UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 10-Q

(Mark One)

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

For the quarterly period ended March 31, 2022

OR

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

Commission File Number: 001-40170

TERRAN ORBITAL CORPORATION

(Exact Name of Registrant as Specified in its Charter)

Delaware		**98-1572314**
(State or other jurisdiction of incorporation or organization)		**(I.R.S. Employer Identification No.)**

6800 Broken Sound Parkway NW, Suite 200
Boca Raton, FL 33487
(561) 988-1704

(Address of principal executive offices, including zip code, Registrant's telephone number, including area code)

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

Title of each class	**Trading Symbols**	**Name of each exchange on which registered**
Common stock, par value $0.0001 per share	LLAP	New York Stock Exchange
Warrants to purchase one share of common stock, each at an exercise price of $11.50 per share	LLAP WS	New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act 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 every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

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

Large accelerated filer	☐	Accelerated filer	☐
Non-accelerated filer	☒	Smaller reporting company	☒
Emerging growth company	☒		

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

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

As of May 9, 2022, the registrant had 137,295,455 shares of common stock, $0.0001 par value per share, outstanding.

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Item 1. Financial Statements.

TERRAN ORBITAL CORPORATION

Condensed Consolidated Balance Sheets (Unaudited)

(In thousands, except share and per share amounts)

	March 31, 2022	December 31, 2021
Assets:		
Cash and cash equivalents	$ 76,654	$ 27,325
Accounts receivable, net of allowance for credit losses of $883 and $945 as of March 31, 2022 and December 31, 2021, respectively	18,626	3,723
Contract assets, net	3,609	2,757
Inventory	9,191	7,783
Prepaid expenses and other current assets	6,258	57,639
Total current assets	**114,338**	**99,227**
Property, plant and equipment, net	38,334	35,530
Other assets	17,316	639
Total assets	**$ 169,988**	**$ 135,396**
Liabilities, mezzanine equity and shareholders' deficit:		
Current portion of long-term debt	$ 7,515	$ 14
Accounts payable	10,833	9,366
Contract liabilities	24,204	17,558
Reserve for anticipated losses on contracts	965	886
Accrued expenses and other current liabilities	13,082	76,136
Total current liabilities	**56,599**	**103,960**
Long-term debt	94,929	115,134
Warrant liabilities	35,616	5,631
Other liabilities	16,995	2,028
Total liabilities	**204,139**	**226,753**
Commitments and contingencies (Note 12)		
Mezzanine equity:		
Redeemable convertible preferred stock - authorized zero and 20,526,878 shares of $0.0001 par value as of March 31, 2022 and December 31, 2021, respectively; issued and outstanding shares of zero and 10,947,686 as of March 31, 2022 and December 31, 2021, respectively	-	8,000
Shareholders' deficit:		
Preferred stock - authorized 50,000,000 and zero shares of $0.0001 par value as of March 31, 2022 and December 31, 2021, respectively; zero issued and outstanding	-	-
Common stock - authorized 300,000,000 and 151,717,882 shares of $0.0001 par value as of March 31, 2022 and December 31, 2021, respectively; issued and outstanding shares of 137,295,455 and 78,601,283 as of March 31, 2022 and December 31, 2021, respectively	14	8
Additional paid-in capital	234,384	97,737
Accumulated deficit	(268,560)	(197,066)
Accumulated other comprehensive income (loss)	11	(36)
Total shareholders' deficit	**(34,151)**	**(99,357)**
Total liabilities, mezzanine equity and shareholders' deficit	**$ 169,988**	**$ 135,396**

The accompanying notes are an integral part of these condensed consolidated financial statements.

TERRAN ORBITAL CORPORATION

Condensed Consolidated Statements of Operations and Comprehensive Loss (Unaudited)

(In thousands, except share and per share amounts)

	Three Months Ended March 31,	
	2022	2021
Revenue	$ 13,120	$ 10,494
Cost of sales	15,953	9,734
Gross (loss) profit	**(2,833)**	**760**
Selling, general, and administrative expenses	30,217	6,673
Loss from operations	**(33,050)**	**(5,913)**
Interest expense, net	2,923	907
Loss on extinguishment of debt	23,141	70,667
Change in fair value of warrant and derivative liabilities	11,853	(34)
Other expense	403	15
Loss before income taxes	**(71,370)**	**(77,468)**
Provision for income taxes	2	28
Net loss	**(71,372)**	**(77,496)**
Other comprehensive income (loss), net of tax:		
Foreign currency translation adjustments	47	(58)
Total comprehensive loss	**$ (71,325)**	**$ (77,554)**
Weighted-average shares outstanding - basic and diluted	**83,643,940**	**71,431,259**
Net loss per share - basic and diluted	**$ (0.85)**	**$ (1.08)**

The accompanying notes are an integral part of these condensed consolidated financial statements.

TERRAN ORBITAL CORPORATION
Condensed Consolidated Statements of Shareholders' Deficit (Unaudited)
(In thousands, except share amounts)

Three Months Ended March 31, 2022

	Mezzanine Equity		Shareholders' Deficit						
	Redeemable Convertible Preferred Stock		Common Stock						
	Shares	Amounts	Shares	Amounts	Additional Paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensive Income (Loss)	Non-controlling Interest	Total Shareholders' Deficit
Balance as of December 31, 2021	**396,870**	**$ 8,000**	**2,849,414**	**$ -**	**$ 97,745**	**$ (197,066)**	**$ (36)**	**$ -**	**$ (99,357)**
Retroactive application of reverse recapitalization	10,550,816	—	75,751,869	8	(8)	—	—	—	—
Balance as of December 31, 2021 - Recast	**10,947,686**	**$ 8,000**	**78,601,283**	**$ 8**	**$ 97,737**	**$ (197,066)**	**$ (36)**	**$ -**	**$ (99,357)**
Adoption of accounting standard, net of tax	—	—	—	—	—	(122)	—	—	(122)
Net loss	—	—	—	—	—	(71,372)	—	—	(71,372)
Other comprehensive income, net of tax	—	—	—	—	—	—	47	—	47
Conversion of redeemable convertible preferred stock into common stock	(10,947,686)	(8,000)	10,947,686	1	7,999	—	—	—	8,000
Net settlement of liability-classified warrants into common stock	—	—	694,873	—	7,616	—	—	—	7,616
Net settlement of equity-classified warrants into common stock	—	—	22,343,698	2	(2)	—	—	—	—
Issuance of common stock in connection with the Tailwind Two Merger and PIPE Investment, net of issuance costs	—	—	16,114,695	2	6,926	—	—	—	6,928
Issuance of common stock in connection with financing transactions, net of issuance costs	—	—	4,325,000	1	40,733	—	—	—	40,734
Reclassification of liability-classified warrants and derivatives to equity-classified	—	—	—	—	11,007	—	—	—	11,007
Issuance of contingently issuable common stock	—	—	4,095,569	—	44,887				44,887
Share-based compensation	—	—	—	—	17,335	—	—	—	17,335
Exercise of stock options	—	—	172,651	—	146	—	—	—	146
Balance as of March 31, 2022	**—**	**$ -**	**137,295,455**	**$ 14**	**$ 234,384**	**$ (268,560)**	**$ 11**	**$ -**	**$ (34,151)**

TERRAN ORBITAL CORPORATION
Condensed Consolidated Statements of Shareholders' Deficit (Unaudited)
(In thousands, except share amounts)

Three Months Ended March 31, 2021

	Mezzanine Equity		Shareholders' Deficit						
	Redeemable Convertible Preferred Stock		Common Stock						
	Shares	Amounts	Shares	Amounts	Additional Paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensive Loss	Non-controlling Interest	Total Shareholders' Deficit
Balance as of December 31, 2020	**396,870**	**$ 8,000**	**2,439,634**	**$ -**	**$ 7,454**	**$ (58,084)**	**$ (204)**	**$ 23,743**	**$ (27,091)**
Retroactive application of reverse recapitalization	10,550,816	—	64,857,839	7	(7)	—	—	—	—
Balance as of December 31, 2020 - Recast	**10,947,686**	**$ 8,000**	**67,297,473**	**$ 7**	**$ 7,447**	**$ (58,084)**	**$ (204)**	**$ 23,743**	**$ (27,091)**
Net loss	—	—	—	—	—	(77,496)	—	—	(77,496)
Other comprehensive income, net of tax	—	—	—	—	—	—	110	—	110
Issuance of common stock in exchange for non-controlling interest, net of issuance costs	—	—	10,704,772	1	23,310	—	—	(23,743)	(432)
Issuance of warrants, net of issuance costs	—	—	—	—	66,060	—	—	—	66,060
Share-based compensation	—	—	—	—	168	—	—	—	168
Exercise of stock options	—	—	164,352	—	19	—	—	—	19
Balance as of March 31, 2021	**10,947,686**	**$ 8,000**	**78,166,597**	**$ 8**	**$ 97,004**	**$ (135,580)**	**$ (94)**	**$ -**	**$ (38,662)**

The accompanying notes are an integral part of these condensed consolidated financial statements.

