, 2023	3,027	2.77	7.50	1,083

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 years ended December 31, 2023 and 2022 was \$0.6 million and \$1.8 million, respectively. The total fair value of options vested during the years ended December 31, 2023 and 2022 was \$2.0 million and \$1.2 million, respectively.

As of December 31, 2023, there was \$4.4 million of total unrecognized stock-based compensation expense, which is expected to be recognized over a weighted-average period of 2.5 years.

Restricted Stock Awards

During the year ended December 31, 2020, the Company granted RSAs, which vest based upon the individual award agreements and generally vest 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 RSAs in stock, and the Company has the shares available to do so.

A summary of the Company's nonvested RSA activity during the year ended December 31, 2023 is presented below:

	<u>Restricted Stock Awards</u>	<u>Weighted-Average</u>
	<u>(in thousands)</u>	<u>Grant-Date Fair Value</u>
Nonvested - January 1, 2023	57	\$ 0.01
Vested	(34)	0.01
Canceled	—	0.01
Nonvested - December 31, 2023	<u>23</u>	<u>0.01</u>

The Company has not granted any RSAs since 2020.

Restricted Stock Units

The Company granted an aggregate of 14.4 million RSUs to certain employees and service providers during the year ended December 31, 2023 under the 2021 Plan. The general vesting provisions are that 25% will vest on the one-year anniversary of the vesting commencement date and 75% will vest ratably over twelve consecutive quarters on specified quarterly vesting dates, with the first of such quarterly vesting dates occurring at least three months after the vesting of the initial 25% of the RSUs.

A summary of the Company's nonvested RSU activity during the year ended December 31, 2023 is presented below:

	<u>Restricted Stock Units</u>	<u>Weighted-Average</u>
	<u>(in thousands)</u>	<u>Grant-Date Fair Value</u>
Nonvested - January 1, 2023	7,854	\$ 4.08
Granted	14,360	1.27
Vested	(4,029)	4.53
Canceled	(2,053)	2.28
Nonvested - December 31, 2023	<u>16,132</u>	<u>1.69</u>

During the year ended December 31, 2023, 1.0 million of the vested RSUs were withheld to satisfy payroll tax withholding obligations, which was recorded to additional paid-in capital totaling \$1.4 million. Unrecognized compensation costs related to nonvested RSUs totaled \$21.8 million as of December 31, 2023, which is expected to be recognized over a weighted-average period of 2.9 years.

Employee Stock Purchase Plan

Beginning in December 2023, the Company's eligible employees were able to begin participating in the Company's ESPP. The ESPP allows eligible participants to contribute up to 15% of their eligible compensation towards the purchase of Class A common stock at a discounted price, subject to certain limitations. The purchase price of the shares on each purchase date is equal to 85% of the lower of the fair market value of Class A common stock on the first and last trading days of each offering period. The offerings under the ESPP are currently designed to be intended to qualify under Section 423 of the Internal Revenue Code. The Company estimates the fair value of each purchase right under the ESPP on the date of grant using the Black-Scholes valuation model and uses the straight-line attribution approach to record the expense over the six-month offering period. The maximum number of shares that may be issued under the ESPP is 3,000,700 plus any shares added to the ESPP under the automatic annual increase at the beginning of each fiscal year.

19. Leases

Total Lease Cost

The components of rent expense, which are included in selling, general and administrative expenses in the Company's consolidated statements of operations and comprehensive loss, were as follows:

	Years Ended December 31,	
	2023	2022
	(in thousands)	
Operating lease expense	\$ 1,287	\$ 1,861
Variable lease expense	245	960
Short-term lease expense	273	127
Sublease income	—	(127)
Total rent expense	<u>\$ 1,805</u>	<u>\$ 2,821</u>

Supplemental Balance Sheet Information

As of December 31, 2023 and 2022, supplemental operating lease balance sheet information consisted of the following:

	December 31,	December 31,
	2023	2022
	(in thousands)	
Operating lease right of use assets - net	\$ 1,630	\$ 3,586
Other current liabilities	621	530
Operating lease liabilities	3,041	3,132
Total operating lease liabilities	<u>\$ 3,662</u>	<u>\$ 3,662</u>

Other Supplemental Information

Other supplemental operating lease information consisted of the following for the years ended December 31, 2023 and 2022:

	Years Ended December 31,	
	2023	2022
	(dollars in thousands)	
Operating cash flows for operating leases	\$ 586	\$ 1,771
ROU assets obtained in exchange for new lease liabilities	\$ 222	\$ 5,225
Weighted average remaining lease term (in years)	8.33	9.36
Weighted average discount rate	11.48 %	10.95 %

20. Related Party Transactions

A summary of the Company's related party transactions during the years ended December 31, 2023 and 2022 is presented below:

Name	Nature of Relationship	Description of the Transactions	Total Payments in the Years Ended December 31,		Amount Due to Related Party as of	
			2023	2022	December 31, 2023	December 31, 2022
			(in thousands)			
LeoStella	Joint Venture with Thales Alenia Space	The Company owns 50% of LeoStella, its joint venture with Thales. The Company contracts with LeoStella for the design, development and manufacture of satellites to operate its business.	\$ 23,910	\$ 28,042	\$ 10,843	\$ 3,728
X-Bow	Equity Method Investee	The Company had a less than 20% investment in X-Bow and held one Board seat through November 2023 when it sold its investment.	—	900	—	—
Ursa Space Systems	Strategic Partner	The chairman of the Company's board of directors, Will Porteous, is also an investor and member of the board of directors of Ursa Space Systems. The Company has a non-cancelable operational commitment with Ursa Space Systems.	458	583	42	—
Thales Alenia Space	Shareholder and Parent of Wholly-owned Subsidiary, Seahawk (Debt Issuer)	Design, development and manufacture of telescopes.	8,092	11,388	750	693
Seahawk	Debt Issuer and subsidiary of Thales Alenia Space	In 2019, the Company raised and converted \$8.4 million from prior debt into new, outstanding debt and issued 13.5 million warrants to purchase Legacy BlackSky common stock.	375	—	22,793	20,787
Intelsat	Debt Issuer	In 2019, the Company entered into a term loan facility for \$50.0 million and issued 20.2 million warrants to purchase Legacy BlackSky common stock.	1,042	—	61,785	56,345

The Company recorded revenue from related parties of \$1.5 million and \$0 for the years ended December 31, 2023 and 2022, respectively. Accounts receivable from related parties was \$0 as of December 31, 2023 and 2022.

On May 9, 2023, BlackSky and its subsidiaries entered into an Amendment to its Amended and Restated Loan and Security Agreement with Intelsat and Seahawk, dated October 31, 2019 and previously amended on September 9, 2021. The Company incurred \$0.4 million of offering costs to related parties in relation to the Amendment. See Note 13 for information regarding the Amendment.

Interest on the term loan facility is accrued and is due semi-annually. The Company made interest payments of \$1.0 million and \$0 during the years ended December 31, 2023 and 2022, respectively. As of

December 31, 2023, the Company had interest due to related parties of \$1.7 million, of which \$0.3 million is to be paid as cash interest on a semi-annual basis and was included in other current liabilities and \$1.4 million is paid in kind as principal due on the maturity date and was included in other liabilities. As of December 31, 2022, the Company had interest due to related parties of \$1.2 million that was included in other current liabilities.

21. Fair Value of Financial Instruments

The following tables present information about the Company's liabilities that are measured at fair value on a recurring basis as of December 31, 2023 and 2022 and indicate the fair value hierarchy level of the valuation techniques and inputs that the Company utilized to determine such fair value:

December 31, 2023	Quoted Prices in Active Markets (Level 1)	Significant Other Observable Input (Level 2)	Significant Other Unobservable Inputs (Level 3)
(in thousands)			
Liabilities			
Public Warrants	\$ 795	\$ —	\$ —
Private Placement Warrants - Issued October 2019	—	—	583
Private Placement Warrants - Issued March 2023	—	—	12,467
Sponsor Shares	—	—	1,304
	\$ 795	\$ —	\$ 14,354

December 31, 2022	Quoted Prices in Active Markets (Level 1)	Significant Other Observable Input (Level 2)	Significant Other Unobservable Inputs (Level 3)
(in thousands)			
Liabilities			
Public Warrants	\$ 2,097	\$ —	\$ —
Private Placement Warrants - Issued October 2019	—	—	1,332
Sponsor Shares	—	—	1,684
	\$ 2,097	\$ —	\$ 3,016

The carrying values of the following financial instruments approximated their fair values as of December 31, 2023 and 2022 based on their maturities: cash and cash equivalents, restricted cash, accounts receivable, prepaid expenses and other current assets, accounts payable, accrued liabilities, and other current liabilities.

There were no transfers into or out of any of the levels of the fair value hierarchy during the years ended December 31, 2023 or 2022.

Changes in the fair value of the Level 3 liabilities during the year ended December 31, 2022 of \$5.2 million included the Sponsor Shares and the October 2019 Private Placement Warrants. The following is a summary of changes in the fair value of the Level 3 liabilities during the year ended December 31, 2023:

	Sponsor Shares	Private Placement Warrants - Issued October 2019	Private Placement Warrants - Issued March 2023
	(in thousands)		
Balance as of January 1, 2023	\$ 1,684	\$ 1,332	\$ —
Liability recorded at fair value	—	—	17,716
Gain from changes in fair value	(380)	(749)	(5,249)
Balance as of December 31, 2023	<u>\$ 1,304</u>	<u>\$ 583</u>	<u>\$ 12,467</u>

22. Commitments and Contingencies

Leases

The Company leases office space under various non-cancellable operating leases with varying lease expiration dates through 2033. Future minimum lease payments under non-cancellable office leases as of December 31, 2023 are as follows:

	(in thousands)
For the years ending December 31,	
2024	\$ 976
2025	560
2026	566
2027	546
2028	519
Thereafter	3,315
Total lease payments	6,482
Less: imputed interest	(2,820)
Present value of lease liabilities	<u>\$ 3,662</u>

As of December 31, 2023, the Company has approximately \$7.3 million of commitments for an office space lease that has not yet commenced. The lease commenced in January 2024 with a lease term of 13 years.

Ground Station Services

The Company has purchase commitments for ground station services to be performed by third-parties subsequent to December 31, 2023. Future purchase commitments under non-cancellable ground station service contracts as of December 31, 2023 are as follows:

	(in thousands)
For the years ending December 31,	
2024	\$ 759
2025	613
2026	441
2027	316
2028	78
	<u>\$ 2,207</u>

Legal Proceedings

From time to time, the Company may become involved in various claims and legal proceedings arising in the ordinary course of business, which, by their nature, are inherently unpredictable. The Company is not currently a party to any material claims or legal proceedings the outcome of which, if determined adversely to the Company, would individually or in the aggregate, have a material adverse effect on the Company's business, financial condition, results of operations, or cash flows. Regardless of outcome, litigation and other legal proceedings can have an adverse impact on the Company because of defense and settlement costs, diversion of management resources and other factors.

Other Commitments

During the year ended December 31, 2023, the Company entered into a commitment for non-refundable multi-launch and integration services. The Company also entered into a commercial agreement with financing terms for multiple launches providing for \$3.0 million to be paid upfront, and for \$27.0 million, of which a portion will be drawn down equally per launch and will be repaid quarterly on a pro-rata basis across a three-year period after each successful launch milestone. Payments will accrue interest at 12.6% per annum. The Company may prepay at any time until the maturity date without premium or penalty. As of December 31, 2023, the minimum commitment associated with the agreement was \$8.4 million. Under certain circumstances, a default interest rate will apply on all outstanding and payable obligations during the existence of an event of default under the Loan Agreement at 18.9% per annum above the applicable interest rate.

We have operational commitments for the next several years that contain termination for convenience options, subject to applicable termination fees. For example, we have work orders to manufacture our Gen-3 satellites at LeoStella, our satellite manufacturing joint venture. Our work orders with LeoStella and other manufacturing partners all contain termination for convenience options that allow us to manage the satellite production process from design through manufacturing. In addition to the above, the Company entered into various operational commitments for the next several years totaling \$6.6 million as of December 31, 2023.

23. Concentrations, Risks, and Uncertainties

The Company has a concentration of contractual revenue arrangements with the U.S. federal government and agencies as well as with commercial customers. The Company had the following customers whose revenue and accounts receivable balances individually represented 10% or more of the Company's total revenue and/or accounts receivable:

	Revenue		Accounts Receivable	
	Years Ended December 31,		As of December 31,	
	2023	2022	2023	2022
	(in thousands)			
U.S. federal government and agencies	62%	81%	83%	82%
Customer B	14%	*	*	*
Customer C	12%	*	*	*

* Revenue and/or accounts receivable from these customers were less than 10% of total revenue and/or accounts receivable during the year.

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 December 31, 2023 and 2022, 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 did not have a significant reserve for uncollectible accounts.

24. Subsequent Events

The Company evaluated subsequent events through March 19, 2024 and determined that there have been no events that have occurred that would require adjustments to our disclosures or the consolidated financial statements.



Tenant: BlackSky Holdings, Inc.
Premises: 2411 Dulles Corner Park, Suite 300

LEASE

THIS LEASE ("Lease") is entered into as of November 20, 2023, between 2411 DULLES CORNER METRO OWNER LLC, a Delaware limited liability company ("Landlord"), and BLACKSKY HOLDINGS, INC., a Delaware corporation ("Tenant").

In consideration of the mutual covenants stated below, and intending to be legally bound, Landlord and Tenant covenant and agree as follows:

1. KEY DEFINED TERMS.

(a) "Abatement Period" means with respect to the first Abatement Period, the period that begins on the Commencement Date and ends on the day immediately prior to the 18-month anniversary of the Commencement Date (the "First Abatement Period," i.e. September 1, 2024 – February 28, 2026), and with respect to the second Abatement Period, the period that begins on the day immediately following the First Abatement Period and ends on the day immediately prior to the 16-month anniversary of the commencement of the second Abatement Period (the "Second Abatement Period," i.e. March 1, 2026 – June 30, 2027); in each case, as more particularly described in the rent schedule contained in Section 1(i) below. During the period that begins on the (y) Commencement Date and ends on the day immediately prior to the 12-month anniversary of the Commencement Date (i.e. September 1, 2024 – August 31, 2025), Fixed Rent and Tenant's Share of increases in Operating Expenses (as defined in Section 5(a)) are abated in full, and (z) 12-month anniversary of the Commencement Date and ends on the day immediately prior to the 18-month anniversary of the Commencement Date (i.e. September 1, 2025 – February 28, 2026), no Fixed Rent is due and payable, but Tenant shall pay to Landlord without regard to the Base Year (as defined in Section 5): (A) Tenant's Share of Operating Expenses as payable per Section 5, and (B) utilities as set forth in Section 6. During the Second Abatement Period (i) 50% of Fixed Rent is abated and Tenant shall pay to Landlord 50% of the Fixed Rent set forth for the Second Abatement Period in the rent schedule contained in Section 1(i) below and as payable per Section 4(a), and (ii) Tenant shall pay to Landlord (A) Tenant's Share of increases in Operating Expenses as payable per Section 5; and (B) utilities as set forth in Section 6.

(b) "Additional Rent" means all rents, costs, and expenses other than Fixed Rent that Tenant is obligated to pay Landlord pursuant to this Lease.

(c) "Broker" means Cresa.

(d) "Building" means the building located at 2411 Dulles Corner Park, Herndon, Virginia, containing approximately 179,115 rentable square feet, as measured using the BOMA Method (hereinafter defined).

(e) "Business Hours" means the hours of 8:00 a.m. to 6:00 p.m. on weekdays, and 9:00 a.m. to 1:00 p.m. on Saturdays, excluding Building holidays.

(f) "Commencement Date" means September 1, 2024; provided, however, the Commencement Date shall be pushed back on a day-for-day basis for each day that Substantial Completion is delayed due to a Landlord Delay (as defined in Exhibit C).

(g) "Common Areas" means, to the extent applicable, the lobby, parking facilities, passenger elevators, rooftop terrace, fitness or health center, plaza and sidewalk areas, multi-tenanted floor restrooms, bike/facility rack, conference center/tenant lounge, Game Room (as defined in Section 8(c)), and other similar areas of unrestricted access at the Project or designated for the benefit of Building tenants,

and the areas on multitenant floors in the Building devoted to corridors, elevator lobbies, and other similar facilities serving the Premises.

(h) “Expiration Date” means the last day of the Term, or such earlier date of termination of this Lease pursuant to the terms hereof.

(i) “Fixed Rent” means fixed rent in the amounts set forth below:

<u>TIME PERIOD</u>	<u>FIXED RENT PER R.S.F.</u>	<u>ANNUALIZED FIXED RENT</u>	<u>MONTHLY INSTALLMENT</u>
9/1/24 – 2/28/26	\$0.00*	\$0.00*	\$0.00*
3/1/26 – 8/31/26	\$37.92**	\$649,238.04**	\$54,103.17**
9/1/26 – 6/30/27	\$38.87**	\$665,469.00**	\$55,455.75**
7/1/27 – 8/31/27	\$38.87	\$665,469.00	\$55,455.75
9/1/27 – 8/31/28	\$39.84	\$682,105.68	\$56,842.14
9/1/28 – 8/31/29	\$40.84	\$699,158.28	\$58,263.19
9/1/29 – 8/31/30	\$41.86	\$716,637.24	\$59,719.77
9/1/30 – 8/31/31	\$42.91	\$734,553.12	\$61,212.76
9/1/31 – 8/31/32	\$43.98	\$752,916.96	\$62,743.08
9/1/32 – 8/31/33	\$45.08	\$771,739.92	\$64,311.66
9/1/33 – 8/31/34	\$46.21	\$791,033.40	\$65,919.45
9/1/34 – 8/31/35	\$47.36	\$810,809.28	\$67,567.44
9/1/35 – 8/31/36	\$48.55	\$831,079.56	\$69,256.63

*Reflects the amount of Fixed Rent due subject to the First Abatement Period

** Reflects the amount of Fixed Rent due subject to the Second Abatement Period

(j) “Initial Term” means the period commencing on the Commencement Date, and ending at 11:59 p.m. on the day immediately prior to the 144-month anniversary of the Commencement Date.

(k) “Laws” means federal, state, county, and local governmental and municipal laws, statutes, ordinances, rules, regulations, codes, decrees, orders, and other such requirements, and decisions by courts in cases where such decisions are considered binding precedents in the state or commonwealth in which the Premises are located (“State”), and decisions of federal courts applying the laws of the State, including without limitation Title III of the Americans with Disabilities Act of 1990, 42 U.S.C. §12181 et seq. as now in effect or hereafter amended and all rules and regulations issued thereunder.

(l) “LOC” has the meaning set forth in Section 4 hereof.

(m) “Premises” means the space presently known as Suite 300 in the Building, as shown on Exhibit A attached hereto, which is deemed to contain 17,119 rentable square feet, as determined using the Building Owners and Managers Association 2017 - 4.1 Method A (the “BOMA Method”).

(n) “Project” means the Building, together with the parcel of land upon which the Building is located, and all Common Areas.

(o) “Rent” means Fixed Rent and Additional Rent. Landlord may apply payments received from Tenant to any obligations of Tenant then due and owing without regard to any contrary Tenant instructions or requests. Additional Rent shall be paid by Tenant in the same manner as Fixed Rent, without setoff, deduction, or counterclaim.



(p) “Security Deposit” means \$108,206.34.

(q) “Tenant’s NAICS Code” means Tenant’s 6-digit North American Industry Classification number under the North American Industry Classification System as promulgated by the Executive Office of the President, Office of Management and Budget, which is 541715. [<http://www.naics.com/search/>]

(r) “Term” means the Initial Term together with any extension of the term of this Lease agreed to by the parties in writing.

2. PREMISES. Landlord leases to Tenant, and Tenant leases from Landlord, the Premises for the Term subject to the terms and conditions of this Lease. Tenant accepts the Premises in their “AS IS”, “WHERE IS”, “WITH ALL FAULTS” condition. Landlord represents to Tenant that, to Landlord’s actual knowledge without independent investigation or inquiry, as of the date of execution of this Lease: (i) the third (3rd) floor Common Areas are in compliance with Laws; and (ii) Landlord has received no notice that the Building or the Premises are in violation of Law. Upon full execution and delivery of this Lease, Landlord shall deliver possession of the Premises to Tenant for Tenant’s completion of the Leasehold Improvements (as defined in and pursuant to Exhibit C). Notwithstanding anything to the contrary contained in this Lease, including, but not limited to, Exhibit C, Tenant acknowledges and agrees that (a) Landlord will not deliver possession of the Premises to Tenant until January 1, 2024, and (b) Tenant may not commence performance of the Leasehold Improvements until on or after January 1, 2024.

3. TERM. The Term shall commence on the Commencement Date. The terms and provisions of this Lease are binding on the parties upon Tenant’s and Landlord’s execution of this Lease notwithstanding a later Commencement Date for the Term. Provided Tenant furnishes Landlord with a certificate of insurance as required by Section 12 below, Tenant shall have the right to occupy the Premises commencing July 1, 2024 and without acceleration of the Commencement Date, in which case all terms and conditions of this Lease shall be effective except that Tenant shall have no obligation to pay Rent until the Commencement Date, subject to the provisions of this Lease. The rentable area of the Premises and the Building on the Commencement Date shall be deemed to be as stated in Section 1. By the Confirmation of Lease Term substantially in the form of Exhibit B attached hereto (“COLT”), Landlord shall notify Tenant of the Commencement Date and all other matters stated therein. The COLT shall be conclusive and binding on Tenant as to all matters set forth therein unless, within 10 days following delivery of the COLT to Tenant, Tenant contests any of the matters contained therein by notifying Landlord in writing of Tenant’s objections.

4. FIXED RENT; SECURITY DEPOSIT; LATE FEE; LETTER OF CREDIT.

(a) Tenant covenants and agrees to pay to Landlord during the Term, without notice, demand, setoff, deduction, or counterclaim, Fixed Rent in the amounts set forth in Section 1. The Monthly Installment of Fixed Rent (commencing after the First Abatement Period) shall be payable to Landlord in advance on or before the first day of each month of the Term. All Rent payments shall be made by electronic funds transfer as follows (or as otherwise directed in writing by Landlord to Tenant at least 30 days in advance from time to time): (i) ACH debit of funds, provided Tenant shall first complete Landlord’s then-current forms authorizing Landlord to automatically debit Tenant’s bank account; or (ii) ACH credit of immediately available funds to an account designated by Landlord. “ACH” means Automated Clearing House network or similar system designated by Landlord. All Rent payments shall include the Building number and the Lease number, which numbers will be provided to Tenant in the COLT.

(b) Contemporaneously with Tenant’s execution and delivery of this Lease, Tenant

shall pay to Landlord: (i) the monthly Fixed Rent for the first full calendar month of the Term after the Abatement Period; and (ii) cash in the amount of the Security Deposit. Within sixty (60) days after the execution of this Lease, Tenant shall deliver to Landlord the LOC (as defined below) to replace the cash Security Deposit, and within two (2) business days after Tenant's delivery of the LOC to Landlord, Landlord shall wire the cash Security Deposit back to Tenant per Tenant's wiring instructions. No interest shall be paid to Tenant on the Security Deposit, and Landlord shall have the right to commingle the Security Deposit with other funds of Landlord. If Tenant commits an Event of Default (as defined in Section 17), Landlord may use, apply or retain the whole or any part of the Security Deposit to the extent necessary for the payment of: (A) any rent or other sums that Tenant has not paid when due; (B) any sum expended by Landlord in accordance with the provisions of this Lease which is Tenant's responsibility to pay; and/or (C) any sum that Landlord expends or is required to expend in connection with such Event of Default. Landlord's use of the Security Deposit shall not prevent Landlord from exercising any other remedy available to Landlord under this Lease, at law or in equity and shall not operate as either liquidated damages or as a limitation on any recovery to which Landlord may otherwise be entitled. If any portion of the Security Deposit is used, applied, or retained by Landlord, Tenant shall, within 10 days after written demand therefor, deposit cash with Landlord in an amount sufficient to restore the Security Deposit to its original amount, and if Tenant fails to do so an Event of Default shall be deemed to have occurred. Landlord shall return the Security Deposit or the balance thereof (as applicable) to Tenant within one (1) month after the latest of the Expiration Date, Tenant's surrender of possession of the Premises to Landlord in the condition required under this Lease, Tenant's payment of all outstanding Rent, and Landlord's receipt of written notice from Tenant of its forwarding address. Upon the return of the Security Deposit or the balance thereof (as applicable) to Tenant, Landlord shall be completely relieved of liability with respect to the Security Deposit. If the originally named Tenant has assigned this Lease, Landlord may return the Security Deposit or the balance thereof (as applicable) to the current Tenant unless Landlord receives reasonably satisfactory evidence of the originally named Tenant's right to receive the Security Deposit. If Landlord conveys ownership of the Building, Landlord shall deliver the Security Deposit to the transferee, and Landlord shall thereupon be released from all liability for the return of such Security Deposit and Tenant shall look solely to the transferee for the return of the Security Deposit.

(c) If Landlord does not receive the full payment from Tenant of any Rent when due under this Lease (without regard to any notice and/or cure period to which Tenant might be entitled), Tenant shall also pay to Landlord as Additional Rent a late fee in the amount of 5% of such overdue amount. Notwithstanding the foregoing, upon Tenant's written request, Landlord shall waive the above-referenced late fee 2 times during any 12 consecutive months of the Term provided Tenant makes the required payment within 3 business days after receipt of notice of such late payment. With respect to any Rent payment (whether it be by check, ACH/wire, or other method) that is returned unpaid for any reason, Landlord shall have the right to assess a fee to Tenant as Additional Rent, which fee is currently \$40.00 per returned payment.

(d) As a condition precedent to the effectiveness of this Lease and as a guaranty of the prompt and complete performance by Tenant of each and every provision of this Lease and all obligations of Tenant hereunder, monetary and nonmonetary, Tenant shall deliver to Landlord, contemporaneously with its execution and delivery of this Lease, an irrevocable, automatically renewing, clean, and unconditional standby letter of credit issued by LOC Bank (as defined below) in the face amount of \$108,206.34 ("LOC Amount"), which shall be substantially in the form attached as Exhibit G or otherwise in form acceptable to Landlord ("LOC"). The LOC shall be, among other things, subject to the International Standby Practices 1998, International Chamber of Commerce Publication No. 590, and irrevocable and unconditional, conditioned for payment solely upon presentation of the LOC and a sight draft. The LOC shall provide, *inter alia*, as follows: (i) the LOC shall be automatically renewing for the duration of the Term plus the subsequent 2 months with a minimum of 2 months' prior written notice from LOC Bank to Landlord to exercise an early termination right by LOC Bank; (ii) the LOC shall be fully transferrable and

Landlord to exercise an early termination right by LOC Bank, (ii) the LOC shall be fully transferable one

or more times to any successor or assignee of Landlord at no cost to Landlord and no cost to any such successor or assignee of Landlord; (iii) any draw or transfer of the LOC shall be permitted by facsimile or nationally recognized courier service to LOC Bank and shall not require a representative of Landlord to be present at such presentation or delivery to LOC Bank; (iv) any draws or transfers of the LOC shall only require signature by an authorized representative of Landlord; and (v) in no event shall any draw or transfer demand require a signature authentication of Landlord's signatory by Landlord's bank or any other authenticating organization. Notwithstanding the foregoing requirements with respect to the LOC, any fee required to be paid in connection with any transfer of the LOC by Landlord to any successor or assignee shall be paid by Tenant within 30 days after receipt of invoice from Landlord. The LOC is not a security deposit and is in lieu of a guaranty. Tenant acknowledges and agrees that the LOC shall constitute an independent contract between the LOC Bank and Landlord, and the proceeds of any draws by Landlord under the LOC shall not constitute property of Tenant as debtor in any bankruptcy proceeding. The proceeds of the LOC shall be held or applied by Landlord in its sole discretion, and the receipt by Landlord of proceeds of the LOC under one or more draws hereunder shall not relieve Tenant of any obligations to make installment or other payments of Rent under this Lease, or otherwise discharge or release or relieve Tenant of compliance or performance of any terms and conditions under this Lease. If Landlord draws on the LOC, the proceeds may be used to compensate Landlord for its damages, including without limitation damages permitted under applicable Law, and Landlord shall have the right to hold any balance from the draw as part of the Security Deposit, in which event the Security Deposit shall be deemed increased by such amount. The delivery of the LOC and/or exercise by Landlord of its rights under such LOC shall not constitute liquidated damages or otherwise release, waive, or estop Landlord from asserting any and all claims, or exercising any and all rights and remedies Landlord has or may have with the passage of time under this Lease and applicable Law. The LOC shall expressly provide that Landlord (and/or its successors and assigns) is entitled to make one or more draws from time to time under the LOC, in whole or in part, and Landlord may use, apply, or retain the proceeds of the LOC upon the occurrence of any of the following: (A) Tenant has failed to comply with or perform under any of the terms and conditions of this Lease; (B) a petition has been filed by or against Tenant commencing a case under Title 11 of the United States Code or other state or federal bankruptcy or insolvency laws, as amended or reenacted with the passage of time; (C) Tenant has failed to provide a replacement LOC, in form and substance acceptable to Landlord, at least 30 days prior to the expiration of the existing LOC; or (D) Tenant has failed to cause the delivery to Landlord of an amendment to the LOC, in form and substance acceptable to Landlord, extending the LOC for the duration of the Term plus the subsequent 2 months. Tenant shall procure the issuance of a replacement or amended LOC in the LOC Amount concurrently with any assignment of this Lease by Tenant, or the vesting of this Lease in Tenant as a reorganized debtor or other successor emerging from bankruptcy, so as to assure the continued ability of Landlord to draw under the LOC as contemplated herein. Notwithstanding anything to the contrary in this Lease, it shall be an automatic Event of Default if at any time during the Term there is no valid LOC. The use of the LOC by Landlord shall not prevent Landlord from exercising any other remedy provided by this Lease or by law and shall not operate as either liquidated damages or as a limitation on any recovery to which Landlord may otherwise be entitled. Landlord shall return the LOC to the issuer thereof within 60 days after the later of the Expiration Date, Tenant's surrender of possession of the Premises to Landlord in the condition required under this Lease, and Tenant's payment of all outstanding Rent. If the LOC is drawn on by Landlord, Tenant shall, within 10 days after the written demand therefor is made by Landlord, restore the LOC to the LOC Amount. If Landlord has reason to believe that the LOC Bank or any successor to such institution, including the FDIC, would not fully honor such LOC, Landlord may require Tenant to replace the LOC with a new LOC issued by a new LOC Bank within 5 business days after receipt of a written request from Landlord to replace the LOC. Tenant's failure to do so timely shall, notwithstanding anything else in this Lease to the contrary, constitute an Event of Default for which there shall be no notice or grace or cure periods being applicable thereto other than such 5 business-day period. For purposes herein, the "LOC Bank" means a bank or financial institution: (a) the deposits of which are insured by the Federal Deposit Insurance Corporation; (b) whose long-term, unsecured and unsubordinated debt obligations are rated in the highest category by at least 2 of Fitch Ratings Ltd, Moody's Investors

Service, Inc. and Standard & Poor's Ratings Services or their respective successors ("Rating Agencies"); (c) which has a short term deposit rating in the highest category from at least 2 Rating Agencies; (d) which has offices that accept deliveries by facsimile or nationally recognized courier service; and (e) is otherwise acceptable to Landlord in Landlord's sole discretion and continues to be acceptable to Landlord for the duration of the Term plus the subsequent 2 months.

5. OPERATING EXPENSES.

(a) Certain Definitions.

(i) "Base Year" means calendar year 2025.

(ii) "Operating Expenses" means collectively Project Electricity Costs, Project Expenses, and Taxes.

(iii) "Project Electricity Costs" means all electricity costs related to the maintenance, operation, and repair of the Project, excluding the costs of electricity directly metered or submetered to Building tenants and paid separately by such tenants.

(iv) "Project Expenses" means all costs and expenses paid, incurred, or accrued by Landlord in connection with the maintenance, operation, repair, and replacement of the Project including: a management fee equal to 3% of gross rents and revenues from the Project, which shall be calculated as if Landlord were not providing any tenant of the Building with any rental abatement; all costs associated with the removal of snow and ice from the Project; property management office rent; conference room and fitness center costs; security measures; all costs associated with janitorial services, trash and garbage removal, recycling, cleaning, and sanitizing the Building; Project Utility Costs (as defined in Section 6 below); capital expenditures, repairs, and replacements in order to comply with Laws enacted after the Commencement Date or intended to achieve savings in Operating Expenses, but only to the extent of the amortized costs of such capital item over the useful life of the improvement as reasonably determined by Landlord in accordance with generally accepted accounting principles or, if greater, the actual savings created by such capital item for each year of the Term; valet, concierge, and card-access parking system costs; all insurance premiums and commercially reasonable deductibles paid or payable by Landlord with respect to the Project; and the cost of providing those services required to be furnished by Landlord under this Lease. Notwithstanding the foregoing, "Project Expenses" shall not include any of the following: (A) repairs or other work occasioned by fire, windstorm, or other insured casualty or by the exercise of the right of eminent domain to the extent Landlord actually receives insurance proceeds or condemnation awards therefor (or would have received such proceeds had it maintained the insurance Landlord is required to carry hereunder); (B) leasing commissions, accountants', consultants', auditors or attorneys' fees, costs, and disbursements and other expenses incurred in connection with negotiations or disputes with other tenants or prospective tenants or other occupants, or associated with the enforcement of any other leases or the defense of Landlord's title to or interest in the real property or any part thereof; (C) costs incurred by Landlord in connection with the original construction of the Building and related facilities; (D) costs for the solicitation and execution of leases, including costs incurred in renovating or otherwise improving or decorating, painting, or redecorating leased or vacant space for other tenants or other occupants; (E) interest on debt or amortization payments on any mortgage or deeds of trust or any other borrowings and any ground rent; (F) legal, accounting, and other expenses related to Landlord's financing, refinancing, mortgaging, or selling the Building or the Project; (G) cost of any political, charitable, or civic contribution or donation; (H) reserves for repairs, maintenance, and replacements; (I) Taxes; (J) cost of utilities directly metered or submetered to Building tenants and paid separately by such tenants; (K) the portion of any wages, salaries, fees, or fringe benefits paid to personnel above the level of regional property manager, not related directly to the operation, management, or repair of the Project; (L) costs of services provided to other tenants of the

Building to which Tenant is not entitled (including costs specially billed to and paid by specific tenants); (M) ground rents or rentals payable by Landlord pursuant to any over-lease; (N) costs to correct any penalty or fine incurred by Landlord due to Landlord's violation of any Laws; (O) the cost of sculptures, paintings and other objects of art in excess of amounts typically spent for such items in office buildings of comparable quality in the competitive area of the Building; (P) costs incurred to remediate Hazardous Material from the Property; leasing and/or brokerage commissions, advertising expenses, tenant improvements or other costs directly related to the leasing of the Premises; (Q) costs representing an amount paid to an affiliate of Landlord (exclusive of any management fee permitted under the Operating Expense inclusions) to the extent in excess of market rates for comparable services if rendered by unrelated third parties; (R) costs of repair necessitated by Landlord's negligence or willful misconduct; (S) ground rents or rentals payable by Landlord pursuant to any over-lease; (T) costs of selling the Project or any portion thereof or interest therein; or (U) capital expenditures, except as specifically provided in this Section.

(v) "Taxes" means all taxes, assessments, and other governmental charges, whether general or special, ordinary or extraordinary, foreseen or unforeseen, including real estate taxes, sales taxes, and gross receipt taxes, that are levied or assessed against, or with respect to the ownership of, all or any portion of the Project during the Term or, if levied or assessed prior to the Term, are properly allocable to the Term, business property operating license charges, and real estate tax appeal expenditures incurred by Landlord. "Taxes" shall not include: (i) any inheritance, estate, succession, transfer, gift, franchise, corporation, net income or profit tax or capital levy that is or may be imposed upon Landlord; or (ii) any transfer tax or recording charge resulting from a transfer of the Building or the Project, or (iii) any penalties imposed on landlord for failure to timely pay Taxes; provided, however, if at any time during the Term the method of taxation prevailing at the commencement of the Term shall be altered such that in lieu of or as a substitute in whole or in part for any Taxes now levied, assessed, or imposed on real estate there shall be levied, assessed, or imposed: (A) a tax on the rents received from such real estate; or (B) a license fee measured by the rents receivable by Landlord from the Premises or any portion thereof; or (C) a tax or license fee imposed upon the Premises or any portion thereof, then the same shall be included in Taxes. Tenant may not file or participate in any Tax appeals for any tax lot in the Project. Further, "Taxes" shall not include any sales, use, use and occupancy, transaction privilege, or other excise tax that may at any time be levied or imposed upon Tenant, or measured by any amount payable by Tenant under this Lease (collectively, "Other Taxes"). Tenant shall pay all Other Taxes monthly or otherwise when due; if applicable Law requires Landlord to collect any Other Taxes, such Other Taxes shall be payable to Landlord as Additional Rent.

(vi) "Tenant's Share" means the rentable square footage of the Premises divided by the rentable square footage of the Building on the date of calculation, which on the date of this Lease is stipulated to be 9.56%. Tenant's Share shall not increase during the Initial Term unless Tenant expands the Premises or leases additional space in the Building.

(b) Commencing on September 1, 2025 (subject to Section 1(a)) and continuing thereafter during the Term, Tenant shall pay to Landlord in advance on a monthly basis on or before the first day of each month of the Term, payable pursuant to Section 5(c) below, Tenant's Share of: (i) Project Electricity Costs to the extent Project Electricity Costs exceed Project Electricity Costs for the Base Year; (ii) Project Expenses to the extent Project Expenses exceed Project Expenses for the Base Year; and (iii) Taxes to the extent Taxes exceed Taxes for the Base Year. If the Building is operated as part of a complex of buildings or in conjunction with other buildings or parcels of land, then Landlord may prorate the common expenses and costs with respect to each such building or parcel of land in such manner as Landlord, in its sole but reasonable judgment, shall determine. Landlord shall calculate Operating Expenses using generally accepted accounting principles, and may allocate certain categories of Operating Expenses to the applicable tenants on a commercially reasonable basis, for example based on the type of use.



(c) For each calendar year (or portion thereof) for which Tenant has an obligation to pay any Operating Expenses, Landlord shall send to Tenant a statement of the monthly amount of projected Operating Expenses due from Tenant for such calendar year (“Estimated Operating Expenses”), and Tenant shall pay to Landlord such monthly amount of Estimated Operating Expenses as provided in Section 5(b), in advance on a monthly basis on or before the first day of each month of the Term without further notice or demand, until Tenant’s receipt of the succeeding statement of Estimated Operating Expenses. As soon as administratively available (but in any event within 120 days after each calendar year or, at Landlord’s option, after a sale of the Project), Landlord shall send to Tenant a reconciliation statement of the actual Operating Expenses for the prior calendar year (“Reconciliation Statement”); provided, however, if Landlord does not provide such statements within such period, Landlord shall not have been deemed to waive its right to collect any amounts as Additional Rent unless Landlord fails to provide such statement within 18 months after the end of the applicable calendar year; provided, further, Landlord does not waive its right to deliver a corrected statement beyond such date should Landlord discover any errors. If the amount actually paid by Tenant as Estimated Operating Expenses exceeds the amount due per the Reconciliation Statement, Tenant shall receive a credit in an amount equal to the overpayment, which credit shall be applied towards future Rent until fully credited. If the credit exceeds the aggregate future Rent owed by Tenant, and there is no uncured default, Landlord shall pay the excess amount to Tenant within 30 days after delivery of the Reconciliation Statement. If Landlord has undercharged Tenant, then Landlord shall either send Tenant an invoice setting forth the additional amount due or indicate the amount due as part of the Reconciliation Statement, which amount shall be paid in full by Tenant within 30 days after receipt of such invoice. Tenant’s obligations under this Section shall survive the Expiration Date.

(d) If, during the Term (including during the Base Year), less than 100% of the rentable area of the Building is or was occupied by tenants, Operating Expenses shall be deemed for such year to be an amount equal to the costs that would have been incurred had the occupancy of the Building been at least 100% throughout such year, as reasonably determined by Landlord and taking into account that certain expenses fluctuate with the Building’s occupancy level and certain expenses do not so fluctuate. In addition, if Landlord is not obligated or otherwise does not offer to furnish an item or a service to a particular tenant or portion of the Building (for example, if a tenant separately contracts with an office cleaning firm to clean such tenant’s premises) and the cost of such item or service would otherwise be included in Operating Expenses, Landlord shall equitably adjust Operating Expenses so the cost of the item or service is shared only by tenants actually receiving such item or service. All payment calculations under this Section shall be prorated for any partial calendar years during the Term and all calculations shall be based upon Operating Expenses as grossed-up in accordance with the terms of this Lease. If a category of expense is first included in Operating Expenses after the Base Year and such category of expense is not in substitution for a category of expense that was included during the Base Year, then for purposes of calculating Tenant’s liability for increases in Operating Expenses, Operating Expenses for the Base Year shall be increased to include the annualized cost of the new category of expense during the first year in which it was provided.

(e) If Landlord or any affiliate of Landlord has elected to qualify as a real estate investment trust (“REIT”), any service required or permitted to be performed by Landlord pursuant to this Lease, the charge or cost of which may be treated as impermissible tenant service income under the laws governing a REIT, may be performed by an independent contractor of Landlord, Landlord’s property manager, or a taxable REIT subsidiary that is affiliated with either Landlord or Landlord’s property manager (each, a “Service Provider”). If Tenant is subject to a charge under this Lease for any such service, then at Landlord’s direction Tenant shall pay the charge for such service either to Landlord for further payment to the Service Provider or directly to the Service Provider and, in either case: (i) Landlord shall credit such payment against any charge for such service made by Landlord to Tenant under this Lease; and (ii) Tenant’s payment of the Service Provider shall not relieve Landlord from any obligation under this Lease concerning the provisions of such services.

Lease concerning the provisions of such services.

(f) Provided there is no outstanding monetary Event of Default by Tenant under this Lease, Tenant shall have the right, at its sole cost and expense, to cause Landlord's records related to a Reconciliation Statement to be audited provided: (i) Tenant provides notice of its intent to audit such Reconciliation Statement within two (2) months after receipt of the Reconciliation Statement; (ii) the audit is performed by a certified public accountant that has not been retained on a contingency basis or other basis where its compensation relates to the cost savings of Tenant; (iii) any such audit may not occur more frequently than once during each 12-month period of the Term, nor apply to any year prior to the year of the then-current Reconciliation Statement being reviewed; (iv) the Base Year may be included in the audit only in the first (1st) year following the Base Year; (v) the audit is completed within two (2) months after the date that Landlord makes all of the necessary and applicable records available to Tenant or Tenant's auditor; (vi) the contents of Landlord's records shall be kept confidential by Tenant, its auditor, and its other professional advisors, other than as required by applicable Law, and if requested by Landlord, Tenant and its auditor shall execute Landlord's standard confidentiality agreement as a condition to Tenant's audit rights under this paragraph; and (vii) if Tenant's auditor determines that an overpayment is due Tenant, Tenant's auditor shall produce a detailed report addressed to both Landlord and Tenant, which report shall be delivered within 15 days after Tenant's auditor's completion of the audit, and then the parties shall use good faith efforts to resolve the dispute. During completion of Tenant's audit, Tenant shall nonetheless timely pay all of Tenant's Share of Operating Expenses without setoff or deduction. Within 30 days after resolution of the dispute, Landlord shall pay or credit to Tenant, or Tenant shall pay to Landlord, as the case may be, all unpaid Operating Expenses due and owing. If, by agreement or as a result of a final judicial determination, it is determined Tenant was overcharged by more than 5%, Landlord shall reimburse Tenant within 30 days after receipt of an invoice with reasonable supporting documentation for the actual, reasonable, third-party hourly costs of Tenant's audit (including reasonable legal and accounting costs), but in no event shall such amount exceed \$5,000.00.

(g) For purposes of calculating Tenant's Share of any increases in Controllable Project Expenses (as defined below) as compared against the Base Year and provided there is no outstanding Event of Default, the total Controllable Project Expenses for each year subsequent to the Base Year shall not exceed the applicable Cap Amount (as defined below) for the applicable subsequent year. "Cap Amount" for each subsequent year shall be equal to the Controllable Project Expenses for the Base Year, increased on a compounded basis by 6% annually (that is, the Cap Amount for the first subsequent year shall be equal to 1.06 multiplied by the Base Year Controllable Project Expenses, the Cap Amount for the second subsequent year shall be equal to (1.06×1.06) multiplied by the Base Year Controllable Project Expenses and so on, throughout the Term). The cap on Controllable Project Expenses set forth herein shall also be calculated on a cumulative basis so that if in any year subsequent to the Base Year, the Controllable Project Expenses exceed the applicable Cap Amount ("Deferred Amount"), the Deferred Amount(s) shall be carried over to the following year(s) and will be charged to Tenant in the following year(s) to the extent Controllable Project Expenses are less than the Cap Amount for the year(s) in question. "Controllable Project Expenses" means all Project Expenses that are within the reasonable control of Landlord, such as routine common area maintenance and contracted landscaping, but specifically excluding utility costs, Taxes, snow and ice removal, insurance, costs resulting from a Force Majeure Event, wage increases due to collective bargaining agreements and/or increases in the minimum wage, management fees (which percentage is capped pursuant to Section 5(a)), and costs resulting from a change in Law occurring after the date of this Lease.

6. UTILITIES.

(a) Commencing on September 1, 2025 (subject to Section 1(a)) and continuing throughout the Term, Tenant shall pay Landlord without setoff, deduction, or counterclaim for Tenant's Share of increases in Project Utility Costs and Project Electricity Costs as part of Operating Expenses

pursuant to Section 5. “Project Utility Costs” means the total cost for all utilities serving the Project, excluding Project Electricity Costs and the costs of utilities that are directly metered or submetered to Building tenants or paid separately by such tenants. The cost of utilities payable by Tenant under this Section shall include all charges and surcharges, applicable taxes, and Landlord’s then-current charges for reading the applicable meters. Tenant shall pay such rates as Landlord may establish from time to time, which shall not be in excess of any applicable rates chargeable by Law, or in excess of the general service rate or other such rate that would apply to Tenant’s use if charged by the utility or municipality serving the Building or general area in which the Building is located. Tenant shall at all times comply with the rules, regulations, terms, policies, and conditions applicable to the service, equipment, wiring, and requirements of the utility supplying electricity to the Building.

(b) For any separately metered utilities, Landlord is hereby authorized to request and obtain, on behalf of Tenant, Tenant’s utility consumption data from the applicable utility provider for informational purposes and to enable Landlord to obtain full building Energy Star scoring for the Building. Landlord shall have the right, upon reasonable prior notice (which may be oral) to Tenant (except in the event of an emergency when no notice shall be required), to shut down the Building systems (including electricity and HVAC systems) for required maintenance, safety inspections, or any other commercially reasonable purpose, including without limitation in cases of emergency. Landlord shall not be liable for any interruption in providing any utility that Landlord is obligated to provide under this Lease, unless such interruption or delay: (i) renders the Premises or any material portion thereof untenantable for the normal conduct of Tenant’s business at the Premises, and Tenant has ceased using such untenantable portion, provided Tenant shall first endeavor to use any generator that serves the Premises or of which Tenant has the beneficial use; (ii) results from Landlord’s negligence or willful misconduct; and (iii) extends for a period longer than 5 consecutive days, in which case, Tenant’s obligation to pay Fixed Rent shall be abated with respect to the untenantable portion of the Premises that Tenant has ceased using for the period beginning on the 6th consecutive day after such conditions are met and ending on the earlier of: (A) the date Tenant recommences using the Premises or the applicable portion thereof; or (B) the date on which the service(s) is substantially restored. The rental abatement described above shall be Tenant’s sole remedy in the event of a utility interruption, and Tenant hereby waives any other rights against Landlord in connection therewith. Landlord shall have the right to change the utility providers to the Project at any time. In the event of a casualty or condemnation affecting the Building and/or the Premises, the terms of Sections 14 and 15, respectively, shall control over the provisions of this Section.

(c) If Landlord reasonably determines that: (i) Tenant exceeds the design conditions for the heating, ventilation, and air conditioning (“HVAC”) system serving the Premises, introduces into the Premises equipment that overloads such system, or causes such system to not adequately perform its proper functions; or (ii) the heavy concentration of personnel, motors, machines, or equipment used in the Premises, including telephone and computer equipment, or any other condition in the Premises caused by Tenant (for example, more than one shift per day or 24-hour use of the Premises), adversely affects the temperature or humidity otherwise maintained by such system, then Landlord shall notify Tenant in writing and Tenant shall have 20 days to remedy the situation to Landlord’s reasonable satisfaction. If Tenant fails to timely remedy the situation to Landlord’s reasonable satisfaction, Landlord shall have the right to install one or more supplemental air conditioning units in the Premises with the cost thereof, including the cost of installation, operation and maintenance, being payable by Tenant to Landlord within 30 days after Landlord’s written demand. Tenant shall not change or adjust any closed or sealed thermostat or other element of the HVAC system serving the Premises without Landlord’s express prior written consent. Landlord may install and operate meters or any other reasonable system for monitoring or estimating any services or utilities used by Tenant in excess of those required to be provided by Landlord (including a system for Landlord’s engineer reasonably to estimate any such excess usage). If such system indicates such excess services or utilities, Tenant shall pay Landlord’s reasonable charges for installing and operating such system and any supplementary air conditioning, ventilation, heat, electrical, or other systems or

such system and any supplementary air conditioning, ventilation, heat, electrical, or other systems or

equipment (or adjustments or modifications to the existing Building systems and equipment), and Landlord's reasonable charges for such amount of excess services or utilities used by Tenant. All Tenant's Supplemental HVAC (as defined in Section 11(a) below) shall be separately metered to the Premises at Tenant's cost, and Tenant shall be solely responsible for all electricity registered by, and the maintenance and replacement of, such meters. Landlord has no obligation to keep cool any of Tenant's information technology equipment that is placed together in one room, on a rack, or in any similar manner ("IT Equipment"), and Tenant waives any claim against Landlord in connection with Tenant's IT Equipment. Landlord shall have the option to require that the computer room and/or information technology closet in the Premises shall be separately submetered at Tenant's expense, and Tenant shall pay Landlord for all electricity registered in such submeter. Within one (1) month after written request, Tenant shall provide to Landlord electrical load information reasonably requested by Landlord with respect to any computer room and/or information technology closet in the Premises.

7. LANDLORD SERVICES.

(a) Subject to Section 5 and Section 6, Landlord shall provide the following to the Premises during the Term, all in a manner commensurate with that of owners of other first-class office buildings in the Herndon area: (i) HVAC service in the respective seasons during Business Hours; provided HVAC service to the Premises on Saturdays will be provided only upon Tenant's prior request to Landlord received no later than noon on the preceding business day; (ii) electricity (a minimum of five and one-half (5.5) watts per rentable square foot, excluding Building standard HVAC service and lighting) for lighting and standard office equipment for comparable buildings in the market in which the Project is located; (iii) water, sewer, and, to the extent applicable to the Building, gas, oil, and steam service; (iv) replacement of bulbs, tubes and ballasts in all building standard light fixtures; (v) interior and exterior window cleaning; and (vi) cleaning services meeting the minimum specifications set forth in Exhibit D attached hereto. Landlord will allow an employee to space ratio of 1:150 rentable square feet leased; provided, however, if Tenant's density occupancy triggers additional improvements to restrooms and/or the HVAC system, then Tenant shall be responsible for the cost of such improvements. Tenant, at Tenant's expense, shall make arrangements with the applicable utility companies and public bodies to provide, in Tenant's name, telephone, cable, and any other utility service not provided by Landlord that Tenant desires at the Premises.

(b) Landlord shall not be obligated to furnish any services, supplies, or utilities other than as set forth in this Lease; provided, however, upon Tenant's prior request sent in accordance with Section 25(p) below, Landlord may furnish additional services, supplies, or utilities, in which case Tenant shall pay to Landlord, within 30 days after demand, Landlord's then-current charge for such additional services, supplies, or utilities, or Tenant's pro rata share thereof, if applicable, as reasonably determined by Landlord. Landlord's current rate for HVAC service outside of Business Hours requested with at least 24 hours' prior notice (or by noon for weekend service) is \$55.00 per hour, per zone, with a 2-hour minimum if the service does not commence immediately following the end of a day's Business Hours.

(c) On the Commencement Date, Landlord shall deliver the following in good working order: (i) base Building structural systems and exterior; (ii) the roof system; (iii) all mechanical, HVAC, plumbing (water and sewage), life/fire/safety, and electrical systems which are connected to, providing services to, or part of the Premises; and (iv) all Common Area elevators.

(d) (i) At Tenant's sole cost and expense and provided there is no Event of Default, Tenant (but not any subtenant) shall have nonexclusive access during the Term to Tenant's Share of the area of the roof of the Building designated by Landlord as specified for antennas, in designated areas mutually agreed upon for the purpose of installation of Tenant's communication equipment, supplemental HVAC units and/or satellite dishes (collectively, including any and all special cabling associated therewith, the "Roof Equipment") provided: (A) the Roof Equipment does not impact Landlord's roof warranty; (B)

the Root Equipment) provided, (A) the Root Equipment does not impact Landlord's root warranty, (B)

the Roof Equipment complies with all applicable Laws; (C) Tenant obtains Landlord's prior written consent thereto, including without limitation approval of (1) the placement of the Roof Equipment, (2) any roof penetrations, (3) an elevation or representational drawing of what the Roof Equipment will look like when mounted to the roof of the Building, and (4) a specific scope of work from Tenant's contractor; (D) Landlord shall have the right, at any time and from time to time, to require Tenant to relocate the Roof Equipment to another location specified by Landlord; and (E) Tenant removes the Roof Equipment and restores the roof to its original condition prior to the Surrender Date. If Landlord determines it to be reasonably necessary, Landlord shall have the right to require, at Tenant's expense, that a structural engineering report be prepared prior to Landlord's approval of any proposed Roof Equipment. If not then adequately screened, Tenant shall, at Tenant's expense, screen the Roof Equipment on all sides, which screening shall be subject to Landlord's prior reasonable approval including, without limitation, the materials and appearance of the screening. The Roof Equipment is deemed Tenant's Property and shall be for the sole benefit of Tenant, relate specifically to Tenant's use of the Premises, and not be used as a switching station, amplification station, or by other tenants or third parties. Tenant is solely responsible for all costs associated with the installation, maintenance, and removal of the Roof Equipment.

(ii) Tenant shall make a request for approval of the Roof Equipment by submission of specific plans and specifications for the work to be performed. Landlord shall respond in writing within 10 business days after receipt of the same, advising Tenant of approved contractors and those portions of the work that are acceptable and disapproving those portions of the work that are, in Landlord's judgment, reasonably exercised, unacceptable and with respect to the plans, specifically detailing the nature of Landlord's objection. Landlord shall have the right to separately meter the Roof Equipment for electricity or to cause Tenant to separately meter the Roof Equipment for electricity, in either case, at Tenant's expense, and, in such case, Tenant shall pay as Additional Rent the electricity charges for the Roof Equipment directly to Landlord or to the electricity provider, as Landlord shall reasonably determine. Tenant shall pay to Landlord within 30 days after Landlord sends Tenant an invoice therefor, all reasonable costs actually incurred by Landlord in connection with Landlord's review and inspection of Tenant's plans for the Roof Equipment and the installation thereof.

(iii) Tenant shall be responsible for procuring all licenses and permits that may be required for the installation, use, or operation of the Roof Equipment, and Landlord makes no warranties or representations as to the permissibility or the permissibility of the Roof Equipment under any applicable Law. Prior to installing the Roof Equipment, Tenant will deliver to Landlord reasonable evidence of Tenant's having obtained all consents or approvals required by any applicable Laws.

(iv) Tenant shall be solely responsible for all damages caused by the Roof Equipment, the removal of the Roof Equipment, and the restoration of the roof prior to the Surrender Date, unless directed in writing by Landlord otherwise. Tenant shall protect, defend, indemnify, and hold harmless Landlord and all Landlord Indemnitees from and against any and all claims, damages, judgments, suits, causes of action, losses, liabilities, penalties, fines, expenses, and costs (including, without limitation, sums paid in settlement of claims, attorneys' fees, consultant fees, and expert fees and court costs) arising out of or from or related to the construction, installation, maintenance, use, or removal of the Roof Equipment. The Additional Insureds shall be named as additional insureds on all Tenant insurance relating to the Roof Equipment. All installation, repair, replacement, and modification of the Roof Equipment shall be coordinated with Landlord, use only contractors approved in writing by Landlord, and be in accordance with all applicable Laws and Landlord's construction rules and regulations for the Building. Tenant shall: (A) construct and maintain the Roof Equipment in good working order and construct, maintain and operate the Roof Equipment in compliance with all applicable Laws; (B) install, utilize and operate the Roof Equipment in accordance with the specifications reasonably approved by Landlord as provided above and any governmental authorities that approved its installation; (C) construct the Roof Equipment in accordance with all Building rules and regulations and any other reasonable regulations promulgated by Landlord

pertaining to construction in or on the Building by third-party contractors; and (D) physically label or otherwise mark all of Tenant's cables for easy identification by Landlord.

(v) Landlord has advised Tenant that other parties (including, without limitation, other tenants of the Building) have certain rights to erect communications systems on the roof of the Building. Landlord shall have the right for itself and to permit other parties (including, without limitation, current and future tenants) to use portions of the roof for communications equipment or for any other use so long as such use does not unreasonably interfere with Tenant's use. Landlord, at no expense to Landlord, shall make commercially reasonable efforts to minimize interference (but Landlord does not guaranty that there will not be any interference) with Tenant's use of its Roof Equipment by other tenants' equipment on the roof of the Building. Tenant covenants that it will not use its Roof Equipment in a manner that will interfere with Landlord's and/or any other party's (including, without limitation, any current or future tenant's) use of the roof of the Building for communications equipment or for any other use as such use exists on the day on which Tenant begins to operate its Roof Equipment.

(vi) Tenant acknowledges that Landlord might decide, from time to time, to repair or replace the roof of the Building ("Roof Repairs"). If Landlord elects to make Roof Repairs, Tenant shall, upon Landlord's request, temporarily remove its Roof Equipment so that the Roof Repairs may be accomplished. If Tenant fails to so temporarily remove its Roof Equipment, the cost of removing and reinstalling the Roof Equipment shall be paid by Tenant as Additional Rent within 30 days after receipt of an invoice therefor. Landlord shall not be liable to Tenant for any damages, lost profits, or other costs or expenses incurred by Tenant as the result of the Roof Repairs.

(vii) Landlord will not charge Tenant rent for the space occupied by the Roof Equipment throughout the Term. Tenant will pay Landlord, as Additional Rent within 30 days after receipt of an invoice therefor, for all expenses incurred by Landlord arising from any damage caused to the Building in connection with the installation, maintenance, operation, or removal of the Roof Equipment and all special cabling associated therewith.

8. USE; SIGNS; PARKING; COMMON AREAS.

(a) Tenant shall use the Premises for general office and administrative use (nonmedical) befitting a class A office building and storage incidental thereto, and for no other purpose ("Permitted Use"). Tenant's use of the Premises for the Permitted Use shall be subject to all applicable Laws, and to all reasonable requirements of the insurers of the Building. Tenant represents and warrants to Landlord, for informational purposes only, that Tenant's current NAICS Code is set forth in Section 1 hereof, provided the foregoing shall not be construed in any manner as a restriction on the Permitted Use.

(b) (i) Landlord shall provide Tenant with Building-standard signage on or next to the suite entry door to the Premises and Building-standard identification signage on any Building lobby directories, the costs of which shall be paid for by Landlord for the originally named Tenant, otherwise by Tenant as Additional Rent within 20 days after written demand. Tenant shall not place, erect, or maintain any signs at the Premises, the Building, or the Project that are visible from outside of the Premises. Notwithstanding the foregoing, Tenant shall have the right to install branding signage within the Premises which may be visible from the elevator lobby, subject to Landlord's reasonable approval which shall not be unreasonably withheld, conditioned or delayed.

(ii) Notwithstanding Section 8(b)(i), to the extent permitted by applicable Laws and subject to any applicable signage restrictions affecting the Building (including without limitation all local governmental signage ordinances and obtaining all necessary governmental or association approvals) and provided there is signage space available on the Building and all of the Exterior Signage

approvals), and provided there is signage space available on the Building and on the Exterior Signage

Conditions are fully satisfied, Tenant (but not any subtenant) shall have the nonexclusive right by written notice to Landlord within the first 6 months after the satisfaction of all of the Exterior Signage Conditions, at its sole cost and expense (including without limitation with respect to installation, maintenance, and removal), to place signage, based on Tenant's Share, on one side of the exterior Building façade displaying Tenant's corporate name and logo ("Exterior Signage"). "Exterior Signage Conditions" are that: (i) the originally named Tenant (and not a subtenant) or a Permitted Transferee is leasing and paying full Rent on 100% of the rentable area of the entire third floor of the Building, including, but not limited to, the original Premises; (ii) there has been no Event of Default; and (iii) this Lease is in full force and effect. The Exterior Signage shall be subject to Landlord's approval in writing as to the placement, color, size, design, specifications, construction, and architectural compatibility of the Exterior Signage with the exterior of the Building and the Project. Landlord's approval of the Exterior Signage shall create no responsibility or liability on the part of Landlord for the completeness, design, or sufficiency thereof, or the compliance of the Exterior Signage with the requirements of applicable Laws. On or prior to the Surrender Date (as defined in Section 18(a)), or within 10 days if any of the Exterior Signage Conditions are no longer true, Tenant shall remove the Exterior Signage, at Tenant's sole cost and expense, and restore and repair all parts of the Building affected by the installation or removal of the Exterior Signage, to the condition existing prior to its installation or to a condition reasonably acceptable to Landlord (reasonable wear and tear and damage due to casualty or condemnation excepted). Landlord shall have the right to remove the Exterior Signage at Tenant's expense if Tenant fails to comply with the preceding sentence. Tenant understands and agrees that it is solely responsible to ensure the upkeep and condition of the Exterior Signage to its original status, normal wear and tear and damage due to casualty or condemnation excepted. Specifically, any missing letters, whether by loss, destruction, wear, act of God, or otherwise, will be replaced at the full expense of Tenant and shall be repaired or replaced within 20 days after the occurrence of such deficiency. In addition to any other rights or remedies provided to Landlord in this Lease, if Tenant fails to complete such repair and/or replacement within such 20-day period, Landlord shall have the right, but not the obligation, to start to complete such repair and/or replacement at Tenant's sole cost and expense, which sums shall constitute Additional Rent and be reimbursed by Tenant within ten days following demand therefor by Landlord. Prior to constructing or installing the Exterior Signage, Tenant shall have obtained and must continue to maintain all permits and/or approvals required by applicable Laws with respect to the construction, installation, and maintenance of the Exterior Signage, and shall have provided Landlord with sufficient evidence of the existence of such permits and/or approvals and that the construction and installation of the Exterior Signage will comply in all respects with all applicable Laws. Tenant shall be solely responsible for ensuring that the Exterior Signage is in compliance with all present and future applicable Laws. Tenant, at its sole cost and expense, shall insure the Exterior Signage as part of Tenant's Property, and shall also carry liability insurance with respect to the Exterior Signage. Tenant shall protect, defend, indemnify, and hold harmless Landlord and all Landlord Indemnitees (as defined in Section 13(a)) from and against any and all claims, damages, judgments, suits, causes of action, losses, liabilities, penalties, fines, expenses, and costs (including, without limitation, sums paid in settlement of claims, and reasonable attorneys' fees, consultant fees, and expert fees and court costs) arising out of or from or related to the construction, installation, maintenance, use, or removal of the Exterior Signage.

(c) Subject to the Building rules and regulations, during the Term, Tenant shall have the nonexclusive right in common with others to use the Common Areas for their intended purposes. Not in limitation of the foregoing, Tenant has the nonexclusive right to use the parking facilities at the Project for parking standard-size automobiles of Tenant and its employees, with Tenant being entitled to unreserved parking at a ratio of no more than 3.2 per 1,000 square feet of rentable area of the Premises (rounded downward). All vehicles entering or parking in the parking areas shall do so at the owner's sole risk and Landlord assumes no responsibility for any damage, destruction, vandalism, or theft with respect to such vehicles. There shall be no charge for parking during the Term.

(d) Landlord shall have the right in its sole discretion to, from time to time, construct

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maintain, operate, repair, close, limit, take out of service, alter, change, and modify all or any part of the Common Areas. Without limitation of Landlord's rights pursuant to the preceding sentence, Landlord may restrict or limit Tenant's utilization of the parking facilities if the same become overburdened or to provide reserved parking and in such case to equitably allocate on a proportionate basis or assign parking spaces among Tenant and the other tenants of the Building. Landlord, Landlord's agents, approved contractors, and utility service providers shall have the right to install, relocate, use, and maintain ducts, pipes, wiring, and conduits in and through the Premises provided such use does not cause the usable area of the Premises to be reduced beyond a de minimis amount. Whenever exercising its rights under this sub-section (d), Landlord shall exercise commercially reasonable efforts to minimize any disruption to Tenant's access to and use of the Premises.

(e) Subject to Landlord's security measures and Force Majeure Events (as defined in Section 25(g)), during the Term Landlord shall provide Tenant with access to the Building, garage, and, if applicable, passenger elevator service for use in common with others for access to and from the Premises 24 hours per day, 7 days per week, except during emergencies. Landlord shall provide Tenant with a restricted entry access system (including 103 electronic access keys; based on 6 access cards per 1,000 rentable square feet; subject to proportionate increase should Tenant choose to expand the Premises) for after-hours access to the Building. At Tenant's expense, Landlord will provide Tenant with additional and/or replacement cards at Landlord's then-current cost therefor. Landlord shall have the right to limit the number of elevators (if any) to be operated during repairs and during non-Business Hours and on weekends, provided, however, that except in the event of an emergency, at least one (1) elevator shall be available and operational at all times. If applicable, Landlord shall provide Tenant with first-come, first-served access to the freight elevator(s) of the Building from time to time following receipt of Tenant's prior request, and Tenant shall pay Landlord's then-current charge for use of such freight elevators.

(f) During the Term and subject to availability and Landlord's rules and regulations therefor, for so long as Landlord owns the Building Tenant's employees who work in the Building shall have the nonexclusive, first-come, first-served use of any fitness facilities, bike racks, and conference rooms available to tenants that may from time to time exist in the Building and, for so long as Landlord or an affiliate of Landlord owns the building located at 2355 Dulles Corner Park, Herndon, Virginia (the "2355 Property"), the game room located at the 2355 Property (the "Game Room"). "Additional Insured" shall include the owner of 2355 Property, 2355 Dulles Corner Metro Owner LLC, "2355 Owner"). There shall be no additional charge to Tenant for such use, except that Tenant shall pay Landlord's then-current reasonable cleanup/setup/breakdown and after-hours HVAC charges for each use of a conference room or BEX (Brandywine Experience) flexible working space, and any user of the fitness facility shall execute Landlord's standard fitness center use agreement. Landlord reserves the right to limit periodically Tenant's access to such amenities after Business Hours. All requests for use of a conference room shall be made online to the extent available (currently such requests shall be made via <https://connect.brandywinerealty.com/>, as the same may be modified by Landlord from time to time) otherwise via email or written communication to Landlord's property manager for the Building. Neither Landlord, 2355 Owner, nor any directors, officers, members, partners, trustees, employees, or agents of Landlord or 2355 Owner shall have any liability to Tenant or any Tenant Agent (as defined in Section 9(a)) for any damage, injury, loss, expense, compensation, or claim whatsoever arising out of the use of such amenities. Landlord and 2355 Owner shall have the right to close temporarily, replace (with facilities commensurate to those being provided in comparable office buildings in the Herndon, Virginia market), relocate or modify the amenities from time to time; provided that Landlord agrees that it will not, during the Initial Term, eliminate the conference room unless Landlord, in its discretion, determines that usage of the conference room by Tenant and other occupants of the Building is not adequate for the continued provision of such conference room.



(a) Tenant shall not, and shall not permit any Tenant Agent to, cut, drill into, or secure any fixture, apparatus, or equipment, or make alterations, improvements, or physical additions of any kind to any part of the Premises (collectively, "Alterations") without first obtaining the written consent of Landlord, which consent shall not be unreasonably withheld, conditioned, or delayed. "Tenant Agent" means any agent, employee, subtenant, assignee, contractor, subcontractor, client, family member, licensee, customer, invitee, or guest of Tenant or Permitted User (as defined in Section 10(h)). All Alterations shall be completed in compliance with all applicable Laws, and Landlord's rules and regulations for construction, using new or comparable materials only, by a contractor reasonably approved in writing by Landlord, and on days and at times reasonably approved in writing by Landlord. Tenant shall mark and tag all wiring and cabling installed by it or on its behalf upon installation. Notwithstanding the foregoing, Landlord's consent shall not be required for any Alteration costing less than \$50,000.00 and that: (i) is nonstructural; (ii) does not impact any of the Building systems, involve electrical or drywall work or locking hardware, require a building permit, materially affect the air quality in the Building, or require Landlord to incur additional costs as a result thereof; and (iii) is not visible from outside of the Premises.

(b) Throughout the performance of Alterations, Tenant shall carry, or cause any contractor, subcontractor, or design professional to carry, via written contract, workers' compensation insurance in statutory limits together with employer's liability insurance, commercial general liability insurance (including, but not limited to, coverage for ongoing and products-completed operations), automobile liability, and umbrella/excess liability insurance in like form and limits in accordance with the terms and conditions specified in Exhibit C-2, and such other insurance coverage and limits as Landlord may otherwise reasonably require, which may include, without limitation, reasonable amounts of professional liability insurance with respect to design professionals, as well as contractor's pollution liability with respect to contractors and subcontractors.

(c) Tenant shall provide Landlord with a release of liens from all contractors, subcontractors, and design professionals associated with all Alterations. Tenant shall be solely responsible for the installation and maintenance of its data, telecommunication, and security systems and wiring at the Premises, which shall be done in compliance with all applicable Laws, and Landlord's rules and regulations. Tenant shall be responsible for all elements of Alterations (including, without limitation, compliance with Laws, and functionality of the design), and Landlord's approval of any Alteration and the plans therefor shall in no event relieve Tenant of the responsibility for such design, or create responsibility or liability on Landlord's part for their completeness, design sufficiency, or compliance with Laws. With respect to all improvements and Alterations made after the date hereof, Tenant acknowledges that: (A) Tenant is not, under any circumstance, acting as the agent of Landlord; (B) Landlord did not cause or request such Alterations to be made; (C) Landlord has not ratified such work; and (D) Landlord did not authorize such Alterations within the meaning of applicable State statutes. Nothing in this Lease or in any consent to the making of Alterations or improvements shall be deemed or construed in any way as constituting a request by Landlord, express or implied, to any contractor, subcontractor, or supplier for the performance of any labor or the furnishing of any materials for the use or benefit of Landlord. Tenant shall not overload any floor or part thereof in the Premises or the Building, including any public corridors or elevators, by bringing in, placing, storing, installing or removing any large or heavy articles, and Landlord may prohibit, or may direct and control the location and size of, safes and all other heavy articles, and may require, at Tenant's sole cost and expense, supplementary supports of such material and dimensions as Landlord may reasonably deem necessary to properly distribute the weight.

10. ASSIGNMENT AND SUBLETTING.

(a) Except as expressly permitted pursuant to Section 10(c) and 10(h), neither Tenant nor Tenant's legal representatives or successors in interest by operation of law or otherwise, shall sell

nor tenant's legal representatives or successors in interest by operation of law or otherwise, shall set,

assign, transfer, hypothecate, mortgage, encumber, grant concessions or licenses, sublet, or otherwise dispose of all or any interest in this Lease or the Premises, or permit any person or entity other than Tenant to occupy any portion of the Premises (each of the foregoing is a “Transfer” to a “Transferee”), without Landlord’s prior written consent, which consent shall not be unreasonably withheld, conditioned, or delayed. Any Transfer undertaken without Landlord’s prior written consent (other than pursuant to Section 10(c) and 10(h)) shall constitute an Event of Default and shall, at Landlord’s option, be void and/or terminate this Lease. Subject to the provisions of Section 10(c) below, for purposes of this Lease, a Transfer shall include, without limitation, any assignment by operation of law, and any merger, consolidation, or asset sale involving Tenant, any direct or indirect transfer of control of Tenant, and any transfer of a majority of the ownership interests in Tenant. Consent by Landlord to any one Transfer shall be held to apply only to the specific Transfer authorized, and shall not be construed as a waiver of the duty of Tenant, or Tenant’s legal representatives or assigns, to obtain from Landlord consent to any other or subsequent Transfers pursuant to the foregoing, or as modifying or limiting the rights of Landlord under the foregoing covenant by Tenant.

(b) Without limiting the bases upon which Landlord may reasonably withhold its consent to a proposed Transfer, it shall not be unreasonable for Landlord to withhold its consent if: (i) the proposed Transferee shall have a net worth that is not acceptable to Landlord in Landlord’s reasonable discretion, taking into account the remaining obligations under this Lease and the fact that Tenant is not released; (ii) the proposed Transferee, in Landlord’s reasonable opinion, is not reputable and of good character; (iii) the portion of the Premises requested to be subleased renders the balance of the Premises unleaseable as a separate area; (iv) Tenant is proposing to Transfer to an existing tenant of the Building or another property owned by Landlord or Landlord’s affiliate(s), or to another prospect with whom Landlord or Landlord’s affiliate(s) are then actively negotiating for space in the Building or property located at 2355 Dulles Corner Park, 13825 Sunrise Valley Drive, or 13880 Dulles Corner Lane (each of which is located in Herndon, Virginia); (v) the proposed Transferee would cause any of Landlord’s existing parking facilities to be reasonably inadequate, or in violation of code requirements, or require Landlord to increase the parking area or the number of parking spaces to meet code requirements; (vi) the proposed Transferee is a governmental or quasi-governmental agency; or (vii) the nature of such Transferee’s proposed business operation would or might reasonably violate the terms of this Lease or of any other lease for the Building (including any exclusivity provisions), or would, in Landlord’s reasonable judgment, otherwise be incompatible with other tenancies in the Building.

(c) Notwithstanding anything to the contrary in this Lease, Tenant shall have the right without the prior consent of Landlord, but after at least 15 days’ prior written notice to Landlord, to make a Transfer to any Affiliate (as defined below), or an entity into which Tenant merges or that acquires substantially all of the assets or stock of Tenant (“Surviving Entity”); provided: (i) Tenant delivers to Landlord the Transfer Information (as defined below); (ii) the Surviving Entity shall have a tangible net worth at least equal to the net worth of Tenant on the date of this Lease or otherwise reasonably acceptable to Landlord taking into account the fact that the originally named Tenant is not being released; (iii) the originally named Tenant shall not be released or discharged from any liability under this Lease by reason of such Transfer, and the Permitted Transferee shall assume in writing all of the obligations and liabilities of Tenant under this Lease; (iv) the use of the Premises shall not change, and the Permitted Transferee, in Landlord’s reasonable opinion, shall be reputable and of good character befitting a class A office building; (v) such Transfer is for a good business purpose and not principally for the purpose of transferring the leasehold estate created by this Lease; and (vi) if the Transfer is to an Affiliate, such Transferee shall remain an Affiliate throughout the Term and if such Transferee shall cease being an Affiliate, Tenant shall notify Landlord in writing of such change and such Transfer shall be deemed an Event of Default if Landlord’s consent thereto is not given in writing within 10 business days after such notification. A Transfer described in the prior sentence is referred to herein as a “Permitted Transfer” to a “Permitted Transferee”. An “Affiliate” means a corporation, limited liability company, partnership, or other registered entity, 50% or

Affiliate means a corporation, limited liability company, partnership, or other registered entity, 50% or

more of whose equity interest is owned by the same persons or entities owning 50% or more of Tenant's equity interests, a subsidiary, or a parent corporation.

(d) If at any time during the Term Tenant desires to complete a Transfer, Tenant shall give written notice to Landlord of such desire together with the Transfer Information. If: (i) Tenant desires to assign this Lease or to sublease the entire Premises for the remainder of the Term, other than pursuant to Section 10(c), Landlord shall have the right to accelerate the Expiration Date so that the Expiration Date shall be the date on which the proposed assignment or sublease would be effective; or (ii) Tenant desires to sublease more than fifty percent (50%) of the Premises other than to an Affiliate for the remainder of the Term, Landlord shall have the right to accelerate the Expiration Date with respect to (that is, recapture) the portion of the Premises that Tenant proposes to sublease (and in each case, a pro rata portion of Tenant's parking rights shall also expire on such accelerated Expiration Date). If Landlord elects to accelerate the Expiration Date pursuant to this paragraph, Tenant shall have the right to rescind its request for Landlord's consent to the proposed assignment or sublease by giving written notice of such rescission to Landlord within 10 days after Tenant's receipt of Landlord's acceleration election notice. If Tenant does not so rescind its request: (A) Tenant shall deliver the Premises or the applicable portion thereof to Landlord in the same condition as Tenant is, by the terms of this Lease, required to deliver the Premises to Landlord upon the Expiration Date; and (B) Fixed Rent and Tenant's Share shall be reduced on a per rentable square foot basis for the area of the Premises that Tenant no longer leases. If Landlord elects to accelerate the Expiration Date for less than the entire Premises, the cost of erecting any demising walls, entrances, and entrance corridors, and any other improvements required in connection therewith shall be performed by Landlord, with the cost thereof being divided evenly between Landlord and Tenant.

(e) The "Transfer Information" means the following information: (i) a copy of the fully executed assignment and assumption agreement, or sublease agreement, as applicable (with respect to a Permitted Transfer, such agreement to be delivered to Landlord within 10 business days after the transaction closes and with respect to all other Transfers, such agreement shall be provided in draft form and shall not be executed until Landlord's consent has been given); (ii) a copy of the then-current financials of the Transferee (either audited or certified by the chief financial officer of the Transferee); and (iii) such other reasonably requested information by Landlord needed to confirm or determine Tenant's compliance with the terms and conditions of this Section.

(f) Any sums or other economic consideration received by Tenant as a result of any Transfer (except rental or other payments received that are attributable to the amortization of the cost of leasehold improvements made to the transferred portion of the Premises by Tenant for the Transferee, and other reasonable expenses incident to the Transfer, including standard leasing commissions) whether denominated rentals under the sublease or otherwise, that exceed, in the aggregate, the total sums which Tenant is obligated to pay Landlord under this Lease (prorated to reflect obligations allocable to that portion of the Premises subject to such Transfer) shall, at Landlord's option, either be retained by Tenant or, after first deducting any commercially reasonable abated rent, reasonable brokerage commissions actually paid by Tenant and tenant improvement costs actually incurred by Tenant in connection with making the applicable portion of the Premises ready for the applicable transfer, divided evenly between Landlord and Tenant, with Landlord's portion being payable to Landlord as Additional Rent without affecting or reducing any other obligation of Tenant hereunder.

(g) Regardless of Landlord's consent to a proposed Transfer, no Transfer shall release Tenant from Tenant's obligations or alter Tenant's primary liability to fully and timely pay all Rent when due from time to time under this Lease and to fully and timely perform all of Tenant's other obligations under this Lease, and the originally named Tenant and all assignees shall be jointly and severally liable for all Tenant obligations under this Lease. The acceptance of rental by Landlord from any other person shall not be deemed to be a waiver by Landlord of any provision hereof. The joint and several liability of the

not be deemed to be a waiver by Landlord of any provision hereof. The joint and several liability of the

originally named Tenant and any immediate and remote successor in interest of Tenant (by assignment or otherwise), and the due performance of the obligation of this Lease on Tenant's part to be performed or observed, shall in no way be discharged, released, or impaired by any: (i) agreement that modifies any of the rights and obligations of the parties under this Lease; (ii) stipulation that extends the time within which an obligation under this Lease is to be performed; (iii) waiver of the performance of an obligation required under this Lease; or (iv) failure to enforce any of the obligations under this Lease. If a Transferee defaults in the performance of any of the terms of this Lease beyond any applicable notice and cure period, Landlord may proceed directly against the originally named Tenant without the necessity of exhausting remedies against such Transferee, and may collect Rent from the Transferee and apply the net amount collected to the Rent herein reserved; but no such collection shall be deemed a waiver of the provisions of this Section, an acceptance of such Transferee as tenant hereunder or a release of Tenant from further performance of the covenants herein contained.