TERRAN ORBITAL CORPORATION
Condensed Consolidated Statements of Cash Flows (Unaudited)
(In thousands)

	Three Months Ended March 31,	
	2022	2021
Cash flows from operating activities:		
Net loss	$ (71,372)	$ (77,496)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	846	671
Non-cash interest expense	1,215	889
Share-based compensation expense	17,335	168
Provision for losses on receivables and inventory	169	444
Loss on extinguishment of debt	23,141	70,667
Change in fair value of warrant and derivative liabilities	11,853	(34)
Amortization of operating right-of-use assets	305	—
Changes in operating assets and liabilities:		
Accounts receivable, net	(15,002)	(226)
Contract assets	(928)	(785)
Inventory	(1,550)	998
Prepaid expenses and other current assets	(1,384)	216
Accounts payable	2,134	2,202
Contract liabilities	6,708	728
Reserve for anticipated losses on contracts	79	(52)
Accrued expenses and other current liabilities	4,032	1,047
Accrued interest	(4,803)	-
Other, net	(2,078)	15
Net cash used in operating activities	(29,300)	(548)
Cash flows from investing activities:		
Purchases of property, plant and equipment	(4,030)	(2,422)
Net cash used in investing activities	(4,030)	(2,422)
Cash flows from financing activities:		
Proceeds from long-term debt	35,942	47,481
Proceeds from warrants and derivatives	42,247	2,519
Proceeds from Tailwind Two Merger and PIPE Investment	58,424	-
Proceeds from issuance of common stock	14,791	-
Repayment of long-term debt	(27,171)	(4)
Payment of issuance costs	(41,681)	(5,667)
Proceeds from exercise of stock options	135	19
Net cash provided by financing activities	82,687	44,348
Effect of exchange rate fluctuations on cash and cash equivalents	(28)	(66)
Net increase in cash and cash equivalents	49,329	41,312
Cash and cash equivalents at beginning of period	27,325	12,336
Cash and cash equivalents at end of period	$ 76,654	$ 53,648
Non-cash investing and financing activities:		
Purchases of property, plant and equipment not yet paid	$ 211	$ 111
Non-cash interest capitalized to property, plant and equipment	555	121
Depreciation and amortization capitalized to construction in process	77	-
Issuance costs not yet paid	5,983	2,361
Non-cash exchange and extinguishment of long-term debt	40,432	36,859
Issuance of common stock in exchange for non-controlling interest	-	23,743
Conversion of redeemable convertible preferred stock into common stock	8,000	-
Net settlement of liability-classified warrants into common stock	7,616	—
Net settlement of equity-classified warrants into common stock	(2)	-
Non-cash issuance of common stock in connection with PIPE Investment	10,060	—
Non-cash issuance of common stock in connection with financing transactions	26,304	-
Reclassification of liability-classified warrants and derivatives to equity-classified	11,007	—
Issuance of contingently issuable common stock	44,887	-

The accompanying notes are an integral part of these condensed consolidated financial statements.

Note 1 Organization and Summary of Significant Accounting Policies

Organization and Business

Terran Orbital Corporation, formerly known as Tailwind Two Acquisition Corp. ("Tailwind Two"), together with its wholly-owned subsidiaries (the "Company"), is a leading manufacturer of small satellites primarily serving the United States ("U.S.") aerospace and defense industry. Through its subsidiary Tyvak Nano-Satellite Systems, Inc. ("Tyvak"), the Company provides end-to-end satellite solutions by combining satellite design, production, launch planning, mission operations, and in-orbit support to meet the needs of its customers. The Company accesses the international market through both Tyvak and its Torino, Italy based subsidiary, Tyvak International S.R.L. ("Tyvak International"). Through its subsidiary PredaSAR Corporation ("PredaSAR"), the Company is developing what it believes will be the world's largest, most advanced NextGen Earth observation constellation to provide near persistent, near real-time Earth imagery.

Tailwind Two Merger

Prior to March 25, 2022, Tailwind Two was a publicly listed special purpose acquisition company incorporated as a Cayman Islands exempted company. On March 25, 2022, Tailwind Two acquired Terran Orbital Operating Corporation, formerly known as Terran Orbital Corporation ("Legacy Terran Orbital") (the "Tailwind Two Merger"). In connection with the Tailwind Two Merger, Tailwind Two filed a notice of deregistration with the Cayman Islands Registrar of Companies and filed a certificate of incorporation and a certificate of corporate domestication with the Secretary of State of the State of Delaware, resulting in Tailwind Two becoming a Delaware corporation and changing its name from Tailwind Two to Terran Orbital Corporation. The Tailwind Two Merger resulted in Legacy Terran Orbital becoming a wholly-owned subsidiary of Terran Orbital Corporation.

As a result of the Tailwind Two Merger, all of Legacy Terran Orbital's issued and outstanding common stock was converted into shares of Terran Orbital Corporation's common stock using an exchange ratio of 27.585 shares of Terran Orbital Corporation's common stock per each share of Legacy Terran Orbital's common stock. In addition, Legacy Terran Orbital's convertible preferred stock and certain warrants were exercised and converted into shares of Legacy Terran Orbital's common stock immediately prior to the Tailwind Two Merger, and in turn, were converted into shares of Terran Orbital Corporation's common stock as a result of the Tailwind Two Merger. Further, in connection with the Tailwind Two Merger, Legacy Terran Orbital's share-based compensation plan and related share-based compensation awards were cancelled and exchanged or converted, as applicable, with a new share-based compensation plan and related share-based compensation awards of Terran Orbital Corporation.

While Legacy Terran Orbital became a wholly-owned subsidiary of Terran Orbital Corporation, Legacy Terran Orbital was deemed to be the acquirer in the Tailwind Two Merger for accounting purposes. Accordingly, the Tailwind Two Merger was accounted for as a reverse recapitalization, in which case the condensed consolidated financial statements of the Company represent a continuation of Legacy Terran Orbital and the issuance of common stock in exchange for the net assets of Tailwind Two recognized at historical cost and no recognition of goodwill or other intangible assets. Operations prior to the Tailwind Two Merger are those of Legacy Terran Orbital and all share and per-share data included in these condensed consolidated financial statements have been retroactively adjusted to give effect to the Tailwind Two Merger. In addition, the number of shares subject to, and the exercise price of, the Company's outstanding options and warrants were adjusted to reflect the Tailwind Two Merger. The treatment of the Tailwind Two Merger as a reverse recapitalization was based upon the pre-merger shareholders of Legacy Terran Orbital holding the majority of the voting interests of Terran Orbital Corporation, Legacy Terran Orbital's existing management team serving as the initial management team of Terran Orbital Corporation, Legacy Terran Orbital's appointment of the majority of the initial board of directors of Terran Orbital Corporation, and Legacy Terran Orbital's operations comprising the ongoing operations of the Company.

In connection with the Tailwind Two Merger, approximately $29 million of cash and marketable securities held in trust, net of redemptions by Tailwind Two's public shareholders, became available for use by the Company as well as proceeds received from the contemporaneous sale of common stock in connection with the closing of a PIPE investment with a contractual amount of $51 million (the "PIPE Investment"). In addition, the Company received additional proceeds from the issuance of debt contemporaneously with the Tailwind Two Merger. The aggregate cash raised will be used for general corporate purposes, the partial paydown of debt, the payment of transaction costs and the payment of other costs directly or indirectly attributable to the Tailwind Two Merger.

Beginning on March 28, 2022, the Company's common stock and public warrants began trading on the New York Stock Exchange (the "NYSE") under the symbols "LLAP" and "LLAP WS," respectively.

Further information regarding the Tailwind Two Merger is included in the respective notes that follow.

Basis of Presentation and Significant Accounting Policies

The preparation of the condensed consolidated financial statements in accordance with generally accepted accounting principles in the U.S. ("GAAP") requires the Company to select accounting policies and make estimates that affect amounts reported in the condensed consolidated financial statements and the accompanying notes. The Company's estimates are based on the relevant information available at the end of each period. Actual results could differ materially from these estimates under different assumptions or market conditions.

The condensed consolidated financial statements included herein are unaudited, but in the opinion of management, they include all adjustments, consisting of normal recurring adjustments, necessary to summarize fairly the Company's financial position, results of operations, and cash flows for the interim periods presented. The interim results reported in these condensed consolidated financial statements should not be taken as indicative of results that may be expected for future interim periods or the full year. For a more comprehensive understanding of the Company and its interim results, these condensed consolidated financial statements should be read in conjunction with Legacy Terran Orbital's audited consolidated financial statements as of and for the years ended December 31, 2021 and 2020 included in the registration statement on Form S-1 filed with the U.S. Securities and Exchange Commission (the "SEC") on April 22, 2022 (the "Form S-1").

The Company's accounting policies used in the preparation of these condensed consolidated financial statements do not differ from those used for the annual consolidated financial statements of Legacy Terran Orbital, unless otherwise noted. The condensed consolidated balance sheet as of December 31, 2021 included herein was derived from the audited consolidated financial statements of Legacy Terran Orbital as of that date but does not include all the footnote disclosures from the annual consolidated financial statements.

The condensed consolidated financial statements include the accounts of Terran Orbital Corporation and its subsidiaries, and have been prepared in U.S. dollars in accordance with GAAP. All intercompany transactions have been eliminated.

COVID-19 Pandemic

During March 2020, the World Health Organization declared the outbreak of a novel coronavirus as a pandemic (the "COVID-19 Pandemic"), which has become increasingly widespread across the globe. The COVID-19 Pandemic has negatively impacted the global economy, disrupted global supply chains, and created significant volatility and disruption in the financial and capital markets.