(h) Notwithstanding anything to the contrary above, Tenant shall have the right, without Landlord's prior consent but with no less than 30 days' prior written notice to Landlord, to sublet or license individual offices within the Premises to agents, contractors, and consultants performing services for Tenant and clients of Tenant ("Permitted Users"), subject to the following conditions: (i) upon request by Landlord, Tenant shall provide to Landlord proof of the professional relationship between Tenant and the Permitted User; (ii) the aggregate rentable square footage of space occupied by all Permitted Users pursuant to this paragraph shall be no greater than 25% of the Premises; (iii) all Permitted Users shall, in Landlord's reasonable opinion, be reputable and of good character befitting a class A office building; (iv) upon request by Landlord, Tenant shall provide Landlord with certificates of insurance evidencing that the Permitted Users are covered under Tenant's commercial general liability insurance required under Section 12 of this Lease or, alternatively, certificates of insurance evidencing that the Permitted Users have commercial general liability insurance coverage satisfying the requirements for Tenant under Section 12 of this Lease and naming the Additional Insureds as additional insureds; (v) the applicable subleased or licensed premises physically remains within and a part of the Premises (and is not separately demised from the Premises by way of separate demising walls and a separate entry door(s)); (vi) the use of the subleased or licensed premises by the Permitted User shall be only for the Permitted Use and consistent with Tenant's use of the Premises; (vii) the Permitted User shall not be identified on the suite entry door signage for the Premises nor on the tenant directory in the lobby of the Building, without the prior written consent of Landlord; and (viii) Tenant shall not be released from any liability under this Lease (whether past, present, or future) by reason of the foregoing.

11. REPAIRS AND MAINTENANCE.

(a) Except with respect to Landlord Repairs (as defined below), Tenant, at Tenant's expense, shall keep and maintain the Premises in good order and condition. As used in this Lease, "maintain" shall include without limitation promptly making all repairs and any reasonably necessary replacements necessary to keep and maintain such in good order and condition. Tenant shall have the option of replacing lights, ballasts, tubes, ceiling tiles, outlets and similar equipment itself or advising Landlord of Tenant's desire to have Landlord make such repairs, in which case Tenant shall pay to Landlord for such repairs at Landlord's then-standard rate. To the extent that Tenant requests that Landlord make any other repairs that are Tenant's obligation to make under this Lease, Landlord may elect to make such repairs on Tenant's behalf, at Tenant's expense, and Tenant shall pay to Landlord such expense along with the Administrative Fee. If Tenant has been in default under this Lease beyond any applicable notice and cure period, Landlord may elect to require that Tenant prepay the amount of such repair. All Tenant repairs shall comply with Laws and utilize materials and equipment that are at least equal in quality, number, and usefulness to those originally used in constructing the Building and the Premises. In addition, Tenant shall maintain, at Tenant's expense, Tenant's Supplemental HVAC, Premises Water Heaters, and/or Alterations in a clean and safe manner and in proper operating condition throughout the Term. "Tenant's Supplemental

HVAC” means any supplemental HVAC system serving the Premises (regardless of who installed it). Premises Water Heater” means any water heater serving the Premises (regardless of who installed it), including without limitation expansion tanks and any associated piping. Tenant shall maintain Tenant’s Supplemental HVAC under a service contract with a firm and upon such terms as may be reasonably satisfactory to Landlord, including inspection and maintenance on at least a semiannual basis, and provide Landlord with a copy thereof. Within 5 business days after Landlord’s request, Tenant shall provide Landlord with evidence that such contract is in place. Further, Tenant shall ensure that all Premises Water Heaters have a working automatic water shut-off device with audible alarm and a leak pan underneath. All repairs to the Building and/or the Project made necessary by reason of the installation, maintenance, and operation of Tenant’s Supplemental HVAC, Premises Water Heaters, and Alterations shall be Tenant’s expense. In the event of an emergency, such as a burst waterline or act of God, Landlord shall have the right to make repairs for which Tenant is responsible hereunder (at Tenant’s cost) without giving Tenant prior notice, but in such case Landlord shall provide notice to Tenant as soon as practicable thereafter, and Landlord shall take commercially reasonable steps to minimize the costs incurred. Further, Landlord shall have the right to make repairs for which Tenant is responsible hereunder (at Tenant’s cost) with prior notice to Tenant if Landlord believes in its sole and absolute discretion that the repairs are necessary to prevent harm or damage to the Building, and Landlord shall take commercially reasonable steps to minimize the costs incurred.

(b) Landlord, at Landlord’s expense (except to the extent such expenses are includable in Project Expenses), shall, in a manner commensurate with that of other owners of first class office buildings in the Herndon area, make all necessary repairs to: (i) the footings and foundations and the structural elements of the Building; (ii) the roof of the Building; (iii) the HVAC (including maintenance and repair, but not replacement, which shall be Tenant’s responsibility at Tenant’s sole cost and expense, of any VAV boxes connected to the HVAC, provided that Tenant, at Tenant’s sole cost and expense, obtains and provides Landlord with a commission report with respect to the VAV boxes connected to the HVAC (y) prior to commencement of the Leasehold Improvements and allows Landlord to make repairs to the VAV boxes connected to the HVAC that are necessary as result of such commission report, and (z) within 10 days after completion of the Leasehold Improvements), plumbing, elevators (if any), electric, fire protection and fire alert systems within the Building core from the core to the point of connection for service to the Premises, but specifically excluding Tenant’s Supplemental HVAC, Premises Water Heaters, and Alterations; (iv) the Building exterior; and (v) the Common Areas (collectively, “Landlord Repairs”). During the Term, Landlord also shall, the costs and expenses of which shall be included in Project Expenses (to the extent such costs and expenses are includable in Project Expenses): (y) keep the Common Areas clean; and (z) maintain the Common Areas, the structural elements of the Building, the roof of the Building, and the HVAC, plumbing, water, sewer, elevators (if any), electric, fire protection and fire alert systems within the Building core from the core to the point of connection for service to the Premises, but specifically excluding Tenant’s Supplemental HVAC, Premises Water Heaters, and Alterations, in a manner befitting a first-class office building located in the Herndon area and in compliance with all applicable Laws. Any provision of this Lease to the contrary notwithstanding, any repairs to the Project or any portion thereof made necessary by the negligent or willful act or omission of, or default under this Lease by, Tenant or any Tenant Agent shall be made at Tenant’s expense, subject to the waivers set forth in Section 12(g).

(c) The parties agree it is in their mutual best interest that the Building and Premises be operated and maintained in a manner that is environmentally responsible, fiscally prudent, and provides a safe and productive work environment. Accordingly, Tenant shall use commercially reasonable efforts to conduct its operations in the Building and within the Premises to: (1) minimize to the extent reasonably feasible: (i) direct and indirect energy consumption and greenhouse gas emissions; (ii) water consumption; (iii) the amount of material entering the waste stream; and (iv) negative impacts upon the indoor air quality of the Building; and (2) permit the Building to maintain its LEED rating and an Energy Star label, to the extent applicable. Landlord shall use commercially reasonable efforts to operate and maintain the Common

Areas of the Building to: (1) minimize to the extent reasonably feasible: (i) direct and indirect energy consumption and greenhouse gas emissions; (ii) water consumption; (iii) the amount of material entering the waste stream; and (iv) negative impacts upon the indoor air quality of the Building; and (2) permit the Building to maintain its LEED rating and an Energy Star label, to the extent applicable, the costs of which shall be included in Project Expenses (except to the extent otherwise not permitted).

12. INSURANCE: SUBROGATION RIGHTS.

(a) Tenant shall not violate, or permit the violation of, any condition imposed by any insurance policy then issued in respect of the Project (provided Tenant has actual knowledge of any such policy requirements) and shall not do, or permit anything to be done, or keep or permit anything to be kept in the Premises, that would subject Landlord to any liability or responsibility for personal injury or death or property damage, increase any insurance rate in respect of the Project over the rate that would otherwise then be in effect, result in insurance companies of good standing refusing to insure the Project in amounts reasonably satisfactory to Landlord, or result in the cancellation of, or the assertion of any defense by the insurer in whole or in part to claims under, any policy of insurance in respect of the Project. If, by reason of any failure of Tenant to comply with this Lease, the premiums on Landlord's insurance on the Project are higher than they otherwise would be (as substantiated by notice from the insurer specifying that Tenant is the cause of such increase), Tenant shall reimburse Landlord, on demand, for that part of such premiums attributable to such failure on the part of Tenant.

(b) Tenant, at Tenant's expense, shall obtain and keep in full force and effect at all times as of the Commencement Date (or Tenant's earlier accessing of the Premises), all of the following insurance policies:

(i) commercial general liability insurance written on an ISO CG 00 01 occurrence policy form or its then-commercially available equivalent, including a Separation of Insureds clause, coverage for contractual liability covering Tenant's contractual obligations under this Lease as an insured contract, personal injury liability, host liquor liability, premises-operations and hazards thereto, as well as liability arising out of this Lease in respect of the Premises and the conduct or operation of business therein. The minimum limits of coverage shall be no less than \$1,000,000 per occurrence and \$2,000,000 general aggregate (applying per location) for bodily injury (including death and mental anguish) and property damage, \$1,000,000 personal and advertising injury, and \$2,000,000 products-completed operations (for which coverage shall be maintained continuously for a minimum period equal to the applicable statute of limitations or statute of repose, whichever is greater) or in such other amounts as Landlord may from time to time require.

(ii) business automobile liability insurance covering liability arising from any auto (including, owned, non-owned, and hired auto, provided such non-owned and hired auto liability may be satisfied by endorsement to the commercial general liability policy) in an amount of no less than \$1,000,000 combined single limit per accident for bodily injury and property damage.

(iii) workers' compensation in statutory limits together with employer's liability insurance in amounts of no less than \$1,000,000 each accident, \$1,000,000 disease policy limit, and \$1,000,000 disease each employee.

(iv) umbrella/excess liability insurance on a follow form basis in amounts of no less than \$5,000,000 per occurrence and \$5,000,000 annual aggregate (applying per location) in excess of commercial general liability, employer's liability, and automobile liability insurance policies, concurrent to, and no more restrictive than such underlying insurance policies. Such policy shall be endorsed to provide that this insurance is primary to, and noncontributory with, any other insurance in which Landlord and any

that this insurance is primary to, and noncontributory with, any other insurance in which Landlord and any

Additional Insured is an insured, whether such other insurance is primary, excess, self-insurance, or insurance on any other basis, which must cause the umbrella/excess coverage to be vertically exhausted, whereby such coverage is not subject to any "Other Insurance" provision under Tenant's umbrella/excess liability policy. The limits of liability may be satisfied by a combination of primary and excess liability insurance.

(v) property insurance written on an ISO CP 10 30-Cause of Loss-Special Form, or its then-commercially available equivalent, including, but not limited to, coverage against damage due to fire, windstorm, cyclone, tornado, hail, explosion, riot, civil commotion, aircraft, vehicle, smoke damage, vandalism, and malicious mischief insuring all present and future Tenant's Property leased by or in the care, custody, and control of Tenant and located in the Premises in an amount of no less than the full replacement cost thereof, with an agreed amount endorsement (waiving applicable co-insurance clause). "Tenant's Property" means Tenant's trade fixtures, furniture, equipment, personal property, signage, Specialty Alterations (as defined in Section 18(b)), and telephone, security, and communication equipment system wiring and cabling. Tenant shall not self-insure. Tenant shall neither have, nor make, any claim against Landlord, and Landlord shall not be responsible or liable to Tenant or those claiming by, through, or under Tenant, for any loss or damage resulting to Tenant or those claiming by, through, or under Tenant, or its or their property, including without limitation Tenant's Property, regardless of the cause of the loss or damage, including, without limitation, fire, explosion, falling plaster, steam, gas, air contaminants or emissions, electricity, electrical or electronic emanations or disturbance, water, rain, snow, or leaks from any part the Building or from the pipes, appliances, equipment, or plumbing works or from the roof or from any other place, nor shall Landlord be liable for any loss of or damage to property of Tenant, including without limitation Tenant's Property, or of others entrusted to employees of Landlord.

(vi) business interruption insurance covering any loss due to the occurrence of any of the hazards required to be insured against by Tenant pursuant to this Lease, in an amount sufficient to cover Tenant's monetary obligations under this Lease for a period of at least 12 months.

(vii) boiler and machinery, if there is a boiler, supplemental air conditioning unit, or pressure object or similar equipment in the Premises. When applicable, this insurance coverage requirement may be satisfied through the special cause of loss coverage required in Section 12(b)(v).

(c) All insurance policies required of Tenant under this Lease, including ongoing and products-completed operations coverage but exclusive of workers' compensation, shall name: Landlord and Brandywine Realty Trust, and their members, partners, joint venturers, shareholders, officers, employees, agents, mortgagees, ground lessors, affiliates, and property managers, and their respective officers, members, partners, directors, shareholders, employees, and agents, together with their successors and assigns as their interest may appear, and any other associated or affiliated entity as their interests appear (collectively, "Additional Insureds"), each as an additional insured. All such coverages shall be primary, and any other insurance that may be available to Landlord and any Additional Insured will be excess and noncontributory.

(d) Prior to the Commencement Date (or Tenant's earlier accessing of the Premises), Tenant shall provide Landlord and/or Landlord's designated agent with certificates that evidence that all insurance coverages required under this Lease are in place for the policy periods. Tenant shall also furnish to Landlord and/or Landlord's designated agent throughout the Term replacement certificates at least 15 days prior to the expiration dates of the then-current policy or policies or, upon request by Landlord and/or Landlord's designated agent from time to time, sufficient information to evidence that the insurance required under this Section is in full force and effect. In addition, Tenant shall provide Landlord and/or Landlord's designated agent with at least 15 days' prior written notice of cancellation or material alteration of such policies. Tenant shall include a waiver of the insurer's right of subrogation against Landlord and

an such policies. Tenant shall include a waiver of the insurer's right of subrogation against Landlord and

Additional Insureds during the Term in each of Tenant's liability and workers' compensation policies. If Tenant fails to provide Landlord and/or Landlord's designated agent with a requested insurance certificate as required under this Lease within 30 days after receipt of Landlord's written request therefor, Tenant shall pay to Landlord a fee equal to \$25.00 for each day that elapses after such 30-day period until Landlord and/or Landlord's designated agent receives the requested certificate. In no event will any acceptance of certificates of insurance by Landlord, or failure of Tenant to provide certificates of insurance as required hereunder, be construed as a waiver or limitation of Tenant's obligations to maintain insurance coverage pursuant to this Section 12. All insurance required under this Lease shall be issued by an insurance company that has been in business for at least 5 years, is authorized to do business in the State, and is rated "A-/X" or greater by A.M. Best's Insurance Reports or any successor publication of comparable standing. The limits of any such required insurance shall not in any way limit Tenant's liability under this Lease or otherwise. If Tenant fails to maintain such insurance, Landlord may, but shall not be required to, procure and maintain the same, at Tenant's expense, which expense shall be reimbursed by Tenant as Additional Rent within 10 days after written demand. The deductible or self-insured retention amount required under any insurance policy maintained by Tenant shall be the sole responsibility of Tenant and not exceed \$25,000, unless otherwise approved by Landlord in writing.

(e) Tenant shall enter a written contract with its movers and other vendors that requires them to: (i) procure insurance appropriate to the applicable risk and satisfactory to Landlord; (ii) endorse its policies with the Additional Insureds as additional insureds (except workers compensation); and (iii) be primary and noncontributory to any insurance carried by an Additional Insured. However, in no event will the mover and other vendors carry insurance coverages and limits less than the following: (i) commercial general liability insurance - \$1,000,000 per occurrence, \$2,000,000 general aggregate, \$2,000,000 products-completed operations; (ii) commercial auto liability insurance for all owned, non-owned, and hired autos in a limit of \$1,000,000 per accident; and (iii) workers compensation insurance as required by statute. Tenant shall deliver to Landlord and/or Landlord's designated agent a certificate of insurance naming each Additional Insured as an additional insured, which policies shall be primary and any other insurance that may be available to Landlord and any Additional Insured will be excess and noncontributory.

(f) Landlord shall obtain and maintain, or cause to be obtained or maintained, the following insurance during the Term: (i) replacement cost insurance including "all risk" property insurance on the Building, including without limitation leasehold improvements (exclusive of Tenant's Property); (ii) commercial general liability insurance (including bodily injury and property damage) covering Landlord's operations at the Project in amounts reasonably required by Landlord or any Mortgagee (as defined in Section 16); and (iii) such other insurance as reasonably required by Landlord or any Mortgagee.

(g) Landlord and Tenant shall each include in each of its property insurance policies (as required above) a waiver of the insurer's right of subrogation against the other party during the Term (and any period of Tenant's access to the Premises prior to the Commencement Date), and consent to a waiver of right of recovery pursuant to the terms of this paragraph. Both Landlord and Tenant agree to promptly give each insurance company which has issued to it policies of insurance written notice of the terms of such mutual waivers and to cause such insurance policies to be properly endorsed, if necessary, to prevent the invalidation thereof by reason of such waivers. Notwithstanding anything to the contrary in this Lease: (i) each party hereby waives, releases, and agrees not to make any claim against or seek to recover from, the other party with respect to any claim (including a claim for negligence) that such party might otherwise have against the other party for loss, damage, or destruction with respect to its property occurring during the Term (or any period of Tenant's access to the Premises prior to the Commencement Date) to the extent to which such party is, or is required to be, insured under a policy or policies containing a waiver of subrogation or permission to release liability; and (ii) all waivers of subrogation and rights of recovery required hereunder shall also apply to each of the waiving party's insurance policies' deductible(s)/self-insured retention(s). Nothing contained in this Section 12(g) shall be deemed to relieve either party of any

insured retention(s). Nothing contained in this Section 12(g) shall be deemed to relieve either party of any

duty imposed elsewhere in this Lease to repair, restore, or rebuild, or nullify any abatement of rents provided for elsewhere in this Lease.

13. INDEMNIFICATION.

(a) Except to the extent the release of liability and waiver of subrogation provided in Section 12 above applies, Tenant shall defend, indemnify, and hold harmless Landlord, Landlord's property manager, Brandywine Realty Trust, and each of Landlord's directors, officers, members, partners, trustees, employees, and agents (collectively, "Landlord Indemnitees") from and against any and all claims, actions, damages, liabilities, and expenses (including all reasonable costs and expenses (including reasonable attorneys' fees)) to the extent arising out of or from or related to: (i) any breach or default of any of Tenant's obligations under this Lease; (ii) any negligence or willful act or omission of Tenant, any Tenant Agent, or any of Tenant's directors, officers, members, partners, or trustees; and (iii) except to the extent arising from Landlord's negligence or willful misconduct, any acts or omissions occurring at, or the condition, use, or operation of, the Premises, including without limitation completion of the Leasehold Improvements. If Tenant fails to promptly defend a Landlord Indemnitee following written demand by the Landlord Indemnitee, the Landlord Indemnitee shall defend the same at Tenant's expense, by retaining or employing counsel reasonably satisfactory to such Landlord Indemnitee.

(b) Except to the extent the release of liability and waiver of subrogation provided in Section 12 above applies, Landlord shall defend, indemnify, and hold harmless Tenant and each of Tenant's directors, officers, and employees (collectively, "Tenant Indemnitees") from and against any and all third party claims, actions, damages, liabilities, and expenses (including all reasonable costs and expenses (including reasonable attorneys' fees)) to the extent arising from any negligence or willful misconduct of Landlord or any Landlord Indemnitees acting at Landlord's express direction. The foregoing indemnity shall not apply in the case of any Tenant or any Tenant Indemnitee's negligence or willful misconduct. If Landlord fails to promptly defend a Tenant Indemnitee following written demand by the Tenant Indemnitee, the Tenant Indemnitee shall defend the same at Landlord's expense, by retaining or employing counsel reasonably satisfactory to such Tenant Indemnitee.

(c) Neither Landlord nor Tenant's obligations under this Section shall be limited by the amount or types of insurance maintained or required to be maintained under this Lease. The provisions of this Section shall survive the Expiration Date.

14. CASUALTY DAMAGE. If there occurs any casualty to the Project and: (i) insurance proceeds are unavailable to Landlord or are insufficient to restore the Project to substantially its pre-casualty condition; (ii) zoning or other applicable Laws do not permit repair and restoration; or (iii) more than 30% of the total area of the Building is damaged, Landlord shall have the right to terminate this Lease and all the unaccrued obligations of the parties hereto, by sending written notice of such termination to Tenant within 60 days after such casualty. Such notice shall specify a termination date not fewer than 30 nor more than 90 days after such notice is given to Tenant. If there occurs any casualty to the Premises and: (i) in Landlord's reasonable judgment, the repair and restoration work would require more than 210 consecutive days to complete after the date of the casualty (assuming normal work crews not engaged in overtime); or (ii) the casualty occurs during the last 12 months of the Term, Landlord and Tenant shall each have the right to terminate this Lease and all the unaccrued obligations of the parties hereto, by sending written notice of such termination to the other party within 60 days after the date of such casualty (provided, however, with respect to (i), Tenant shall have 30 days to give such notice of termination from the date Landlord notifies Tenant that restoration will take longer than 210 days). Such notice shall specify a termination date not fewer than 30 nor more than 90 days after such notice is given to the other party, but in no event shall the termination date be after the last day of the Term. Notwithstanding the foregoing, if the casualty was caused by the gross negligence or willful misconduct of Tenant or any Tenant Agent

the casualty was caused by the gross negligence or willful misconduct of Tenant or any Tenant agent,

Tenant shall have no right to terminate this Lease due to the casualty. If there occurs any casualty to the Premises and neither party terminates this Lease, then Landlord shall use commercially reasonable efforts to cause the damage to be repaired (exclusive of Tenant's Property) to a condition as nearly as practicable to that existing prior to the damage, with commercially reasonable speed and diligence, subject to delays that may arise by reason of adjustment of the loss under insurance policies, Laws, and Force Majeure Events, provided if such damage was caused by the gross negligence or willful misconduct of Tenant or any Tenant Agent, then Tenant shall pay Landlord the amount by which Landlord's cost to repair exceeds the insurance proceeds, if any, actually received by Landlord on account of such damage (or, if Landlord fails to maintain the insurance required by Section 12, that Landlord would have received to the extent Landlord maintained such insurance required by Section 12). Landlord shall not be liable for any inconvenience or annoyance to Tenant or any of Tenant's directors, officers, members, partners, trustees, employees, or agents, injury to Tenant's business, or pain and suffering, resulting in any way from such damage or the repair thereof; provided, however, if Tenant remains in any portion of the Premises during such work, Landlord shall make commercially reasonable efforts to minimize any disruption to Tenant's access to and use of the Premises. Notwithstanding the foregoing, Tenant's obligation to pay Fixed Rent and Additional Rent shall be equitably adjusted or abated during the period (if any) during which Tenant is not reasonably able to use the Premises or an applicable portion thereof as a result of such casualty. Tenant shall have no right to terminate this Lease as a result of any damage or destruction of the Premises, except as expressly provided in this Section. The provisions of this Lease, including this Section, constitute an express agreement between Landlord and Tenant with respect to any and all damage to, or destruction of, all or any part of the Premises, and any Law with respect to any rights or obligations concerning damage or destruction in the absence of an express agreement between the parties, and any other statute or regulation, now or hereafter in effect, shall have no application to this Lease or any damage or destruction to all or any part of the Premises. If this Lease is not terminated pursuant to this paragraph and Landlord fails to complete the repair or restoration work within 30 days after Landlord's estimated date for completion of the repair and restoration work (subject to extension for delays caused by Tenant and Force Majeure Events), then Tenant shall have the right to terminate this Lease by sending at least 30 days' prior written notice to Landlord within 30 days after such estimated date of completion, provided this Lease shall remain in full force and effect and Tenant shall no longer have the right to terminate this Lease if Landlord delivers possession of the Premises to Tenant within 30 days after Landlord's receipt of Tenant's termination notice.

15. CONDEMNATION. If a taking renders the Building reasonably unsuitable for the Permitted Use, this Lease shall, at either party's option exercised by written notice to the other within 30 days after such taking, terminate as of the date title to condemned real estate vests in the condemner, the Rent herein reserved shall be apportioned and paid in full by Tenant to Landlord to such date, all Rent prepaid for period beyond that date shall forthwith be repaid by Landlord to Tenant, and neither party shall thereafter have any liability for any unaccrued obligations hereunder; provided, however, a condition to the exercise by Tenant of such right to terminate shall be that the portion of the Premises taken shall be of such extent and nature as materially to handicap, impede, or impair Tenant's use of the balance of the Premises for its normal business operations. If this Lease is not terminated after a condemnation, then notwithstanding anything to the contrary in this Lease, Rent shall be equitably reduced in proportion to the area of the Premises that has been taken for the balance of the Term. Subject to the terms of this paragraph, all awards, damages, and other compensation paid on account of such condemnation shall belong to Landlord, and Tenant assigns to Landlord all rights to such awards, damages, and compensation. Tenant shall not make any claim against Landlord or such authority for any portion of such award, damages, or compensation attributable to damage to the Premises, value of the unexpired portion of the Term, loss of profits or goodwill, leasehold improvements, or severance damages. Nothing contained herein, however, shall prevent Tenant from pursuing a separate claim against the authority for relocation expenses, business dislocation damages, and for the value of furnishings, equipment, and trade fixtures installed in the Premises at Tenant's expense and which Tenant is entitled pursuant to this Lease to remove on the Surrender Date.

at Tenant's expense and which Tenant is obliged pursuant to this Lease to remove on the Surrender Date,

but only to the extent such claim does not reduce or diminish the award, damages, or compensation otherwise payable to or recoverable by Landlord in connection with such condemnation.

16. SUBORDINATION; ESTOPPEL CERTIFICATE.

(a) This Lease is and shall be subject and subordinate at all times to the lien, provisions, operation, and effect of any mortgages or deeds of trust ("Mortgage"), ground leases, or other security instruments now or hereafter placed upon the Premises, Building, and/or Project and land of which they are a part without the necessity of any further instrument or act on the part of Tenant to effectuate such subordination. Tenant further agrees to execute and deliver within 10 business days after demand such further instrument evidencing such subordination and attornment as shall be reasonably required by any Mortgagee, provided such instrument is reasonably acceptable to Tenant and includes customary non-disturbance language. If Landlord shall be or is alleged to be in default of any of its obligations owing to Tenant under this Lease, Tenant shall give to the holder ("Mortgagee") of any Mortgage whose name and address has been furnished to Tenant, notice by overnight mail of any such default that Tenant shall have served upon Landlord. Tenant shall not be entitled to exercise any right or remedy as there may be because of any default by Landlord without having given such notice to the Mortgagee. If Landlord shall fail to cure such default, the Mortgagee shall have 45 additional days within which to cure such default or such longer period as may be reasonably necessary to complete the cure provided Mortgagee is proceeding diligently to cure such default. Notwithstanding the foregoing, any Mortgagee may at any time subordinate its mortgage to this Lease, without Tenant's consent, by notice in writing to Tenant, and thereupon this Lease shall be deemed prior to such Mortgage without regard to their respective dates of execution and delivery, and in that event the Mortgagee shall have the same rights with respect to this Lease as though it had been executed prior to the execution and delivery of the Mortgage. Upon Tenant's written request, Landlord shall use commercially reasonable efforts to request that Landlord's current Mortgagee deliver to Tenant for execution a non-disturbance agreement on such Mortgagee's then-current form. All costs and expenses charged by Mortgagee to provide, draft, negotiate, and finalize such non-disturbance agreement shall be paid by Tenant within 10 days after Landlord gives to Tenant a reasonably detailed statement therefor, whether or not a non-disturbance agreement is actually agreed to and executed.

(b) Tenant shall attorn to any foreclosing mortgagee, purchaser at a foreclosure sale or by power of sale, or purchaser by deed in lieu of foreclosure. If the holder of a superior mortgage shall succeed to the rights of Landlord, then at the request of such party so succeeding to Landlord's rights (herein sometimes called successor landlord) and upon such successor landlord's written agreement to accept Tenant's attornment, Tenant shall attorn to and recognize such successor landlord as Tenant's landlord under this Lease and shall promptly, without payment to Tenant of any consideration therefor, execute and deliver any instrument that such successor landlord may request to evidence such attornment, provided such instrument is reasonably acceptable to Tenant and includes customary non-disturbance language. Upon such attornment, this Lease shall continue in full force and effect as, or as if it were, a direct lease between the successor landlord and Tenant upon all of the terms, conditions, and covenants as are set forth in this Lease and shall be applicable after such attornment, except that the successor landlord shall not be bound by any modification of this Lease not approved by the successor landlord, or by any previous prepayment of more than one month's rent, unless such modification or prepayment shall have been expressly approved in writing by the holder of the superior mortgage through or by reason of which the successor landlord shall have succeeded to the rights of Landlord. With respect to any assignment by Landlord of Landlord's interest in this Lease, or the rents payable hereunder, conditional in nature or otherwise, which assignment is made to any Mortgagee, Tenant agrees that the execution thereof by Landlord, and the acceptance thereof by the Mortgagee, shall never be deemed an assumption by such Mortgagee of any of the obligations of Landlord hereunder, unless such Mortgagee shall, by written notice sent to Tenant, specifically elect, or unless such Mortgagee shall foreclose the Mortgage and take possession of the Premises. Tenant, upon receipt of written notice from a Mortgagee that such Mortgagee is entitled to collect Rent hereunder may in good faith remit

notice from a mortgagor that such mortgagor is entitled to collect rent hereunder may in good faith remit

such Rent to Mortgagee without incurring liability to Landlord for the nonpayment of such Rent. The provisions for attornment set forth in this Section 16(b) shall be self-operative and shall not require the execution of any further instrument. However, if Landlord reasonably requests a further instrument confirming such attornment, Tenant shall execute and deliver such instrument within 10 business days after receipt of such request.

(c) Tenant must at any time and from time to time, within 10 business days after receipt of Landlord's written request, execute and deliver to Landlord a factually accurate estoppel certificate certifying all reasonably requested information pertaining to this Lease.

17. DEFAULT AND REMEDIES.

(a) An "Event of Default" shall be deemed to exist and Tenant shall be in default hereunder if: (i) Tenant fails to pay any Rent when due and such failure continues for more than 3 business days after Landlord has given Tenant written notice of such failure (such notice being in lieu of, and not in addition to, any applicable statutory notice); provided, however, in no event shall Landlord have any obligation to give Tenant more than 1 such notice in any 12-month period, after which there shall be an Event of Default if Tenant fails to pay any Rent when due, regardless of Tenant's receipt of notice of such nonpayment, and, provided further, there shall be an automatic Event of Default if Tenant fails to pay any Rent when due and an automatic stay of bankruptcy precludes issuance of a default notice; (ii) Tenant fails to bond over a mechanic's or materialmen's lien within 10 days after Landlord's demand; (iii) there is any assignment or subletting (regardless of whether the same might be void under this Lease) in violation of the terms of this Lease; (iv) the occurrence of any default beyond any applicable notice and/or cure period under any guaranty executed in connection with this Lease; (v) Tenant fails to deliver any Landlord-requested estoppel certificate or subordination agreement within 5 business days after receipt of notice that such document was not received within the time period required under this Lease; (vi) Tenant ceases to use the Premises for the Permitted Use or removes substantially all of its furniture, equipment, and personal property from the Premises (other than in the case of a permitted subletting or assignment) or permits the same to be unoccupied for longer than a week; (vii) there is a filing of a voluntary petition for relief by Tenant or any guarantor of this Lease, or the filing of a petition against Tenant or any guarantor of this Lease in a proceeding under the federal bankruptcy or other insolvency laws that is not withdrawn or dismissed within 45 days thereafter, or Tenant's rejection of this Lease after such a filing, or, under the provisions of any law providing for reorganization or winding up of corporations, the assumption by any court of competent jurisdiction of jurisdiction, custody, or control of Tenant or any substantial part of its property, or of any guarantor of this Lease, where such jurisdiction, custody, or control remains in force, unrelinquished, unstayed, or unterminated for a period of 45 days, or the death or ceasing of existence of Tenant or any guarantor of this Lease, or the commencement of steps or proceedings toward the dissolution, winding up, or other termination of the existence of Tenant or any guarantor of this Lease, or toward the liquidation of either of their respective assets, or the evidence of the inability of Tenant or any guarantor of this Lease to pay its debts as they come due, including without limitation an admission in writing of its inability to pay its debts when due, or any judgment docketed against any guarantor of this Lease which is not paid, bonded, or otherwise discharged within 45 days; or (viii) Tenant fails to observe or perform any of Tenant's other agreements or obligations under this Lease and such failure continues for more than 30 days after Landlord gives Tenant written notice of such failure, or the expiration of such additional time period as is reasonably necessary to cure such failure (not to exceed 60 days), provided Tenant immediately commences and thereafter proceeds with all due diligence and in good faith to cure such failure.

(b) Upon the occurrence of an Event of Default, Landlord, in addition to the other rights or remedies it may have under this Lease, at law, or in equity, and without prejudice to any of the same, shall have the option, without any notice to Tenant and pursuant to applicable judicial process, to pursue any one or more of the following remedies:

pursue any one or more of the following remedies.

(i) Landlord shall have the right to terminate this Lease, in which event Tenant shall immediately surrender the Premises to Landlord, and Tenant shall pay Landlord upon demand for all losses and damages that Landlord suffers or incurs by reason of such termination, including damages in an amount equal to the total of: (A) the costs of repossessing the Premises and all other expenses incurred by Landlord in connection with Tenant's default, plus the Administrative Fee; (B) the unpaid Rent earned as of the date of termination; (C) an amount equal to (i) all Rent for the period that would otherwise have constituted the remainder of the Term, less (ii) the fair market rental value of the Premises for the remainder of the Term, discounted to present value at a rate of 2% per annum; and (D) all other sums of money and damages owing by Tenant to Landlord. The "Administrative Fee" means 15% of the costs incurred by Landlord in curing Tenant's default or performing Tenant's obligations hereunder.

(ii) Landlord shall have the right to terminate Tenant's right of possession (but not this Lease) and may repossess the Premises by forcible detainer or forcible entry and detainer suit or otherwise, without demand or notice of any kind to Tenant and without terminating this Lease. If Tenant receives written notice of a termination of its right to possession, such notice will serve as both a notice to vacate, notice to pay or quit, and a demand for possession of, the Premises, and Landlord may immediately thereafter initiate a forcible detainer action without any further demand or notice of any kind to Tenant.

(iii) Landlord shall have the right, pursuant to applicable judicial process, to enter and take possession of all or any portion of the Premises without electing to terminate this Lease, in which case Landlord shall have the right to relet all, or any portion of the Premises on such terms as Landlord deems advisable. Landlord will not be required to incur any expenses to relet all or any portion of the Premises, although Landlord may at its option incur customary leasing commissions or other costs for the account of Tenant as Landlord shall deem necessary or appropriate to relet. In no event will the failure of Landlord to relet all or any portion of the Premises reduce Tenant's liability for Rent or damages. Upon the occurrence of an Event of Default, Landlord shall use commercially reasonable efforts to mitigate its damages. However, Landlord shall not be required to give any special preference or priority to reletting the Premises over other vacant space in the Building, Landlord shall be deemed to have used commercially reasonable efforts if it uses the same efforts in marketing the Premises as used in marketing other vacant space at the Building, and in no event shall Landlord be responsible or liable for any failure to relet the Premises or any part thereof, or for any failure to collect any rent due upon a reletting. Landlord's rejection of a prospective replacement tenant based on an offer of rentals below Landlord's published rates for new leases of comparable space at the Building at the time in question, or below the rates provided in this Lease or containing terms less favorable than those contained herein, shall not give rise to a claim by Tenant that Landlord failed to mitigate its damages.

(iv) Landlord shall have the right, pursuant to applicable judicial process, to enter the Premises without terminating this Lease and without being liable for prosecution or any claim for damages therefor and maintain the Premises and repair or replace any damage thereto or do anything for which Tenant is responsible hereunder. Tenant shall reimburse Landlord immediately upon demand for any out-of-pocket costs which Landlord incurs in thus effecting Tenant's compliance under this Lease, and Landlord shall not be liable to Tenant for any damages with respect thereto.

(v) Landlord shall have the right to continue this Lease in full force and effect, whether or not Tenant shall have abandoned the Premises. If Landlord elects to continue this Lease in full force and effect pursuant to this Section, then Landlord shall be entitled to enforce all of its rights and remedies under this Lease, including the right to recover Rent as it becomes due. Landlord's election not to terminate this Lease pursuant to this Section or pursuant to any other provision of this Lease, at law or in equity, shall not preclude Landlord from showing the Premises to potential tenants, subsequently electing to terminate this Lease, or pursuing any of its other remedies.

to terminate this Lease, or pursuing any of its other remedies.

(c) Upon the occurrence of an Event of Default, Tenant shall be liable to Landlord for, and Landlord shall be entitled to recover: (i) all Rent accrued and unpaid; (ii) all costs and expenses incurred by Landlord in recovering possession of the Premises, including legal fees, and removal and storage of Tenant's Property; (iii) the costs and expenses of restoring the Premises to the condition in which the same were to have been surrendered by Tenant as of the Expiration Date; (iv) the costs of reletting commissions; (v) all reasonable legal fees and court costs incurred by Landlord in connection with the Event of Default; and (vi) the unamortized portion (as reasonably determined by Landlord) of brokerage commissions and consulting fees incurred by Landlord, and tenant concessions including free rent and allowances given by Landlord, in connection with this Lease. Upon the occurrence of an Event of Default and notwithstanding Section 1(a) above, the monthly Fixed Rent payable for the Abatement Period shall equal the amount of Fixed Rent payable immediately following the expiration of the Abatement Period.

(d) Any amount payable by Tenant under this Lease that is not paid when due shall bear interest at the rate of 1% per month until paid by Tenant to Landlord. If Tenant fails to pay Rent when due on 3 or more occasions during the Term, Landlord shall have the right to require Tenant to pay all future Rent by ACH debit of funds, in which case Tenant shall complete Landlord's then-current forms authorizing Landlord to automatically debit Tenant's bank account. Notwithstanding the foregoing, upon Tenant's written request, no interest shall be assessed against Tenant the first 2 times in any 12 month period that Tenant is late making any payment under this Lease, provided Tenant makes the required payment within 3 business days after receipt of notice of such late payment.

(e) Neither any delay or forbearance by Landlord in exercising any right or remedy hereunder nor Landlord's undertaking or performing any act that Landlord is not expressly required to undertake under this Lease shall be construed to be a waiver of Landlord's rights or to represent any agreement by Landlord to thereafter undertake or perform such act. Landlord's waiver of any breach by Tenant of any covenant or condition herein contained (which waiver shall be effective only if so expressed in writing by Landlord) or Landlord's failure to exercise any right or remedy in respect of any such breach shall not constitute a waiver or relinquishment for the future of Landlord's right to have any such covenant or condition duly performed or observed by Tenant, or of Landlord's rights arising because of any subsequent breach of any such covenant or condition, nor bar any right or remedy of Landlord in respect of such breach or any subsequent breach. Tenant hereby expressly waives, for itself and all persons claiming by, through or under it, any right of redemption, reentry, or restoration of the operation of this Lease under any present or future Law, including without limitation any such right which Tenant would otherwise have in case Tenant shall be dispossessed for any cause, or in case Landlord shall obtain possession of the Premises as herein provided.

(f) If Tenant defaults in the performance of any covenant, agreement, term, provision, or condition contained in this Lease, Landlord, in addition to any other rights and remedies it has under this Lease and without thereby waiving such default, may perform the same for the account of and at the expense of Tenant (but shall not be obligated to do so), without notice in a case of emergency and in any other case if such default continues after 5 days from the date that Landlord gives written notice to Tenant of its intention to do so. Landlord may invoice Tenant for all amounts paid by Landlord and all losses, costs, and expenses incurred by Landlord in connection with any such performance by Landlord pursuant to this paragraph, plus the Administrative Fee, including, without limitation, all amounts paid and costs and expenses incurred by Landlord for any property, material, labor, or services provided, furnished, or rendered, or caused to be provided, furnished, or rendered, by Landlord to Tenant (together with interest at the rate of 1% per month from the date Landlord pays the amount or incurs the loss, cost, or expense until the date of full repayment by Tenant) monthly or immediately, at Landlord's option, and shall be due and payable by Tenant to Landlord as Additional Rent within 5 days after Tenant receives the invoice. Any reservation of a right by Landlord to enter upon the Premises and to make or perform any repairs, alterations,

reservation of a right by Landlord to enter upon the premises and to make or perform any repairs, alterations,

or other work in, to, or about the Premises, which, in the first instance, is Tenant's obligation pursuant to this Lease, shall not be deemed to impose any obligation on Landlord to do so, render Landlord liable to Tenant or any third party for the failure to do so, or relieve Tenant from any obligation to indemnify Landlord as otherwise provided elsewhere in this Lease.

(g) The rights granted to Landlord in this Section shall be cumulative of every other right or remedy provided in this Lease or which Landlord may otherwise have at law or in equity or by statute, and the exercise of one or more rights or remedies shall not prejudice or impair the concurrent or subsequent exercise of other rights or remedies or constitute a forfeiture or waiver of Rent or damages accruing to Landlord by reason of any Event of Default under this Lease. Landlord shall have all rights and remedies now or hereafter existing at law or in equity with respect to the enforcement of Tenant's obligations hereunder and the recovery of the Premises. No right or remedy herein conferred upon or reserved to Landlord shall be exclusive of any other right or remedy, but shall be cumulative and in addition to all other rights and remedies given hereunder or now or hereafter existing at law or in equity. Landlord shall be entitled to seek injunctive relief in case of the violation, or attempted or threatened violation, of any covenant, agreement, condition, or provision of this Lease, or to a decree compelling performance of any covenant, agreement, condition, or provision of this Lease.

(h) No payment by Tenant or receipt by Landlord of a lesser amount than any payment of Fixed Rent or Additional Rent herein stipulated shall be deemed to be other than on account of the earliest stipulated Fixed Rent or Additional Rent due and payable hereunder, nor shall any endorsement or statement or any check or any letter accompanying any check or payment as Rent be deemed an accord and satisfaction. Landlord may accept such check or payment without prejudice to Landlord's right to recover the balance of such Rent or pursue any other right or remedy provided for in this Lease, at law or in equity, and acceptance of such partial payment shall be deemed subject to Landlord's reservation of all rights. Landlord shall have no obligation to accept any cure proffered by Tenant after an Event of Default.

(i) Landlord hereby waives any applicable common law or statutory liens upon all goods, wares, equipment, fixtures, furniture, improvements, and other personal property of Tenant which may hereafter be situated on the Premises. Upon request by Tenant, Landlord shall agree to subordinate any common law or statutory lien to any commercial lender to whom Tenant grants a security interest. Nothing herein shall be deemed to prevent the abandonment of property as set forth in Section 18(b). Upon the occurrence of an Event of Default by Tenant, and pursuant to applicable judicial process, Landlord may, in addition to any other remedies provided herein, peaceably enter upon the Premises and take possession of any and all goods, wares, equipment, fixtures, furniture, improvements, and other personal property of Tenant situated on the Premises, without liability for trespass or conversion, and sell the same at public or private sale, with or without having such property at the sale, after giving Tenant reasonable notice of time and place of any public sale or of the time after which any private sale is to be made, at which sale Landlord or its assigns may purchase unless otherwise prohibited by law. Unless otherwise provided by law, and without intending to exclude any other manner of giving Tenant reasonable notice, the requirement of reasonable notice shall be met if such notice is given in the manner prescribed in Section 21 at least 5 days before the time of sale. The proceeds from any such disposition, less all expenses connected with the taking of possession, holding, and selling of the property (including reasonable attorneys' fees and other expenses), shall be applied as a credit against the indebtedness secured by the security interest granted in this paragraph. Any surplus shall be paid to Tenant or as otherwise required by law, and Tenant shall pay any deficiencies forthwith.

(j) Tenant waives the right to any notices to quit as may be specified in Virginia Code § 55.1-1415, as amended, or any similar or successor provision of Law, and agrees that 3 days' notice shall be sufficient in any case where a longer period may be statutorily specified.

(k) Upon the occurrence of an Event of Default, Landlord shall use commercially reasonable efforts to mitigate its damages. However, Landlord shall not be required to give any special preference or priority to reletting the Premises over other vacant space in the Building, Landlord shall be deemed to have used commercially reasonable efforts if it uses the same efforts in marketing the Premises as used in marketing other vacant space at the Building, and in no event shall Landlord be responsible or liable for any failure to relet the Premises or any part thereof, or for any failure to collect any rent due upon a reletting. Landlord's rejection of a prospective replacement tenant based on an offer of rentals below Landlord's published rates for new leases of comparable space at the Building at the time in question, or below the rates provided in this Lease or containing terms less favorable than those contained herein, shall not give rise to a claim by Tenant that Landlord failed to mitigate its damages.

18. SURRENDER; HOLDOVER.

(a) By no later than the Expiration Date or earlier termination of Tenant's right to possession of the Premises (such earlier date, the "Surrender Date"), Tenant shall vacate and surrender the Premises to Landlord in good order and condition, free of all Transferees, vacant, broom clean, and in conformity with the applicable provisions of this Lease, including without limitation Sections 9 and 11. Tenant shall have no right to hold over beyond the Surrender Date, and if Tenant does not vacate as required such failure shall be deemed an Event of Default and Tenant's occupancy shall not be construed to effect or constitute anything other than a tenancy at sufferance. During any period of occupancy beyond the Surrender Date, the amount of Rent owed by Tenant to Landlord shall be the Holdover Percentage of the Rent for the month immediately prior to the Expiration Date, without prorating for any partial month of holdover, and except that any provisions in this Lease that limit the amount or defer the payment of Additional Rent shall be null and void. "Holdover Percentage" equals: (i) 150% for the first 2 months of holdover; and (ii) 200% for any period of holdover beyond 2 months. The acceptance of Rent by Landlord or the failure or delay of Landlord in notifying or evicting Tenant following the Surrender Date shall not create any tenancy rights in Tenant and any such payments by Tenant may be applied by Landlord against its costs and expenses, including reasonable attorneys' fees, incurred by Landlord as a result of such holdover. The provisions of this Section shall not constitute a waiver by Landlord of any right of reentry as set forth in this Lease; nor shall receipt of any Rent or any other act in apparent affirmance of the tenancy operate as a waiver of Landlord's right to terminate this Lease for a breach of any of the terms, covenants, or obligations herein on Tenant's part to be performed. No option to extend this Lease shall have been deemed to have occurred by Tenant's holdover, and any and all options to extend this Lease or expand the Premises shall be deemed terminated and of no further effect as of the first date that Tenant holds over. In addition, if Tenant fails to vacate and surrender the Premises as herein required, Tenant shall indemnify, defend, and hold harmless Landlord from and against any and all claims, actions, damages, liabilities, and expenses (including all reasonable costs and expenses (including reasonable attorneys' fees)) to the extent arising out of or from or related to such failure, including without limitation, claims made by any succeeding tenant and real estate brokers' claims and reasonable attorneys' fees; provided, however, Tenant's indemnification obligation shall not include consequential damages unless and until Tenant holds over for 30 days after the Surrender Date. Tenant's obligation to pay Rent and to perform all other Lease obligations for the period up to and including the Surrender Date, and the provisions of this Section, shall survive the Expiration Date. In no way shall the remedies of Landlord set forth above be construed to constitute liquidated damages for Landlord's losses resulting from Tenant's holdover.

(b) Prior to the Surrender Date, Tenant, at Tenant's expense, shall remove from the Premises Tenant's Property (exclusive of any telephone, security, and communications equipment system wiring and cabling, which Tenant shall have no obligation to remove so long as the same are bundled, labeled, and stored within the flooring, ceiling, or walls of the Premises, as applicable), and restore in a good and workpersonlike manner any damage to the Premises and/or the Building caused by such removal or replace the damaged component of the Premises and/or the Building if such component cannot be

or replace the damaged component of the premises and/or the building if such component cannot be

restored as aforesaid as reasonably determined by Landlord. Notwithstanding the foregoing, and except as provided above, Tenant shall not be required to remove a Specialty Alteration if at the time Tenant requests Landlord's consent to such Specialty Alteration, Tenant provides Landlord with written notification that Tenant desires to not be required to remove such Specialty Alteration and Landlord consents in writing to Tenant's non-removal request. A "Specialty Alteration" means an Alteration or Leasehold Improvement (other than lighting fixtures) that: (i) Landlord required to be removed in connection with Landlord's consent to making such Alteration or Leasehold Improvement (provided this clause (i) shall not apply if Landlord's consent is not required under this Lease); and (ii) is not Building standard, including without limitation kitchens (other than a pantry installed for the use of Tenant's employees only), executive restrooms, computer room installations, supplemental HVAC equipment and components, safes, vaults, libraries or file rooms requiring reinforcement of floors, internal staircases, slab penetrations, non-Building-standard life safety systems, security systems, specialty door locksets (such as cipher locks), and any demising improvements done by or on behalf of Tenant after the Commencement Date. If Tenant fails to remove any of Tenant's Property as required herein, the same shall be deemed abandoned and Landlord, at Tenant's expense, may remove and dispose of same and repair and restore any damage caused thereby, or, at Landlord's election, such Tenant's Property shall become Landlord's property. Tenant shall not remove any Alteration or Leasehold Improvement from the Premises without the prior written consent of Landlord.

19. RULES AND REGULATIONS. Tenant covenants that Tenant and Tenant Agents shall comply with the rules and regulations set forth on Exhibit E attached hereto. Landlord shall have the right to rescind and/or augment any of the rules and regulations and to make such other and further written rules and regulations as in the reasonable judgment of Landlord shall from time to time be needed for the safety, protection, care, and cleanliness of the Project, the operation thereof, the preservation of good order therein, and the protection and comfort of its tenants, their agents, employees, and invitees, which when delivered to Tenant shall be binding upon Tenant in a like manner as if originally prescribed. In the event of an inconsistency between the rules and regulations and this Lease, the provisions of this Lease shall control. Landlord shall not have any liability to Tenant for any failure of any other tenants to comply with any of the rules and regulations. Landlord shall use commercially reasonable efforts to enforce the rules and regulations equally against all tenants and occupants of the Building, subject to the terms of applicable leases.

20. GOVERNMENTAL REGULATIONS.

(a) Landlord represents to Tenant to its current actual knowledge, without independent investigation or inquiry, that as of the date of execution of this Lease, no Hazardous Material is present on the Premises or the soil or groundwater thereof that would require reporting to governmental authorities and remediation under applicable Laws. Tenant shall not at any time use, generate, manufacture, refine, transport, treat, store, handle, dispose, bring, or otherwise cause to be brought or permit any Tenant Agent to bring, in, on, or about any part of the Project, any hazardous waste, solid waste, hazardous substance, toxic substance, petroleum product or derivative, asbestos, polychlorinated biphenyl, hazardous material, pollutant, contaminant, or similar material or substance as defined by the Comprehensive Environmental Response Compensation and Liability Act, 42 U.S.C. Sections 9601 et seq., as the same may from time to time be amended, and the regulations promulgated pursuant thereto (CERCLA), or now or hereafter defined or regulated as such by any other Law ("Hazardous Material"). Notwithstanding any expiration or termination of this Lease, Tenant shall indemnify and hold harmless Landlord and Landlord Indemnitees from and against any and all claims, actions, damages, liabilities, and expenses (including all reasonable costs and expenses (including reasonable attorneys' fees)) to the extent arising out of or from or related to the presence or removal of, or failure to remove, Hazardous Materials generated, used, released, stored, or disposed of by Tenant or any Tenant Agent in or about the Project, whether before or after the Commencement Date. Notwithstanding the foregoing, during the Term Tenant shall be permitted to bring onto the Premises office cleaning supplies and products normally found in modern offices provided Tenant

only brings a reasonable quantity of such supplies and products onto the Premises and Tenant shall at all times comply with all Laws pertaining to the storage, handling, use, disposal, and application of such supplies and products, and all Laws pertaining to the communication to employees and other third parties of any hazards associated with such supplies and products. Tenant shall not install any underground or above ground tanks on the Project. Tenant shall not cause or permit to exist any release, spillage, emission, or discharge of any Hazardous Material on or about the Project ("Release"). In the event of a Release, Tenant shall immediately notify Landlord both orally and in writing, report such Release to the relevant government agencies as required by applicable Law, and promptly remove the Hazardous Material and otherwise investigate and remediate the Release in accordance with applicable Law and to the satisfaction of Landlord. Landlord shall have the right, but not the obligation, to enter upon the Premises to investigate and/or remediate the Release in lieu of Tenant, and Tenant shall reimburse Landlord as Additional Rent for the costs of such remediation and investigation. Tenant shall promptly notify Landlord if Tenant acquires knowledge of the presence of any Hazardous Material on or about the Premises, except as Tenant is permitted to bring onto the Premises under this Lease. Landlord shall have the right at all reasonable times upon reasonable advance notice or, in the case of an emergency, at any time without notice, to inspect and assess the Premises for the purpose of determining whether Tenant is handling any Hazardous Material in violation of this Lease or applicable Law, or to ascertain the presence of any Release. This subsection shall survive the Expiration Date.

(b) Tenant shall, and shall cause Tenant Agents to, use the Premises in compliance with all applicable Laws. Tenant shall comply with all present and future Laws concerning the use, occupancy, and condition of the Premises and all machinery, equipment, furnishings, fixtures, and improvements therein, all of which shall be complied with in a timely manner at Tenant's sole cost and expense. Without limiting the generality of the foregoing, Tenant shall: (i) obtain, at Tenant's expense, before engaging in Tenant's business or profession within the Premises, all necessary licenses and permits including, but not limited to, state and local business licenses, and permits; and (ii) remain in compliance with and keep in full force and effect at all times all licenses, consents, and permits necessary for the lawful conduct of Tenant's business or profession at the Premises. Tenant shall pay all personal property taxes, income taxes, gross receipts taxes, and other taxes, assessments, duties, impositions, and similar charges that are or may be assessed, levied, or imposed upon Tenant, Tenant's business, or Tenant's Property. Tenant shall also comply with all applicable Laws that do not relate to the physical condition of the Premises and with which only the occupant can comply, such as laws governing maximum occupancy, workplace smoking, VDT regulations, and illegal business operations, such as gambling. The judgment of any court of competent jurisdiction or the admission of Tenant in any judicial, governmental or regulatory action, regardless of whether Landlord is a party thereto, that Tenant has violated any of such Laws shall be conclusive of that fact as between Landlord and Tenant.

(c) Notwithstanding anything to the contrary in this Lease, if the requirement of any public authority obligates either Landlord or Tenant to expend money in order to bring the Premises and/or any area of the Project into compliance with Laws as a result of: (i) Tenant's particular use of the Premises or the use or occupancy of the Premises for other than general office use; (ii) Alterations or Leasehold Improvements; (iii) Tenant's change in the use of the Premises; (iv) the manner of conduct of Tenant's business or operation of its installations, equipment, or other property therein; (v) any cause or condition created by or at the request or direction of Tenant or any Tenant Agent, other than by Landlord's performance of any work for or on behalf of Tenant; or (vi) breach of any of Tenant's obligations hereunder, then Tenant shall bear all costs of bringing the Premises and/or Project into compliance with Laws, whether such costs are related to structural or nonstructural elements of the Premises or Project, and in such event Tenant at its sole cost and expense shall be solely responsible for taking any and all measures that are required to comply with such Laws concerning the Building and the Premises (including point of entry and means of ingress and egress thereto) and the business conducted therein.

(d) Except to the extent Tenant shall comply as set forth above, during the Term Landlord at its expense (subject to reimbursement to the extent permitted under Section 5) shall take steps necessary to comply with all applicable Laws to the extent applicable directly to the Building structure and systems or the Common Areas.

(e) Each party hereto hereby acknowledges and agrees that it will not knowingly violate any applicable Laws regarding bribery, corruption, and/or prohibited business practices as they concern each such party's respective activities under or in connection with this Lease, and each such party will be solely responsible for and will hold harmless the other party from and against any claims or liabilities in connection with any of such responsible party's own violations of any such Laws.

21. NOTICES. Wherever in this Lease it is required or permitted that notice or demand be given or served by either party to this Lease to or on the other party, such notice or demand will be duly given or served if in writing and either: (i) personally served; (ii) delivered by prepaid nationally recognized courier service (for example, Federal Express, UPS, and USPS) with evidence of receipt required for delivery; (iii) delivered by registered or certified mail, return receipt requested, postage prepaid; or (iv) if an email address is provided by the recipient, emailed with confirmation of receipt by the recipient and a simultaneous copy sent by one of the methods set forth in clauses (i) through (iii) above; in all such cases addressed to the parties at the addresses set forth below. Each such notice will be deemed to have been given to or served upon the party to which addressed on the date the same is delivered or delivery is refused. Each party has the right to change its address for notices (provided such new address is in the continental United States) by a writing sent to the other party in accordance with this Section, and each party will, if requested, within 10 days confirm to the other its notice address. Notices from Landlord may be given by either an agent or attorney acting on behalf of Landlord.

Tenant: BlackSky Holdings, Inc.
Attn: General Counsel
2411 Dulles Corner Park
Herndon, VA 20171
Email: legal@blacksky.com

Landlord: 2411 Dulles Corner Metro Owner LLC
c/o Brandywine Realty Trust
Attn: Legal Notices/Legal Dept., RE:
Building R360
Cira Centre
2929 Arch St., Suite 1800
Philadelphia, PA 19104
Phone: 610-325-5600
Email: Legal.Notices@bdnreit.com

With copies to:
2411 Dulles Corner Metro Owner LLC
500 Boylston Street, Floor 21
Boston, MA 02116
Attn: Joe Goldman

And:
Gibson, Dunn & Crutcher, LLP
333 Grand Avenue
Los Angeles, California 90071
Attention: Jesse Shapiro
Email: jshapiro@gibsondunn.com

Notwithstanding anything to the contrary in this Lease, billing statements and the like may be sent by regular mail or electronic means (such as email) to Tenant's billing contact without copies.

Tenant's billing contact:
BlackSky Holdings, Inc.
Attn: Accounts Payable
2411 Dulles Corner Park

Herndon, VA 20171
Email: ap@blacksky.com

For informational purposes, Tenant's current contacts for the following are set forth below, and Tenant shall endeavor to notify Landlord in writing of any changes to this information:

(1) Tenant insurance certificates:
Attn: Compliance
2411 Dulles Corner Park
Herndon, VA 20171
Email: compliance@blacksky.com

(2) Tenant property management issues:
2411 Dulles Corner Park
Herndon, VA 20171
Email: legal@blacksky.com

22. BROKERS. Landlord and Tenant each represents and warrants to the other that such representing party has had no dealings, negotiations, or consultations with respect to the Premises or this transaction with any broker or finder other than Cushman & Wakefield, representing Landlord, and Broker, representing Tenant. Each party shall indemnify, defend, and hold harmless the other from and against any and all liability, cost, and expense (including reasonable attorneys' fees and court costs), arising out of or from or related to its misrepresentation or breach of warranty under this Section. Landlord shall pay Broker a commission in connection with this Lease pursuant to the terms of a separate written agreement between Landlord and Broker. This Section shall survive the Expiration Date.

23. LANDLORD'S LIABILITY. No Landlord shall be liable for any obligation or liability based on or arising out of any event or condition occurring during the period that such Landlord was not the owner of the Building or a landlord's interest therein. Upon request and without charge, Tenant shall attorn to any successor to Landlord's interest in this Lease provided such transferee assumes the obligations of Landlord hereunder that arise from and after the date of the transfer. Landlord may transfer its interest in the Building without the consent of Tenant, and such transfer or subsequent transfer shall not be deemed a violation on Landlord's part of any of the terms of this Lease. Upon any sale of the Building, Landlord shall be relieved of all responsibility for the Premises and shall be released from any liability thereafter accruing under this Lease provided such transferee assumes the obligations of Landlord hereunder that arise from and after the date of the transfer. No officer, director, member, or employee of Landlord shall have any personal liability under any of the terms, conditions, or covenants of this Lease. Tenant and Tenant Agents shall look solely to the equity of Landlord in the Building and/or the net sales, insurance and/or condemnation proceeds actually received therefrom for the satisfaction of any claim, remedy, or cause of action of any kind whatsoever arising from the relationship between the parties or any rights and obligations they may have relating to the Project, this Lease, or anything related to either, including without limitation as a result of the breach of any Section of this Lease by Landlord. In addition, no recourse shall be had for an obligation of Landlord hereunder, or for any claim based thereon or otherwise in respect thereof or the relationship between the parties, against any past, present, or future Landlord Indemnitee (other than Landlord), whether by virtue of any statute or rule of law, or by the enforcement of any assessment or penalty or otherwise, all such other liability being expressly waived and released by Tenant with respect to the Landlord Indemnitees (other than Landlord).

24. RELOCATION. Intentionally omitted.

25. GENERAL PROVISIONS

(a) Provided there is not an Event of Default, including the payment of Rent, Tenant shall peaceably and quietly hold and enjoy the Premises for the Term, without hindrance from Landlord or anyone lawfully or equitably claiming by, through, or under Landlord, under and subject to the terms and conditions of this Lease and of any mortgages and deeds of trust now or hereafter affecting all or any portion of the Premises.

(b) Subject to the terms and provisions of Section 10, the respective rights and obligations provided in this Lease shall bind and inure to the benefit of the parties hereto, their successors and assigns.

(c) This Lease shall be governed in accordance with the Laws of the State, without regard to choice of law principles. Landlord and Tenant hereby consent to the exclusive jurisdiction of the state and federal courts located in the jurisdiction in which the Project is located.

(d) In connection with any litigation or arbitration arising out of this Lease, Landlord or Tenant, whichever is the prevailing party as determined by the trier of fact in such litigation, shall be entitled to recover from the other party all reasonable costs and expenses incurred by the prevailing party in connection with such litigation, including reasonable attorneys' fees. If Landlord is compelled to engage the services of attorneys (either outside counsel or in-house counsel) to enforce the provisions of this Lease, to the extent that Landlord incurs any cost or expense in connection with such enforcement, the sum or sums so paid or billed to Landlord, together with all interest, costs and disbursements, shall be due from Tenant immediately upon receipt of an invoice therefor following the occurrence of such expenses. If, in the context of a bankruptcy case, Landlord is compelled at any time to incur any expense, including attorneys' fees, in enforcing or attempting to enforce the terms of this Lease or to enforce or attempt to enforce any actions required under the Bankruptcy Code to be taken by the trustee or by Tenant, as debtor-in-possession, then the sum so paid by Landlord shall be awarded to Landlord by the Bankruptcy Court and shall be immediately due and payable by the trustee or by Tenant's bankruptcy estate to Landlord in accordance with the terms of the order of the Bankruptcy Court.

(e) This Lease, which by this reference incorporates all exhibits, riders, schedules, and other attachments hereto, supersedes all prior discussions, proposals, negotiations and discussions between the parties and this Lease contains all of the agreements, conditions, understandings, representations, and warranties made between the parties hereto with respect to the subject matter hereof, and may not be modified orally or in any manner other than by an agreement in writing signed by both parties hereto or their respective successors in interest. Whenever placed before one or more items, the words "include", "includes", and "including" shall mean considered as part of a larger group, and not limited to the item(s) recited. Except to the extent expressly set forth otherwise in this Lease, neither Landlord, nor anyone acting on Landlord's behalf, has made any representation, warranty, estimation, or promise of any kind or nature whatsoever, and Landlord disclaims any implied representations or warranties, relating to the condition of the Project or any part thereof including the Premises, or the land under the Building or suitability, including without limitation, the fitness of the Premises for Tenant's intended use, the indoor air quality, and the environmental condition. If any provisions of this Lease are held to be invalid, void, or unenforceable, the remaining provisions hereof shall in no way be affected or impaired and such remaining provisions shall remain in full force and effect.

(f) TIME IS OF THE ESSENCE UNDER ALL PROVISIONS OF THIS LEASE, INCLUDING ALL NOTICE PROVISIONS.

(g) If Landlord or Tenant is in any way delayed or prevented from performing any obligation (except with respect to Tenant, its obligations to pay Rent, the giving of notice with respect to

the exercise of a Lease option, and surrender of the Premises as and when required under this Lease) due to fire or other casualty (or reasonable delays in the adjustment of insurance claims), acts of terrorism, war, pandemic, or other emergency (including severe weather emergency), governmental delay beyond what is commercially reasonable (provided the party claiming the delay provides reasonable evidence to the other party that the party claiming the delay is diligently pursuing the approval or permit that is the subject of the governmental delay), inability to obtain any materials or services, acts of God, strike, lockout or other labor dispute, orders or regulations of any federal, state, county or municipal authority, embargoes, or any other cause beyond such party's reasonable control (whether or not foreseeable or similar or dissimilar to the foregoing events) (each, a "Force Majeure Event"), then the time for performance of such obligation shall be excused for the period of such delay or prevention (and such party shall not be deemed in default with respect to the performance of its obligations) and extended for a period equal to the period of such delay or prevention. Financial disability or hardship shall never constitute a Force Majeure Event. No such inability or delay due to a Force Majeure Event shall constitute an actual or constructive eviction, in whole or in part, or entitle Tenant to any abatement or diminution of Rent, or relieve the other party from any of its obligations under this Lease, or impose any liability upon such party or its agents, by reason of inconvenience or annoyance to the other party, or injury to or interruption of the other party's business, or otherwise.

(h) Excepting payments of Fixed Rent, Operating Expenses, and utilities (which are to be paid as set forth in Sections 4, 5, and 6) and unless a specific time is otherwise set forth in this Lease for any Tenant payments, all amounts due from Tenant to Landlord shall be paid by Tenant to Landlord as Additional Rent within 30 days after receipt of an invoice therefor.

(i) Unless Tenant's financials are publicly available online at no cost to Landlord, within 10 business days after written request by Landlord (but not more than once during any 12-month period unless a default has occurred under this Lease or Landlord has a reasonable basis to suspect that Tenant has suffered a material adverse change in its financial position, or in the event of a sale, financing, or refinancing by Landlord of all or any portion of the Project), Tenant shall furnish to Landlord, Mortgagee, or Landlord's prospective mortgagee or purchaser, reasonably requested financial information. In connection therewith and upon Tenant's request, Landlord and Tenant shall execute a mutually acceptable confidentiality agreement on Landlord's form therefor.

(j) Tenant represents and warrants to Landlord that: (i) Tenant was duly organized and is validly existing and in good standing under the Laws of the jurisdiction set forth for Tenant in the first sentence of this Lease; (ii) Tenant is legally authorized to do business in the State; (iii) the person(s) executing this Lease on behalf of Tenant is(are) duly authorized to do so; and (iv) Tenant has the full corporate or partnership power and authority to enter into this Lease and has taken all corporate or partnership action, as the case may be, necessary to carry out the transaction contemplated herein, so that when executed, this Lease constitutes a valid and binding obligation enforceable in accordance with its terms. From time to time upon Landlord's request, Tenant will provide Landlord with corporate resolutions or other proof in a form acceptable to Landlord authorizing the execution of this Lease at the time of such execution.

(k) Intentionally omitted.

(l) Each party hereto represents and warrants to the other that such party is not a party with whom the other is prohibited from doing business pursuant to the regulations of the Office of Foreign Assets Control ("OFAC") of the U.S. Department of the Treasury, including those parties named on OFAC's Specially Designated Nationals and Blocked Persons List. Each party hereto is currently in compliance with, and shall at all times during the Term remain in compliance with, the regulations of OFAC and any other governmental requirement relating thereto. Each party hereto shall defend, indemnify, and

and any other governmental requirement relating thereto. Each party hereto shall defend, indemnify, and

hold harmless the other from and against any and all claims, damages, losses, risks, liabilities, and expenses (including reasonable attorneys' fees and costs) incurred by the other to the extent arising from or related to any breach of the foregoing certifications. The foregoing indemnity obligations shall survive the Expiration Date.

(m) Except as set forth in this paragraph, neither Tenant nor Landlord shall issue, or permit any broker, representative, or agent representing either party in connection with this Lease to issue: (i) any press release; or (ii) any other public disclosure regarding the specific terms of this Lease (or any amendments or modifications hereof), without the prior written approval of the other party. The parties acknowledge that the transaction described in this Lease and the terms thereof (but not the existence thereof) are of a confidential nature and shall not be disclosed except to such party's employees, attorneys, accountants, consultants, advisors, affiliates, and actual and prospective purchasers, lenders, investors, subtenants and assignees (collectively, "Permitted Parties"), and except as, in the good faith judgment of Landlord or Tenant, may be required to enable Landlord or Tenant to comply with its obligations under Law (and, to the extent such disclosure is being made in compliance with Law, upon prior notice to the other party to the extent permitted). In connection with the negotiation of this Lease and the preparation for the consummation of the transactions contemplated hereby, each party acknowledges that it will have had access to confidential information relating to the other party. Each party shall treat such information and shall cause its Permitted Parties to treat such confidential information as confidential, and shall preserve the confidentiality thereof, and not duplicate or use such information, except by Permitted Parties. Notwithstanding the foregoing, Landlord shall have the right, to the extent required to be disclosed by Landlord or Landlord's affiliates in connection with filings required by applicable Laws, including the Securities and Exchange Commission ("SEC"), and similar regulatory frameworks, without notice to Tenant to include in such securities filings general information relating to this Lease, including, without limitation, Tenant's name, the Building, and the square footage of the Premises.

(n) Neither Tenant, nor anyone acting through, under, or on behalf of Tenant, shall have the right to record this Lease, nor any memorandum, notice, affidavit, or other writing with respect thereto, or otherwise file this Lease with any governmental authority.

(o) Tenant shall not claim any money damages by way of setoff, counterclaim, or defense, based on any claim that Landlord unreasonably withheld its consent, in which case Tenant's sole and exclusive remedy shall be an action for specific performance, injunction, or declaratory judgment.

(p) All requests made to Landlord to perform repairs or furnish services, supplies, utilities, or freight elevator usage (if applicable), shall be made online to the extent available (currently such requests shall be made via <https://connect.brandwinerealty.com/>, as the same may be modified by Landlord from time to time) otherwise via email or written communication to Landlord's property manager for the Building. Whenever Tenant requests Landlord to take any action not required of Landlord under this Lease or give any consent required or permitted to be given by Landlord under this Lease (for example, a request for a Transfer consent, a consent to an Alteration, or a subordination of Landlord's lien, but other than a request for services, supplies, or utilities which is governed by Section 7(b)), Tenant shall pay to Landlord for Landlord's administrative and/or professional costs in connection with each such action or consent Landlord's reasonable costs incurred by Landlord in reviewing and taking the proposed action or consent, including reasonable attorneys', engineers' and/or architects' fees (as applicable), plus the Administrative Fee. The foregoing amount shall be paid by Tenant to Landlord within 30 days after Landlord's delivery to Tenant of an invoice for such amount. Tenant shall pay such amount without regard to whether Landlord takes the requested action or gives the requested consent.

(q) Tenant acknowledges and agrees that Landlord shall not be considered a "business associate" for any purpose under the Health Insurance Portability and Accountability Act of 1996 and all

related implementing regulations and guidance.

(r) Tenant shall cause any work performed on behalf of Tenant to be performed by contractors who work in harmony, and shall not interfere, with any labor employed by or on behalf of Landlord or Landlord's contractors. If at any time any of the contractors performing work on behalf of Tenant does not work in harmony or interferes with any labor employed by or on behalf of Landlord, other tenants, or their respective mechanics or contractors, then the permission granted by Landlord to Tenant for such contractors to do or cause any work to be done in or about the Premises may be withdrawn by Landlord with 48 hours' written notice to Tenant.

(s) This Lease may be executed in any number of counterparts, each of which shall be deemed to be an original as against any party whose signature appears thereon, and all of which shall together constitute one and the same instrument. The submission of this Lease by Landlord to Tenant for examination does not constitute a reservation of or option for the Premises or of any other space within the Building or in other buildings owned or managed by Landlord or its affiliates. This Lease shall not be binding nor shall either party have any obligations or liabilities or any rights with respect hereto, or with respect to the Premises, unless and until both parties have executed and delivered this Lease. The parties acknowledge and agree that notwithstanding any law or presumption to the contrary, the exchange of copies of this Lease and signature pages by electronic transmission shall constitute effective execution and delivery of this Lease for all purposes, and signatures of the parties hereto transmitted and/or produced electronically shall be deemed to be their original signature for all purposes.

(t) Landlord and persons authorized by Landlord may enter the Premises at all reasonable times upon reasonable advance notice or, in the case of an emergency, at any time without notice. Landlord shall not be liable for inconvenience to or disturbance of Tenant by reason of any such entry; provided, however, whenever exercising its rights under this Section 25(t), Landlord shall do so, so far as practicable, so as to not unreasonably interfere with Tenant's use of the Premises. Landlord shall have the absolute right at all times, including an emergency situation, to limit, restrict, or prevent access to the Building in response to an actual, suspected, perceived, or publicly or privately announced health or security threat.

(u) If more than one person or entity executes this Lease as Tenant, each of them is jointly and severally liable for the keeping, observing, and performing of all of the terms, covenants, conditions, provisions, and agreements of this Lease to be kept, observed, and performed by Tenant.

(v) TO THE EXTENT PERMITTED BY APPLICABLE LAW, LANDLORD AND TENANT HEREBY WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING, OR COUNTERCLAIM BROUGHT BY EITHER AGAINST THE OTHER ON ANY MATTER ARISING OUT OF OR IN ANY WAY CONNECTED WITH THIS LEASE AS AMENDED FROM TIME TO TIME, THE RELATIONSHIP OF LANDLORD AND TENANT, OR TENANT'S USE OR OCCUPANCY OF THE BUILDING, ANY CLAIM OR INJURY OR DAMAGE, OR ANY EMERGENCY OR OTHER STATUTORY REMEDY WITH RESPECT THERETO. TENANT WAIVES ANY RIGHT TO RAISE ANY NONCOMPULSORY COUNTERCLAIM IN ANY SUMMARY OR EXPEDITED ACTION OR PROCEEDING INSTITUTED BY LANDLORD. LANDLORD, TENANT, ALL GUARANTORS, AND ALL GENERAL PARTNERS EACH WAIVES ANY OBJECTION TO THE VENUE OF ANY ACTION FILED IN ANY COURT SITUATED IN THE JURISDICTION IN WHICH THE BUILDING IS LOCATED, AND WAIVES ANY RIGHT, CLAIM, OR POWER UNDER THE DOCTRINE OF FORUM NON CONVENIENS OR OTHERWISE TO TRANSFER ANY SUCH ACTION TO ANY OTHER COURT.

(a) Tenant recognizes and acknowledges that Landlord (and/or direct or indirect owners of Landlord) is or may from time to time seek to qualify as real estate investment trusts pursuant to Sections 856 et seq. of the Internal Revenue Code of 1986, as amended (the “Code”) or be subject to tax on unrelated business taxable income as defined in the Code. Tenant agrees to promptly provide such information in its possession or reasonably available to it as Landlord reasonably requests in order to determine whether Landlord’s receipt of any income derived or to be derived under any provision of this Lease may not constitute “rents from real property” as defined for purposes of Section 856(d) of the Code or for purposes of Section 512(b) of the Code, or otherwise adversely affect the status of Landlord or its direct or indirect owners under the real estate investment trust or unrelated business taxable income provisions of the Code (each, an “Adverse Event”). If Landlord determines in good faith that this Lease or any document contemplated hereby presents an undue risk of an Adverse Event, Tenant agrees upon written notice from Landlord to reasonably cooperate with Landlord in avoiding such Adverse Event, including but not limited to entering into an amendment or modification of this Lease and entering into such other agreements (including with Landlord’s designees) as Landlord in good faith deems necessary to avoid or minimize the effect of an Adverse Event. Except as provided in Section 26(c) below, any such cooperation shall be structured so that equivalent payments (in economic terms) are paid by Tenant and so that Tenant does not, to more than a de minimis extent, have materially greater obligations or receive materially diminished services, or services of a materially lesser quality, than it was entitled to receive under this Lease without such cooperation.

(b) Without limiting Landlord’s rights under Section 10: (i) Tenant expressly covenants and agrees not to enter into any sublease or assignment of the Premises that provides for rental or other payment for such use, occupancy, or utilization based in whole or in part on the net income or profits derived by any person from the property leased, used, occupied, or utilized (other than an amount based on a fixed percentage or percentages of receipts or sales), and that any such purported sublease or assignment shall be absolutely void and ineffective as a conveyance of any right or interest in the possession, use, occupancy, or utilization of any part of the Premises; (ii) Landlord may waive the receipt of any amount payable to Landlord under this Lease and such waiver shall constitute an amendment or modification of this Lease with respect to such payment; and (iii) if Landlord determines that either Tenant has not fulfilled its obligations under this Section 26 or that avoiding an Adverse Event is not commercially feasible or reasonable, then Landlord shall have the option to terminate this Lease upon 90 days’ prior written notice to Tenant. If such notice shall be given, then this Lease shall terminate on the 90th day after the date of such notice, all with the same force and effect as if such date had been the Expiration Date specified in this Lease. The parties agree to execute such further instrument as may reasonably be required by Landlord in order to give effect to the foregoing provisions of this Section 26.

(c) To the maximum extent permitted by law, Tenant shall indemnify and save harmless Landlord and its direct and indirect members, managers, partners, directors, officers, agents, and employees, from and against any and all claims, expenses, or liabilities of whatever nature arising directly or indirectly out of or from or related to any breach of this Section 26, the inaccuracy of any written information provided to Landlord in connection with this Section 26, or Landlord consenting to any transaction requiring Landlord’s consent under this Lease. The indemnification set forth in this Section 26 shall survive the expiration or termination of this Lease.

27. EXTENSION OPTION.

(a) Provided: (i) no Event of Default exists nor any condition exists that, as the result of notice previously given by Landlord and/or the passage of time, would constitute an Event of Default; (ii) this Lease is in full force and effect; (iii) Tenant is the originally named Tenant or a Permitted Transferee; and (iv) Tenant (and not a subtenant) or a Permitted Transferee is occurring and having full

Rent on 100% of the Premises for the conduct of Tenant's business, Tenant shall have the right to extend the Term ("Extension Option") for 60 months beyond the end of the Initial Term ("Extension Term") by delivering Tenant's written extension election notice ("Extension Notice") to Landlord no later than the Extension Deadline and no earlier than 6 months prior to the Extension Deadline, with time being of the essence. "Extension Deadline" means the date that is 12 months prior to the expiration of the Initial Term. If an Event of Default exists at any time after Landlord receives the Extension Notice but before the first day of the Extension Term, then Landlord, at Landlord's option, shall have the right to nullify Tenant's exercise of the Extension Option. The terms and conditions of this Lease during the Extension Term shall remain unchanged except Tenant shall only be entitled to the one Extension Term provided above, the annual Fixed Rent for the Extension Term shall be the Extension Rent (as defined below), the Expiration Date shall be the last day of the Extension Term (or such earlier date of termination of this Lease pursuant to the terms hereof), and, except to the extent reflected in the Extension Rent, Landlord shall have no obligation to perform any tenant improvements to the Premises or provide any tenant improvement allowance to Tenant. Upon Tenant's delivery of the Extension Notice, Tenant may not thereafter revoke its exercise of the Extension Option. Notwithstanding anything to the contrary in this Lease, Tenant shall have no right to extend the Term other than or beyond the one, 60-month Extension Term described in this paragraph.

(b) "Extension Rent" means the fair market extension term base rent for space comparable to the Premises in comparable buildings in the market in which the Building is located. In determining the Extension Rent, Landlord, Tenant and any broker shall take into account all relevant factors including, without limitation, prevailing market allowances and concessions for renewing tenants, space measurement methods and loss factors, the lease term, the size of the space, the location of the building(s), parking charges, the amenities offered at the building(s), the age of the building(s), and whether Project Expenses and other pass-through expenses are on a triple net, base year, expense stop or other basis. In lieu of directly providing any prevailing market allowances and/or concessions, Landlord may elect to reduce the Extension Rent by the economic equivalent thereof to reflect the fact that such allowances and concessions were not provided directly to Tenant. During the Extension Term, Tenant shall not be entitled to any tenant improvement allowances, free rent periods, or other economic concessions (if any) that Tenant was entitled to during the prior Term, except to the extent such items are indirectly incorporated into the Extension Rent as set forth in this Section. When the Extension Rent is being determined for the first year of the Extension Term, the Extension Rent for the second and all subsequent years of the Extension Term shall also be determined in accordance with the same procedures as are set forth herein and based upon the then-prevailing annual rent escalation factor in the applicable leasing market.