The COVID-19 Pandemic has contributed to a worldwide shortage of electronic components which has resulted in longer than historically experienced lead times for such electronic components. The reduced availability to receive electronic components used in the Company's operations has negatively affected its timing and ability to deliver products and services to customers as well as increased its costs in recent periods. The Company considered the emergence and pervasive economic impact of the COVID-19 Pandemic in its assessment of its financial position, results of operations, cash flows, and certain accounting estimates as of and for the three months ended March 31, 2022. Due to the evolving and uncertain nature of the COVID-19 Pandemic, it is possible that the effects of the COVID-19 Pandemic could materially impact the Company's estimates and condensed consolidated financial statements in future reporting periods.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand and highly liquid investments with original maturities of three months or less from the time of purchase.

Prepaid Expenses and Other Current Assets

Prepaid expenses and other current assets consisted of the following as of the dates presented:

(in thousands)	March 31, 2022	December 31, 2021
Deferred debt commitment costs	$ -	$ 46,632
Deferred equity issuance costs	-	6,085
Deferred cost of sales	1,585	2,950
Other current assets	4,673	1,972
Prepaid expenses and other current assets	**$ 6,258**	**$ 57,639**

Deferred debt commitment costs relate to warrants and other consideration transferred in association with a financing arrangement entered into in anticipation of the Tailwind Two Merger. The deferred debt commitment costs were reclassified to discount on debt and deferred issuance costs in connection with the issuance of the associated debt in March 2022. Refer to Note 5 “Debt” and Note 6 “Warrants and Derivatives” for further discussion.

Deferred equity issuance costs relate to direct and incremental legal, accounting, and other transaction costs incurred in connection with the Tailwind Two Merger. Upon closing of the Tailwind Two Merger, the deferred equity issuance costs were reclassified as a reduction to additional paid-in capital. Payments associated with deferred equity issuance costs are reflected in payment of issuance costs in the condensed consolidated statements of cash flows.

Accrued Expenses and Other Current Liabilities

Accrued expenses and other current liabilities consisted of the following as of the dates presented:

(in thousands)	March 31, 2022	December 31, 2021
Current warrant and derivative liabilities[(1)]	$ -	$ 68,518
Payroll-related accruals	8,547	5,771
Current operating lease liabilities	834	-
Accrued interest	298	-
Other current liabilities	3,403	1,847
Accrued expenses and other current liabilities	**$ 13,082**	**$ 76,136**

(1) Refer to Note 6 “Warrants and Derivatives” for further discussion.

Research and Development

Research and development includes materials, labor, and overhead allocations attributable to the development of new products and solutions and significant improvements to existing products and solutions. Research and development costs are expensed as incurred and recognized in selling, general, and administrative expenses in the condensed consolidated statements of operations and comprehensive loss. Research and development expense was $1.9 million and $340 thousand during the three months ended March 31, 2022 and 2021, respectively.

Concentration of Credit Risks

Financial instruments that potentially subject the Company to concentrations of credit risk consist primarily of cash and cash equivalents and accounts receivable.

The majority of the Company’s cash and cash equivalents are held at major financial institutions. Certain account balances exceed the Federal Deposit Insurance Corporation insurance limits of $250,000 per account. As a result, there is a concentration of credit risk

related to amounts in excess of the insurance limits. The Company regularly monitors the financial stability of these financial institutions and believes that there is no exposure to any significant credit risk in cash and cash equivalents.

Concentrations of credit risk with respect to accounts receivable are limited because the Company performs credit evaluations, sets credit limits, and monitors the payment patterns of its customers.

The table below presents individual customers who accounted for more than 10% of the Company's revenue for the periods presented:

	Three Months Ended March 31,	
	2022	2021
Customer A	77%	37%
Customer B	1%	16%
Total	**78%**	**53%**

The table below presents individual customers who accounted for more than 10% of the Company's accounts receivable, net of allowance for credit losses, as of the dates presented:

	March 31, 2022	December 31, 2021
Customer A	82%	14%
Customer B	6%	32%
Customer C	3%	13%
Customer D	2%	19%
Customer E	2%	10%
Total	**95%**	**88%**

Recently Adopted Accounting Pronouncements

Financial Accounting Standards Board ("FASB") Accounting Standards Update ("ASU") 2016-13, *Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instrument*, and related amendments, introduces new guidance which makes substantive changes to the accounting for credit losses. This guidance introduces the current expected credit losses model ("CECL") which applies to financial assets subject to credit losses and measured at amortized cost, as well as certain off-balance sheet credit exposures. The CECL model requires an entity to estimate credit losses expected over the life of an exposure, considering information about historical events, current conditions, and reasonable and supportable forecasts and is generally expected to result in earlier recognition of credit losses. The Company adopted this guidance on January 1, 2022 using the modified retrospective approach and recognized a cumulative effect adjustment to the opening balance of accumulated deficit with no restatement of comparative periods. The impact of adoption was not material.

Lease Accounting

ASU 2016-02*, Leases (Topic 842)*, and related amendments, requires lessees to recognize a right-of-use asset and lease liability for substantially all leases and to disclose key information about leasing arrangements. The Company adopted the guidance on January 1, 2022 using the optional transition method, which allowed the Company to apply the guidance at the adoption date and recognize a cumulative effect adjustment to the opening balance of accumulated deficit in the period of adoption with no restatement of comparative periods. The Company has also elected to apply the package of transitional practical expedients under which the Company did not reassess prior conclusions about lease identification, lease classification, and initial direct costs of existing leases as of the date of adoption. Additionally, the Company has elected the practical expedients to not separate non-lease components from lease components. The Company did not elect to apply the practical expedient related to short-term lease recognition exemption.

Upon transition to the guidance as of the date of adoption, the Company recognized operating lease liabilities on the condensed consolidated balance sheets with a corresponding amount of right-of-use assets, net of amounts reclassified from other assets and liabilities as specified by the guidance. The adoption did not have a material effect on the condensed consolidated statements of operations and comprehensive loss or cash flows. Refer to Note 15 "Leases" for further discussion.

The net impact of the adoption to the condensed consolidated balance sheet was as follows:

(in thousands)	December 31, 2021	Lease Standard Adoption Adjustment	January 1, 2022
Assets			
Other assets	$ 639	$ 6,550	$ 7,189
Liabilities			
Accrued expenses and other current liabilities	76,136	166	76,302
Other liabilities	2,028	6,384	8,412

Note 2 Revenue and Receivables

The Company applies the following five steps in order to recognize revenue from contracts with customers: (i) identify the contract(s) with a customer; (ii) identify the performance obligation(s) in the contract; (iii) determine the transaction price; (iv) allocate the transaction price to the performance obligation(s) in the contract; and (v) recognize revenue when (or as) the entity satisfies a performance obligation. The Company only applies the five-step model to contracts when it is probable that the entity will collect the consideration it is entitled to in exchange for the goods or services it transfers to the customer.

At contract inception, the Company assesses whether the goods or services promised within the contract represent a performance obligation. A performance obligation is a promise in a contract to transfer a distinct good or service to the customer. For contracts with multiple performance obligations, the Company allocates the contract's transaction price to each performance obligation on a relative basis using the best estimate of the stand-alone selling price of each performance obligation, which is estimated using the expected-cost-plus-margin approach. Generally, the Company's contracts with customers are structured such that the customer has the option to purchase additional goods or services. Customer options to purchase additional goods or services do not represent a separate performance obligation as the prices for such options reflect the stand-alone selling prices for the additional goods or services. The majority of the Company's contracts with customers have a single performance obligation.

The Company recognizes the transaction price allocated to the respective performance obligation as revenue as the performance obligation is satisfied. The majority of the Company's contracts with customers relate to the creation of specialized assets that do not have alternative use and entitle the Company to an enforceable right to payment for performance completed to date. Accordingly, the Company generally measures progress towards the satisfaction of a performance obligation over time using the cost-to-cost input method.

Payments for costs not yet incurred or for costs incurred in anticipation of providing a good or service under a contract with a customer in the future are included in prepaid expenses and other current assets on the condensed consolidated balance sheets.

Estimate-at-Completion ("EAC")

As the majority of the Company's revenue is recognized over time using the cost-to-cost input method, the recognition of revenue and the estimate of cost-at-completion is complex, subject to many variables and requires significant judgment.

EAC represents the total estimated cost-at-completion and is comprised of direct material, direct labor and manufacturing overhead applicable to a performance obligation. There is a company-wide standard and periodic EAC process in which the Company reviews the progress and execution of outstanding performance obligations. As part of this process, the Company reviews information including, but not limited to, any outstanding key contract matters, progress towards completion and the related program schedule, identified risks and opportunities and the related changes in estimates of revenues and costs. The risks and opportunities include the Company's judgment about the ability and cost to achieve the schedule (e.g., the number and type of milestone events), technical requirements (e.g., a newly-developed product versus a mature product) and other contract requirements. The Company must make assumptions and estimates regarding labor productivity and availability, the complexity of the work to be performed, the availability of materials, the length of time to complete the performance obligation (e.g., to estimate increases in wages and prices for materials and related support

cost allocations), execution by subcontractors, the availability and timing of funding from customers and overhead cost rates, among other variables.