(c) If Tenant timely exercises the Extension Option and Landlord and Tenant do not agree upon the Extension Rent in writing by the date that is the later of 30 days after Landlord's receipt of the Extension Notice or 3 months prior to the Extension Deadline, then within 15 days after either party notifies the other in writing that such notifying party desires to determine the Extension Rent in accordance with the procedures set forth in this Section, Landlord and Tenant shall each deliver to the other party a written statement of such delivering party's determination of the Extension Rent, together with such supporting documentation as the delivering party desires to deliver. Within 10 days after such 15-day period, Landlord and Tenant shall appoint a licensed real estate broker having a minimum of 10 years' experience in commercial office leases in the market in which the Building is located who shall select either Landlord's determination or Tenant's determination, whichever the broker finds more accurately reflects the Extension Rent. The broker shall be instructed to notify Landlord and Tenant of such selection within 10 days after such broker's appointment. The broker shall have no power or authority to select any Extension Rent other than the Extension Rent submitted by Landlord or Tenant nor shall the broker have any power or authority to modify any of the provisions of this Lease, and the decision of the broker shall be final and binding upon Landlord and Tenant. If Landlord and Tenant do not timely agree in writing upon the appointment of the broker, Landlord shall submit to Tenant the names of three qualified brokers licensed

the appointment of the broker, Landlord shall submit to Tenant the names of three qualified brokers licensed

and having a minimum of 10 years' experience in the market in which the Building is located who have not previously done business with Landlord, and Tenant shall have 10 days after receiving such names to notify Landlord of which of the 3 brokers Tenant selects to determine the Extension Rent. If Tenant fails to timely notify Landlord of Tenant's selection, Landlord shall have the right to unilaterally appoint the broker. The fee and expenses of the broker shall be shared equally by Landlord and Tenant.

(d) Upon Tenant's timely and proper exercise of the Extension Option pursuant to the terms above and satisfaction of the above conditions: (i) the "Term" shall include the Extension Term, subject only to the determination of Extension Rent; and (ii) upon Landlord's request, Tenant shall execute prior to the expiration of the then-expiring Term, an appropriate amendment to this Lease, in form and content reasonably satisfactory to both Landlord and Tenant, memorializing the extension of the Term for the ensuing Extension Term (provided Tenant's failure to execute such amendment shall not negate the effectiveness of Tenant's exercise of the Extension Option).

28. TERMINATION OPTION. Provided: (i) no Event of Default exists nor any condition exists that, as the result of notice previously given by Landlord and/or the passage of time, would constitute an Event of Default; (ii) this Lease is in full force and effect; (iii) Tenant is the originally named Tenant or a Permitted Transferee; and (iv) Tenant has not expanded the Premises after the Commencement Date (other than in connection with the ROFO (as defined below) prior to the 56-month anniversary of the Commencement Date), Tenant has the right to terminate this Lease effective at 11:59 p.m. on the Termination Date, in accordance with and subject to each of the following terms and conditions ("Termination Option"). "Termination Date" means the day immediately prior to the 104th-month anniversary of the Commencement Date. If Tenant desires to exercise the Termination Option, Tenant must give to Landlord irrevocable written notice of Tenant's exercise of the Termination Option ("Termination Notice"), together with the Termination Payment (as defined below). The Termination Notice and the Termination Payment must be received by Landlord no later than the date that is 12 calendar months prior to the Termination Date, failing which the Termination Option is deemed waived (provided Landlord reserves the right to waive in writing the requirement that Tenant fully and/or timely pay the Termination Payment). "Termination Payment" means the sum of: the unamortized (amortized on a straight-line basis over the Initial Term with interest at 7%) amount as of the Termination Date of the following in connection with this Lease and any amendment to this Lease: (i) brokerage commissions and reasonable attorneys' fees paid by Landlord; (ii) rent concessions; and (iii) any and all allowances to Tenant, including without limitation the Improvement Allowance (as defined in Exhibit C); provided, however, Tenant acknowledges and agree that Landlord may modify the amount of the Termination Payment in connection with Tenant's exercise of the ROFO. Tenant's payment of the Termination Payment is a condition precedent to the termination of this Lease on the Termination Date, and such obligation survives the Expiration Date. Tenant acknowledges and agrees that the Termination Payment is not a penalty and is fair and reasonable compensation to Landlord for the loss of expected rentals from Tenant. The Termination Payment is payable only by wire transfer or ACH. Time is of the essence with respect to the dates and deadlines set forth herein. Notwithstanding the foregoing, if at any time during the period on or after the date of the Termination Notice, up to and including the Termination Date, there is an Event of Default, then Landlord may elect, but is not obligated, by written notice to Tenant to cancel and declare null and void Tenant's exercise of the Termination Option, in which case this Lease shall continue in full force and effect for the full Term unaffected by Tenant's exercise of the Termination Option. As of the date Tenant delivers the Termination Notice, any and all unexercised rights or options of Tenant to extend the Term or expand the Premises (whether expansion options, rights of first refusal, rights of first offer, or otherwise), and any and all outstanding tenant improvement allowance not properly claimed by Tenant in accordance with this Lease shall immediately terminate and are automatically, without further action required by any party, null and void and of no force or effect. If Tenant timely and properly exercises the Termination Option in accordance with this paragraph and Landlord has not negated the effectiveness of Tenant's exercise of the Termination Option pursuant to the foregoing, this Lease and the Term shall come to an end on the

termination Option pursuant to the foregoing, this Lease and the term shall come to an end on the

Termination Date with the same force and effect as if the Term were fixed to expire on such date, the Expiration Date shall be the Termination Date, and the terms and provisions of Section 18 shall apply. Landlord shall provide Tenant with the amount of the Termination Payment within 10 business days of Tenant's request therefor, which request may be made not sooner than 6 months after the Commencement Date; provided, however, Tenant acknowledges and agrees that Landlord may modify the amount of the Termination Payment in connection with Tenant's exercise of the ROFO.

29. RIGHT OF FIRST OFFER.

(a) Provided: (i) no Event of Default exists or any condition exists which, as the result of notice previously given by Landlord and/or the passage of time would constitute an Event of Default; (ii) this Lease is in full force and effect; (iii) Tenant is the originally named Tenant or a Permitted Transferee; and (iv) Tenant (and not a subtenant) or a Permitted Transferee is occupying and paying full Rent on 100% of the Premises for the conduct of Tenant's business, then following receipt of Tenant's written request at any time after the Commencement Date, Landlord shall notify Tenant in writing ("Landlord's ROFO Notice") when any rentable space located contiguous to the Premises and on the same floor as the Premises ("Potential ROFO Space") becomes available to lease (as defined below) from Landlord or Landlord reasonably anticipates that such space will become available to lease from Landlord prior to the last 36 months of the Initial Term. Landlord's ROFO Notice shall identify the portion of the Potential ROFO Space that is available to lease (such identified space, "ROFO Space"), and include the anticipated availability date and basic fair market economic terms for the lease of the ROFO Space and, subject to the terms and provisions of this Section, Tenant shall have the one-time right ("ROFO") to lease all (but not less than all) of the ROFO Space by delivering Tenant's written notice of such election to Landlord ("Tenant's ROFO Notice") within five (5) business days after Tenant's receipt of Landlord's ROFO Notice; provided, however, Tenant's ROFO Notice must also state that Tenant is waiving the Termination Option if the date of Tenant's ROFO Notice or the date Tenant leases the ROFO Space occurs after the 56-month anniversary of the Commencement Date.

(b) Upon Tenant's delivery of Tenant's ROFO Notice, Tenant may not thereafter revoke Tenant's exercise of the ROFO. If an Event of Default exists at any time after Landlord receives Tenant's ROFO Notice but before the first day that Tenant commences to lease the ROFO Space, Landlord, at Landlord's option, shall have the right to nullify Tenant's exercise of the ROFO with respect to the ROFO Space. If Tenant notifies Landlord that Tenant elects not to lease the ROFO Space or if Tenant fails to timely deliver Tenant's ROFO Notice to Landlord with respect thereto, then Landlord shall have the right to enter into a lease agreement(s) for the ROFO Space under one or more leases containing such terms as Landlord deems acceptable in Landlord's sole discretion, and the ROFO shall be void and have no further force or effect with respect to such space; provided, however, the ROFO shall survive with respect to the balance of the Potential ROFO Space.

(c) The ROFO shall be subject, subordinate, and in all respects inferior to the rights of any third-party tenant leasing space at the Building as of the date of this Lease. Landlord may at any time choose to use any space that is or about to become vacant within the Building for marketing or property management purposes, or as a Building amenity or Common Area such as a fitness center or conference area, or to lease such space to an existing tenant of Landlord in connection with the relocation of such tenant, without in any such case notifying or offering such space to Tenant or giving rise to any right of Tenant hereunder. Space is "available to lease" if and when: (i) the lease for any tenant of all or a portion of the space expires (after any extensions of such tenant's term, whether by option or agreement) or is otherwise terminated, provided space shall not be deemed to be or become available if the space is assigned or subleased by the tenant of the space, or relet by the tenant or subtenant of the space by renewal, extension, or new lease; and (ii) to the extent that all or a portion of the Potential ROFO Space is available to lease from Landlord as of the date of this Lease. Landlord has entered into a lease with a third-party tenant for

such currently available ROFO Space after the date of this Lease and the term of that lease has expired (including, without limitation, the expiration of any lease term extension period(s), regardless of whether the extension right or agreement is contained in such lease or is agreed to at any time by Landlord and the tenant under such lease or otherwise) or been terminated.

(d) (i) Fixed Rent for the first year that Tenant leases the ROFO Space shall be at the ROFO Rent (as defined below) multiplied by the number of rentable square feet in the ROFO Space. When Fixed Rent for the first year that Tenant will lease the ROFO Space is being determined, Fixed Rent for the second and all subsequent years that Tenant will lease the ROFO Space shall also be determined (in accordance with the same procedures as are set forth herein for determining the ROFO Rent) based upon the then-prevailing annual rent escalation factor in the applicable leasing market.

(ii) “ROFO Rent” means the fair market expansion base rent for space comparable to the ROFO Space in comparable buildings in the market in which the Building is located. In determining the ROFO Rent, Landlord, Tenant and any broker shall take into account all relevant factors including, without limitation, prevailing market allowances and concessions for expanding tenants, space measurement methods and loss factors, the lease term, the size of the space, the location of the building(s), the amenities offered at the building(s), the age of the building(s), and whether operating expenses and other pass-through expenses are on a triple net, base year, expense stop or other basis. In lieu of directly providing any prevailing market allowances and/or concessions, Landlord may elect to reduce the ROFO Rent by the economic equivalent thereof to reflect the fact that such allowances and concessions were not provided directly to Tenant.

(iii) If Landlord and Tenant do not agree upon the ROFO Rent in writing within 20 days after Landlord receives Tenant’s ROFO Notice, then within 15 days after either party notifies the other in writing that such notifying party desires to determine the ROFO Rent in accordance with the procedures set forth in this Section, Landlord and Tenant shall each deliver to the other party a written statement of such delivering party’s determination of the ROFO Rent, together with such supporting documentation as the delivering party desires to deliver. Within 10 days after such 15-day period, Landlord and Tenant shall appoint a real estate broker having a minimum of 10 years’ experience in the market in which the Building is located who shall select either Landlord’s determination or Tenant’s determination, whichever the broker finds more accurately reflects the ROFO Rent. The broker shall be instructed to notify Landlord and Tenant of such selection within 10 days after such broker’s appointment. The broker shall have no power or authority to select any ROFO Rent other than the ROFO Rent submitted by Landlord or Tenant nor shall the broker have any power or authority to modify any of the provisions of this Lease, and the decision of the broker shall be final and binding upon Landlord and Tenant. If Landlord and Tenant do not timely agree in writing upon the appointment of the broker, Landlord shall submit to Tenant the names of 3 qualified brokers with a minimum of 10 years’ experience in the market in which the Building is located, and Tenant shall have 10 days after receiving such names to notify Landlord of which of the 3 brokers Tenant selects to determine the ROFO Rent. If Tenant fails to timely notify Landlord of Tenant’s selection, Landlord shall have the right to unilaterally appoint the broker. The fee and expenses of the broker shall be shared equally by Landlord and Tenant.

(e) Except to the extent expressly set forth in Landlord’s ROFO Notice to the contrary, if Tenant elects to lease the ROFO Space, such space shall become subject to this Lease upon the same terms and conditions as are then applicable to the original Premises, except that Tenant shall accept the ROFO Space in “AS IS” condition and Landlord shall have no obligation to make any improvements or alterations to the ROFO Space, and the term of Tenant’s lease of the ROFO Space shall be the term specified in Landlord’s ROFO Notice. Landlord shall determine the exact location of any demising walls (if any) for the ROFO Space. Tenant shall not be entitled to any tenant improvement allowances, free rent periods, or other special concessions granted to Tenant with respect to the original Premises. Upon Tenant’s leasing of

the ROFO Space, the "Premises" shall include the ROFO Space and, except as otherwise set forth in this Section, all computations made under this Lease based upon or affected by the rentable area of the Premises shall be recomputed to include the ROFO Space.


(f) If Tenant timely exercises its right to lease the ROFO Space: (i) Tenant's lease of the ROFO Space shall commence upon the later of: (A) the date of availability specified in Landlord's ROFO Notice; or (B) the date Landlord tenders possession of the ROFO Space in vacant condition; (ii) the ROFO shall thereafter be null and void; and (iii) upon Landlord's request, Tenant shall execute an appropriate new lease or amendment, in form and content reasonably satisfactory to both Landlord and Tenant, memorializing the expansion of the Premises as set forth in this Section (provided Tenant's failure to execute such lease or amendment shall not negate the effectiveness of Tenant's exercise of the ROFO).

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties hereto have executed this Lease under seal as of the day and year first-above stated.

LANDLORD:
2411 DULLES CORNER METRO OWNER LLC

TENANT:
BLACKSKY HOLDINGS, INC.

By:  _____
Name: Ron J. Hoyl
Title: Vice President
Date: 11/20/2023

By: Henry Dubois
Name: Henry Dubois
Title: Chief Financial Officer
Date: 11/14/2023

Exhibits:

- Exhibit A: Location Plan of Premises
- Exhibit B: Form of COLT
- Exhibit C: Leasehold Improvements
- Exhibit D: Cleaning Specifications
- Exhibit E: Rules and Regulations
- Exhibit F: Base Building Work
- Exhibit G: Form of LOC

[Signature Page]

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CERTAIN INFORMATION CONTAINED IN THIS EXHIBIT, MARKED BY [***], HAS BEEN EXCLUDED BECAUSE THE REGISTRANT HAS DETERMINED THE INFORMATION IS BOTH NOT MATERIAL AND IS THE TYPE THAT THE REGISTRANT TREATS AS PRIVATE OR CONFIDENTIAL

Production Work Order No. 003 (WO 003)

This Production Work Order 003 (referred herein as “WO 003” or “Work Order”) is entered into as of November 13, 2023 (the “Effective Date”) and made a part of the Vendor Services Agreement VSA-21-001 (the “VSA”) between BlackSky Global LLC (“Customer” “BlackSky”) and LeoStella LLC (“Supplier” or “LeoStella”) for the Project described below. All capitalized terms not defined in this WO 003 have the respective meanings set forth in the VSA.

Purpose: This Work Order 003 (WO 003) was originally initiated via [***] entitled “Work Order 02/03 [***]” and subsequent Amendments 1 – 3, [***] and subsequent Amendments 1-2, [***] and subsequent Amendment 1, [***].

This WO 003 supersedes any payment or performance obligations and replaces[***]. This WO 003 memorializes the completion of these ATP’s.

This Work Order 003 is DPAS rated. [***]

This WO 003 is a Defense Priorities & Allocations System (DPAS) Rated Agreement, certified for National Defense use. LeoStella is required to follow all provisions of the Defense Priorities and Allocations System regulation (15 CFR 700), including providing written notice of acceptance or rejection of this WO 003 and flow-down to lower-tier U.S. suppliers. In the event of LeoStella’s rejection of this rated WO 003, LeoStella shall provide, in writing, the reason(s) for such rejection. LeoStella’s acknowledgement/acceptance of this WO 003 shall constitute acceptance of the DPAS rating.

Penalties for willful violation of DPAS

Willful violation of DPAS is a crime, punishable by a \$10,000 fine, or one year in prison, or both (concurrent).

LeoStella represents, and BlackSky relies upon such representation, that LeoStella has the requisite staff, skillset and supporting infrastructure internally to fully execute the work and requirements of this WO 003 within the specified timeframes listed herein. This WO 003, to include the appendices listed below, documents listed in the Statement of Work (Appendix B), as well as the terms and conditions herein constitute the entire WO 003 agreement between the parties.

The appendices attached and listed below are incorporated into and made a part of this WO 003:

- Appendix A: Milestone Payment Schedule and Criteria
- Appendix B: Statement of Work
- Appendix C: Deliverables
- Appendix D: Milestone Certification
- Appendix E: Change Order

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I. Purpose:

WO 003 is a Production Order to support BlackSky's Gen-3 Satellite Constellation. This WO 003 is a Firm Fixed Price (FFP) type Work Order. This WO 003 is for [***] towards the Gen-3.1 Specification, except as modified in the SOW, and associated design and production documentation.

II. Base Period of Performance: [***].

III. Location(s) Where Services Will Be Provided: Supplier shall perform the Services under this Work Order at Supplier's and BlackSky's facilities.

IV. Funding: This WO 003 is Firm Fixed Price (FFP).

CLIN	Type	Description	Work Order Value	Period of Performance
CLIN 100	FFP	[***]	\$35,079,381	[***]
CLIN 100 A		[***]	\$3,853,427	
CLIN 100 B		[***]	\$(7,016,170)	
CLIN 100 C		[***]	\$15,803,921	
		Remaining Contract Value	\$28,063,210	

WO 003 is funded in accordance with the Milestone Payment Schedule and Criteria in Appendix A. Upon completion of the Milestone Criteria, LeoStella shall submit a Milestone Certificate (Appendix D) to the BlackSky Program Manager and Director of Contracts for signature. BlackSky shall have (5) business days to approve the Milestone Certificate or reject with corrective actions. If a Milestone Certificate is not explicitly accepted or contested with actionable feedback within 5 business days, it will be accepted by default. Once the Milestone Certificate is executed, LeoStella may submit an invoice. Payment terms shall be per the VSA.

This contract includes payment [***] ordered under the following [***] WO 003 buses, [***] Future agreements as agreed upon between the Parties will dictate how the [***] is used and how the price of the hardware is credited back to BlackSky. BlackSky may, at any time, request a detailed inventory of parts under these [***] that are owned by BlackSky. LeoStella will maintain this hardware in accordance with best practice for flight hardware material. [***].

V. Price Escalation:

Customer acknowledges that the Work Order Value includes costs for labor and material based on prices as of the time of this WO 003 and which pricing was provided to Customer. When invoicing against the Milestones as described in Appendix A hereof, Customer agrees that Supplier shall, only invoice those labor and material costs applicable to such Milestone being invoiced; and invoice at the greater price of (i) those prices incorporated as part of the Milestone and (ii) those prices incorporated as part of the [***].

VI. Key Personnel:

The following personnel are considered Key Personnel responsible for coordinating the output of the success criteria and maintaining program technical authority. LeoStella shall inform BlackSky of any changes to key personnel. LeoStella is required to fill the Key Personnel roles listed below for the entirety of this WO 003 contract, and no single person shall be responsible for multiple Key Personnel roles. All personnel (Key or otherwise) assigned to this program shall have adequate capabilities to perform their

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duties under the scope of work of this WO 003. BlackSky may request and LeoStella shall provide task-relevant qualifications for any LeoStella personnel assigned to this program. BlackSky may request the removal of LeoStella personnel from WO 003 should BlackSky feel they are unqualified to perform their scope of work, however, any removal of LeoStella personnel may result in a schedule delay. LeoStella shall not be liable for any delays to schedule that result from the removal of LeoStella personnel at BlackSky's request and those personnel decisions shall be documented in a change request.

Role	LeoStella Program Personnel
Program Manager	[***]
Program Lead Engineer	[***]
AI&T Lead Engineer	[***]
ADCS Lead Engineer	[***]
Embedded Systems or Flight Software Architect	[***]
Mechanical Lead Engineer	[***]
Communications Lead Engineer	[***]

VII. Change Management:

This Article VII – Change Management, shall take precedence over Article 18 – Changes, of the executed VSA as between the parties, for this WO 003 only.

LeoStella and BlackSky are committed to open and transparent communication. In an effort to ensure that important decisions are documented for completeness and understanding, the following process will be used.

- (a) No change shall be made by LeoStella or BlackSky in this Work Order, its appendices, including the [***] SOW Controlling Documents, or the time, price or manner of its performance, without mutual approval of a Change Order as shown in Appendix E.
- (b) The Party requesting the change shall specify in writing the reason for the change, its impact to the schedule, plans, specifications, procedures, time, sequence, or other requirements of this Work Order 003, and specify whether there is to be an adjustment in the compensation, or time for performance of the requested change. The Party receiving the change request shall then review the requested change, and may request further information or details in support of the change if necessary. The receiving Party may either accept or deny the requested change based upon the cost and schedule impacts provided and will make a best effort to provide such decision within 5 business days from the change request submission date, assuming the change request has the required detailed support. If the change is approved by the receiving Party, then an equitable adjustment to cost and/or schedule in accordance with the requested change will be made.
- (c) A change that will impact the schedule, effecting either the date of a milestone or delay of any deliverable, shall be requested no less than 5 business days before the anticipated impact to the schedule or schedule event and comply with the change request requirements of this clause.
- (d) No adjustment in the compensation or time of performance shall be made for changes in arrangement, aesthetics, substitution of equivalent materials or equipment or other changes, unless such changes significantly affect Supplier's cost of performing the Work.

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- (e) The equitable compensation and time adjustment due to the requesting Party pursuant to this term shall be the requesting Party's sole entitlement for the performance of a change in the Work.
- (f) All change orders must be executed by authorized individuals with full authority to enter into and bind its respective Party and sent to the BlackSky Director of Contracts.

VIII. Subcontracts

VSA Article 5.2 – Assignment of Work Products shall govern with regards to Subcontractors and third-party suppliers. Supplier shall not assign or delegate any of its obligations under this Work Order 003 to one or more lower tier subcontractors/suppliers (including temporary services firms or consultants) without BlackSky's prior written consent, which consent will not be unreasonably withheld, conditioned or delayed. BlackSky is required to have knowledge of any subcontractor including scope and timeline of support. BlackSky reserves the right to request the removal or replacement of any subcontractor assigned to this Work Order 003 at any time, which BlackSky acknowledges may cause a delay in Performance and Schedule. All subcontractors will be identified and communicated through the [***]. BlackSky may request at any time a list of all current subcontractors to review, and LeoStella shall provide the requested list within five (5) business days.

IX. Security

This Article takes precedence over [***]. LeoStella shall take appropriate security measures as identified in the System Access Agreement and shall ensure all data, technical, programmatic, and schedules are protected and accessible only to those individuals who have a business need to know and the appropriate level of access. BlackSky shall send any updated revisions of the System Access Agreement to the LeoStella Program Manager upon release. LeoStella shall store all materials related to this WO 003 on an approved computer system, as mutually agreed upon between LeoStella and BlackSky. LeoStella shall notify BlackSky of any non-US person that LeoStella proposes to work under this WO 003 and obtain BlackSky's prior written acceptance before such individual begins work.

X. Invoicing

- (a) Supplier shall submit an electronic invoice to the address designated below. Each invoice shall include the following information:
 - 1. Name and address of Supplier;
 - 2. Invoice date and number;
 - 3. Work Order Number and Option Number (if applicable) for milestone invoiced
 - 4. Remittance Address and name of official to whom payment is to be sent;
 - 5. Executed Milestone Certificate (per Appendix D)
 - 6. Cumulative total of all Work invoiced to date under the Work Order and Option; and
 - 7. Name, title, phone number and email address of person to notify in event of defective invoice.
- (b) Invoice duplication and overpayment
Should the Supplier becomes aware of a duplicate payment or that the Customer has otherwise overpaid an invoice, the Supplier shall:
 - 1. Remit the overpayment amount to the Customer along with a description of the overpayment to include:

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- a) Circumstances of the overpayment (e.g., duplicate payment, erroneous payment, liquidation errors, date(s) of overpayment);
- b) Affected Work;
- c) Supplier point of contact; and
- d) Provide a copy of the remittance and supporting documentation to the Customer.

All invoices must be sent to :

- [***]
- The respective BlackSky Program Manager for the contract.
- The BlackSky Director of Contracts

- (c) Per the VSA, payment of invoices shall be due within thirty (30) days of receipt of the emailed invoice. Notwithstanding anything to the contrary contained in the VSA, in the event of BlackSky's failure to pay any invoice within thirty (30) days of receipt, LeoStella may issue a Stop Work Order with respect to any/all labor and materials required hereunder ("LS Stop Work"). Upon BlackSky's payment of all such unpaid invoices, the parties will in good faith prepare an updated Milestone Schedule and Payment Criteria that takes into account the LS Stop Work and LeoStella's need to re-initiate the Work hereunder. Any Liquidated Damages for late delivery shall only apply to the re-baselined program schedule.

XI. Insurance

Insurance must be procured in accordance with Section 13 - Insurance of the VSA.

XII. Adjustments for Liquidated Damages:

- (a) After a thirty (30) calendar day grace period that begins 55 weeks after contract signature, and unless such date is extended as a consequence of (i) VSA Sections 18 (Changes), Section 21 (Force Majeure), Section 8.4 (Stop Work BlackSky), Section 8.5 (Stop Work Contractor), (ii) WO 003 Section X(c) Stop Work Lack of Payment, or (iii) arising from an excusable delay as defined in this section by a subcontractor or material vendor, for all Satellite Pre-Ship Review milestones listed in Appendix A, should a complete and valid deliverable package not be delivered to BlackSky upon the latest date listed in said Appendix A, the Supplier shall pay as liquidated damages (and not as penalty) in the amount of \$50,000 per week of delay up to a maximum of \$385,000. An excusable delay, for the purposes of this Section XII only, is defined as: (1) A delay not as a result of LeoStella, as supported with objective evidence; (2) A delay resulting from agreed changes between BlackSky and LeoStella resulting in a delay; (3) a delay where the contracted work was initiated under a previously contracted ATP for which a supplier is late and for which LeoStella is contractually unable to recover liquidated or delay damages (4) a delay where a master sales agreement entered into by LeoStella and a supplier was established prior to the date of this Work Order 003 and which does not include a right by LeoStella to recover liquidated or delay damages. If a delay is incurred on a unit within WO 003, the financial consequence of such delay can be offset by LeoStella's completion of a milestone on a schedule that completes the performance and PSR for other such unit(s)

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- 30 days or more ahead of the milestone dates listed in Appendix A. See Appendix F for a complete liquidated damages and liquidated damages offset schedule.
- (b) These liquidated damages shall be the sole financial remedy provided to BlackSky for late deliveries of these satellites under WO 003. To the extent there is any conflict between Section XII and the VSA, Section XII shall apply.
 - (c) BlackSky's imposition of liquidated damages hereunder shall not act as a bar to the right of BlackSky to allege that circumstances exist to exercise either a Termination for Default or Termination for Convenience hereunder.
 - (d) Cumulative liquidated damages accrued (and not offset pursuant to Section XII(a)) during WO 003 will be applied as a credit against future orders placed by BlackSky for units beyond FM-06. For the sake of clarity, a net negative liquidated damages amount (offsets exceed liquidated damages) shall not result in a net credit to LeoStella. The minimum amount of liquidated damages is \$0.

XIII. Termination for Convenience and Default

This Work Order 003 incorporates Termination provisions Article 8.2 Termination for Convenience and 8.3, Termination with Cause for Default, under the VSA, with the following revisions due to the unique nature and expedited schedule for this Work Order 003, which shall take precedence:

Under VSA Article 8.2 Termination for Convenience, this Work Order 003 revises the definition of the VSA Termination At Will Fee to clarify that the fee to be applied to this Work Order 003 in the instance of a Termination for Convenience, if any, to the Actual Cost shall be 10%. In addition, in the event of a Termination for Convenience, Supplier will transfer title and ownership to all terminated work in process to BlackSky.

Under VSA Article 8.3 Termination with Cause for Default, this Work Order 003 revises VSA 8.3 as follows:

With respect to Article 8.3, paragraph (a) is revised as follows: (a) to the response period of LeoStella to any Default Notice issued by BlackSky to be reduced to fifteen (15) working days in order for LeoStella to issue a plan ("Plan") for correcting the default and propose a means of recovering any loss in Schedule as a result of Supplier's default.

XIV. Excusable Delays

The Parties shall not be responsible for late delivery, or delay of the final completion date or non-performance of any of its contractual obligations due to Force Majeure events. Force Majeure events for this Work Order 003 shall be any event beyond the control and without fault or negligence of the Supplier or its suppliers and Subcontractors and shall include, but shall not be limited to : (1) acts of God ; (2) act of terrorism (3) acts of a public enemy ; (4) acts of a government (including delay in granting, refusal, withdrawal or non-renewal of any Governmental Authorization) ; (5) war and warlike events and their national and international consequences ; (6) catastrophic weather conditions such as sandstorm, hurricanes, tornadoes or typhoons; (7) fire, earthquakes, floods, epidemics/pandemics events and their consequences (including any reactivation of COVID 19), quarantine restriction, strikes, lockouts, sabotage, riots, or embargoes.

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The Party whose performance is delayed under this Article shall give notice in writing to the other Party within five (5) Business Days after a Force Majeure event. Notwithstanding the foregoing, a Party's failure to provide such notice shall not prevent such an event from qualifying as an excusable delay, except to the extent the failure to so notify prejudices the other Party's ability to mitigate the impact of the delay or non-performance. Such notice shall also be given at the termination of the excusable delay. The delivery requirements shall only be extended, upon mutual agreement of the Parties, by such period of time as is justified by the evidence forwarded in the notice, but in any event not less than one (1) Day for one (1) Day of excusable delay.

The Customer acknowledge that following the end of an excusable delay event Supplier shall resume full performance as soon as commercially practicable and the schedule of performance shall be deemed modified to reflect such recommencement of performance. Payment obligations of Customer shall be suspended only for the portion of Supplier's performance of Work affected by the excusable delay. Depending on the consequences of the excusable delay event the Parties agree to modify affected provisions of the Milestone Events identified herein as necessary.

XV. Audit/Inspection

Subject to the to the requirements of confidentiality of [***], LeoStella shall support any federal agency, state, or municipal government auditing request from BlackSky, including any such audits necessary to determine compliance with use of restricted or identified metals under SEC or FAR or other regulations, as well as compliance with regulations concerning the fair and equal treating of person and preventing of trafficking of persons that are specifically applicable to BlackSky. LeoStella shall work with sub-tier suppliers, to the extent possible, to support such federal agency, state or municipal government audits, including using good faith efforts to negotiate amendments to any contractual clauses between LeoStella and its applicable supply chain vendors and/or subcontractors that may preclude such auditing rights. Just compensation shall be provided by BlackSky for LeoStella support of BlackSky's auditing activities and any necessary modification of sub-tier/vendor supplier contracts.

XVI. Customer Furnished Equipment (CFE)

BlackSky will provide customer furnished equipment (CFE) as part of this Work Order 003 as described in the Statement of Work. LeoStella will be responsible for unloading of CFE from the delivery truck onto LeoStella's loading dock. For clarity, the optical payload transit case/container is not considered CFE and is the sole responsibility of the CFE supplier to transport and store. Upon receipt, however, no later than 15 business days, LeoStella shall receive the CFE according to the requirements in the CFE User Manual. Within the 15 business day time period, LeoStella shall document and communicate any non-conformances noted during the receiving inspection of the CFE including but not limited to concerns with packaging, mishandling, visible or suspected defects, environmental concerns or integrity of packaging or storage conditions. After completion of receiving inspection, LeoStella shall store the CFE in accordance with the terms of the CFE User Manuals. LeoStella shall not be liable for any latent defects that are not detectable during receiving inspection of the CFE and are discovered at a later stage of satellite integration (e.g. optical test, vibration test). LeoStella shall be liable for defects that arise due to CFE mishandling or over-test.

All CFE shall be delivered to LeoStella by the need-by date in Appendix B, Table 1. LeoStella and BlackSky will work collaboratively to mitigate any schedule impacts of a late CFE delivery and/or CFE defects. Mitigating and troubleshooting of defects or non-conformances inherent to the CFE beyond identification and confirmation of attribution is beyond the scope of this Work Order 003. Any instance of delay to the satellite delivery schedule as a result of the late delivery of CFE or a CFE defect not caused by

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LeoStella will be attributed to BlackSky and not subject to the delay liquidated damage clause of this WO 003. LeoStella will provide a fair and reasonable assessment of the impact to the schedule and a new delivery date for the affected satellite.

[***]. LeoStella may not provide images of the CFE hardware or in CAD to any external party except as authorized in writing by the BlackSky Program Management or Director of Contracts. In the event that third parties are viewing LeoStella's production build space, LeoStella will take appropriate measures to shield BlackSky CFE from viewers.

XVII. Intellectual Property (IP)

Intellectual property rights are governed by Sections 3 and 4 of the VSA and any document referenced therein.

XVIII. Order of Precedence.

To the extent there is a conflict between this Agreement, WO 003, the VSA or any other amendment entered into by the Parties, the Parties agree that the following order of precedence shall be used to resolve the same: WO 003, the VSA and the Term Sheet.

LeoStella represents that the Work provided for herein has no alternative use but for the scope provided for by this Agreement and such Work shall not be offered to any third party as required by Customer.

IN WITNESS HEREOF, the Parties have executed WO 003 as of the date and year first written above and represent and warrant that they have the authority and power to execute WO 003.

BlackSky Global LLC	Contractor: LeoStella LLC
/s/ Brian O'Toole	/s/ Tim Kienberger
Signature	Signature
Brian O'Toole	Tim Kienberger
Print Name	Print Name
Chief Executive Officer	Chief Executive Officer
Title	Title
November 22, 2023	November 22, 2023
Date	Date

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APPENDIX A: [***]

Milestone No.	[***]	[***]	[***]	% of Total (reference only)	Milestone Payments (\$)	Cumulative Payment (\$)
T0	[***]	[***]	[***]	14%	\$3,900,000	\$3,900,000
T1	[***]	[***]	[***]	25%	\$7,100,000	\$11,000,000
T2	[***]	[***]	[***]	4%	\$1,000,000	\$12,000,000
T3	[***]	[***]	[***]	18%	\$5,000,000	\$17,000,000
T4	[***]	[***]	[***]	9%	\$2,500,000	\$19,500,000
T5	[***]	[***]	[***]	7%	\$1,900,000	\$21,400,000
T 6.1	[***]	[***]	[***]	N/A	[***]	[***]
T 6.2	[***]	[***]	[***]	N/A	\$9,474,548	\$21,540,018
T 7.1	[***]	[***]	[***]	N/A	[***]	[***]
T 7.2	[***]	[***]	[***]	N/A	\$5,410,437	\$21,619,975
T8	[***]	[***]	[***]	9%	\$2,500,000	\$24,119,975
T9	[***]	[***]	[***]	5%	\$1,500,000	\$25,619,975
T10	[***]	[***]	[***]	2%	\$500,000	\$26,119,975
T11	[***]	[***]	[***]	2%	\$500,000	\$26,619,975
T12	[***]	[***]	[***]	2%	\$500,000	\$27,119,975
T13	[***]	[***]	[***]	2%	\$500,000	\$27,619,975
T14	[***]	[***]	[***]	0.4%	\$110,809	\$27,730,784
T15	[***]	[***]	[***]	0.4%	\$110,809	\$27,841,593
T16	[***]	[***]	[***]	0.4%	\$110,809	\$27,952,402

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T17	[***]	[***]	[***]	0.4%	\$110,809	\$28,063,210
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* Earlier delivery is acceptable with express written approval by BlackSky with a target of no less than 90 days from the expected updated pre-ship review date.

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CERTAIN INFORMATION CONTAINED IN THIS EXHIBIT, MARKED BY [***], HAS BEEN EXCLUDED BECAUSE THE REGISTRANT HAS DETERMINED THE INFORMATION IS BOTH NOT MATERIAL AND IS THE TYPE THAT THE REGISTRANT TREATS AS PRIVATE OR CONFIDENTIAL

Anything herein to the contrary notwithstanding, the liens and security interests and obligations evidenced herein, and the exercise of any right or remedy with respect thereto, are subject to the provisions of the Intercreditor Agreement dated as of November 3, 2023 (as amended, restated, supplemented, or otherwise modified from time to time, the “Intercreditor Agreement”), between INTELSAT JACKSON HOLDINGS SA, as Credit Agreement Agent and ROCKET LAB USA, INC., as Subordinated Lender. In the event of any conflict between the terms of the Intercreditor Agreement and this agreement, the terms of the Intercreditor Agreement shall govern and control.

SUBORDINATED LOAN AND SECURITY AGREEMENT

Dated as of November 3, 2023

Among

BLACKSKY GLOBAL LLC,
as Borrower,

BLACKSKY TECHNOLOGY INC., BLACKSKY INTERNATIONAL LLC, BLACKSKY HOLDINGS, INC., BLACKSKY GEOSPATIAL SOLUTIONS, INC., BLACKSKY EUROPE LIMITED, SFI IP HOLDCO, LLC, and BUILDING 5 LLC as Guarantors,

ROCKET LAB USA, INC.,
as Rocket Lab

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THIS SUBORDINATED LOAN AND SECURITY AGREEMENT (this “Agreement”) dated as of November 3, 2023 (the “Effective Date”) by and among BLACKSKY GLOBAL LLC, a Delaware limited liability company (“BlackSky Global” and in its capacity as the borrower hereunder, the “Borrower”), those Affiliates of Borrower party hereto as Guarantors, and ROCKET LAB USA, INC., a Delaware corporation (“Rocket Lab”), in its capacity as lender (the “Lender”), provides the terms on which Rocket Lab shall lend to Borrower and Borrower shall repay Rocket Lab. The parties agree as follows:

WHEREAS, Borrower and Rocket Lab are parties to that certain Launch Services Agreement, dated as of August 8, 2023, including the scheduled and exhibits thereto (including for the avoidance of doubt, each Mission Annex delivered in connection therewith) (the “Launch Services Agreement”), pursuant to which Rocket Lab provides certain space launch services to Borrower;

WHEREAS, Rocket Lab has agreed to extend a portion of the amounts payable by Borrower to Rocket Lab under the Launch Services Agreement as credit, which credit shall be evidenced under this Agreement;

WHEREAS, Borrower is party to that certain Amended and Restated Loan and Security Agreement by and among Borrower, Senior Lender, the Senior Collateral Agent and the other parties thereto, dated as of October 31, 2019, as has been or may be amended, amended and restated, supplemented, refinanced, replaced or otherwise modified from time to time (the “Senior Loan Agreement”);

WHEREAS, Rocket Lab has agreed to enter into the Intercreditor Agreement under which the indebtedness and Liens owing to or granted to Rocket Lab hereunder shall be subordinated to Senior Lender and Senior Collateral Agent under the Senior Loan Agreement;

1 ACCOUNTING AND OTHER TERMS

Accounting terms not defined in this Agreement shall be construed following GAAP. Calculations and determinations must be made following GAAP. Capitalized terms not otherwise defined in this Agreement shall have the meanings set forth in Section 4. All other capitalized terms contained in this Agreement, unless otherwise indicated, shall have the meaning provided by the Code to the extent such terms are defined therein. Notwithstanding anything to the contrary contained in the definition of “Capitalized Lease Obligations” or “Capitalized Leases” or elsewhere in this Agreement, only those leases (assuming for purposes thereof that such leases were then in effect) that would constitute “capital leases” as in effect prior to giving effect to the adoption of Financial Accounting Standards Board Accounting Standards Update No. 2016-02 “Leases (Topic 842)” and ASU No. 2018-11 “Leases (Topic 842)” shall be considered Capital Leases (and the obligations in respect of which shall be considered Capital Lease Obligations) hereunder or under any other Loan Document, and all calculations and deliverables under this Agreement or any other Loan Document shall be made or delivered, as applicable, in accordance therewith; provided, that all financial statements required to be provided hereunder shall be prepared in accordance with GAAP without giving effect to the foregoing treatment of Capital Leases and Capital Lease Obligations.

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2 LOAN AND TERMS OF PAYMENT

2.1 **Promise to Pay.** Borrower hereby unconditionally promises to pay Rocket Lab the outstanding principal amount of all Milestone Advances and accrued and unpaid interest thereon as and when due in accordance with this Agreement.

2.2 **Milestone Advances.**

(a) **Milestone 2 Advance.** Subject to the terms and conditions of this Agreement, including the conditions precedent set forth in Section 3.2, on the Milestone 2 Effective Date with respect to each Mission, Rocket Lab shall make a loan to Borrower in an aggregate principal amount equal to One Million Five Hundred Thousand Dollars (\$1,500,000) (or such lower amount as may be requested by Borrower) (the “Milestone 2 Advance”). Borrower hereby directs Lender to remit the proceeds of any Milestone 2 Advance to Rocket Lab to be applied, and Rocket Lab hereby agrees to apply such proceeds, to the payment of the portion of the Price for the applicable Mission that is payable by Borrower under the Launch Services Agreement on the Milestone 2 Effective Date for such Mission. For the avoidance of doubt, and notwithstanding anything to the contrary in the Launch Services Agreement, upon the remittance of such proceeds to Rocket Lab in accordance with the preceding sentence, the portion of the Price to be Paid for the applicable Mission under the Launch Services Agreement on the applicable Milestone 2 Effective Date shall automatically be deemed to have occurred.