Based on the results of the periodic EAC process, any adjustments to revenue, cost of sales, and the related impact to gross profit are recognized on a cumulative catch-up basis in the period they become known. These adjustments may result from positive program performance, and may result in an increase in gross profit during the performance of individual performance obligations, if it is determined the Company will be successful in mitigating risks surrounding the technical, schedule and cost aspects of those performance obligations or realizing related opportunities. Likewise, these adjustments may result in a decrease in gross profit if it is determined the Company will not be successful in mitigating these risks or realizing related opportunities. A significant change in one or more of these estimates could affect the profitability of one or more of the Company's performance obligations.

Contract modifications often relate to changes in contract specifications and requirements. Contract modifications are considered to exist when the modification either creates new or changes the existing enforceable rights and obligations. Most of the Company's contract modifications are for goods or services that are not distinct from the existing contract due to the significant integration service provided in the context of the contract and are accounted for as if they were part of that existing contract. The effect of a contract modification on the transaction price, and the measure of progress for the performance obligation to which it relates, is recognized as an adjustment to revenue either as an increase in or a reduction of revenue on a cumulative catch-up basis.

Some of the Company's long-term contracts contain award fees, incentive fees, or other provisions that can either increase or decrease the transaction price. These variable amounts generally are awarded upon achievement of certain performance metrics, program milestones or cost targets and can be based upon customer discretion. Variable consideration is estimated at the most likely amount to which the Company is expected to be entitled. Estimated amounts are included in the transaction price to the extent it is probable that a significant reversal of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is resolved. Estimates of variable consideration and determination of whether to include estimated amounts in the transaction price are based largely on an assessment of the Company's anticipated performance and all information (historical, current, and forecasted) that is reasonably available. The unfunded portion of enforceable contracts are accounted for as variable consideration.

Disaggregation of Revenue

Below is a summary of the Company's accounting by type of revenue:

- Mission Support: Mission support services primarily relate to the integrated design, manufacture and final assembly of satellites for government and commercial entities. Revenue associated with mission support services is recognized over time using the cost-to-cost input method. Mission support services are generally either firm-fixed price or cost-plus fee arrangements.
- Launch Support: Launch support services relates to the design and manufacture of deployment systems in order to launch satellites for government and commercial customers. In addition, the Company will assist in the launch of a satellite into space by coordinating and securing launch opportunities with launch providers on behalf of a customer. Revenue associated with launch support services is recognized over time using the cost-to-cost input method. In certain instances, revenue associated with ensuring a successful launch of the satellite into space is recognized at a point in time when certain contractual milestones are achieved and invoiced. Launch support services are generally firm-fixed price arrangements.
- Operations: Operations relates to the monitoring or operation of satellites in orbit on behalf of a customer. Revenue associated with operations is recognized monthly at a fixed contractual rate. Accordingly, the revenue is recognized in proportion to the amount it has the right to invoice for services performed.
- Studies, Design and Other: Studies, design and other services primarily relate to special consulting studies and other design projects for government and commercial entities. Revenue associated with studies, design and other services is primarily recognized over time using the cost-to-cost input method. Studies, design, and other are generally either firm-fixed price or cost-plus fee arrangements.

The following tables presents the Company's disaggregated revenue by offering and customer type for the periods presented:

	Three Months Ended March 31,	
(in thousands)	**2022**	**2021**
Mission support	$ 12,770	$ 8,747
Launch support	36	692
Operations	192	644
Studies, design and other	122	411
Revenue	**$ 13,120**	**$ 10,494**

	Three Months Ended March 31,	
(in thousands)	**2022**	**2021**
U.S. Government contracts		
Fixed price	$ 8,492	$ 5,478
Cost-plus fee	2,272	676
	10,764	6,154
Foreign government contracts		
Fixed price	556	543
Commercial contracts		
Fixed price, U.S.	1,650	2,192
Fixed price, International	150	1,577
Cost-plus fee	-	28
	1,800	3,797
Revenue	**$ 13,120**	**$ 10,494**

For contracts in which the U.S. Government is the ultimate customer, the Company follows U.S. Government procurement and accounting standards in assessing the allowability and the allocability of costs to contracts. Due to the significance of the judgments and estimation processes, it is likely that materially different amounts could be recorded if different assumptions were used or if the underlying circumstances were to change. The Company monitors the consistent application of its critical accounting policies and compliance with contract accounting. Business operations personnel conduct periodic contract status and performance reviews. When adjustments in estimated contract revenues or costs are determined, any material changes from prior estimates are included in earnings in the current period. Also, regular and recurring evaluations of contract cost, scheduling and technical matters are performed by Company personnel who are independent from the business operations personnel performing work under the contract. Costs incurred and allocated to contracts with the U.S. Government are subject to audit by the Defense Contract Audit Agency for compliance with regulatory standards.

Remaining Performance Obligations

Revenue from remaining performance obligations is calculated as the aggregate amount of the transaction price allocated to performance obligations that are unsatisfied (or partially unsatisfied) as of the end of the reporting period on executed contracts, including both funded (firm orders for which funding is authorized and appropriated) and unfunded portions of such contracts. Remaining performance obligations exclude contracts in which the Company recognizes revenue in proportion to the amount it has the right to invoice for services performed and does not include unexercised contract options and potential orders under indefinite delivery/indefinite quantity contracts.

As of March 31, 2022, the Company had approximately $221.8 million of remaining performance obligations. The Company estimates that approximately 98% of the remaining performance obligations as of March 31, 2022 will be completed and recognized as revenue by December 31, 2023, with the rest thereafter.

Contract Assets and Contract Liabilities

For each of the Company's contracts with customers, the timing of revenue recognition, customer billings, and cash collections results in a net contract asset or liability at the end of each reporting period.

Fixed-price contracts are typically billed to the customer either using progress payments, whereby amounts are billed monthly as costs are incurred or work is completed, or performance-based payments, which are based upon the achievement of specific, measurable events or accomplishments defined and valued at contract inception. Cost-type contracts are typically billed to the customer on a monthly or semi-monthly basis.

Contract assets

Contract assets relate to instances in which revenue recognized exceeds amounts billed to customers. Contract assets are reclassified to accounts receivable when the Company has an unconditional right to the consideration and bills the customer. Contract assets are classified as current and non-current based on the estimated timing in which the Company will bill the customer. Contract assets are not considered to include a significant financing component as the payment terms are intended to protect the customer in the event the Company does not perform on its obligations under the contract.

The Company records an allowance for credit losses against its contract assets for amounts not expected to be recovered. The allowance is recognized at inception and is reassessed each reporting period. The allowance for credit losses on contract assets was not material for the periods presented.

The following is a summary of contract assets, net, recognized in the condensed consolidated balance sheets as of the dates presented:

(in thousands)	**March 31, 2022**	**January 1, 2022[1]**
Contract assets, gross	$ 3,685	$ 2,757
Allowance for credit losses	(76)	(82)
Contract assets, net	**$ 3,609**	**$ 2,675**

(1) Balances reflected are subsequent to the adoption of CECL on January 1, 2022.

As of March 31, 2022 and December 31, 2021, all contract assets were classified as current assets.

There were no material impairments of contract assets during the three months ended March 31, 2022 or 2021.

Contract liabilities

Contract liabilities relate to advance payments and billings in excess of revenue recognized. Contract liabilities are recognized into revenue as the Company satisfies the underlying performance obligations. Contract liabilities are classified as current and non-current based on the estimating timing in which the Company will satisfy the underlying performance obligations. Contract liabilities are not considered to include a significant financing component as they are generally utilized to procure materials needed to satisfy a performance obligation or are used to ensure the customer meets contractual requirements.

As of March 31, 2022 and December 31, 2021, all contract liabilities were classified as current liabilities.

During the three months ended March 31, 2022 and 2021, the Company recognized revenue of $9.6 million and $7.2 million, respectively, that was previously included in the beginning balance of contract liabilities.

Accounts Receivable

Accounts receivable represent unconditional rights to consideration due from customers in the ordinary course of business and are generally due in one year or less. Accounts receivable are recorded at amortized cost less an allowance for credit losses, which is based on the Company's assessment of the collectability of its accounts receivable. The Company reviews the adequacy of the allowance for

credit losses by considering the age of each outstanding invoice and the collection history of each customer. Accounts receivable that are deemed uncollectible are charged against the allowance for credit losses when identified.

Receivables from products and services for which the U.S. Government is the ultimate customer included in accounts receivable was $16.3 million and $2.1 million as of March 31, 2022 and December 31, 2021, respectively.

The following table presents changes in the allowance for credit losses for the periods presented:

	Three Months Ended March 31,	
(in thousands)	**2022**	**2021**
Beginning balance	$ (945)	$ (635)
Adoption of CECL	(39)	-
Provision for credit losses	(26)	(99)
Write-offs	127	3
Ending balance	**$ (883)**	**$ (731)**

Reserve for Anticipated Losses on Contracts

When the estimated cost-at-completion exceeds the estimated revenue to be earned for a performance obligation, the Company records a reserve for the anticipated losses in the period the loss is determined. The reserve for anticipated losses on contracts is presented as a current liability in the condensed consolidated balance sheets and as a component of cost of sales in the condensed consolidated statements of operations and comprehensive loss in accordance with ASC 605-35, *Revenue Recognition – Construction-Type and Production-Type Contracts*.

During the three months ended March 31, 2022, the Company increased the reserve for anticipated losses on contracts by $79 thousand. During the three months ended March 31, 2021, the Company decreased the reserve for anticipated losses on contracts by $52 thousand.