(b) **Milestone 3 Advance.** Subject to the terms and conditions of this Agreement, including the conditions precedent set forth in Section 3.3, on the Milestone 3 Effective Date with respect to each Mission, Rocket Lab shall make a loan to Borrower in an aggregate principal amount equal to Two Million Two Hundred Fifty Thousand Dollars (\$2,250,000) (or such lower amount as may be requested by Borrower)(the “Milestone 3 Advance”). Borrower hereby directs Lender to remit the proceeds of any Milestone 3 Advance to Rocket Lab to be applied, and Rocket Lab hereby agrees to apply such proceeds, to the payment of the portion of the Price for the applicable Mission that is payable by Borrower under the Launch Services Agreement on the Milestone 3 Effective Date for such Mission. For the avoidance of doubt, and notwithstanding anything to the contrary in the Launch Services Agreement, upon the remittance of such proceeds to Rocket Lab in accordance with the preceding sentence, the portion of the Price to be Paid for the applicable Mission under the Launch Services Agreement on the applicable Milestone 3 Effective Date shall automatically be deemed to have occurred.

(c) **Milestone 4 Advance.** Subject to the terms and conditions of this Agreement, including the conditions precedent set forth in Section 3.4, on the Milestone 4 Effective Date with respect to each Mission, Rocket Lab shall make a loan to Borrower in an aggregate principal amount equal to Two Million Two Hundred Fifty Thousand Dollars (\$2,250,000) (or such lower amount as may be requested by Borrower)(the “Milestone 4 Advance”). Borrower hereby directs Lender to remit the proceeds of any Milestone 4 Advance to Rocket Lab to be applied, and Rocket Lab hereby agrees to apply such proceeds, to the payment of the portion of the Price for the applicable Mission that is payable by Borrower under the Launch Services Agreement on the Milestone 4 Effective Date for such Mission. For the avoidance of doubt, and notwithstanding anything to the contrary in the Launch Services Agreement, upon the remittance of such proceeds to Rocket Lab in accordance with the preceding sentence, the portion

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of the Price to be Paid for the applicable Mission under the Launch Services Agreement on the applicable Milestone 4 Effective Date shall automatically be deemed to have occurred.

(d) Milestone 5 Advance. Subject to the terms and conditions of this Agreement, including the conditions precedent set forth in Section 3.5, on the Milestone 5 Effective Date with respect to each Mission, Rocket Lab shall make a loan to Borrower in an aggregate principal amount equal to Seven Hundred Fifty Thousand Dollars (\$750,000) (or such lower amount as may be requested by Borrower) (the "Milestone 5 Advance"). Borrower hereby directs Lender to remit the proceeds of any Milestone 5 Advance to Rocket Lab to be applied, and Rocket Lab hereby agrees to apply such proceeds, to the payment of the portion of the Price for the applicable Mission that is payable by Borrower under the Launch Services Agreement on the Milestone 5 Effective Date for such Mission. For the avoidance of doubt, and notwithstanding anything to the contrary in the Launch Services Agreement, upon the remittance of such proceeds to Rocket Lab in accordance with the preceding sentence, the portion of the Price to be Paid for the applicable Mission under the Launch Services Agreement on the applicable Milestone 5 Effective Date shall automatically be deemed to have occurred.

(e) Promissory Notes. Lender may request that any Milestone Advance made by it hereunder with respect to any Mission be evidenced by a promissory note issued by Borrower in favor of Lender, evidencing the aggregate outstanding principal amount of the Milestone Advances made by Lender to Borrower with respect to such Mission. For the avoidance of doubt, there shall only be one promissory note issued for each Mission Specific Milestone Advance Group.

2.3 Repayment.

(a) Milestone Quarterly Payments During the applicable Milestone Repayment Period with respect to each Mission, commencing with the Repayment Start Date for such Mission and on the first (1st) Business Day following each three month anniversary occurring thereafter until the Maturity Date (each such date, a "Quarterly Payment Date"), Borrower shall pay to Rocket Lab, on each Quarterly Payment Date with respect to the applicable Mission Specific Milestone Advance Group, the Milestone Quarterly Repayment Amount with respect to such Mission Specific Milestone Advance Group, plus the applicable Milestone Advance Interest Payment due on such Quarterly Payment Date with respect to such Mission Specific Milestone Advance Group, which interest shall be calculated as set forth in Section 2.5.

(b) Maturity Date On the Maturity Date with respect to each Mission Specific Milestone Advance Group, all then outstanding principal and accrued and unpaid interest under each Milestone Advance in such Mission Specific Milestone Advance Group (if any), and all other outstanding Obligations with respect to such Milestone Advances in such Mission Specific Milestone Advance Group (if any), shall be due and payable in full on such Maturity Date. For the avoidance of doubt, no repayment of principal or interest in respect of any Milestone Advance shall be required prior to the Launch Date for the applicable Mission relating to such Milestone Advance.

(c) Refundable Amount Notwithstanding the foregoing, if Borrower is entitled to obtain a refund of all or any portion of the payments made for a Mission pursuant to Section 14

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or Section 15 of the Launch Services Agreement (the “Refundable Amount”), then, at the option of Borrower, all or a portion of such Refundable Amount payable by Rocket Lab to Borrower under the Launch Services Agreement with respect to the applicable Mission may be satisfied by (i) a permanent reduction of the principal amount of any Milestone Advances made by Lender to Borrower with respect to such Mission in an amount equal to the Refundable Amount; and from and after such reduction, no further Obligations hereunder shall be owing in respect of the portion of such Milestone Advances for such Mission so reduced or (ii) payment in cash of such Refundable Amount to Borrower in accordance with the Launch Services Agreement, in which case, upon receipt of such Refundable Amount, Borrower shall promptly make a prepayment of the applicable Milestone Advances for such Mission in accordance with Section 2.4(a) below.

2.4 Prepayment.

(a) Voluntary Prepayment.

(i) Borrower shall have the right, at any time and from time to time, to prepay all or any portion of the Milestone Advances at any time without premium or penalty. Each such prepayment of a Milestone Advance shall be accompanied by the amount of any accrued and unpaid interest with respect to such Milestone Advance so prepaid through the date such prepayment is made.

(ii) Each voluntary prepayment shall (1) be applied to all outstanding Mission Specific Milestone Advance Groups in a “first-in first out” basis and, with respect to any Mission Specific Milestone Advance Group, shall be applied against the remaining installments of principal due in respect of such Mission Specific Milestone Advance Group as directed by Borrower or, in the absence of such direction, in direct order of maturity, and (2) be paid to the accounts specified by Rocket Lab.

(b) Mandatory Prepayment Upon an Acceleration. If any Milestone Advance within a Mission Specific Milestone Advance Group is accelerated by Rocket Lab following the occurrence and during the continuance of an Event of Default, Borrower shall immediately pay to Rocket Lab an amount equal to the sum of: (A) all accrued and unpaid interest with respect to such Milestone Advance through the date the prepayment is made; plus (B) all unpaid principal with respect to such Milestone Advance; plus (C) all other sums, if any, that shall have become due and payable with respect to such Milestone Advance; provided that, for the avoidance of doubt, if such acceleration is due to a Specified Mission Event of Default as set forth in Section 8.9, Borrower’s obligations to pay the amounts set forth in clauses (A) to (C) hereof shall be limited solely to the Mission Specific Milestone Advance Group applicable to such Specified Mission and not to any other Milestone Advances.

2.5 Payment of Interest on the Milestone Advances.

(a) Milestone Advance Interest Rate. Subject to Section 2.5(b), the outstanding principal amount of each Milestone Advance with respect to any Mission shall bear interest thereon at the Milestone Advance Interest Rate. The Milestone Advance Interest Rate shall be calculated in accordance with Section 2.5(c) below and shall, for each Mission, accrue from and after the Launch Date for such Mission (without giving effect to any postponement or advancement

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of the Launch Date requested by Borrower if there has been no equitable adjustment for the pricing of such Mission pursuant to the Launch Services Agreement) (or, if earlier, (x) the last day of the Launch Period for such Mission, or (y) the occurrence of the actual launch of the rocket used for such Mission) and be payable in arrears on each Quarterly Payment Date applicable to such Mission and the related Mission Specific Milestone Advance Group.

(b) Default Rate. Immediately upon the occurrence and during the continuance of (A) an Event of Default (other than a Specified Mission Event of Default), the overdue principal amounts in respect of the Milestone Advances shall bear interest at a rate per annum equal to 18.9% (the "Default Rate") plus the Milestone Advance Interest Rate otherwise applicable thereto and (B) a Specified Mission Event of Default, the overdue principal amounts in respect of the Milestone Advances comprising the relevant Mission Specific Advance Group applicable to such Specified Mission shall bear interest at the Default Rate plus the Milestone Advance Interest Rate otherwise applicable thereto.

(c) Payment; Interest Computation. Milestone Advance Interest Payments related to any Mission are to be made in arrears on each Quarterly Payment Date to occur after the funding of the first Milestone Advance made in connection with such Mission and shall be computed on the basis of a three hundred sixty (360) day year for the actual number of days elapsed. In computing interest, the date of the making of any Milestone Advance shall be included and the date of payment shall be excluded; provided, however, that if any Milestone Advance is repaid on the same day on which it is made, such day shall be included in computing interest on such Milestone Advance.

2.6 Payments. All payments to be made by Borrower under any Loan Document shall be made in immediately available funds in Dollars, without setoff or counterclaim, before 12:00 p.m. Pacific time on the date when due. Payments of principal and/or interest received after 12:00 p.m. Pacific time may be considered received at the opening of business on the next Business Day. When a payment is due on a day that is not a Business Day, the payment shall be due the next Business Day, and additional fees or interest, as applicable, shall continue to accrue until paid.

2.7 Withholding. Payments received by Rocket Lab from Borrower under this Agreement will be made free and clear of and without deduction for any and all present or future taxes, levies, imposts, duties, deductions, withholdings, assessments, fees or other charges imposed by any Governmental Authority (including any interest, additions to tax or penalties applicable thereto). Specifically, however, if at any time any Governmental Authority, applicable law, regulation or international agreement requires Borrower to make any withholding or deduction from any such payment or other sum payable hereunder to Rocket Lab, Borrower hereby agrees that the amount due from Borrower with respect to such payment or other sum payable hereunder will be increased to the extent necessary to ensure that, after the making of such required withholding or deduction, Rocket Lab receives a net sum equal to the sum which it would have received had no withholding or deduction been required, and Borrower shall pay the full amount withheld or deducted to the relevant Governmental Authority. Notwithstanding the foregoing, Borrower shall not be required to make any withholding payment if the amount or validity of such withholding payment is contested in good faith by appropriate and timely proceedings. The agreements and obligations of Borrower contained in this Section 2.7 shall survive the termination of this Agreement.

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3 CONDITIONS PRECEDENT

3.1 Conditions Precedent to Effectiveness of this Agreement. This Agreement (and Rocket Lab's obligation to make the Milestone Advances hereunder) shall become effective upon the satisfaction of the following conditions (or waiver thereof by Rocket Lab):

(a) Rocket Lab shall have received evidence that the Milestone Advances are permitted to be incurred under the Senior Loan Agreement;

(b) Rocket Lab (or its counsel) shall have received:

(i) a duly executed signature page to this Agreement from Borrower and each Guarantor party to this Agreement;

(ii) a copy of the fully executed Launch Services Agreement and the Launch Services Agreement shall have become effective;

(iii) (a) copies of the Operating Documents of each Loan Party other than BlackSky Europe Limited, certified by a secretary, assistant secretary or other Responsible Officer of such Loan Party to be true and correct as of the Effective Date, (ii) such certificates of resolutions or other action, incumbency certificates and/or other certificates of Responsible Officers of each Loan Party other than BlackSky Europe Limited as Rocket Lab may require evidencing the identity, authority and capacity of each Responsible Officer thereof authorized to act as a Responsible Officer in connection with this Agreement and the other Loan Documents to which such Loan Party is a party, and (iii) such documents and certifications as Rocket Lab may require to evidence that each Loan Party other than BlackSky Europe Limited is duly organized or formed, and is validly existing, in good standing in its state of organization or formation;

(iv) a duly completed Perfection Certificate;

(v) financing statements for each appropriate jurisdiction under the Code as is necessary to perfect Rocket Lab's security interest in the Collateral that may be perfected by the filing of a financing statement; and

(vi) duly executed intellectual property security agreements, to the extent required hereunder, as are necessary to perfect Rocket Lab's security interest in the U.S. intellectual property of Borrower, excluding any "intent to use" trademark applications for which a statement of use or amendment to allege use has not been filed.

3.2 Conditions Precedent to Each Milestone 2 Advance. Rocket Lab's obligation to make the Milestone 2 Advance with respect to any Mission shall be conditioned solely upon the occurrence of the Milestone 2 Effective Date for such Mission; provided, that, Rocket Lab may refuse to make any Milestone 2 Advance in the event that one of the following conditions is not satisfied:

(a) the representations and warranties of each Loan Party set forth in this Agreement shall be true and correct in all material respects on and as of the applicable Milestone 2

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Effective Date; provided, however, that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof; and provided, further that those representations and warranties expressly referring to a specific date shall be true and correct in all material respects as of such date; and

(b) on the date of the Milestone 2 Advance with respect to such Mission, no Event of Default shall have occurred and be continuing with respect to such Mission immediately after giving effect to such Milestone 2 Advance.

3.3 Conditions Precedent to Milestone 3 Advance. Rocket Lab's obligation to make the Milestone 3 Advance with respect to any Mission shall be conditioned solely upon the occurrence of the Milestone 3 Effective Date for such Mission; provided, that, Rocket Lab may refuse to make any Milestone 3 Advance in the event that one of the following conditions is not satisfied:

(a) the representations and warranties of each Loan Party set forth in this Agreement shall be true and correct in all material respects on and as of the date of the applicable Milestone 3 Effective Date; provided, however, that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof; and provided, further that those representations and warranties expressly referring to a specific date shall be true and correct in all material respects as of such date; and

(b) on the date of the Milestone 3 Advance with respect to such Mission, no Event of Default shall have occurred and be continuing with respect to such Mission immediately after giving effect to such Milestone 3 Advance.

3.4 Conditions Precedent to Milestone 4 Advance. Rocket Lab's obligation to make the Milestone 4 Advance with respect to any Mission shall be conditioned solely upon the occurrence of the Milestone 4 Effective Date for such Mission; provided, that, Rocket Lab may refuse to make any Milestone 4 Advance in the event that one of the following conditions is not satisfied:

(a) the representations and warranties of each Loan Party set forth in this Agreement shall be true and correct in all material respects on and as of the date of the applicable Milestone 4 Effective Date; provided, however, that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof; and provided, further that those representations and warranties expressly referring to a specific date shall be true and correct in all material respects as of such date; and

(b) on the date of the Milestone 4 Advance with respect to such Mission, no Event of Default shall have occurred and be continuing with respect to such Mission immediately after giving effect to such Milestone 4 Advance.

3.5 Conditions Precedent to Milestone 5 Advance. Rocket Lab's obligation to make the Milestone 5 Advance with respect to any Mission shall be conditioned solely upon the

the milestone 5 Advance with respect to any mission shall be conditioned solely upon the

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occurrence of the Milestone 5 Effective Date for such Mission; provided, that, Rocket Lab may refuse to make any Milestone 5 Advance in the event that one of the following conditions is not satisfied:

(c) the representations and warranties of each Loan Party set forth in this Agreement shall be true and correct in all material respects on and as of the date of the applicable Milestone 5 Effective Date; provided, however, that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof; and provided, further that those representations and warranties expressly referring to a specific date shall be true and correct in all material respects as of such date; and

(d) on the date of the Milestone 5 Advance with respect to such Mission, no Event of Default shall have occurred and be continuing with respect to such Mission immediately after giving effect to such Milestone 5 Advance.

3.6 Procedures for Borrowing. Borrower may, at its sole discretion, elect not to accept any Milestone Advance by remitting payment of the applicable portion of the Price to Lender on or prior to the applicable Milestone 2 Effective Date, Milestone 3 Effective Date, Milestone 4 Effective Date, or Milestone 5 Effective Date, as applicable, with respect to any Mission.

3.7 Deemed Effective Date. Notwithstanding the other provisions of this Agreement, this Agreement shall not be deemed effective until the Deemed Effective Date shall have occurred. Promptly following the occurrence of the Deemed Effective Date, Rocket Lab and the Borrower shall enter into an amendment of the Launch Services Agreement extending each deadline or date contained in the Launch Services Agreement by the number of days by which the Deemed Effective Date is later than September 19, 2023, and no payments shall be due under the Launch Service Agreement until such amendment is executed.

4 CREATION OF SECURITY INTEREST

4.1 Grant of Security Interest.

(a) Each Loan Party hereby grants Rocket Lab, to secure the payment and performance in full of all of the Obligations for the benefit of Rocket Lab, a continuing security interest in, and pledges to Rocket Lab, the Collateral, wherever located, whether now owned or hereafter acquired or arising, and all proceeds and products thereof.

(b) If this Agreement is terminated, Rocket Lab's Lien in the Collateral shall continue until the Obligations (other than inchoate indemnity obligations as to which no claim has been asserted) are repaid in full in cash. Upon payment in full in cash of the Obligations (other than inchoate indemnity obligations as to which no claim has been asserted) and at such time as Rocket Lab's obligation to make Milestone Advances has terminated, the security interest and Lien granted hereunder shall automatically terminate, and Rocket Lab shall, at the sole cost and expense of the Loan Parties, promptly provide any documentation reasonably requested by the Loan Parties to terminate the security interest granted herein and release its Liens in the Collateral and evidence that all rights therein shall revert to the applicable Loan Party. In the event (a) all

and evidence that all rights therein shall revert to the applicable Loan Party. In the event (x) all

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Obligations (other than inchoate indemnity obligations as to which no claim has been asserted), are satisfied in full and (y) this Agreement is terminated, Rocket Lab shall terminate the security interest granted herein.

(c) Rocket Lab's Lien in the assets of the Loan Parties securing the Obligations to Rocket Lab under this Agreement shall be subordinated to the extent provided in and otherwise subject to the terms of the Subordination Agreements.

4.2 **Priority of Security Interest.** Each of the Loan Parties represents, warrants, and covenants that, subject to the terms of each Subordination Agreement and except for the Senior Loan Agreement and Bank Loan Agreement, assuming an appropriate financing statement has been properly filed, the security interest granted herein is and shall at all times continue to be a security interest in the Collateral (subject to Permitted Liens), perfected to the extent such security interest may be perfected by the filing of a financing statement.

4.3 **Authorization to File Financing Statements.** Each of the Loan Parties hereby authorizes Rocket Lab or its designee to file financing statements, without notice to the Loan Parties, with all appropriate jurisdictions to perfect or protect Rocket Lab's interest or rights hereunder. Such financing statements and other similar forms may indicate the Collateral as "all assets of the Debtor" or words of similar effect, or as being of an equal or lesser scope, or with greater detail, all in Rocket Lab's discretion. Upon written request, Rocket Lab agrees to promptly furnish Borrower with all such financing statements and filing acknowledgements.

4.4 **Bank Subordination Agreement.** Prior to or contemporaneously with any Loan Party entering into the Bank Loan Agreement, Rocket Lab shall enter into a subordination agreement (the "Bank Subordination Agreement") with the lender(s) and/or agent(s) under the Bank Loan Agreement, pursuant to which the Obligations (and Liens granted hereunder) shall be subordinated to the Loan Parties' obligations under the Bank Loan Agreement and the Liens securing such obligations. The subordination terms of the Bank Subordination Agreement shall be substantially similar to the subordination terms in the Intercreditor Agreement (recognizing that the obligations under the Bank Loan Agreement and Liens securing such obligations shall be senior to the obligations under the Senior Loan Agreement and Liens securing such obligations).

5 REPRESENTATIONS AND WARRANTIES

Each of the Loan Parties represents and warrants as follows:

5.1 **Due Organization, Authorization; Power and Authority.**

(a) Such Loan Party (a) is duly organized or formed, validly existing and in good standing under the Laws of the jurisdiction of its incorporation or organization, (b) has all requisite power and authority and all requisite governmental licenses, authorizations, consents and approvals to execute, deliver and perform its obligations under the Loan Documents to which it is a party, and (c) is duly qualified and is licensed and in good standing under the Laws of each jurisdiction where its ownership, lease or operation of properties or the conduct of its business requires such qualification or license; except in each case referred to in clause (b) or (c), to the extent that failure to do so could not reasonably be expected to result in a Material Adverse Change.

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(b) No approval, consent, exemption, authorization, or other action by, or notice to, or filing with, any Governmental Authority or any other Person is necessary or required in connection with the execution, delivery or performance by, or enforcement against, such Loan Party of this Agreement or any other Loan Document other than (a) those that have already been obtained and are in full force and effect, (b) filings to perfect the Liens created by this Agreement or (c) those approvals, consents, exemptions, authorizations or other actions, notices or filings, the failure of which to obtain or make could not reasonably be expected to result in a Material Adverse Change.

5.2 Collateral. Such Loan Party has good title to, rights in, and the power to transfer each item of the Collateral upon which it purports to grant a Lien hereunder, free and clear of any and all Liens except Permitted Liens, and this Agreement creates valid security interests in, and Liens on, the Collateral purported to be covered thereby, which security interests and Liens are, assuming an appropriate financing statement has been properly filed, currently perfected security interests in the Collateral that may be perfected by the filing of a financing statement, prior to all other Liens other than Permitted Liens. All Inventory owned by such Loan Party is in all material respects of good and marketable quality, free from material defects. Such Loan Party is the sole owner of the Intellectual Property which it owns or purports to own except for (a) non-exclusive licenses granted to its customers in the ordinary course of business, (b) over-the-counter software that is commercially available to the public and open source software, and (c) material Intellectual Property licensed to a Loan Party. Each Patent which such Loan Party owns or purports to own and which is material to such Loan Party's business (if any) is valid and enforceable, and no part of the Intellectual Property which such Loan Party owns or purports to own and which is material to such Loan Party's business has been judged invalid or unenforceable, in whole or in part. To the best of such Loan Party's knowledge, no claim has been made that any part of the Intellectual Property owned by such Loan Party violates the rights of any third party except to the extent such claim would not reasonably be expected to have a Material Adverse Effect.

5.3 Litigation. Except as provided in the Perfection Certificate or to the extent disclosed to Rocket Lab prior to the date hereof, there are no actions or proceedings pending or, to the knowledge of any Responsible Officer, threatened in writing by or against such Loan Party or any of its Subsidiaries which could, either individually or in the aggregate, reasonably be expected to result in a Material Adverse Change.

5.4 Financial Statements; Financial Condition. All consolidated financial statements for Parent and any of its Subsidiaries delivered to Rocket Lab by Borrower or its Affiliates fairly present in all material respects the Parent's consolidated financial condition and Parent's consolidated results of operations as of the date of such financial statements (subject to year-end adjustments and the absence of footnotes in the case of unaudited financial statements). Since the Effective Date, there has not been a material adverse change in the business, operations, or financial condition of Borrower that is continuing.

5.5 Solvency. As of the Effective Date, the fair salable value of Parent's consolidated assets (including goodwill minus disposition costs) exceeds the fair value of Parent's consolidated liabilities; Parent is not left with unreasonably small capital after giving effect to the Milestone Advances contemplated by this Agreement; and Parent does not intend to incur, or believe that it will incur, debts beyond its ability to pay such debts (including trade debts) as they mature in the ordinary course of business.

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5.6 **Regulatory Compliance.** Parent is not an “investment company” or a company “controlled” by an “investment company” under the Investment Company Act of 1940, as amended. Borrower is not engaged principally or as one of its important activities, in the business of purchasing or carrying margin stock (within the meaning of Regulation U issued by the FRB), or extending credit for the purpose of purchasing or carrying margin stock. Such Loan Party is in compliance with all applicable Laws except to the extent the failure to do so would not reasonably be expected to result in a Material Adverse Effect. None of the Loan Parties nor any of their respective Subsidiaries’ properties or assets has been used by any Loan Party or any Subsidiary or, to the best of such Loan Party’s knowledge by previous Persons, in disposing, producing, storing, treating, or transporting any hazardous substance other than legally and except as could not reasonably be expected, individually or in the aggregate, to result in a Material Adverse Effect. Such Loan Party and each of its Subsidiaries have obtained all consents, approvals and authorizations of, made all declarations or filings with, and given all notices to, all Governmental Authorities that are necessary to continue their respective businesses as currently conducted, unless such failure could not reasonably be expected to result in a Material Adverse Effect.

5.7 **Subsidiaries.** As of the Effective Date, Schedule 5.7 sets forth a complete and correct list of the name of each Subsidiary of Parent and the ownership interest therein held by Parent or its applicable Subsidiary.

5.8 **Tax Returns and Payments; Pension Contributions.** Such Loan Party has timely filed all required tax returns and reports (or duly filed valid extensions thereof), and such Loan Party has timely paid all foreign, federal, state and local taxes, assessments, deposits and contributions owed by such Loan Party except (a) to the extent such taxes are being contested in good faith by appropriate proceedings promptly instituted and diligently conducted, so long as such reserve or other appropriate provision, if any, as shall be required in conformity with GAAP shall have been made therefor, or (b) as could not reasonably be expected to result in a Material Adverse Change.

6 AFFIRMATIVE COVENANTS

Each of the Loan Parties shall do all of the following:

6.1 **Government Compliance.**

(a) **Existence and Good Standing.** Maintain its and all its Subsidiaries’ legal existence and good standing in their respective jurisdictions of formation and maintain qualification in each jurisdiction in which the failure to so qualify would reasonably be expected to have a Material Adverse Effect. Such Loan Party shall comply, and have each Subsidiary comply, in all material respects, with all laws, ordinances and regulations to which it is subject, noncompliance with which could reasonably be expected to have a Material Adverse Effect.

(b) **Governmental Approvals.** Obtain all material Governmental Approvals necessary for the performance by such Loan Party of its obligations under the Loan Documents to which it is a party and necessary for the grant of a security interest to Rocket Lab in the Collateral, except to the extent the failure to obtain such Government Approvals would reasonably be expected to result in a Material Adverse Change.

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6.2 Financial Statements, Reports, Certificates. Deliver to Rocket Lab promptly after filing with the Securities and Exchange Commission all reporting materials filed by Parent with the Securities and Exchange Commission.

6.3 Taxes; Pensions. Except as would not reasonably be expected to result in a Material Adverse Change, timely file and require each of its Subsidiaries to timely file, all required federal and state income tax returns and other material tax returns and reports (or valid extensions thereof) and timely pay, and require each of its Subsidiaries to timely pay, all federal and state income taxes and other material taxes, assessments, deposits and contributions owed by such Loan Party and each of its Subsidiaries, except for deferred payment of any taxes contested pursuant to the terms of Section 5.8 hereof, and shall deliver to Rocket Lab, on demand, appropriate certificates attesting to such payments, and pay all amounts necessary to fund all present pension, profit sharing and deferred compensation plans in accordance with their terms.

6.4 Access to Collateral; Books and Records. Subject to any applicable statutory, regulatory or contractual obligations, Rocket Lab, or its agents, shall have the right to inspect the Collateral and the right to audit and copy such Loan Party's Books at reasonable times, on at least ten (10) Business Days' notice (provided no notice is required if an Event of Default has occurred and is continuing). Such inspections and audits shall be conducted as frequently as Rocket Lab determines in its sole discretion that conditions warrant, provided that the foregoing inspections and audits may not be conducted more than once per calendar year unless an Event of Default has occurred and is continuing in which case such inspections and audits shall occur as often as Rocket Lab shall determine is reasonably necessary. The foregoing inspections and audits shall be at Lender's reasonable expense and subject to any applicable statutory, regulatory and contractual obligations. For the avoidance of doubt, such Loan Party shall not be required to disclose or discuss or permit the inspection, examination or making of extracts of, any document, book, record or other matter (i) if access to such information could reasonably be expected to adversely affect the attorney work-product privilege or the attorney-client privilege between a Loan Party and its counsel with respect to actual or potential litigation, (ii) if access to such information could reasonably be expected to result in a conflict of interest between such Loan Party and Rocket Lab, (iii) if access to such information could reasonably be expected to include any confidential, export controlled, competitively sensitive and/or classified information, whether contractually or otherwise and/or (iv) if access to such information could be deemed to be in violation of any Laws, ordinances or regulations.

6.5 Insurance. Keep its business and the Collateral insured for risks and in amounts standard for companies in such Loan Party's industry and location. Insurance policies shall be in a form, with financially sound and reputable insurance companies that are not Affiliates of such Loan Party.

6.6 Protection of Intellectual Property Rights. Use commercially reasonable efforts to (i) protect, defend and maintain the validity and enforceability of its Intellectual Property in a commercially reasonable manner; (ii) promptly advise Rocket Lab in writing of material infringements of its Intellectual Property or any other event that could reasonably be expected to have a Material Adverse Effect; and (iii) not allow any Intellectual Property of such Loan Party material to such Loan Party's business to be abandoned, forfeited or dedicated to the public without Rocket Lab's written consent. Upon request of Rocket Lab, such Loan Party shall promptly

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provide to Rocket Lab copies of its Patents, Trademarks or, Copyrights or mask works, together with evidence of the recording of the intellectual property security agreement required for Rocket Lab to perfect and maintain a perfected security interest in such property.

6.7 Use of Proceeds. Such Loan Party shall use the proceeds of each Milestone Advance to make the corresponding payment owed by Such Loan Party under the Launch Services Agreement.

6.8 Formation or Acquisition of Subsidiaries. Notwithstanding and without limiting the negative covenants contained in Section 7.5 hereof, within 45 days of the time that such Loan Party (i) forms any material direct or indirect Domestic Subsidiary (it being agreed that (x) any Subsidiary of such Loan Party that provides credit support under the Senior Loan Agreement shall be deemed to be material for purposes of this Section 6.8 and (y) any Subsidiary of such Loan Party that does not provide credit support under the Senior Loan Agreement shall be deemed to not be material for purposes of this Section 6.8), (ii) acquires any material direct or indirect Domestic Subsidiary or (iii) reincorporates or reorganizes any material Subsidiary, such Loan Party shall (a) cause such new, reincorporated or reorganized material Subsidiary to provide to Rocket Lab a joinder to this Agreement to cause such Subsidiary to become a Guarantor hereunder (or, in the case of clause (iii) reaffirm its obligations hereunder), together with such appropriate financing statements (or amendments to existing financing statements), all in form and substance reasonably satisfactory to Rocket Lab (including being sufficient to grant Rocket Lab a Lien (subject to Permitted Liens) in and to the assets of any such newly formed or acquired Subsidiary), (b) if request by Lender (and subject to any Subordination Agreement), provide to Rocket Lab appropriate certificates and powers and financing statements, pledging all of the direct or beneficial ownership interest in such new, reincorporated or reorganized Subsidiary, in form and substance reasonably satisfactory to Rocket Lab, and (c) provide to Rocket Lab all other documentation in form and substance reasonably satisfactory to Rocket Lab, if requested by Rocket Lab in its reasonable discretion. Any document, agreement, or instrument executed or issued pursuant to this Section 6.8 shall be a Loan Document. At the time that such Loan Party or any Domestic Subsidiary of such Loan Party forms any direct Foreign Subsidiary or acquires any direct Foreign Subsidiary after the Effective Date, such Loan Party shall, at Rocket Lab's option in its sole discretion (but subject to any Subordination Agreement), (x) provide to Rocket Lab appropriate certificates and powers and financing statements, pledging sixty-five percent (65%) of the issued and outstanding shares of capital stock owned by such Loan Party or Domestic Subsidiary in such Foreign Subsidiary, in form and substance satisfactory to Rocket Lab, and (y) provide to Rocket Lab all other documentation in form and substance reasonably satisfactory to Rocket Lab, if requested by Rocket Lab in its reasonable discretion.

6.9 Further Assurances. Execute any further instruments and take further action as Rocket Lab reasonably requests to perfect or continue Rocket Lab's Lien in the Collateral or to effect the purposes of this Agreement.

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7 NEGATIVE COVENANTS

No Loan Party shall do any of the following without Rocket Lab's prior written consent:

7.1 Dispositions. Convey, sell, lease, transfer, assign, or otherwise dispose of (including, without limitation, pursuant to a Division) (collectively, "Transfer"), or permit any of its Subsidiaries to Transfer, all or any part of its business or property, except for (a) Transfers of Inventory in the ordinary course of business; (b) Transfers for fair market value; (c) Transfers of worn-out or obsolete Equipment; (d) Transfers consisting of Permitted Liens and Permitted Investments; (e) Transfers consisting of the sale or issuance of any stock of any Loan Party; (f) Transfers consisting of any Loan Party's use or transfer of money or Cash Equivalents in a manner that is not prohibited by the terms of this Agreement or the other Loan Documents; (g) Transfers of non-exclusive licenses for the use of the property of any Loan Party or its Subsidiaries in the ordinary course of business and licenses that could not result in a legal transfer of title of the licensed property but that may be exclusive in respects other than territory and that may be exclusive as to territory only as to discreet geographical areas outside of the United States; (h) Transfers and/or terminations of leases, subleases, licenses or sublicenses in the ordinary course of business (including leases of any satellites); (i) Transfers in the form of mergers, consolidations or amalgamations of a Subsidiary with or into any Loan Party; provided that if such Loan Party is not the continuing or surviving Person of such transaction (any such Person, a "Successor Loan Party"), (x) the Successor Loan Party shall be an entity organized or existing under the law of the U.S., any state thereof or the District of Columbia, (y) any Successor Loan Party shall expressly assume the Obligations of the applicable Loan Party in a manner reasonably satisfactory to Rocket Lab and (z) except as Rocket Lab may otherwise agree, each other Subsidiary Guarantor not party to such transaction shall have executed and delivered a reaffirmation agreement with respect to its obligations under the Guaranty and the other Loan Documents; it being understood and agreed that if the foregoing conditions under clauses (x) through (z) are satisfied, any Successor Loan Party will succeed to, and be substituted for, the applicable Loan Party under this Agreement and the other Loan Documents; (j) Transfers in the form of mergers, consolidations or amalgamations of a Subsidiary with or into another Subsidiary; provided that if a Subsidiary Guarantor is not the continuing or surviving Person of such transaction, then the Person surviving such transaction shall expressly assume the obligations of the Subsidiary Guarantor in a manner reasonably satisfactory to Rocket Lab; (k) the liquidation or dissolution of any Subsidiary if any Loan Party determines in good faith that such liquidation or dissolution is in the best interests of the applicable Loan Party, is not materially disadvantageous to Rocket Lab and a Loan Party or any Subsidiary receives the assets (if any) of the relevant liquidated, dissolved or divided Subsidiary; provided, that, in the case of any liquidation or dissolution of any Loan Party that results in a distribution of assets to any Subsidiary that is not Subsidiary Guarantor, such distribution shall be treated as an Investment and shall comply with Section 7.5; (l) any Transfer, merger, amalgamation, dissolution, liquidation or consolidation, the purpose of which is to effect (A) any Transfer otherwise permitted under this Section 7.1 or (B) any Investment permitted under Section 7.5; (m) any Transfer of property to a Subsidiary if any Loan Party determines in good faith that such Transfer is in the best interests of the Loan Parties and is not materially disadvantageous to Rocket Lab; provided, that, in the case of any Transfer of assets to any Subsidiary that is not Subsidiary Guarantor, such distribution shall be treated as an Investment and shall comply with Section 7.5; and (n) other Transfers of not otherwise permitted by this Section 7.1 involving business or property having a fair market value of not more than Two Hundred Fifty Thousand Dollars (\$250,000) in the

with market value of not more than Two Hundred Fifty Thousand Dollars (\$250,000) in the

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aggregate in any fiscal year, which if not used in such fiscal year, may be carried forward to succeeding fiscal years.

7.2 Changes in Business. Engage in or permit any of its Subsidiaries to engage in any material line of business other than the businesses currently engaged in or contemplated by any Loan Party or Subsidiary, or reasonably similar, complementary, ancillary or related thereto.

7.3 Indebtedness. Create, incur, assume, or be liable for any Indebtedness, or permit any Subsidiary to do so, other than Permitted Indebtedness.

7.4 Encumbrance. Create, incur, allow, or suffer any Lien on any of its property, or permit any of its Subsidiaries to do so, except for Permitted Liens, permit any Collateral not to be subject to the security interest granted herein, or enter into any agreement, document, instrument or other arrangement (except with or in favor of Rocket Lab and the parties to the Bank Loan Agreement and Senior Loan Agreement) with any Person which directly or indirectly prohibits or has the effect of prohibiting any Loan Party or any Subsidiary from assigning, mortgaging, pledging, granting a security interest in or upon, or encumbering any Loan Party's or any Subsidiary's Intellectual Property, except as is otherwise permitted in Section 7.1 hereof and the definition of "Permitted Liens" herein.

7.5 Distributions; Investments. (a) Pay any dividends or make any distribution or payment ("Restricted Payments") on account of or redeem, retire or purchase any capital stock other than Permitted Investments, provided that (i) Parent may convert any of its convertible securities into other securities pursuant to the terms of such convertible securities or otherwise in exchange thereof, (ii) each Subsidiary may make Restricted Payments to each other Subsidiary and any Loan Party; (iii) a Loan Party may pay dividends solely in common stock, (iv) Parent may repurchase the stock of former employees, officers, directors or consultants in connection with the cessation of service to the Loan Parties; (v) a Loan Party may make payments in lieu of the issuance of fractional shares; or (vi) any Loan Party may repurchase shares in the ordinary course of business in another Loan Party deemed to occur upon exercise, vesting and/or settlement of the shares if such shares represent a portion of the exercise price thereof or any portion of required withholding or similar taxes due upon the exercise, vesting and/or settlement thereof; or (b) directly or indirectly make any Investment (including, without limitation, by the formation of any Subsidiary) other than Permitted Investments, or permit any of its Subsidiaries to do so.

7.6 Transactions with Affiliates. Directly or indirectly enter into or permit to exist any material transaction with any Affiliate of any Loan Party, except for (i) transactions that are in the ordinary course of such Loan Party's business, upon fair and reasonable terms that are no less favorable to such Loan Party than would be obtained in an arm's length transaction with a non-affiliated Person, (ii) bona fide equity and debt financings with such Loan Party's investors, so long as such transactions are not otherwise prohibited by this Agreement, (iii) compensation agreements approved by such Loan Party's board of directors, managers or members, or a duly authorized committee thereof, (iv) transactions with Subsidiaries that are not otherwise prohibited by this Article 7 and (v) transactions permitted in Sections 7.2, 7.3, 7.5 and 7.7.

7.7 Subordinated Debt. (a) Make or permit any payment on any Subordinated Debt, except (i) payments in lieu of fractional shares upon conversion of its Subordinated Debt under

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the terms of the subordination, intercreditor, or other similar agreement to which such Subordinated Debt is subject, (ii) non-cash payments pursuant to the issuance of shares of Parent's capital stock upon conversion of such Subordinated Debt in accordance with the terms and provisions thereof, and (iii) under the terms of the subordination, intercreditor, or other similar agreement to which such Subordinated Debt is subject, or (b) amend any provision in any document relating to the Subordinated Debt which would increase the aggregate principal amount thereof, except under the terms of the subordination, intercreditor, or other similar agreement to which such Subordinated Debt is subject.

8 EVENTS OF DEFAULT

Any one of the following shall constitute an event of default (an "Event of Default") under this Agreement, provided that any Event of Default arising under Section 8.9 shall only constitute an Event of Default with respect to a Specified Mission and the Milestone Advances under the applicable Mission Specific Advance Group as further set out in Section 8.9:

8.1 **Payment Default.** Borrower fails to (a) make any payment of principal or interest on any Milestone Advance when due, or (b) pay any other Obligations within five (5) Business Days after such Obligations are due and payable (which five (5) Business Day cure period shall not apply to payments due on the Maturity Date). During the cure period, the failure to make or pay any payment specified under clause (b) hereunder is not an Event of Default (but no Milestone Advance will be made during the cure period);

8.2 **Covenant Default.**

(a) Certain covenants. Any Loan Party fails or neglects to perform any obligation in Sections 6.2, 6.3 or 6.5, or violates any covenant in Section 7; or

(b) Other covenants. Any Loan Party fails or neglects to perform, keep, or observe any other term, provision, condition, covenant or agreement contained in this Agreement or any Loan Documents, and as to any default (other than those specified in this Section 8) under such other term, provision, condition, covenant or agreement that can be cured, has failed to cure the default within ten (10) days after the occurrence thereof; provided, however, that if the default cannot by its nature be cured within the ten (10) day period or cannot after diligent attempts by any Loan Party be cured within such ten (10) day period, and such default is likely to be cured within a reasonable time, then such Loan Party shall have an additional period (which shall not in any case exceed thirty (30) days) to attempt to cure such default, and within such reasonable time period the failure to cure the default shall not be deemed an Event of Default (but no Milestone Advances shall be made during such cure period).

8.3 **Insolvency.** (a) Parent or any of its Subsidiaries admit in writing that it is unable to pay its debts (including trade debts) as they become due or otherwise becomes insolvent; (b) Parent or any of its Subsidiaries begins an Insolvency Proceeding; or (c) an Insolvency Proceeding is begun against Parent or any of its Subsidiaries and is not dismissed or stayed within sixty (60) days (but no Milestone Advances shall be made while any of the conditions described in clause (a) exist and/or until any Insolvency Proceeding is dismissed).

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8.4 Other Agreements. There is, under any agreement with respect to Indebtedness having an individual outstanding principal amount in excess of Two Million Five Hundred Thousand Dollars (\$2,500,000) (other than the Senior Loan Agreement and the Bank Loan Agreement) to which Borrower or any Guarantor is a party with a third party or parties, (a) any default resulting in a right by such third party or parties, whether or not exercised, to accelerate the maturity of any Indebtedness, which default remains unremedied and is not waived by the holders of such Indebtedness prior to the acceleration of the Milestone Advances or (b) any breach or default by Borrower or Guarantor, the result of which could reasonably be expected to have a Material Adverse Effect.

8.5 Judgments; Penalties. The entry or filing of one or more final money judgments, writs or warrants of attachment or similar process against Parent or any of its Subsidiaries or any of their respective assets involving in an individual amount at any time in excess of Two Million Five Hundred Thousand Dollars (\$2,500,000) (in either case to the extent not adequately covered by indemnity from a third party, by self-insurance (if applicable) or by insurance as to which the relevant third party insurance company has been notified and not denied coverage), which judgment, writ, warrant or similar process remains unpaid, undischarged, unvacated, unbonded or unstayed pending appeal for a period of 60 consecutive days.

8.6 Misrepresentations. Any Loan Party makes any representation, warranty, or other certification now or later in this Agreement, any Loan Document or in any writing delivered to Rocket Lab in connection with this Agreement or the other Loan Documents or to induce Rocket Lab to enter this Agreement or any Loan Document, and such representation, warranty, or other statement is incorrect in any material respect when made.

8.7 Subordinated Debt. Any document, instrument, or agreement evidencing the subordination of any Subordinated Debt shall for any reason be revoked or invalidated or otherwise cease to be in full force and effect, any Person (other than Rocket Lab) shall be in breach thereof or contest in any manner the validity or enforceability thereof or deny that it has any further liability or obligation thereunder, or the Obligations shall for any reason be subordinated or shall not have the priority contemplated by this Agreement or any applicable subordination or intercreditor agreement.

8.8 Cross-Acceleration to Senior Loan Agreement and Bank Loan Agreement. An event of default (after giving effect to any grace or cure period and to the extent not waived) occurs under any of the Senior Loan Agreements and the Senior Collateral Agent accelerates the obligations under the Senior Loan Agreement or otherwise exercises remedies against collateral securing the Senior Loan Agreement. An event of default (after giving effect to any grace or cure period and to the extent not waived) occurs under any of the Bank Loan Agreement and the lender or agent thereunder accelerates the obligations under the Bank Loan Agreement or otherwise exercises remedies against collateral securing the Bank Loan Agreement.

8.9 Cross-Default to Launch Services Agreement with respect to a Defaulted Mission. With respect to any Mission, there is a material breach of Borrower's obligations under the Launch Services Agreement with respect to such Mission (such Mission, a "Specified Mission") and (i) such material breach remains unremedied or uncured for a period of sixty (60) days after Rocket Lab has delivered notice of such breach to Borrower under the Launch Services

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Agreement and (ii) Rocket Lab has the right to terminate the Launch Services Agreement with respect to the applicable Mission Annex as a result of such material breach (such Event of Default applicable to a Specified Mission, a “Specified Mission Event of Default”); provided that each Specified Mission Event of Default shall be limited to the Mission Specific Milestone Advance Group applicable to such Specified Mission and not to any other Milestone Advances and for the avoidance of doubt, such Specified Mission Event of Default shall not cause or constitute an Event of Default with respect to any other Milestone Advances and the rights and remedies available to Lender under Section 9 below or otherwise in this Agreement or any other Loan Document shall only be available with respect to the Mission Specific Milestone Advance Group applicable to such Specified Mission and not with respect to any other Milestone Advance or other obligation under this Agreement.

9 LENDER’S RIGHTS AND REMEDIES

9.1 Rights and Remedies. Upon the occurrence and during the continuance of an Event of Default, subject to the Subordination Agreements, Rocket Lab may, without notice or demand, do any or all of the following:

- (a) declare all Obligations immediately due and payable (but if an Event of Default described in Section 8.3 occurs all Obligations are immediately due and payable without any action by Rocket Lab);
- (b) stop advancing money or extending credit for Borrower’s benefit under this Agreement ;
- (c) verify the amount of, demand payment of and performance under, and collect any Accounts and General Intangibles, settle or adjust disputes and claims directly with Account Debtors for amounts on terms and in any order that Rocket Lab considers advisable, and notify any Person owing any Loan Party money of Rocket Lab’s security interest in such funds. Each Loan Party shall collect all payments in trust for Rocket Lab and, if requested by Rocket Lab, immediately deliver the payments to Rocket Lab in the form received from the Account Debtor, with proper endorsements for deposit;
- (d) make any payments and do any acts it considers necessary or reasonable to protect the Collateral and/or its security interest in the Collateral. Each Loan Party shall assemble the Collateral if Rocket Lab requests and make it available as Rocket Lab designates. Rocket Lab may enter premises where the Collateral is located, take and maintain possession of any part of the Collateral, and pay, purchase, contest, or compromise any Lien which appears to be prior or superior to its security interest and pay all expenses incurred. Each Loan Party grants Rocket Lab a license to enter and occupy any of its premises, without charge, to exercise any of Rocket Lab’s rights or remedies;
- (e) apply to the Obligations (including any Obligations accelerated in accordance with this Section 9.1 and pursuant to the Code) any (i) balances and deposits of Borrower it holds, or (ii) amount held by Rocket Lab owing to or for the credit or the account of any Loan Party;

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(f) ship, reclaim, recover, store, finish, maintain, repair, prepare for sale, advertise for sale, and sell the Collateral; and

(g) exercise all rights and remedies available to Rocket Lab under the Loan Documents or at law or equity, including all remedies provided under the Code (including disposal of the Collateral pursuant to the terms thereof).

9.2 **Power of Attorney.** Each Loan Party hereby irrevocably appoints Rocket Lab as its lawful attorney-in-fact to: (a) exercisable following the occurrence and during the continuation of an Event of Default, (i) demand, collect, sue, and give releases to any Account Debtor for monies due, settle and adjust disputes and claims about the Accounts directly with Account Debtors, and compromise, prosecute, or defend any action, claim, case, or proceeding about any Collateral (including filing a claim or voting a claim in any bankruptcy case in Rocket Lab's or the applicable Loan Party's name, as Rocket Lab chooses); (ii) make, settle, and adjust all claims under the applicable Loan Party's insurance policies; (iv) pay, contest or settle any Lien, charge, encumbrance, security interest, or other claim in or to the Collateral, or any judgment based thereon, or otherwise take any action to terminate or discharge the same; (v) transfer the Collateral into the name of Rocket Lab or a third party as the Code permits; (vi) receive, open, remove any remittances, then deliver to the applicable Loan Party any mail addressed to such Loan Party ; and (vii) notify all Account Debtors to pay Rocket Lab directly; and (b) regardless of whether an Event of Default has occurred, endorse such Loan Party's name on any checks, payment instruments, or other forms of payment or security. Rocket Lab's foregoing appointment as each Loan Party's attorney in fact, and all of Rocket Lab's rights and powers, coupled with an interest, are irrevocable until all Obligations have been fully repaid and performed and the Loan Documents have been terminated.

9.3 **Application of Payments and Proceeds.** If an Event of Default has occurred and is continuing, Rocket Lab shall have the right to apply in any order any funds in its possession, whether from Loan Party account balances, payments, proceeds realized as the result of any collection of Accounts or other disposition of the Collateral, or otherwise, to the Obligations. Rocket Lab shall pay any surplus to the applicable Loan Party or to other Persons legally entitled thereto; Loan Parties shall remain liable to Rocket Labs for any deficiency. If Rocket Lab, directly or indirectly, enters into a deferred payment or other credit transaction with any purchaser at any sale of Collateral, Rocket Lab shall have the option, exercisable at any time, of either reducing the Obligations by the principal amount of the purchase price or deferring the reduction of the Obligations until the actual receipt by Rocket Lab of cash therefor.

9.4 **Lender's Liability for Collateral.** So long as Rocket Lab complies with reasonable banking practices regarding the safekeeping of the Collateral in the possession or under the control of Rocket Lab, Rocket Lab shall not be liable or responsible for: (a) the safekeeping of the Collateral; (b) any loss or damage to the Collateral; (c) any diminution in the value of the Collateral; or (d) any act or default of any carrier, warehouseman, bailee, or other Person. Loan Parties bear all risk of loss, damage or destruction of the Collateral.

9.5 **No Waiver; Remedies Cumulative.** Rocket Lab's failure, at any time or times, to require strict performance by any Loan Party of any provision of this Agreement or any other Loan Document shall not waive, affect, or diminish any right of Rocket Lab thereafter to demand strict

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performance and compliance herewith or therewith. No waiver hereunder shall be effective unless signed by the party granting the waiver and then is only effective for the specific instance and purpose for which it is given. Rocket Lab's rights and remedies under this Agreement and the other Loan Documents are cumulative. Rocket Lab has all rights and remedies provided under the Code, by law, or in equity. Rocket Lab's exercise of one right or remedy is not an election and shall not preclude Rocket Lab from exercising any other remedy under this Agreement or other remedy available at law or in equity, and Rocket Lab's waiver of any Event of Default is not a continuing waiver. Rocket Lab's delay in exercising any remedy is not a waiver, election, or acquiescence.

9.6 Demand Waiver. Except for any notices expressly contemplated herein or in any of the Loan Documents, each Loan Party waives demand, notice of default or dishonor, notice of payment and nonpayment, notice of any default, nonpayment at maturity, release, compromise, settlement, extension, or renewal of accounts, documents, instruments, chattel paper, and guarantees held by Rocket Lab on which such Loan Party is liable.

10 NOTICES

All notices, consents, requests, approvals, demands, or other communication by any party to this Agreement or any other Loan Document must be in writing and shall be deemed to have been validly served, given, or delivered: (a) upon the earlier of actual receipt and four (4) Business Days after deposit in the U.S. mail, first class, registered or certified mail return receipt requested, with proper postage prepaid; (b) upon transmission, when sent by electronic mail or facsimile transmission; (c) one (1) Business Day after deposit with a reputable overnight courier with all charges prepaid; or (d) when delivered, if hand-delivered by messenger, all of which shall be addressed to the party to be notified and sent to the address, facsimile number, or email address indicated below. Rocket Lab or each Loan Party may change its mailing or electronic mail address or facsimile number by giving the other party written notice thereof in accordance with the terms of this Section 10.

If to Loan Parties:

BlackSky Global LLC
13241 Woodland Park Road, Suite 300
Herndon VA 20171
Attn: Legal Department
Email: legal@blacksky.com

With a copy to:

Holland & Knight LLP
1650 Tysons Boulevard, Suite 1700
Tysons, Virginia 22102
Attn: David Matuszewski
Email: david.matuszewski@hklaw.com

If to Rocket Lab:

Rocket Lab USA, Inc.
3881 McGowen Street
Long Beach, CA 90808 U.S.A.

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Attn: Adam Spice
Email: a.spice@rocketlabusa.com
With a copy to legal@rocketlabusa.com

11 CHOICE OF LAW, VENUE, JURY TRIAL WAIVER AND JUDICIAL REFERENCE

Except as otherwise expressly provided in any of the Loan Documents, Delaware law governs the Loan Documents without regard to principles of conflicts of law. Each Loan Party and Rocket Lab each submit to the exclusive jurisdiction of the State and Federal courts in Delaware; provided, however, that nothing in this Agreement shall be deemed to operate to preclude Rocket Lab from bringing suit or taking other legal action in any other jurisdiction to realize on the Collateral or any other security for the Obligations, or to enforce a judgment or other court order in favor of Rocket Lab. Each party hereto expressly submits and consents in advance to such jurisdiction in any action or suit commenced in any such court, and each party hereto hereby waives any objection that it may have based upon lack of personal jurisdiction, improper venue, or forum non conveniens and hereby consents to the granting of such legal or equitable relief as is deemed appropriate by such court. Each party hereto hereby waives personal service of the summons, complaints, and other process issued in such action or suit and agrees that service of such summons, complaints, and other process may be made by registered or certified mail addressed to such party at the address set forth in, or subsequently provided by such party in accordance with, Section 10 of this Agreement and that service so made shall be deemed completed upon the earlier to occur of such party's actual receipt thereof or four (4) days after deposit in the U.S. mails, proper postage prepaid.

TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, EACH PARTY HERETO WAIVES ITS RIGHT TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION ARISING OUT OF OR BASED UPON THIS AGREEMENT, THE LOAN DOCUMENTS OR ANY CONTEMPLATED TRANSACTION, INCLUDING CONTRACT, TORT, BREACH OF DUTY AND ALL OTHER CLAIMS. THIS WAIVER IS A MATERIAL INDUCEMENT FOR THE PARTIES HERETO TO ENTER INTO THIS AGREEMENT. EACH PARTY HAS REVIEWED THIS WAIVER WITH ITS COUNSEL.

This Section 11 shall survive the termination of this Agreement.

12 GENERAL PROVISIONS

12.1 Termination Prior to Maturity Date; Survival. All covenants, representations and warranties made in this Agreement shall continue in full force until this Agreement has terminated pursuant to its terms and all Obligations (other than inchoate indemnity obligations, and any other obligations which, by their terms, are to survive the termination of this Agreement) have been satisfied. This Agreement shall terminate at the earlier of (i) there being no outstanding payment obligations under any Milestone Advance owed by Borrower to Rocket Lab, (ii) (A) Borrower having the right to terminate the Launch Services Agreement pursuant to Section 14 thereof or (B) Rocket Lab having the right to terminate the Launch Services Agreement pursuant to Section 15 thereof and (iii) the Maturity Date. Furthermore, so long as Borrower has satisfied

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the Obligations (other than inchoate indemnity obligations and any other obligations which, by their terms, are to survive the termination of this Agreement), this Agreement may be terminated by Borrower at its option, without premium or penalty, at any time prior to the Maturity Date. Those obligations that are expressly specified in this Agreement as surviving this Agreement's termination shall continue to survive notwithstanding this Agreement's termination. No termination of this Agreement shall in any way affect or impair any right or remedy of Rocket Lab, nor shall any such termination relieve Borrower of any Obligation to Rocket Lab, until all of the Obligations (other than inchoate indemnity obligations, and any other obligations which, by their terms, are to survive the termination of this Agreement) have been paid and performed in full. Those Obligations that are expressly specified in this Agreement as surviving this Agreement's termination shall continue to survive notwithstanding this Agreement's termination and payment in full of the Obligations then outstanding.

12.2 Successors and Assigns. This Agreement binds and is for the benefit of the successors and permitted assigns of each party. No Loan Party may assign this Agreement or any rights or obligations under it without Rocket Lab's prior written consent (which shall not be unreasonably withheld). Rocket Lab shall not, without Borrower's prior written consent (in its sole discretion), sell, assign, negotiate, grant participation in or otherwise transfer all or any part of, or any interest in, Rocket Lab's obligations, rights, and benefits under this Agreement and the other Loan Documents to any other Person.

12.3 Severability of Provisions. Each provision of this Agreement is severable from every other provision in determining the enforceability of any provision.

12.4 Correction of Loan Documents. Rocket Lab may correct patent errors and fill in any blanks in the Loan Documents consistent with the agreement of the parties so long as Rocket Lab provides Borrower with written notice of such correction and allows Borrower at least ten (10) days to object to such correction. In the event of such objection, such correction shall not be made except by an amendment signed by both Rocket Lab and Borrower.

12.5 Amendments in Writing; Waiver; Integration. No purported amendment or modification of any Loan Document, or waiver, discharge or termination of any obligation under any Loan Document, shall be enforceable or admissible unless, and only to the extent, expressly set forth in a writing by the Loan Parties and Rocket Lab. Without limiting the generality of the foregoing, no oral promise or statement, nor any action, inaction, delay, failure to require performance or course of conduct shall operate as, or evidence, an amendment, supplement or waiver or have any other effect on any Loan Document. Any waiver granted shall be limited to the specific circumstance expressly described in it, and shall not apply to any subsequent or other circumstance, whether similar or dissimilar, or give rise to, or evidence, any obligation or commitment to grant any further waiver. 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 the Loan Documents merge into the Loan Documents.

12.6 Counterparts. This Agreement may be executed in any number of counterparts and by different parties on separate counterparts, each of which, when executed and delivered, is an original, and all taken together, constitute one Agreement.

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12.7 **Confidentiality.** Rocket Lab acknowledges that certain items of Collateral and information provided to Rocket Lab by Borrower and its Affiliates are confidential and proprietary information of Borrower and/or its Affiliates, if and to the extent such information either (x) is marked as confidential by Borrower or any Affiliate of Borrower at the time of disclosure, or (y) should reasonably be understood to be confidential (the “Confidential Information”); provided, however, that any information provided by Borrower or any Affiliate of Borrower prior to the Effective Date shall be deemed to be Confidential Information. Accordingly, Rocket Lab agrees that any Confidential Information it may obtain shall not be disclosed to any other Person or entity in any manner whatsoever, in whole or in part, without the prior written consent of Borrower, except that Rocket Lab may disclose any such information: (a) to its Affiliates and its partners, investors, lenders, directors, officers, employees, agents, advisors, counsel, accountants, counsel, representative and other professional advisors if Rocket Lab in its sole discretion determines that any such party should have access to such information in connection with such party’s responsibilities in connection with the Milestone Advances or this Agreement and, provided that such recipient of such Confidential Information either (i) agrees to be bound by the confidentiality provisions of this paragraph or (ii) is otherwise subject to confidentiality restrictions that reasonably protect against the disclosure of Confidential Information; (b) if such information is generally available to the public or to the extent such information becomes publicly available other than as a result of a breach of this Section or becomes available to Rocket Lab, or any of their respective Affiliates on a non-confidential basis from a source other than Borrower or an Affiliate of Borrower; (c) if required or appropriate in any report, statement or testimony submitted to any governmental authority having or claiming to have jurisdiction over Rocket Lab and any rating agency; (d) if required in response to any summons or subpoena or in connection with any litigation, to the extent deemed advisable by Rocket Lab’s counsel; (e) to comply with any legal requirement or law applicable to Rocket Lab or demanded by any governmental authority; (f) to the extent reasonably necessary in connection with the exercise of, or preparing to exercise, or the enforcement of, or preparing to enforce, any right or remedy under any Loan Document (including Rocket Lab’s sale, lease, or other disposition of Collateral after default), or any action or proceeding relating to any Loan Document; or (g) otherwise with the prior consent of Borrower.

12.8 **Attorneys’ Fees, Costs and Expenses.** In any action or proceeding between any Loan Party and Rocket Lab arising out of or relating to the Loan Documents, the prevailing party shall be entitled to recover its reasonable attorneys’ fees and other costs and expenses incurred, in addition to any other relief to which it may be entitled.

12.9 **Electronic Execution of Documents.** The words “execution,” “signed,” “signature” and words of like import in any Loan Document shall be deemed to include electronic signatures or the keeping of records in electronic form, each of which shall be of the same legal effect, validity and enforceability as a manually executed signature or the use of a paper-based recordkeeping systems, as the case may be, to the extent and as provided for in any applicable law, including, without limitation, any state law based on the Uniform Electronic Transactions Act.

12.10 **Right of Setoff.** Subject to the Subordination Agreements, each Loan Party hereby grants to Rocket Lab a Lien and a right of setoff as security for all Obligations to Rocket Lab, whether now existing or hereafter arising upon and against all deposits, credits, collateral and property, now or hereafter in the possession, custody, safekeeping or control of Rocket Lab or any entity under the control of Rocket Lab (including a subsidiary of Rocket Lab) or in transit to any

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of them that in each case constitutes Collateral. At any time after the occurrence and during the continuance of an Event of Default, without demand or notice, Rocket Lab may setoff the same or any part thereof and apply the same to any liability or Obligation of any Loan Party even though unmatured and regardless of the adequacy of any other collateral securing the Obligations. ANY AND ALL RIGHTS TO REQUIRE LENDER TO EXERCISE ITS RIGHTS OR REMEDIES WITH RESPECT TO ANY OTHER COLLATERAL WHICH SECURES THE OBLIGATIONS, PRIOR TO EXERCISING ITS RIGHT OF SETOFF WITH RESPECT TO SUCH DEPOSITS, CREDITS OR OTHER PROPERTY OF BORROWER, ARE HEREBY KNOWINGLY, VOLUNTARILY AND IRREVOCABLY WAIVED.

12.11 Captions. The headings used in this Agreement are for convenience only and shall not affect the interpretation of this Agreement.

12.12 Construction of Agreement. The parties mutually acknowledge that they and their attorneys have participated in the preparation and negotiation of this Agreement. In cases of uncertainty this Agreement shall be construed without regard to which of the parties caused the uncertainty to exist.

12.13 Relationship. The relationship of the parties to this Agreement is determined solely by the provisions of this Agreement. The parties do not intend to create any agency, partnership, joint venture, trust, fiduciary or other relationship with duties or incidents different from those of parties to an arm's-length contract.

12.14 Third Parties. Nothing in this Agreement, whether express or implied, is intended to: (a) confer any benefits, rights or remedies under or by reason of this Agreement on any persons other than the express parties to it and their respective permitted successors and assigns; (b) relieve or discharge the obligation or liability of any person not an express party to this Agreement; or (c) give any person not an express party to this Agreement any right of subrogation or action against any party to this Agreement.

13 GUARANTY

13.1 Guaranty.

Each Guarantor party to this Agreement hereby absolutely and unconditionally, jointly and severally guarantees, as primary obligor and as a guaranty of payment and performance and not merely as a guaranty of collection, prompt payment when due, whether at stated maturity, by required prepayment, upon acceleration, demand or otherwise, and at all times thereafter, of any and all Obligations (for each such Guarantor, subject to the proviso in this sentence, its "Guaranteed Obligations"); provided, that, the liability of each Guarantor individually with respect to this Guaranty shall be limited to an aggregate amount equal to the largest amount that would not render its obligations hereunder subject to avoidance under Section 548 of the Bankruptcy Code of the United States or any comparable provisions of any applicable state law or other applicable law. Without limiting the generality of the foregoing, the Guaranteed Obligations shall include any such indebtedness, obligations, and liabilities, or portion thereof, which may be or hereafter become unenforceable or compromised or shall be an allowed or disallowed claim under any proceeding or case commenced by or against any debtor under any Debtor Relief Laws. Rocket

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Lab's books and records showing the amount of the Obligations shall be admissible in evidence in any action or proceeding, and shall be binding upon each Guarantor, and conclusive for the purpose of establishing the amount of the Obligations. This Guaranty shall not be affected by the genuineness, validity, regularity or enforceability of the Obligations or any instrument or agreement evidencing any Obligations, or by the existence, validity, enforceability, perfection, non-perfection or extent of any collateral therefor, or by any fact or circumstance relating to the Obligations which might otherwise constitute a defense to the obligations of the Guarantors, or any of them, under this Guaranty, and each Guarantor party hereto hereby irrevocably waives any defenses it may now have or hereafter acquire in any way relating to any or all of the foregoing.

13.2 Rights of Rocket Lab.

Each Guarantor party hereto consents and agrees that Rocket Lab may, at any time and from time to time, without notice or demand, and without affecting the enforceability or continuing effectiveness hereof: (a) amend, extend, renew, compromise, discharge, accelerate or otherwise change the time for payment or the terms of the Obligations or any part thereof (subject to the terms of this Agreement); (b) take, hold, exchange, enforce, waive, release, fail to perfect, sell, or otherwise dispose of any security for the payment of this Guaranty or any Obligations; (c) apply such security and direct the order or manner of sale thereof as Rocket Lab in its sole discretion may determine; and (d) release or substitute one or more of any endorsers or other guarantors of any of the Obligations. Without limiting the generality of the foregoing, each such Guarantor consents to the taking of, or failure to take, any action which might in any manner or to any extent vary the risks of such Guarantor under this Guaranty or which, but for this provision, might operate as a discharge of such Guarantor.

13.3 Certain Waivers.

Each Guarantor party to this Agreement waives (a) any defense arising by reason of any disability or other defense of Borrower or any other guarantor, or the cessation from any cause whatsoever (including any act or omission of Rocket Lab) of the liability of Borrower or any other Loan Party; (b) any defense based on any claim that such Guarantor's obligations exceed or are more burdensome than those of Borrower or any other Loan Party; (c) the benefit of any statute of limitations affecting any Guarantor's liability hereunder; (d) the right, prior to the payment in full of the Obligations (other than inchoate indemnity obligations as to which no claim has been asserted), to (i) exercise any right to proceed against Borrower or any other Loan Party, (ii) proceed against or exhaust any security for the Obligations, or (iii) pursue any other remedy in the power of Rocket Lab whatsoever; (e) any benefit of and any right to participate in any security now or hereafter held by Rocket Lab; and (f) to the fullest extent permitted by law, any and all other defenses or benefits that may be derived from or afforded by applicable law limiting the liability of or exonerating guarantors or sureties. Each Guarantor party to this Agreement expressly waives all setoffs and counterclaims and all presentments, demands for payment or performance, notices of nonpayment or nonperformance, protests, notices of protest, notices of dishonor and all other notices or demands of any kind or nature whatsoever with respect to the Obligations (other than notices or demands expressly provided for in the Loan Documents), and all notices of acceptance of this Guaranty or of the existence, creation or incurrence of new or additional Obligations. Each Guarantor party hereto waives any rights and defenses that are or may become available to it by reason of §§ 2787 to 2855, inclusive, and §§ 2899 and 3433 of the California Civil Code. The

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foregoing waivers and the provisions hereinafter set forth in this Guaranty which pertain to California law are included solely out of an abundance of caution, and shall not be construed to mean that any of the above-referenced provisions of California law are in any way applicable to this Guaranty or the Obligations. Each Guarantor party hereto waives any rights and defenses that are or may become available to it by reason of §§ 2787 to 2855, inclusive, and §§ 2899 and 3433 of the California Civil Code.

13.4 Obligations Independent.

The obligations of each Guarantor hereunder are those of primary obligor, and not merely as surety, and are independent of the Obligations and the obligations of any other guarantor, and a separate action may be brought against each Guarantor to enforce this Guaranty whether or not Borrower or any other person or entity is joined as a party.

13.5 Subrogation.

No Guarantor party hereto shall exercise any right of subrogation, contribution, indemnity, reimbursement or similar rights with respect to any payments it makes under this Guaranty until all of the Obligations and any amounts payable under this Guaranty have been paid and performed in full and the Commitments and the Facilities are terminated. If any amounts are paid to a Guarantor party hereto in violation of the foregoing limitation, then such amounts shall be held in trust for the benefit of Rocket Lab and shall forthwith be paid to Rocket Lab to reduce the amount of the Obligations, whether matured or unmatured.

13.6 Termination; Reinstatement.

This Guaranty is a continuing and irrevocable guaranty of all Obligations now or hereafter existing and shall remain in full force and effect until the Maturity Date. Notwithstanding the foregoing, this Guaranty shall continue in full force and effect or be revived, as the case may be, if any payment by or on behalf of Borrower or a Guarantor is made, or Rocket Lab exercises its right of setoff, in respect of the Obligations and such payment or the proceeds of such setoff or any part thereof is subsequently invalidated, declared to be fraudulent or preferential, set aside or required (including pursuant to any settlement entered into by Rocket Lab in its discretion) to be repaid to a trustee, receiver or any other party, in connection with any proceeding under any Debtor Relief Laws or otherwise, all as if such payment had not been made or such setoff had not occurred and whether or not Rocket Lab is in possession of or have released this Guaranty and regardless of any prior revocation, rescission, termination or reduction. The obligations of each Guarantor under this Section 13.6 shall survive termination of this Guaranty.

13.7 Stay of Acceleration.

If acceleration of the time for payment of any of the Obligations is stayed, in connection with any case commenced by or against a Guarantor or Borrower under any Debtor Relief Laws, or otherwise, all such amounts shall nonetheless be payable by each Guarantor, jointly and severally, immediately upon demand by Rocket Lab.

13.8 Condition of Borrower.

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Each Guarantor acknowledges and agrees that it has the sole responsibility for, and has adequate means of, obtaining from Borrower and any other guarantor such information concerning the financial condition, business and operations of Borrower and any such other guarantor as such Guarantor requires, and that Rocket Lab has no duty, and such Guarantor is not relying on Rocket Lab at any time, to disclose to it any information relating to the business, operations or financial condition of Borrower or any other guarantor (each Guarantor waiving any duty on the part of Rocket Lab to disclose such information and any defense relating to the failure to provide the same).

13.9 Appointment of Borrower.

Each of the Loan Parties hereby appoints Borrower to act as its agent for all purposes of this Agreement, the other Loan Documents and all other documents and electronic platforms entered into in connection herewith and agrees that (a) Borrower may execute such documents and provide such authorizations on behalf of such Loan Parties as Borrower deems appropriate in its sole discretion and each Loan Party shall be obligated by all of the terms of any such document and/or authorization executed on its behalf, (b) any notice or communication delivered by Rocket Lab to Borrower shall be deemed delivered to each Loan Party and (c) Rocket Lab may accept, and be permitted to rely on, any document, authorization, instrument or agreement executed by Borrower on behalf of each of the Loan Parties.

13.10 Right of Contribution.

The Guarantors agree among themselves that, in connection with payments made hereunder, each Guarantor shall have contribution rights against the other Guarantors as permitted under applicable law.

14 DEFINITIONS

Definitions. As used in the Loan Documents, the word “shall” is mandatory, the word “may” is permissive, the word “or” is not exclusive, the words “includes” and “including” are not limiting, the singular includes the plural, and numbers denoting amounts that are set off in brackets are negative. As used in this Agreement, the following capitalized terms have the following meanings:

“Account” is, as to any Person, any “account” of such Person as “account” is defined in the Code with such additions to such term as may hereafter be made, and includes, without limitation, all accounts receivable and other sums owing to such Person.

“Account Debtor” is any “account debtor” as defined in the Code with such additions to such term as may hereafter be made.

“Acquisition” means any transaction or series of related transactions for the purpose of or resulting, directly or indirectly, in (a) the acquisition of all or substantially all of the assets of a Person, or of any business, line of business or division or other unit of operation of a Person or (b) the acquisition of fifty percent (50%) or more of the equity securities of any Person, whether or not involving a merger, consolidation or similar transaction with such other Person, or otherwise causing any Person to become a Subsidiary of Borrower

causing any person to become a substantial or borrower.

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“Affiliate” is, with respect to any Person, each other Person that owns or controls directly or indirectly the Person, any Person that controls or is controlled by or is under common control with the Person, and each of that Person’s senior executive officers, directors, partners and, for any Person that is a limited liability company, that Person’s managers and members.

“Agreement” is defined in the preamble hereof.

“Bank Loan Agreement” means the documents evidencing or securing the Commercial Credit Facility (as that term is defined in the Senior Loan Agreement).

“Bank Subordination Agreement” is defined in Section 4.4.

“Board” is Parent’s board of directors.

“Borrower” is defined in the preamble hereof.

“**Borrower’s Books**” are all Borrower’s books and records including ledgers, federal and state tax returns, records regarding Borrower’s assets or liabilities, the Collateral, business operations or financial condition, and all computer programs or storage or any equipment containing such information.

“Business Day” is any day that is not a Saturday, Sunday or a day on which banking institutions in the State of New York are closed for business.

“Calendar Quarter” means each of the periods from (i) the beginning of January until the end of March, (ii) the beginning of April until the end of June, (iii) the beginning of July until the end of September and (iv) the beginning of October until the end of December of the respective calendar year.

“Capitalized Lease Obligation” means, at the time any determination thereof is to be made, the amount of the liability in respect of a Capitalized Lease that would at such time be required to be capitalized and reflected as a liability on a balance sheet (excluding the footnotes thereto) prepared in accordance with GAAP.

“Capitalized Leases” means, as applied to any Person, all operating and finance leases of property that have been or are required to be, in accordance with GAAP, recorded as capitalized leases of such Person.

“Capital Stock” means, with respect to any Person, any and all shares, interests, participations or other equivalents, including membership interests (however designated, whether voting or non-voting), of equity of such Person, including, if such Person is a partnership, partnership interests (whether general or limited) or any other interest or participation that confers on a Person the right to receive a share of the profits and losses of, or distributions of assets of, such partnership, but in no event will Capital Stock include any debt securities convertible or exchangeable into equity unless and until actually converted or exchanged.

“Cash Equivalents” means, as at any date of determination, (a) readily marketable securities (i) issued or directly and unconditionally guaranteed or insured as to interest and

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principal by the United States government or (ii) issued by any agency or instrumentalities of the United States the obligations of which are backed by the full faith and credit of the United States and, in each case, repurchase agreements and reverse repurchase agreements relating thereto; (b) readily marketable direct obligations issued by any state of the United States or any political subdivision thereof or any public instrumentality thereof and, in each case, repurchase agreements and reverse repurchase agreements relating thereto; (c) commercial paper maturing no more than one year from the date of creation thereof and having, at the time of the acquisition thereof, a rating of at least A-2 from Standard & Poors or at least P-2 from Moody's (or, if at any time neither Standard & Poors nor Moody's shall be rating such obligations, an equivalent rating from another nationally recognized statistical rating agency); (d) deposits, money market deposits, time deposit accounts, certificates of deposit, or bankers' acceptances (or similar instruments) maturing within one year after such date and issued or accepted by any commercial bank organized under the laws of the U.S., or any state thereof or the District of Columbia that has capital and surplus of not less than \$100,000,000 or, in each case, repurchase agreements and reverse repurchase agreements relating thereto; and (e) shares of any money market mutual fund that (i) has substantially all of its assets invested in the types of investments referred to in clauses (a) and (b) above, (ii) has net assets of not less than \$250,000,000 and (iii) has a rating of at least A-2 from Standard & Poors or at least P-2 from Moody's.

"Code" is the Uniform Commercial Code, as the same may, from time to time, be enacted and in effect in the State of New York; provided, that, to the extent that the Code is used to define any term herein or in any Loan Document and such term is defined differently in different Articles or Divisions of the Code, the definition of such term contained in Article or Division 9 shall govern; provided further, that in the event that, by reason of mandatory provisions of law, any or all of the attachment, perfection, or priority of, or remedies with respect to, Rocket Lab's Lien on any Collateral is governed by the Uniform Commercial Code in effect in a jurisdiction other than the State of New York, the term "Code" shall mean the Uniform Commercial Code as enacted and in effect in such other jurisdiction solely for purposes of the provisions thereof relating to such attachment, perfection, priority, or remedies and for purposes of definitions relating to such provisions.

"Collateral" is any and all properties, rights and assets of the Loan Parties described on Exhibit A.

"Confidential Information" is defined in Section 12.7.

"Contingent Obligation" is, for any Person, any direct or indirect liability, contingent or not, of that Person for (a) any indebtedness, lease, dividend, letter of credit or other obligation of another such as an obligation, in each case, directly or indirectly guaranteed, endorsed, co made, discounted or sold with recourse by that Person, or for which that Person is directly or indirectly liable; (b) any obligations for undrawn letters of credit for the account of that Person; and (c) all obligations from any interest rate, currency or commodity swap agreement, interest rate cap or collar agreement, or other agreement or arrangement designated to protect a Person against fluctuation in interest rates, currency exchange rates or commodity prices; but "Contingent Obligation" does not include endorsements or indemnities or warranties provided in the ordinary course of business. The amount of a Contingent Obligation is the stated or determined amount of the primary obligation for which the Contingent Obligation is made or, if not determinable, the

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maximum reasonably anticipated liability for it determined by the Person in good faith; but the amount may not exceed the maximum of the obligations under any guarantee or other support arrangement.

“Copyrights” are any and all copyright rights, copyright applications, copyright registrations and like protections in each work of authorship and derivative work thereof, whether published or unpublished and whether or not the same also constitutes a trade secret.

“Debtor Relief Laws” means the Bankruptcy Code of the United States, and all other liquidation, conservatorship, bankruptcy, assignment for the benefit of creditors, moratorium, rearrangement, receivership, insolvency, reorganization, or similar debtor relief Laws of the United States or other applicable jurisdictions from time to time in effect.

“Deemed Effective Date” means fifteen (15) Business Days after the later of (a) the date that Rocket Lab has delivered to Borrower a final root cause analysis [***], and (b) all applicable governmental agencies (including the Federal Aviation Administration) have authorized Rocket Lab to resume rocket launches.

“Default Rate” is defined in Section 2.5(b).

“Division” means, in reference to any Person which is an entity, the division of such Person into two (2) or more separate Persons, with the dividing Person either continuing or terminating its existence as part of such division, including, without limitation, as contemplated under Section 18-217 of the Delaware Limited Liability Company Act for limited liability companies formed under Delaware law, or any analogous action taken pursuant to any other applicable law with respect to any corporation, limited liability company, partnership or other entity.

“Dollars,” “dollars” or use of the sign “\$” means only lawful money of the United States and not any other currency, regardless of whether that currency uses the “\$” sign to denote its currency or may be readily converted into lawful money of the United States.

“Domestic Subsidiary” means a Subsidiary organized under the laws of the United States or any state or territory thereof or the District of Columbia.

“Effective Date” is defined in the preamble hereof.

“Equipment” is all “equipment” as defined in the Code with such additions to such term as may hereafter be made, and includes without limitation all machinery, fixtures, goods, vehicles (including motor vehicles and trailers), and any interest in any of the foregoing.

“ERISA” is the Employee Retirement Income Security Act of 1974, and its regulations.

“Event of Default” is defined in Section 8.

“Exchange Act” is the Securities Exchange Act of 1934, as amended.

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“**Excusable Delay**” has the meaning assigned to such term in the Launch Services Agreement.

“FCC” means the Federal Communications Commission of the United States.

“Foreign Subsidiary” means any Subsidiary which is not a Domestic Subsidiary.

“Funding Date” is any date on which a Milestone Advance for any Mission is made to or for the account of Borrower which shall be a Business Day.

“GAAP” is generally accepted accounting principles set forth in the opinions and pronouncements of the Accounting Principles Board of the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board or in such other statements by such other Person as may be approved by a significant segment of the accounting profession, which are applicable to the circumstances as of the date of determination.

“General Intangibles” is all “general intangibles” as defined in the Code in effect on the date hereof with such additions to such term as may hereafter be made, and includes without limitation, all Intellectual Property, claims, income and other tax refunds, security and other deposits, payment intangibles, contract rights, options to purchase or sell real or personal property, rights in all litigation presently or hereafter pending (whether in contract, tort or otherwise), insurance policies (including without limitation key man, property damage, and business interruption insurance), payments of insurance and rights to payment of any kind.

“Governmental Approval” is any consent, authorization, approval, order, license, franchise, permit, certificate, accreditation, registration, filing or notice, of, issued by, from or to, or other act by or in respect of, any Governmental Authority.

“Governmental Authority” is any nation or government, any state or other political subdivision thereof, any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative functions of or pertaining to government, any securities exchange and any self-regulatory organization.

“Guaranteed Obligations” is defined in Section 13(a).

“Guarantor” is any Person providing a Guaranty in favor of Rocket Lab.

“Guaranty” is the Guaranty described in Section 13 and any other guarantee of all or any part of the Obligations, as the same may from time to time be amended, restated, modified or otherwise supplemented.