Note 3 Inventory

Inventory consists of parts and sub-assemblies that are ultimately consumed in the manufacturing and final assembly of satellites. When an item in inventory has been identified and incorporated into a specific satellite, the cost of the sub-assembly is charged to cost of goods sold in the condensed consolidated statements of operations and comprehensive loss. Inventory is measured at the lower of cost or net realizable value. The cost of inventory includes direct material, direct labor and manufacturing overhead and is determined on a first-in-first-out basis. Inventory is presented net of an allowance for losses associated with excess and obsolete items, which is estimated based on the Company's current knowledge with respect to inventory levels, planned production and customer demand.

The components of inventory as of the dates presented were as follows:

(in thousands)	**March 31, 2022**	**December 31, 2021**
Raw materials	$ 5,994	$ 4,782
Work in process	3,197	3,001
Total inventory	**$ 9,191**	**$ 7,783**

Note 4 Property, Plant and Equipment, net

Property, plant and equipment, net is stated at historical cost less accumulated depreciation. Cost for company-owned satellite assets includes amounts related to design, construction, launch and commission. Cost for ground stations includes amounts related to construction and testing. Interest is capitalized on certain qualifying assets that take a substantial period of time to develop for their

intended use. Depreciation expense is calculated using the sum-of-the-years' digits or straight-line method over the estimated useful lives of the related assets as follows:

Machinery and equipment	5-7 years
Satellites	3-5 years
Ground station equipment	5-7 years
Office equipment and furniture	5-7 years
Computer equipment and software	3-5 years
Leasehold improvements	Shorter of the estimated useful life or remaining lease term

The determination of the estimated useful life of satellites involves an analysis that considers design life, random part failure probabilities, expected component degradation and cycle life, predicted fuel consumption and experience with satellite parts, vendors and similar assets.

Depreciation expense was $846 thousand and $671 thousand during the three months ended March 31, 2022 and 2021, respectively. Repairs and maintenance expenditures are expensed when incurred.

The gross carrying amount, accumulated depreciation and net carrying amount of property, plant and equipment, net as of the dates presented were as follows:

(in thousands)	**March 31, 2022**	**December 31, 2021**
Machinery and equipment	$ 7,595	$ 7,607
Satellites	2,209	2,209
Ground station equipment	1,944	1,944
Office equipment and furniture	2,292	2,239
Computer equipment and software	141	142
Leasehold improvements	8,911	8,533
Construction in process	26,959	23,647
Property, plant and equipment, gross	**50,051**	**46,321**
Accumulated depreciation	(11,717)	(10,791)
Property, plant and equipment, net	**$ 38,334**	**$ 35,530**

Construction in process included company-owned satellites, ground station equipment and machinery not yet placed into service.

The Company reviews property, plant and equipment, net for impairment whenever events or changes in business circumstances indicate that the net carrying amount of an asset or asset group may not be fully recoverable. The Company groups assets at the lowest level for which cash flows are separately identified. Recoverability is measured by a comparison of the net carrying amount of the asset group to its expected future undiscounted cash flows. If the expected future undiscounted cash flows of the asset group are less than its net carrying amount, an impairment loss is recognized based on the amount by which the net carrying amount exceeds the fair value less costs to sell. The calculation of the fair value less costs to sell of an asset group is based on assumptions concerning the amount and timing of estimated future cash flows and assumed discount rates, reflecting varying degrees of perceived risk.

There were no impairments of property, plant and equipment during the three months ended March 31, 2022 and 2021.

Note 5 Debt

Long-term debt as of the presented dates was comprised of the following:

(in thousands)

Description	Issued	Maturity	Interest Rate	Interest Payable	March 31, 2022	December 31, 2021
Francisco Partners Facility	November 2021	April 2026	9.25%	Quarterly	$120,023	$30,289
Senior Secured Notes due 2026[1]	March 2021	April 2026	9.25% and 11.25%	Quarterly	56,267	94,686
PIPE Investment Obligation	March 2022	December 2025	N/A	N/A	28,125	-
Finance leases	N/A	N/A	N/A	N/A	49	53
Unamortized deferred issuance costs					(2,115)	(761)
Unamortized discount on debt					(99,905)	(9,119)
Total debt					**102,444**	**115,148**
Current portion of long-term debt					7,515	14
Long-term debt					**$94,929**	**$115,134**

(1) - Includes the Lockheed Martin Rollover Debt and Beach Point Rollover Debt, each as defined below.
N/A - Not meaningful or applicable

Significant changes in the Company's debt during the three months ended March 31, 2022 were as follows:

Francisco Partners Facility

On March 9, 2022, the Company amended the note purchase agreement (the "FP Note Purchase Agreement") governing the issuance and sale of senior secured notes due on November 24, 2026 (the "Francisco Partners Facility") to, among other things, (i) increase the principal amount of senior secured notes that may be issued under the FP Note Purchase Agreement to up to $154 million, (ii) increase the second tranche of the Francisco Partners Facility (the "Delayed Draw Notes") to $24 million of senior secured notes, and (iii) accelerate the funding of the Delayed Draw Notes. The Delayed Draw Notes were issued net of a $4 million original issue discount and resulted in proceeds received of $20 million, of which $8.6 million was allocated to proceeds from debt and $11.4 million was allocated to proceeds from warrants and derivatives in the condensed consolidated statements of cash flows. The Company reclassified deferred debt commitment costs of $13.2 million to discount on debt and $137 thousand to deferred issuance costs related to the issuance of the Delayed Draw Notes. The Company incurred an incremental $208 thousand of deferred issuance costs related to the issuance of the Delayed Draw Notes.

On March 25, 2022, the Company further amended the FP Note Purchase Agreement to, among other things, (i) decrease the principal amount of senior secured notes that may be issued under the Francisco Partners Facility to up to $119 million, (ii) amend certain existing covenants, as described below, (iii) add an additional covenant, as described below, (iv) revise the maturity date to April 1, 2026, and (v) change the timing of quarterly interest payments to May 15th, August 15th, November 15th and February 15th of each calendar year, with the first such interest payment required to be made on May 15, 2022. As consideration for the amendment on March 25, 2022, Francisco Partners received an additional 1.9 million shares of Terran Orbital Corporation's common stock in connection with the Tailwind Two Merger. Upon closing of the Tailwind Two Merger, the Company issued $65 million of senior secured notes as the third tranche of the Francisco Partners Facility (the "Conditional Notes"). The Conditional Notes were issued net of a $5 million original issue discount and resulted in proceeds received of $60 million, of which $14.4 million was allocated to proceeds from debt, $30.8 million was allocated to proceeds from warrants and derivatives, and $14.8 million was allocated to proceeds from the issuance of common stock in the condensed consolidated statements of cash flows. The Company reclassified deferred debt commitment costs of $32.8 million to discount on debt and $509 thousand to deferred issuance costs upon the issuance of the Conditional Notes. The Company incurred an incremental $851 thousand of issuance costs related to the issuance of the Conditional Notes, of which $641 thousand was allocated to debt and $210 thousand was allocated to equity.

As part of the amendment on March 25, 2022, the liquidity maintenance financial covenant of the Francisco Partners Facility was modified to require that as of the last day of each fiscal quarter, the Company must have an aggregate amount of unrestricted cash and cash equivalents of at least (i) $20 million in the case of the fiscal quarters ending March 31, 2022, June 30, 2022 and September 30,

2022, (ii) $10 million in the case of the fiscal quarter ending December 31, 2022 and (iii) $20 million plus 15% of certain aggregate funded indebtedness of the Company in the case of each fiscal quarter thereafter. In addition, a new covenant was added requiring the Company to at least break even on an EBITDA basis (as defined in the FP Note Purchase Agreement) by December 31, 2023, subject to certain extensions.

As of March 31, 2022 and December 31, 2021, approximately $1.0 million and $289 thousand of contractual interest was included in the outstanding principal balance of the Francisco Partners Facility, respectively.

Senior Secured Notes due 2026

On March 8, 2021, the Company issued $87 million aggregate principal amount of senior secured notes due April 1, 2026 (the "Senior Secured Notes due 2026") which resulted in gross proceeds of $50 million from Lockheed Martin Corporation ("Lockheed Martin") and the exchange and extinguishment of $37 million then outstanding convertible notes. The loss on extinguishment of debt totaled $70.6 million and primarily related to the recognition of warrants issued at fair value. The Company allocated $47.5 million of the proceeds received to the Senior Secured Notes due 2026 and the remainder of the proceeds were allocated to warrants issued upon funding of the Senior Secured Notes due 2026 in the condensed consolidated statements of cash flows. Refer to Note 6 "Warrants and Derivatives" for further discussion regarding warrants.

On March 25, 2022, the Senior Secured Notes due 2026 were impacted as follows:

Exchange of Debt for Equity

In connection with the PIPE Investment, two holders of the Senior Secured Notes due 2026 agreed to, in substance, exchange the outstanding amount of principal and interest for common stock of Terran Orbital Corporation with any residual amounts settled in cash, resulting in a loss on extinguishment of debt of $727 thousand related to $4.6 million carrying amount of Senior Secured Notes due 2026 on March 25, 2022. The consideration transferred as part of the extinguishment included common stock with a fair value of $4.6 million and a cash payment of $703 thousand, of which $293 thousand represents financing cash flows related to the repayment of debt and $410 thousand represents operating cash flows related to the payment of interest in the condensed consolidated statements of cash flows.