“Indebtedness” is (a) indebtedness for borrowed money or the deferred price of property or services, such as reimbursement and other obligations for surety bonds and letters of credit, (b) obligations evidenced by notes, bonds, debentures or similar instruments, (c) Capitalized Lease Obligations and Purchase Money Obligations, and (d) Contingent Obligations with respect to the Indebtedness described in clauses (a) through (c) of this definition; provided that Indebtedness

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shall not include prepaid or deferred revenue (as determined in accordance with GAAP) arising in the ordinary course of business.

“Insolvency Proceeding” is any proceeding by or against any Person under the United States Bankruptcy Code, or any other bankruptcy or insolvency law, including assignments for the benefit of creditors, compositions, extensions generally with its creditors, or proceedings seeking reorganization, arrangement, or other relief.

“Intellectual Property” means, with respect to any Person, all of such Person’s right, title, and interest in and to the following:

- (a) its Copyrights, Trademarks and Patents;
- (b) any and all trade secrets and trade secret rights, including, without limitation, any rights to unpatented inventions, know-how and operating manuals;
- (c) any and all source code;
- (d) any and all design rights which may be available to such Person;
- (e) any and all claims for damages by way of past, present and future infringement of any of the foregoing, with the right, but not the obligation, to sue for and collect such damages for said use or infringement of the Intellectual Property rights identified above; and
- (f) all amendments, renewals and extensions of any of the Copyrights, Trademarks or Patents.

“Intercreditor Agreement” has the meaning assigned to such term on the cover page of this Agreement.

“Inventory” means all “inventory” as defined in the Code in effect on the date hereof with such additions to such term as may hereafter be made, and includes without limitation all merchandise, raw materials, parts, supplies, packing and shipping materials, imagery, work in process and finished products, including without limitation such inventory as is temporarily out of Borrower’s custody or possession or in transit and including any returned goods and any documents of title representing any of the above.

“Investment” means (a) any beneficial ownership interest in any Person (including stock, partnership interest or other securities), (b) any loan, advance or capital contribution to any Person or (c) any Acquisition.

“Launch Date” means, with respect to each Mission, the applicable “Launch Date” (as defined in the Launch Services Agreement) established for such Mission in accordance with the Launch Services Agreement, including any postponements or advancements granted pursuant to the Launch Services Agreement.

“Launch Period” means, with respect to each Mission, the applicable “Launch Period” as stated in the Mission Annex for such Mission, including any postponements or advancements granted in pursuant to the Launch Services Agreement.

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“Launch Services Agreement” is defined in the recitals hereof.

“Laws” means, collectively, all international, foreign, federal, state and local statutes, treaties, rules, guidelines, regulations, ordinances, codes and administrative or judicial precedents or authorities, including the interpretation or administration thereof by any Governmental Authority charged with the enforcement, interpretation or administration thereof, and all applicable administrative orders, directed duties, requests, licenses, authorizations and permits of, and agreements with, any Governmental Authority, in each case whether or not having the force of law.

“Lender” is defined in the preamble hereof.

“Lien” means a claim, mortgage, deed of trust, levy, charge, pledge, security interest or other encumbrance of any kind, whether voluntarily incurred or arising by operation of law or otherwise against any property.

“Loan Documents” are, collectively, this Agreement and any schedules and exhibits, hereto, the Subordination Agreements, any intercreditor agreement, any promissory note or guaranties executed by Borrower or any Guarantor, and any other present or future agreement by Borrower and/or any Guarantor with or for the benefit of Rocket Lab in connection with this Agreement that is designated by Borrower as a Loan Document, all as amended, restated, or otherwise modified. For the avoidance of doubt, the Launch Services Agreement is not a Loan Document.

“Loan Parties” means, collectively, (i) Borrower, and (ii) each Guarantor party to this Agreement.

“Material Adverse Change” means (a) a material impairment in the perfection or priority of Rocket Lab’s Lien in the Collateral or in the value of such Collateral; (b) a Material Adverse Effect; or (c) a material impairment of the prospect of repayment of any material portion of the Obligations.

“Material Adverse Effect” means a material adverse change in the business, operations, or condition (financial or otherwise) of Borrower and the Guarantors, taken as a whole.

“Maturity Date” means, with respect to each Mission Specific Milestone Advance Group, the date that is three (3) years from the Launch Date for the applicable Mission.

“Milestone 2 Advance” is defined in Section 2.2(a).

“Milestone 3 Advance” is defined in Section 2.2(b).

“Milestone 4 Advance” is defined in Section 2.2(c).

“Milestone 5 Advance” is defined in Section 2.2(c).

“Milestone Advance Interest Payment” means the payment of the interest accrued on the respective, outstanding Milestone Advance at the Milestone Advance Interest Rate.

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“Milestone Advance Interest Rate” means 12.60% per annum.

“Milestone Advances” mean, with respect to each Mission, collectively, the Milestone 2 Advance, the Milestone 3 Advance and the Milestone 4 Advance.

“Milestone 2 Effective Date” means, with respect to each Mission, the date that is four (4) months before the first day of the applicable Launch Period.

“Milestone 3 Effective Date” means, with respect to each Mission, the date that is three (3) months before the first day of the applicable Launch Period.

“Milestone 4 Effective Date” means, with respect to each Mission, the date on which the Launch Date for such Mission has been established in accordance with the Launch Services Agreement.

“Milestone 5 Effective Date” means, with respect to each Mission, the Launch Date for such Mission.

“Milestone 2 Quarterly Repayment Amount” means the dollar amount equal to (i) the applicable Milestone 2 Advance divided by (ii) 12.

“Milestone 3 Quarterly Repayment Amount” means the dollar amount equal to (i) the applicable Milestone 3 Advance divided by (ii) 12.

“Milestone 4 Quarterly Repayment Amount” means the dollar amount equal to (i) the applicable Milestone 4 Advance divided by (ii) 12.

“Milestone 5 Quarterly Repayment Amount” means the dollar amount equal to (i) the applicable Milestone 5 Advance divided by (ii) 12.

“Milestone Quarterly Repayment Amount” means, collectively, with respect to each Mission Specific Milestone Advance Group, the applicable Milestone 2 Quarterly Repayment Amount, Milestone 3 Quarterly Repayment Amount, Milestone 4 Quarterly Repayment Amount and Milestone 5 Quarterly Repayment Amount.

“Milestone Repayment Period” means, with respect to each Mission Specific Milestone Advance Group, the period commencing on the applicable Repayment Start Date and ending on the applicable Maturity Date (or if earlier, the date all principal and accrued and unpaid interest under each Milestone Advance in such Mission Specific Milestone Advance Group has been paid in full).

“Mission” has the meaning assigned to such term in the Launch Services Agreement.

“Mission Annex” means, with respect to each Mission, the “Mission Annex” (as defined in the Launch Services Agreement) with respect thereto.

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“Mission Specific Milestone Advance Group” means the Milestone 2 Advance, the Milestone 3 Advance, the Milestone 4 Advance, and the Milestone 5 Advance made by Lender to Borrower with respect to a Mission.

“NOAA” means the National Oceanic and Atmospheric Administration of the United States.

“Obligations” are Borrower’s obligations to pay when due any debts, principal, interest, fees, Expenses and other amounts Borrower owes to Rocket Lab now or later under this Agreement or the other Loan Documents, including, without limitation, all obligations and interest accruing after Insolvency Proceedings begin, and to perform Borrower’s duties under the Loan Documents.

“Operating Documents” are, for any Person, such Person’s formation documents, as certified by the Secretary of State (or equivalent agency) of such Person’s jurisdiction of organization on a recent date prior to the Effective Date, and, (a) if such Person is a corporation, its bylaws in current form, (b) if such Person is a limited liability company, its limited liability company agreement (or similar agreement), and (c) if such Person is a partnership, its partnership agreement (or similar agreement), each of the foregoing with all current amendments or modifications thereto.

“Parent” means BlackSky Technology Inc., a Delaware corporation.

“Patents” means all patents, patent applications and like protections including without limitation improvements, divisions, continuations, renewals, reissues, extensions and continuations-in-part of the same.

“Perfection Certificate” means a completed certificate signed by each Loan Party, substantially in the form of Exhibit B.

“Permitted Indebtedness” is:

- (a) Loan Parties’ Indebtedness to Rocket Lab under this Agreement and the other Loan Documents;
- (b) Indebtedness existing on the Effective Date;
- (c) Subordinated Debt;
- (d) unsecured Indebtedness to trade creditors incurred in the ordinary course of business;
- (e) Indebtedness incurred as a result of endorsing negotiable instruments received in the ordinary course of business;
- (f) Indebtedness secured by Liens permitted under clauses (a) and (c) of the definition of “Permitted Liens” hereunder;
- (g) any Indebtedness that is permitted under the Senior Loan Agreement;

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(h) Indebtedness permitted as a Permitted Investment pursuant to clause (f) of the definition thereof;

(i) Indebtedness under the Senior Loan Agreement and the Bank Loan Agreement;

(j) Indebtedness incurred pursuant to the terms of the Launch Services Agreement (including any standby letters of credit acceptable to Lender);

(k) unsecured Indebtedness representing deferred compensation to employees, consultants and contractors of Parent or any Subsidiary incurred and not in excess of Two Million Five Hundred Thousand Dollars (\$2,500,000) at any time;

(l) unsecured Indebtedness consisting of promissory notes issued by any Loan Party to current or former officers, managers, consultants, directors, employees and other service providers to finance the retirement, acquisition, repurchase, purchase or redemption of shares of Parent or any Subsidiary, in an amount not to exceed Five Hundred Thousand Dollars (\$500,000) in the aggregate at any time, and to the extent permitted by Section 7.3;

(m) Indebtedness consisting of the financing of insurance premiums not exceeding One Million Dollars (\$1,000,000) in the aggregate outstanding at any time, provided such financing arrangement has been approved in writing by Rocket Lab;

(n) Indebtedness incurred by Parent or any Subsidiaries in respect of letters of credit, bank guarantees, banker's acceptances created in the ordinary course of business;

(o) intercompany Indebtedness owing (i) by and among the Loan Parties, (ii) by and among Subsidiaries that are not Loan Parties, (iii) by Subsidiaries that are not Loan Parties to Loan Parties; provided that the aggregate amount of Indebtedness, measured at the time of incurrence and after giving pro forma effect thereto and the use of the proceeds thereof, pursuant to this clause (iii) shall not exceed an aggregate principal amount of One Hundred Thousand Dollars (\$100,000) at any time, provided further that Indebtedness under this clause (iii) shall be subordinated to the Obligations pursuant to terms reasonably acceptable to Rocket Lab, and (iv) by Loan Parties to Subsidiaries that are not Loan Parties in an aggregate principal amount not to exceed One Hundred Thousand Dollars (\$100,000), provided that Indebtedness under this clause (iv) shall be subordinated to the Obligations pursuant to terms reasonably acceptable to Rocket Lab;

(p) any additional Indebtedness in an aggregate principal amount, measured at the time of incurrence and after giving pro forma effect thereto and the use of the proceeds thereof, not to exceed Two Million Five Hundred Thousand Dollars (\$2,500,000) at any time; and

(q) extensions, refinancings, replacements, amendments, amendments and restatements, supplements and/or other modifications of any items of Permitted Indebtedness (a) through (p)) above, provided that the principal amount thereof is not increased (other than in respect of premium, accrued and unpaid interest and fees, and fees and expenses in connection with the transaction giving rise to the extension, refinancing, replacement, amendment, amendment and restatement, supplement or other modification) or the terms thereof (taken as a

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whole) are not modified to impose materially more burdensome terms (taken as a whole) upon Borrower or its Subsidiary, as the case may be.

“Permitted Investments” are:

(a) Investments (including, without limitation, Subsidiaries) existing on the Effective Date;

(b) (i) Investments consisting of cash and Cash Equivalents and (ii) any Investments permitted by any Loan Party’s investment policy, as amended from time to time, provided that such amendment to the investment policy has been approved in writing by Rocket Lab;

(c) Investments consisting of the endorsement of negotiable instruments for deposit or collection or similar transactions in the ordinary course of business;

(d) (i) Investments consisting of deposits made and extensions of credit in the nature of accounts receivable or notes receivable arising from the grant of trade credit in the ordinary course of business or consistent with past practice or industry norm, and (ii) Investments received in connection with the bankruptcy or reorganization of, or settlement of delinquent accounts and disputes with or judgments against, customers and suppliers, in each case in the ordinary course of business or consistent with past practice or industry norm or Investments acquired by any Loan Party as a result of a foreclosure by such Loan Party with respect to any secured Investments or other transfer of title with respect to any secured Investment in default;

(e) Investments accepted in connection with Transfers permitted by Section 7.1;

(f) Investments (i) by and among the Loan Parties, (ii) by and among Subsidiaries that are not Loan Parties, (iii) by Subsidiaries that are Loan Parties to non-Loan Parties; provided that the aggregate amount of Investments, measured at the time of incurrence and after giving pro forma effect thereto and the use of the proceeds thereof, pursuant to this clause (iii) shall not exceed an aggregate principal amount of Two Million Dollars (\$2,000,000) at any time, provided further that Indebtedness under this clause (iii) shall be subordinated to the Obligations pursuant to terms reasonably acceptable to Rocket Lab, and (iv) by non-Loan Parties to Loan Parties in an aggregate principal amount not to exceed One Hundred Fifty Thousand Dollars (\$150,000);

(g) Investments consisting of (i) travel advances and employee relocation loans and other employee loans and advances in the ordinary course of business, and (ii) loans to employees, officers or directors relating to the purchase of equity securities of Parent or its Subsidiaries pursuant to employee stock purchase plans or agreements approved by the Board;

(h) Investments (including debt obligations) received in connection with the bankruptcy or reorganization of customers or suppliers and in settlement of delinquent obligations of, and other disputes with, customers or suppliers arising in the ordinary course of business;

(i) Investments consisting of notes receivable of, or prepaid royalties and other credit extensions, to customers and suppliers who are not Affiliates, in the ordinary course of

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business; provided that this paragraph (i) shall not apply to Investments of Parent in any Subsidiary;

(j) non-cash Investments to the extent arising solely from a subsequent increase in the value (excluding any value for which any additional consideration of any kind whatsoever has been paid or otherwise transferred, directly or indirectly, by, or on behalf of, Parent or any of its Subsidiaries) of an Investment otherwise permitted hereunder and made prior to such subsequent increase in value;

(k) any Investments that are permitted under the Senior Loan Agreement; and

(l) Investments to the extent that payment therefor is made solely with shares of Parent, provided that such Investments are not prohibited by Section 7.2 of this Agreement.

“Permitted Liens” are:

(a) Liens existing on the Effective Date or arising under this Agreement or the other Loan Documents and Liens in favor of Rocket Lab;

(b) Liens for taxes, fees, assessments or other government charges or levies, either (i) not due and payable or (ii) being contested in good faith and for which a Loan Party maintains adequate reserves on such Loan Party’s Books, provided that no notice of any such Lien has been filed or recorded under the Internal Revenue Code of 1986, as amended, and the Treasury Regulations adopted thereunder;

(c) purchase money Liens or capital leases (i) on Equipment acquired or held by any Loan Party incurred for financing the acquisition of the Equipment securing no more than One Hundred Thousand Dollars (\$100,000) in the aggregate amount outstanding, or (ii) existing on Equipment when acquired, if the Lien is confined to the property and improvements and the proceeds of the Equipment;

(d) Liens of carriers, warehousemen, suppliers, or other Persons that are possessory in nature arising in the ordinary course of business so long as such Liens attach only to Inventory, securing liabilities in the aggregate amount not to exceed One Million Dollars (\$1,000,000) and which are not delinquent or remain payable without penalty or which are being contested in good faith and by appropriate proceedings which proceedings have the effect of preventing the forfeiture or sale of the property subject thereto;

(e) Liens to secure payment of workers’ compensation, employment insurance, old-age pensions, social security and other like obligations incurred in the ordinary course of business (other than Liens imposed by ERISA);

(f) Liens incurred in the extension, renewal or refinancing of the Indebtedness secured by Liens described in (a) through (c), but any extension, renewal or replacement Lien must be limited to the property encumbered by the existing Lien and the principal amount of the indebtedness may not increase;

(g) leases or subleases of real property granted in the ordinary course of any Loan Party’s business (or, if referring to another Person, in the ordinary course of such Person’s

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business), and leases, subleases, non-exclusive licenses or sublicenses of personal property (other than Intellectual Property) granted in the ordinary course of a Loan Party's business (or, if referring to another Person, in the ordinary course of such Person's business), if the leases, subleases, licenses and sublicenses do not prohibit granting Rocket Lab a security interest therein;

(h) non-exclusive licenses of Intellectual Property granted to third parties in the ordinary course of business, and licenses of Intellectual Property that could not result in a legal transfer of title of the licensed property that may be exclusive in respects other than territory and that may be exclusive as to territory only as to discreet geographical areas outside of the United States;

(i) Liens arising from attachments or judgments, orders, or decrees in circumstances not constituting an Event of Default under Sections 8.3 and 8.5;

(j) Liens securing the obligations under the Senior Loan Agreement and the Bank Loan Agreement and Liens permitted under the Senior Loan Agreement;

(k) Liens in favor of other financial institutions arising in connection with a Loan Party's deposit and/or securities accounts held at such institutions;

(l) Liens on insurance policies and the proceeds thereof securing the financing of the premiums with respect thereto, so long as such Liens securing the financing of such insurance premiums are securing no more than One Million Dollars (\$1,000,000) in the aggregate amount outstanding at any time;

(m) Liens that are contractual rights of set-off (i) relating to the establishment of depository relations with banks or other financial institutions not given in connection with the incurrence of Indebtedness, (ii) relating to pooled deposit or sweep accounts of Parent or any Subsidiary to permit satisfaction of overdraft or similar obligations incurred in the ordinary course of business of Parent or any Subsidiary or (iii) relating to purchase orders and other agreements entered into with customers of Parent or any Subsidiary in the ordinary course of business; and

(n) Liens not otherwise permitted herein; provided that at the time of the incurrence thereof and after giving pro forma effect thereto and the use of proceeds thereof, the aggregate outstanding amount of Indebtedness and other obligations secured thereby does not exceed Two Million Five Hundred Thousand Dollars (\$2,500,000).

"Person" is any individual, sole proprietorship, partnership, limited liability company, joint venture, company, trust, unincorporated organization, association, corporation, institution, public benefit corporation, firm, joint stock company, estate, entity or government agency.

"Price" with respect to any Mission, shall mean the "Price" for such Mission determined in accordance with the Launch Services Agreement.

"Purchase Money Obligation" shall mean, for any Person, the obligations of such Person in respect of Indebtedness (including Capitalized Lease Obligations) incurred for the purpose of financing all or any part of the purchase price of any fixed or capital assets or the cost of installation, construction or improvement of any fixed or capital assets.

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“Quarterly Financial Statements” has the meaning assigned to such term in Section Error! Reference source not found..

“Quarterly Payment Date” has the meaning assigned to such term in Section 2.3(a).

“Refundable Amount” has the meaning assigned to such term in Section 2.3(c).

“Repayment Start Date” means, with respect to each Mission, the first (1st) Business Day that is at least forty-five (45) days following the Launch Date (giving effect to any postponement or advancement of the Launch Date).

“Responsible Officer” is any of the Chief Executive Officer, President, Chief Financial Officer, Secretary and Controller of a Loan Party.

“Restricted Payment” has the meaning assigned to such term in Section 7.5.

“**Senior Collateral Agent**” means Intelsat Jackson Holdings SA, as collateral agent under the Senior Loan Agreement, and any successor collateral agent under the Senior Loan Agreement.

“Senior Lender” means, collectively, Intelsat Jackson Holdings SA, Seahawk SPV Investment LLC and any other lender party to the Senior Loan Agreement.

“Senior Loan Agreement” has the meaning assigned to such term in the recitals hereof.

“Specified Mission” has the meaning assigned to such term in Section 8.9.

“Specified Mission Event of Default” has the meaning assigned to such term in Section 8.9.

“Subordinated Debt” means indebtedness incurred by any Loan Party subordinated to all of such Loan Party’s now or hereafter indebtedness under this Agreement and any Loan Document (pursuant to a subordination, intercreditor, or other similar agreement in form and substance satisfactory to Rocket Lab entered into between Rocket Lab and the other creditor), on terms acceptable to Rocket Lab.

“Subordination Agreements” means the Bank Subordination Agreement and the Senior Subordination Agreement.

“Subsidiary” is, as to any Person, a corporation, partnership, limited liability company or other entity of which shares of stock or other ownership interests having ordinary voting power (other than stock or such other ownership interests having such power only by reason of the happening of a contingency) to elect a majority of the board of directors or other managers of such corporation, partnership or other entity are at the time owned, or the management of which is otherwise controlled, directly or indirectly through one or more intermediaries, or both, by such Person. Unless the context otherwise requires, each reference to a Subsidiary herein shall be a reference to a Subsidiary of Borrower or a Guarantor. For the avoidance of doubt, LeoStella LLC is not a Subsidiary of Borrower or any Guarantor.

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“Subsidiary Guarantor” means any Subsidiary that is also a Guarantor.

“Trademarks” means any trademark and service mark rights, whether registered or not, applications to register and registrations of the same and like protections, and the entire goodwill of the business of Borrower connected with and symbolized by such trademarks.

“Transfer” is defined in Section 7.1.

[Signature page follows.]

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IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the Effective Date.

BORROWER:

BLACKSKY GLOBAL LLC

By: /s/ Brian O'Toole

Name: Brian O'Toole

Title: Manager

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GUARANTORS:

BLACKSKY TECHNOLOGY INC.

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

BLACKSKY INTERNATIONAL LLC

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

BLACKSKY HOLDINGS, INC.

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

BLACKSKY GEOSPATIAL SOLUTIONS, INC.

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

BLACKSKY EUROPE LIMITED

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

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SFI IP HOLDCO, LLC

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

BUILDING 5 LLC

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

LENDER:

ROCKET LAB USA, INC.

By: /s/ Adam Spice
Name: Adam Spice
Title: Chief Financial Officer

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SCHEDULE 5.7

Subsidiaries

Subsidiary	Jurisdiction of Organization	Owner of Capital Stock	% Owned by Owner
BlackSky Holdings, Inc.	Delaware	BlackSky Technology Inc.	100%
BlackSky Global LLC	Delaware	BlackSky Holdings, Inc.	100%
SFI IP Holdco LLC.	Delaware	BlackSky Holdings, Inc.	100%
BlackSky International LLC	Delaware	BlackSky Holdings, Inc.	100%
Building 5 LLC	Delaware	BlackSky Holdings, Inc.	100%
BlackSky Geospatial Solutions, Inc.	Delaware	BlackSky Global LLC	100%
BlackSky Europe Limited	England and Wales	BlackSky International LLC	100%

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EXHIBIT A - COLLATERAL DESCRIPTION

The Collateral consists of all of each Loan Party's right, title and interest in and to the following personal property:

All goods, Accounts (including health-care receivables), Equipment, Inventory, contract rights or rights to payment of money, leases, license agreements, franchise agreements, General Intangibles (including Intellectual Property), commercial tort claims, documents, instruments (including any promissory notes), chattel paper (whether tangible or electronic), cash, deposit accounts, certificates of deposit, fixtures, letters of credit rights (whether or not the letter of credit is evidenced by a writing), securities, and all other investment property, supporting obligations, and financial assets, whether now owned or hereafter acquired, wherever located; and

All such Loan Party's Books relating to the foregoing, and any and all claims, rights and interests in any of the above and all substitutions for, additions, attachments, accessories, accessions and improvements to and replacements, products, proceeds and insurance proceeds of any or all of the foregoing.

Notwithstanding the foregoing, the Collateral does not include (a) more than sixty-five percent (65.0%) of the presently existing and hereafter arising issued and outstanding shares of capital stock owned by such Loan Party of any Foreign Subsidiary which shares entitle the holder thereof to vote for directors or any other matter, (b) any intent-to-use Trademarks or applications therefor, unless and until acceptable evidence of use of the Trademark has been filed with and accepted by the United States Patent and Trademark Office pursuant to Section 1(c) or Section 1(d) of the Lanham Act (15 U.S.C. §§ 1051, et seq.), (c) rights held under a license that are not assignable by their terms without the consent of the licensor thereof (but only to the extent such restriction on assignment is enforceable under applicable law), (d) any interest of such Loan Party as a lessee under an Equipment lease if such Loan Party is prohibited by the terms of such lease from granting a security interest in such lease or under which such an assignment or Lien would cause a default to occur under such lease; provided, however, that upon termination of such prohibition, such interest shall immediately become Collateral without any action by such Loan Party or Rocket Lab, (e) any Governmental Approvals subject to licensing arrangements with the FCC and/or NOAA authorizations (collectively, the "FCC and NOAA Licenses") to the extent a security interest therein is expressly prohibited or expressly restricted thereby or requires any consent, acknowledgement or authorization of a Governmental Authority that has not been obtained after giving effect to the applicable anti-assignment provisions of the Code and other applicable law, provided, however, the Collateral shall include all Accounts and all proceeds of the FCC and NOAA Licenses, (f) any interest of such Loan Party as a lessee or sublessee under a real property lease; (g) any license, instrument, franchise, charter, authorization, contract or other agreement to which such Loan Party is a party, and any of its rights or interest thereunder, and any assets to the extent that a security interest therein: (i) is prohibited by or in violation of any law, rule or regulation applicable to such Loan Party or would require regulatory or governmental approval, consent or authorization not obtained, (ii) is prohibited by or in violation of the terms of any such license, instrument, franchise, charter, authorization, contract or other agreement or would create a right of termination in favor of any other party thereto (other than such Loan Party

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and its Affiliates) or would require any consent, approval, license or other authorization of any third party (other than such Loan Party and its Affiliates), (iii) in the case of assets subject to liens securing permitted acquired debt (limited to the acquired assets), sale and leaseback transactions, purchase money debt or capital lease obligations, in each case, permitted under the Loan Documents, to the extent and for so long as the agreements governing such debt or capital lease obligations do not permit the grant of a security interest in such assets or require the consent of any person (other than such Loan Party and its Affiliates) as a condition to the creation of any other security interest on such asset or if the granting of a security interest in such assets would create a right of termination in favor of any other party thereto, or (iv) to the extent and for so long as the grant of a security interest in such asset is not permitted pursuant to the terms of a contract binding on such asset at the time of acquisition thereof and was not entered into in contemplation of such acquisition, in each case of clauses (i) through (iv), after giving effect to the applicable anti-assignment provisions of the Code and other applicable Laws; (h) any asset, to the extent that a security interest therein reasonably would be expected to result in adverse tax consequences to such Loan Party or any Affiliate; (i) any property or asset with respect to which the Lender and Borrower shall have mutually determined in their reasonable discretion that the cost of obtaining, perfecting or maintaining a security interest in such property or asset exceeds the value of the security afforded thereby; or (j) any cash collateral maintained securing letter of credit reimbursement obligations and credit card obligations, in each case, permitted under Section 7.4.

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<u>Name of Subsidiary</u>	<u>Jurisdiction</u>
BlackSky Holdings, Inc.	Delaware
BlackSky Global LLC	Delaware
BlackSky Geospatial Solutions, Inc.	Delaware
BlackSky International LLC	Delaware
BlackSky Europe Limited	United Kingdom
Building 5 LLC	Delaware
SFI IP Holdco LLC	Delaware

Public

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in Registration Statement Nos. 333-267889, 333-260458, and 333-271056 on Forms S-3, and Registration Statement Nos. 333-264023, 333-261778, 333-263306, and 333-272566 on Forms S-8 of our report dated March 19, 2024, relating to the financial statements of BlackSky Technology Inc. appearing in this Annual Report on Form 10-K for the fiscal year ended December 31, 2023.

/s/ Deloitte & Touche LLP

McLean, Virginia
March 19, 2024

**CERTIFICATION PURSUANT TO
RULES 13a-14(a) AND 15d-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934,
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Brian O'Toole, certify that:

1. I have reviewed this Annual Report on Form 10-K for the year ended December 31, 2023 of BlackSky Technology Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 19, 2024

/s/ Brian O'Toole

Brian O'Toole

President and Chief Executive Officer
(Principal Executive Officer)

**CERTIFICATION PURSUANT TO
RULES 13a-14(a) AND 15d-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934,
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Henry Dubois, certify that:

1. I have reviewed this Annual Report on Form 10-K for the year ended December 31, 2023 of BlackSky Technology Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 19, 2024

/s/ Henry Dubois

Henry Dubois

Chief Financial Officer

(Principal Financial Officer)

**CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER PURSUANT TO
18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Annual Report of BlackSky Technology Inc. (the "Company") on Form 10-K for the year ended December 31, 2023 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Brian O'Toole, hereby certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

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

/s/ Brian O'Toole

Brian O'Toole

President, Chief Executive Officer

(Principal Executive Officer)

Date: March 19, 2024

**CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER PURSUANT TO
18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Annual Report of BlackSky Technology Inc. (the "Company") on Form 10-K for the year ended December 31, 2023 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Henry Dubois, hereby certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

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

/s/ Henry Dubois

Henry Dubois

Chief Financial Officer

(Principal Financial Officer)

Date: March 19, 2024

BlackSky Technology Inc.**COMPENSATION RECOVERY POLICY**

As adopted on November 1, 2023 with an effective date of December 1, 2023

BlackSky Technology Inc. (the “**Company**”) is committed to strong corporate governance. As part of this commitment, the Company’s Board of Directors (the “**Board**”) has adopted this clawback policy called the Compensation Recovery Policy (the “**Policy**”). The Policy is intended to further the Company’s pay-for-performance philosophy and to comply with applicable laws by providing rules relating to the reasonably prompt recovery of certain compensation received by Covered Executives in the event of an Accounting Restatement. The application of the Policy to Covered Executives is not discretionary, except to the limited extent provided below, and applies without regard to whether a Covered Executive was at fault. Capitalized terms used in the Policy are defined below. The definitions of such capitalized terms have a substantive impact on the Policy’s application and thus carefully reviewing the definitions is important to your understanding of the Policy.

The Policy is intended to comply with, and will be interpreted in a manner consistent with, Section 10D of the Securities Exchange Act of 1934 (the “**Exchange Act**”), with Exchange Act Rule 10D-1 and with the listing standards of the national securities exchange on which the securities of the Company are listed (the “**Exchange**”), including any official interpretive guidance.

Persons Covered by the Policy

The Policy is binding and enforceable against all “**Covered Executives**.” A Covered Executive is each individual who is or was ever designated as an “officer” by the Board in accordance with Exchange Act Rule 16a-1(f) (a “**Section 16 Officer**”). The Committee may, but is not obligated to, request or require a Covered Executive to sign and return to the Company an acknowledgment that such Covered Executive will be bound by the terms and comply with the Policy. The Policy is binding on each Covered Executive whether or not the Covered Executive signs and/or returns any acknowledgment.

Administration of the Policy

The Compensation Committee (the “**Committee**”) of the Board has full delegated authority to administer the Policy. The Committee is authorized to interpret and construe the Policy and to make all determinations necessary, appropriate, or advisable for the administration of the Policy. In addition, if determined in the discretion of the Board, the independent Board members, or another committee of the Board consisting of independent Board members, may administer the Policy, in which case all references to the Committee will be deemed to refer to the independent Board members or such other Board committee. All determinations of the Committee will be final and binding and given the maximum deference permitted by law.

Accounting Restatements Requiring Application of the Policy

If the Company is required to prepare an accounting restatement due to the material noncompliance of the Company with any financial reporting requirement under the securities laws, including any required accounting restatement to correct an error in previously issued financial statements that is material to the previously issued financial statements, or that would result in a material misstatement if the error were corrected in the current period or left uncorrected in the current period (an “**Accounting Restatement**”), then the Committee must determine the Excess Compensation, if any, that must be recovered. The Company’s obligation to recover Excess Compensation is not dependent on if or when the Company files restated financial statements.

Compensation Covered by the Policy

The Policy applies to certain **Incentive-Based Compensation** (certain capitalized terms used in this Section are defined below) that is **Received** on or after October 2, 2023 (the “**Effective Date**”), during the **Covered Period** while the Company has a class of securities listed on a national securities exchange. Such Incentive-Based Compensation is considered “**Clawback Eligible Incentive-Based Compensation**” if the

Incentive-Based Compensation is Received by a person after such person became a Section 16 Officer and the person served as a Section 16 Officer at any time during the performance period for the Incentive-Based Compensation. “**Excess Compensation**” means the amount of Clawback Eligible Incentive-Based Compensation that exceeds the amount of Clawback Eligible Incentive-Based Compensation that otherwise would have been Received had such Clawback Eligible Incentive-Based Compensation been determined based on the restated amounts. Excess Compensation must be computed without regard to any taxes paid and is referred to in the Exchange listing standards as “erroneously awarded compensation.”

To determine the amount of Excess Compensation for Incentive-Based Compensation based on stock price or total shareholder return, where it is not subject to mathematical recalculation directly from the information in an Accounting Restatement, the amount must be based on a reasonable estimate of the effect of the Accounting Restatement on the stock price or total shareholder return upon which the Incentive-Based Compensation was Received and the Company must maintain documentation of the determination of that reasonable estimate and provide that documentation to the Exchange.

“**Incentive-Based Compensation**” means any compensation that is granted, earned, or vested based wholly or in part upon the attainment of a Financial Reporting Measure. For the avoidance of doubt, no compensation that is potentially subject to recovery under the Policy will be earned until the Company’s right to recover under the Policy has lapsed.

“**Financial Reporting Measures**” are measures that are determined and presented in accordance with the accounting principles used in preparing the Company’s financial statements, and any measures that are derived wholly or in part from such measures. Stock price and total shareholder return are also Financial Reporting Measures. A Financial Reporting Measure need not be presented within the financial statements or included in a filing with the Securities and Exchange Commission.

Incentive-Based Compensation is “**Received**” under the Policy in the Company’s fiscal period during which the Financial Reporting Measure specified in the Incentive-Based Compensation award is attained, even if the payment, vesting, settlement or grant of the Incentive-Based Compensation occurs after the end of that period. For the avoidance of doubt, the Policy does not apply to Incentive-Based Compensation for which the Financial Reporting Measure is attained prior to the Effective Date.

“**Covered Period**” means the three completed fiscal years immediately preceding the Accounting Restatement Determination Date. In addition, Covered Period can include certain transition periods resulting from a change in the Company’s fiscal year.

“**Accounting Restatement Determination Date**” means the earliest to occur of: (a) the date the Board, a committee of the Board, or one or more of the officers of the Company authorized to take such action if Board action is not required, concludes, or reasonably should have concluded, that the Company is required to prepare an Accounting Restatement; and (b) the date a court, regulator, or other legally authorized body directs the Company to prepare an Accounting Restatement.

Repayment of Excess Compensation

The Company must recover Excess Compensation reasonably promptly and Covered Executives are required to repay Excess Compensation to the Company. Subject to applicable law, the Company may recover Excess Compensation by requiring the Covered Executive to repay such amount to the Company by direct payment to the Company or such other means or combination of means as the Committee determines to be appropriate (these determinations do not need to be identical as to each Covered Executive). Examples of such means of compensation recovery include (but are not limited to):

- (a) requiring reimbursement of cash Incentive-Based Compensation previously paid;
- (b) seeking recovery of any gain realized on the vesting, exercise, settlement, sale, transfer, or other disposition of any equity-based awards (including, but not limited to, time-based vesting awards), without regard to whether such awards are Incentive-Based Compensation or vest based on the achievement of performance goals;

- (c) offsetting the amount to be recovered from any unpaid or future compensation to be paid by the Company or any affiliate of the Company to the Covered Executive (including, but not limited to, payments of severance that might otherwise be due in connection with a Covered Executive's termination of employment), without regard to whether such amounts are Incentive-Based Compensation;
- (d) cancelling outstanding vested or unvested equity awards (including, but not limited to, time-based vesting awards), without regard to whether such awards are Incentive-Based Compensation; and/or
- (e) taking any other remedial and recovery action permitted by law, as determined by the Committee.

A Covered Executive must repay the Excess Compensation, notwithstanding such Covered Executive's belief (whether or not legitimate) that the Excess Compensation had been previously earned under applicable law and is therefore not subject to clawback.

In addition to its rights to recovery under the Policy, the Company or any affiliate of the Company may take any legal actions it determines appropriate to enforce a Covered Executive's obligations to the Company or to discipline a Covered Executive. Failure of a Covered Executive to comply with their obligations under the Policy may result in (without limitation) termination of that Covered Executive's employment, institution of civil proceedings, reporting of misconduct to appropriate governmental authorities, reduction of future compensation opportunities or change in role. The decision to take any actions described in the preceding sentence will not be subject to the approval of the Committee and can be made by the Board, any committee of the Board, or any duly authorized officer of the Company or of any applicable affiliate of the Company. For avoidance of doubt, any decisions of the Company or the Covered Executive's employer to discipline a Covered Executive or terminate the employment of a Covered Executive are independent of determinations under this Policy. For example, if a Covered Executive was involved in activities that led to an Accounting Restatement, the Company's decision whether or not to terminate such Covered Executive's employment would be made under its employment arrangements with such Covered Executive, and the requirement to apply this no-fault and non-discretionary Policy would not be determinative of whether any such termination was for cause; however, failure to comply with the Policy could result in termination for cause depending on the terms of such employment arrangements.

Limited Exceptions to the Policy

The Company must recover the Excess Compensation in accordance with the Policy except to the limited extent that any of the conditions set forth below is met, and the Committee determines that recovery of the Excess Compensation would be impracticable:

- (a) The direct expense paid to a third party to assist in enforcing the Policy would exceed the amount to be recovered. Before reaching this conclusion, the Company must make a reasonable attempt to recover such Excess Compensation, document such reasonable attempt(s) to recover, and provide that documentation to the Exchange; or
- (b) Recovery would likely cause an otherwise tax-qualified retirement plan, under which benefits are broadly available to employees of the Company, to fail to meet the legal requirements as such.

Other Important Information in the Policy

The Policy is in addition to the requirements of Section 304 of the Sarbanes-Oxley Act of 2002 that are applicable to the Company's Chief Executive Officer and Chief Financial Officer, as well as any other applicable laws, regulatory requirements, rules, or pursuant to the terms of any existing Company policy or agreement providing for the recovery of compensation.

Notwithstanding the terms of any of the Company's organizational documents (including, but not limited to, the Company's bylaws), any corporate policy or any contract (including, but not limited to, any

indemnification agreement), neither the Company nor any affiliate of the Company will indemnify or provide advancement for any Covered Executive against any loss of Excess Compensation. Neither the Company nor any affiliate of the Company will pay for or reimburse insurance premiums for an insurance policy that covers potential recovery obligations. In the event that the Company is required to recover Excess Compensation pursuant to the Policy from a Covered Executive who is no longer an employee, the Company will be entitled to seek recovery in order to comply with applicable law, regardless of the terms of any release of claims or separation agreement that individual may have signed.

The Committee or Board may review and modify the Policy from time to time.

If any provision of the Policy or the application of any such provision to any Covered Executive is adjudicated to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability will not affect any other provisions of the Policy or the application of such provision to another Covered Executive, and the invalid, illegal or unenforceable provisions will be deemed amended to the minimum extent necessary to render any such provision or application enforceable.

The Policy will terminate and no longer be enforceable when the Company ceases to be a listed issuer within the meaning of Section 10D of the Exchange Act.

ACKNOWLEDGEMENT

- I acknowledge that I have received and read the Compensation Recovery Policy (the **"Policy"**) of BlackSky Technology Inc. (the **"Company"**).
- I understand and acknowledge that the Policy applies to me, and all of my beneficiaries, heirs, executors, administrators or other legal representatives and that the Company's right to recovery in order to comply with applicable law will apply, regardless of the terms of any release of claims or separation agreement I have signed or will sign in the future.
- I agree to be bound by and to comply with the Policy and understand that determinations of the Committee (as such term is used in the Policy) will be final and binding and will be given the maximum deference permitted by law.
- I understand and agree that my current indemnification rights, whether in an individual agreement or the Company's organizational documents, exclude the right to be indemnified for amounts required to be recovered under the Policy.
- I understand that my failure to comply in all respects with the Policy is a basis for termination of my employment with the Company and any affiliate of the Company as well as any other appropriate discipline.
- I understand that neither the Policy, nor the application of the Policy to me, gives rise to a resignation for good reason (or similar concept) by me under any applicable employment agreement or arrangement.
- I acknowledge that if I have questions concerning the meaning or application of the Policy, it is my responsibility to seek guidance from the [General Counsel, Human Resources or my own personal advisers].¹
- I acknowledge that neither this Acknowledgement nor the Policy is meant to constitute an employment contract.

Please review, sign and return this form to the People Ops team.

Covered Executive

(print name)

(signature)

(date)