Rollover Debt

On March 25, 2022, the note purchase agreement governing the Senior Secured Notes due 2026 was amended to, among other things, (i) set the amount of senior secured notes that will remain outstanding with Lockheed Martin subsequent to the Tailwind Two Merger to $25 million (the "Lockheed Martin Rollover Debt"), (ii) increase and set the amount of senior secured notes that will remain outstanding with Beach Point Capital ("Beach Point") subsequent to the Tailwind Two Merger to $31.3 million (the "Beach Point Rollover Debt"), (iii) set the terms of the Lockheed Martin Rollover Debt and the Beach Point Rollover Debt to have substantially similar terms as the terms in the Francisco Partners Facility, excluding call protection and the Beach Point Rollover Debt bearing interest at 11.25% (9.25% of which is payable in cash and 2.0% of which is payable in kind), and (iv) cause the Beach Point Rollover Debt to be subordinated in right of payment to the Francisco Partners Facility.

In connection with the Tailwind Two Merger, the Company partially extinguished Lockheed Martin's portion of the Senior Secured Notes due 2026, resulting in a gain on extinguishment of debt of $1.8 million related to $32.6 million carrying amount, inclusive of an unamortized premium, of Senior Secured Notes due 2026 on March 25, 2022. The consideration transferred as part of the partial extinguishment included a cash payment of $30.8 million, of which $25 million represents financing cash flows related to the repayment of debt and $5.8 million represents operating cash flows related to the payment of interest in the condensed consolidated statements of cash flows. In addition, the Lockheed Martin Rollover Debt represents a modification of Lockheed Martin's portion of the Senior Secured Notes due 2026. The Company expensed $323 thousand of third-party expenses related to the modification.

In connection with the PIPE Investment and the amendment on March 25, 2022, Beach Point agreed to, in substance, exchange a portion of the outstanding amount of principal and interest for common stock of Terran Orbital Corporation with the remainder representing the Beach Point Rollover Debt. As consideration for the amendment on March 25, 2022, Beach Point received an additional 2.4 million shares of Terran Orbital Corporation's common stock as part of the Tailwind Two Merger. Accordingly, Beach Point's portion of the Senior Secured Notes due 2026 was deemed to have been extinguished for the issuance of the Beach Point Rollover Debt and common

stock of Terran Orbital Corporation, resulting in a loss on extinguishment of debt of $24.2 million related to $38.6 million carrying amount of Senior Secured Notes due 2026 on March 25, 2022. The consideration transferred as part of the extinguishment included common stock with a fair value of $31.8 million and the Beach Point Rollover Debt with a fair value of $31 million. The Company incurred $328 thousand of third-party expenses related to the Beach Point Rollover Debt, of which $178 thousand was allocated to debt and $151 thousand was allocated to equity.

PIPE Investment Obligation

An affiliate of a director and shareholder of the Company invested $30 million as part of the PIPE Investment (the "Insider PIPE Investment"). The subscription agreement for the Insider PIPE Investment included a provision that obligates the Company to pay the affiliate a quarterly fee of $1.875 million for sixteen quarters beginning with the period ending March 31, 2022 (the "PIPE Investment Obligation"). The first four quarterly payments are to be paid in cash and the remaining payments are to be paid, at the Company's option, in cash or common stock of the Company, subject to subordination to and compliance with the Company's debt facilities. The PIPE Investment Obligation represents a liability within scope of ASC 480*, Distinguishing Liabilities from Equity,* ("ASC 480") with subsequent measurement within scope of ASC 835, *Interest* ("ASC 835").

The Insider PIPE Investment resulted in proceeds received of $30 million, of which $13 million was allocated to proceeds from debt and $17 million was allocated to proceeds from PIPE Investment in the condensed consolidated statements of cash flows based on relative fair value. The Company incurred $259 thousand of issuance costs related to the Insider PIPE Investment, of which $112 thousand was allocated to debt and $147 was allocated to equity.

Note 6 Warrants and Derivatives

The Company's warrants and derivatives consist of freestanding financial instruments issued in connection with the Company's debt and equity financing transactions. The Company does not have any derivatives designated as hedging instruments.

For each freestanding financial instrument, the Company evaluates whether it represents a liability-classified financial instrument within the scope of ASC 480, or either a liability-classified or equity-classified financial instrument within the scope of ASC 815, *Derivatives and Hedging* ("ASC 815").

Warrants and derivatives classified as liabilities are recognized at fair value in the condensed consolidated balance sheets and are remeasured at fair value as of each reporting period with changes in fair value recorded in the condensed consolidated statements of operations and comprehensive loss. Warrants and derivatives classified as equity are recognized at fair value in additional paid-in capital in the condensed consolidated balance sheets and are not subsequently remeasured.

Liability-classified Warrants and Derivatives

The fair values of liability-classified warrants recorded in warrant liabilities on the condensed consolidated balance sheets as of the presented dates were as follows:

(in thousands, except share and per share amounts)	Number of Issuable Shares as of March 31, 2022	Issuance	Maturity	Exercise Price	March 31, 2022	December 31, 2021
Inducement Warrants	-	March 2021	March 2041	$ 0.01	$ —	$ 5,631
Public Warrants	11,499,960	March 2021	March 2027	$ 11.50	5,750	-
Private Placement Warrants	7,800,000	March 2021	March 2027	$ 11.50	3,900	-
FP Combination Warrants	8,291,704	March 2022	March 2027	$ 10.00	25,966	-
Warrant liabilities	**27,591,664**				**$ 35,616**	**$ 5,631**

The fair values of liability-classified warrants and derivatives recorded in accrued expenses and other current liabilities on the consolidated balance sheets as of the presented dates were as follows:

(in thousands)	March 31, 2022	December 31, 2021
FP Pre-Combination Warrants	$ —	$ 2,546
Pre-Combination Warrants	-	849
FP Combination Warrants	-	27,682
Combination Warrants	-	7,602
FP Combination Equity	-	24,110
Combination Equity	-	5,729
Current warrant and derivative liabilities	**$ —**	**$ 68,518**

The changes in fair value of liability-classified warrants and derivatives during the three months ended March 31, 2022 were as follows:

(in thousands)	Current Warrant and Derivative Liabilities	Warrant Liabilities	Total
Beginning balance	$ 68,518	$ 5,631	$ 74,149
Initial recognition from Tailwind Two Merger	-	13,124	13,124
Change in in fair value of warrant and derivative liabilities	13,342	(1,489)	11,853
Reclassification of current warrant and derivative liabilities to warrant liabilities	(25,966)	25,966	-
Reclassification of liability-classified warrants and derivatives to equity-classified	(11,007)	-	(11,007)
Net settlement of liability-classified warrants into common stock	-	(7,616)	(7,616)
Issuance of contingently issuable shares	(44,887)	-	(44,887)
Ending balance	**$ -**	**$ 35,616**	**$ 35,616**

Inducement Warrants

During the three months ended March 31, 2021, warrants issued by Legacy Terran Orbital in connection with the issuance of the Senior Secured Notes due 2026 (the "Inducement Warrants") were recognized at a fair value of $4.4 million in the condensed consolidated balance sheets, of which $2.5 million were recognized as discount on debt from the issuance of the Senior Secured Notes due 2026 and $1.9 million were recognized as a component of loss on extinguishment of debt in connection with the extinguishment of convertible notes. The change in fair value of the Inducement Warrants was not material during the three months ended March 31, 2021.

As part of the Tailwind Two Merger, all of the Inducement Warrants were ultimately net settled into approximately 695 thousand shares of Terran Orbital Corporation's common stock. As a result of the net settlement of the Inducement Warrants, the Company reclassified the fair value of the Inducement Warrants as of the Tailwind Two Merger of $7.6 million to additional paid-in capital.

Francisco Partners Warrants and Derivatives

As part of the Francisco Partners Facility, the Company issued warrants to Francisco Partners in November 2021 to purchase 1.5% of the fully diluted shares of Legacy Terran Orbital's common stock (the "FP Pre-Combination Warrants"). The FP Pre-Combination Warrants terminated unexercised upon consummation of the Tailwind Two Merger pursuant to their contractual provisions.

As additional consideration for the Francisco Partners Facility in November 2021, the Company committed to the issuance of (i) an equity grant package equal to 1.5% of the fully diluted shares of Terran Orbital Corporation's common stock outstanding as of immediately following the closing of the Tailwind Two Merger, plus an additional one million shares of Terran Orbital Corporation's common stock (the "FP Combination Equity"), and (ii) warrants to purchase 5.0% of the Terran Orbital Corporation's common stock on a fully diluted basis as of immediately following the closing of the Tailwind Two Merger at a strike price of $10.00 per share,

redeemable at the option of Francisco Partners for $25 million on the third anniversary of the closing of the Tailwind Two Merger, and expiring on March 25, 2027 (the "FP Combination Warrants").

The FP Combination Equity and the FP Combination Warrants were contingently issuable upon closing of the Tailwind Two Merger. Upon consummation of the Tailwind Two Merger, approximately 3.3 million shares of the Company's common stock were issued related to the FP Combination Equity, resulting in the reclassification of the fair value of the FP Combination Equity as of the Tailwind Two Merger of $36.4 million to additional paid-in capital. In addition, approximately 8.3 million warrants were issued related to the FP Combination Warrants, resulting in the reclassification of the FP Combination Warrants to warrant liabilities on the condensed consolidated balance sheets.

Pre-Combination and Combination Warrants and Derivatives

Upon initial funding of the Francisco Partners Facility and in connection with the amendment to the Senior Secured Notes due 2026 note purchase agreement in November 2021, the Company issued warrants to each of Lockheed Martin and Beach Point to purchase 0.25% of the fully diluted shares of Legacy Terran Orbital's common stock on the same valuation and terms and conditions as the FP Pre-Combination Warrants (the "Pre-Combination Warrants"). The Pre-Combination Warrants terminated unexercised upon consummation of the Tailwind Two Merger pursuant to their contractual provisions.

In November 2021, the Company committed to issue to each of Lockheed Martin and Beach Point (i) an equity grant package equal to 0.25% of the fully diluted shares of Terran Orbital Corporation's common stock outstanding as of immediately following the closing of the Tailwind Two Merger (the "Combination Equity"), and (ii) warrants to purchase 0.83333% of Terran Orbital Corporation's common stock on a fully diluted basis as of immediately following the closing of the Tailwind Two Merger at a strike price of $10.00 per share expiring on March 25, 2027 (the "Combination Warrants").

The Combination Equity and the Combination Warrants were contingently issuable upon closing of the Tailwind Two Merger. Upon consummation of the Tailwind Two Merger, approximately 774 thousand shares of the Company's common stock were issued related to the Combination Equity, resulting in the reclassification of the fair value of the Combination Equity as of the Tailwind Two Merger of $8.5 million to additional paid-in capital. In addition, approximately 2.8 million warrants were issued related to the Combination Warrants, resulting in the reclassification of the fair value of the Combination Warrants as of the Tailwind Two Merger of $11 million to additional paid-in capital as the Combination Warrants now represent equity-classified financial instruments.

Public Warrants

As part of the Tailwind Two Merger, the Company assumed outstanding warrants giving the holders the right to purchase an aggregate of 11.5 million shares of the Company's common stock for $11.50 per share (the "Public Warrants"). The Public Warrants became exercisable on April 24, 2022, 30 days after the completion of the Tailwind Two Merger, and will expire five years from the completion of the Tailwind Two Merger.

The Company will not be obligated to deliver any shares of common stock pursuant to the exercise of a Public Warrant and will have no obligation to settle such warrant exercise unless a registration statement with respect to the shares underlying the warrants is then effective and a related prospectus is current, unless a valid exemption from registration is available. No Public Warrant will be exercisable for cash or on a cashless basis and the Company will not be obligated to issue shares upon exercise of a Public Warrant unless the underlying shares have been registered, qualified or deemed to be exempt under the securities laws of the state of residence of the registered holder of the warrants. On April 22, 2022, the Company filed the Form S-1 with the SEC for, among other transactions, the registration of the shares of common stock issuable by the Company upon exercise of the Public Warrants. The Form S-1 has not yet been declared effective by the SEC.

Once the Public Warrants become exercisable, the Company may redeem the outstanding warrants when the price per share of the Company's common stock equals or exceeds $18.00 as follows:

- in whole and not in part;
- at a price of $0.01 per warrant;
- upon not less than of 30 days' prior written notice of redemption to each warrant holder; and

- if, and only if, the closing price of the Company's shares of common stock equals or exceeds $18.00 per share (as adjusted) for any 20 trading days within a 30-trading day period ending three trading days before the Company sends the notice of redemption to the warrant holders.

In addition, once the Public Warrants become exercisable, the Company may redeem the outstanding warrants when the price per share of the Company's common stock equals or exceeds $10.00 as follows:

- in whole and not in part;
- at $0.10 per warrant upon a minimum of 30 days' prior written notice of redemption; provided that holders will be able to exercise their warrants on a cashless basis prior to redemption and receive that number of shares determined based on the redemption date and the fair market value of the Company's shares of common stock;
- if, and only if, the closing price of the Company's shares of common stock equals or exceeds $10.00 per share (as adjusted) for any 20 trading days within the 30-trading day period ending three trading days before the Company send the notice of redemption of the warrant holders; and
- if the closing price of the Company's shares of common stock for any 20 trading days within a 30-trading day period ending on the third trading day prior to the date on which the Company sends the notice of redemption to the warrant holders is less than $18.00 per share (as adjusted), the Private Placement Warrants must also be concurrently called for redemption on the same terms as the outstanding Public Warrants, as described above.

If and when the Public Warrants become redeemable by the Company, the Company may exercise its redemption right even if it is unable to register or qualify the underlying securities for sale under all applicable state securities laws.

If the Company calls the Public Warrants for redemption, as described above, the Company will have the option to require any holder that wishes to exercise the Public Warrants to do so on a "cashless basis," as described in the warrant agreement. The exercise price and number of common shares issuable upon exercise of the Public Warrants may be adjusted in certain circumstances including in the event of a share dividend, extraordinary dividend or recapitalization, reorganization, merger or consolidation. However, the Public Warrants will not be adjusted for issuances of common shares at a price below its exercise price. Additionally, in no event will the Company be required to net cash settle the Public Warrants.

Private Placement Warrants

As part of the Tailwind Two Merger, the Company assumed outstanding warrants that were previously issued in a private placement and that give the holders thereof the right to purchase an aggregate of 7.8 million shares of the Company's common stock for $11.50 per share (the "Private Placement Warrants"). The Private Placement Warrants are identical to the Public Warrants, except that the Private Placement Warrants and the common shares issuable upon their exercise will not be transferable, assignable or salable until 30 days after the completion of the Tailwind Two Merger. Additionally, the Private Placement Warrants will be exercisable on a cashless basis and be non-redeemable, except as described above, so long as they are held by the initial purchasers or their permitted transferees. If the Private Placement Warrants are held by someone other than the initial purchasers or their permitted transferees, the Private Placement Warrants will be redeemable by the Company and exercisable by such holders on the same basis as the Public Warrants. During April 2022, the Company filed a registration statement for the registration of the Private Placement Warrants and the shares of common stock issuable upon exercise of the Private Placement Warrants.

Equity-classified Warrants

Detachable Warrants

During the three months ended March 31, 2021, warrants issued by Legacy Terran Orbital in connection with the extinguishment of convertible notes (the "Detachable Warrants") were recognized at a fair value of $68.4 million in additional paid-in capital in the condensed consolidated balance sheets and as a component of loss on extinguishment of debt in the condensed consolidated statements of operations and comprehensive loss. The issuance costs related to the Detachable Warrants totaled $2.3 million and were recognized in additional capital in the consolidated balance sheets and as financing cash flows in the consolidated statements of cash flows.

As part of the Tailwind Two Merger, all of the Detachable Warrants were ultimately net settled into approximately 22.3 million shares of the Terran Orbital Corporation's common stock.

Note 7 Fair Value of Financial Instruments

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 in the principal market, or if none exists, the most advantageous market, for the specific asset or liability at the measurement date (the exit price). The fair value is based on assumptions that market participants would use when pricing the asset or liability. The fair values are assigned a level within the fair value hierarchy, depending on the source of the inputs into the calculation, as follows:

•Level 1: Observable inputs that reflect quoted prices (unadjusted) for identical assets or liabilities in active markets.

•Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability either directly or indirectly.

•Level 3: Unobservable inputs reflecting management's own assumptions about the inputs used in pricing the asset or liability.

The carrying amounts of cash and equivalents, accounts receivable, contract assets, contract liabilities, and accounts payable approximate fair values due to the short-term maturities of these financial instruments.

Warrant and Derivative Liabilities

As a result of the Tailwind Two Merger, the fair value measurements related to warrants and derivatives during the three months ended March 31, 2022 were primarily based on the quoted market price of Terran Orbital Corporation's common stock and Public Warrants.

The final fair values of the Inducement Warrants, Combination Equity and FP Combination Equity were based on the number of shares of Terran Orbital Corporation common stock issued as part of the Tailwind Two Merger and the price per share of Terran Orbital Corporation's common stock as of the Tailwind Two Merger and represent Level 1 fair value measurements.

The fair value of the Public Warrants was based on the quoted market price of the Public Warrants as of each valuation date and represents a Level 1 fair value measurement. As the Private Placement Warrants are similar to the Public Warrants, the fair value of the Private Placement Warrants was based on the quoted market price of the Public Warrants as of each valuation date and represents a Level 2 fair value measurement.

The fair values of the Combination Warrants and FP Combination Warrants were derived using the Black-Scholes option pricing model and a lattice model, respectively, with the following significant inputs and assumptions as of the valuation date: (i) the price per share of Terran Orbital Corporation's common stock, (ii) the exercise price, (iii) the risk-free interest rate, (iv) the dividend yield, (v) the contractual term, and (vi) the estimated volatility. In addition, as a result of the FP Combination Warrants put feature, the valuation also considers counterparty credit spread based on an estimated credit rating of CCC and below. The resulting fair values represent Level 3 fair value measurements.

Long-term Debt

The following table presents the total net carrying amount and estimated fair value of the Company's long-term debt instruments, excluding finance leases, as of the dates presented:

(in thousands)	March 31, 2022		December 31, 2021	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Long-term debt	$ 91,264	$ 173,524	$ 115,095	$ 124,221
PIPE Investment Obligation	11,131	25,075	-	-

As of March 31, 2022, the fair value of the Company's long-term debt related to the Francisco Partners Facility, Lockheed Martin Rollover Debt, and Beach Point Rollover Debt was estimated using a lattice model with the following significant inputs and assumptions: (i) time to maturity, (ii) coupon rate, (iii) discount rate based on an estimated credit rating of CCC and below, (iv) risk-free interest rate, and (v) contractual features such as prepayment options, call premiums and default provisions. The fair value of long-term debt related to the PIPE Investment Obligation was estimated using the discounted cash flow valuation method applied to the sixteen quarterly payments using a discount rate based on a risk-free rate derived from constant maturity yields ranging plus a credit risk derived from an estimated credit rating of CCC and below. The resulting fair values represent Level 3 fair value measurements.

Note 8 Mezzanine Equity and Shareholders' Deficit

Significant changes in the Company's mezzanine equity and shareholders' deficit during the three months ended March 31, 2022 were as follows:

Common Stock

Subsequent to the Tailwind Two Merger, the Company is authorized to issue up to 300 million shares of common stock with a par value of $0.0001 per share. Each share of common stock entitles the shareholder to one vote.

The Company issued 11 million shares of common stock in exchange for the net assets of Tailwind Two recognized at historical cost in connection with the Tailwind Two Merger and issued 5.1 million shares of common stock in connection with the PIPE Investment. The Tailwind Two Merger and PIPE Investment resulted in allocated cash proceeds of $58.4 million with aggregate allocated third-party issuance costs of $48.4 million and the assumption of the Public Warrants and Private Placement Warrants with an aggregate fair value of $13.1 million.

PredaSAR Merger

During the three months ended March 31, 2021, the Company entered into an agreement with non-controlling interest holders of convertible preferred stock in PredaSAR (the "Series Seed Preferred Stock") to exchange all of the shares of the Series Seed Preferred Stock for shares of the Legacy Terran Orbital's common stock (the "PredaSAR Merger"). The PredaSAR Merger resulted in the issuance of 10.7 million shares of common stock.

The PredaSAR Merger resulted in PredaSAR becoming a wholly-owned subsidiary of Legacy Terran Orbital. Accordingly, non-controlling interest was reclassified to additional paid-in capital in the condensed consolidated balance sheets. The issuance costs related to the PredaSAR Merger totaled $432 thousand and were recognized in additional paid-in capital in the condensed consolidated balance sheets and as financing cash flow in the condensed consolidated statements of cash flow.

Preferred Stock

Subsequent to the Tailwind Two Merger, the Company is authorized to issue up to 50 million shares of preferred stock with a par value of $0.0001 per share. There were no shares of preferred stock issued and outstanding as of March 31, 2022.

As part of the Tailwind Two Merger, all of the convertible preferred stock of Legacy Terran Orbital (the "Series A Preferred Stock") was ultimately converted into approximately 10.9 million shares of Terran Orbital Corporation's common stock. As a result of the conversion of the Series A Preferred Stock, the Company reclassified the amount of Series A Preferred Stock to additional paid-in capital.

Note 9 Share-Based Compensation

Prior to the Tailwind Two Merger, Legacy Terran Orbital maintained the Amended and Restated Terran Orbital Corporation 2014 Equity Incentive Plan (the "2014 Plan"). During January 2022, the 2014 Plan was amended to authorize the issuance of no more than 941,355 shares of Legacy Terran Orbital's common stock, which represents 25,967,343 shares of Terran Orbital Corporation's common stock on a converted basis.

In connection with the Tailwind Two Merger, the Company terminated the 2014 Plan and adopted the Terran Orbital Corporation 2021 Omnibus Incentive Plan (the "2021 Plan"). All of the outstanding share-based compensation awards granted under the 2014 Plan were cancelled and substituted for awards under the 2021 Plan in the same form and on substantially the same terms and conditions. The 2021 Plan authorizes the issuance of no more than 13,729,546 shares of Terran Orbital Corporation's common stock pursuant to awards under the 2021 Plan. The number of authorized shares issuable under the 2021 Plan is subject to an annual increase on the first day of each calendar year during the term of the 2021 Plan, equal to the lesser of (i) 3% of the aggregate number of shares of Terran Orbital Corporation's common stock outstanding on the final day of the immediately preceding calendar year and (ii) such smaller number of shares of Terran Orbital Corporation's common stock as determined by the Company's board of directors. Further, under the 2021 Plan, the number of authorized shares issuable under the 2021 Plan may be adjusted in case of changes to capitalization or other corporate events. As of March 31, 2022, there were approximately 23 million shares of Terran Orbital's common stock underlying outstanding awards, which were cancelled under the 2014 Plan and substituted for awards under the 2021 Plan. The shares underlying such substituted awards are incremental to, and do not count against, the authorized share pool of the 2021 Plan.

Share-based compensation expense totaled $17.3 million and $168 thousand during the three months ended March 31, 2022 and 2021, respectively. All of the Company's outstanding restricted stock units ("RSUs") included a performance condition that requires a liquidity event to occur in order to vest. Accordingly, the Company previously did not recognize share-based compensation expense associated with the RSUs as their performance condition was not probable of being met until such an event occurred. Upon closing of the Tailwind Two Merger, the Company recorded a cumulative catch-up of approximately $17.2 million in order to begin recognition of share-based compensation expense associated with these RSUs as the performance condition was met, of which $2.1 million was recorded to cost of sales and $15.1 million was recorded to selling, general, and administrative expenses in the condensed consolidated statements of operations and comprehensive loss based on the classification of each employee's compensation expense.

2014 Plan

During the three months ended March 31, 2022 and prior to the Tailwind Two Merger, the Company granted approximately 6.4 million RSUs under the 2014 Plan with a weighted-average grant date fair value of $8.12.

The majority of these RSUs (referred to as "Retention RSUs") will generally vest on the later to occur of: (i) the first anniversary of the consummation of the Tailwind Two Merger and (ii) the trading price of Company's common stock equaling or exceeding $11.00 or $13.00, as applicable, for any 20 trading days within any consecutive 30-trading day period. The Retention RSUs expire five years from the Tailwind Two Merger if unvested. The derived service period for the Retention RSUs was estimated to be less than one year from the date of the Tailwind Two Merger based on the median weighted-average triggering event period determined using the Monte Carlo simulation model. As the derived service period is less than one year, the share-based compensation expense associated with the Retention RSUs will be recognized over a one-year period beginning from the consummation of the Tailwind Two Merger. In addition, the grant date fair value of the Retention RSUs was determined using the Monte Carlo simulation model using the following significant inputs and assumptions as of the valuation date: (i) the price per share of Terran Orbital Corporation's common stock, (ii) the risk-free interest rate, (iii) the dividend yield, (iv) the estimated volatility, and (v) a discount for lack of marketability.

For the granted RSUs that are not Retention RSUs, the grant date fair value was based on the fair value of Legacy Terran Orbital's common stock. Prior to the Tailwind Two Merger and in the absence of a public market for the Legacy Terran Orbital's common stock, the valuation of the Legacy Terran Orbital's common stock has been determined using an option pricing model, which is used to allocate the total enterprise value of the Company to the different classes of equity as of the valuation date. The significant assumptions used in the option pricing model include: (i) total enterprise value of the Company based on the guideline publicly-traded company method, guideline transaction method, market calibration method and discounted cash flow method; (ii) liquidation preferences, conversion values, and participation thresholds of different equity classes; (iii) probability-weighted time to a liquidity event; (iv) expected volatility based upon the historical and implied volatility of common stock for the Company's selected peers; (v) expected dividend yield of zero as the Company does not have a history or plan of declaring dividends on its common stock; (vi) risk-free interest rate based on U.S. treasury bonds with a zero-coupon rate, (vii) implied valuation, timing, and probability of the Tailwind Two Merger; and (viii) a discount for the lack of marketability of the Company's common stock. As a result of the Tailwind Two Merger, the estimates will no longer be necessary to determine the fair value of the Company's common stock as there is a public market for the underlying shares.

PredaSAR Plan

In connection with the PredaSAR Merger, the PredaSAR Corporation 2020 Equity Incentive Plan (the "PredaSAR Plan") was terminated. The stock options granted under the PredaSAR Plan were modified by cancellation and replacement with RSUs granted under the 2014 Plan. The incremental share-based compensation to be recognized over the service period of the RSUs as a result of the modification totaled approximately $445 thousand and was based on the incremental fair value of the RSUs granted compared to the fair value of the stock options immediately prior to cancellation. The Company did not recognize any incremental share-based compensation expense associated with the RSUs during the three months ended March 31, 2021 as the performance condition was not probable of being met until a liquidity event occurs. However, the Company continued to recognize share-based compensation expense related to the original grant date fair value of the cancelled stock options as the stock options were probable of vesting pursuant to their original terms.

Note 10 Net Loss Per Share

Basic net loss per share is computed by dividing net loss by the weighted-average number of shares of common stock outstanding during the period.

Diluted net loss per share gives effect to all securities having a dilutive effect on net loss, weighted-average shares outstanding of common stock or both. The effect from potential dilutive securities includes (i) incremental shares of common stock calculated using the if-converted method for the PIPE Investment Obligation and the Series A Preferred Stock and (ii) incremental shares of common stock calculated using the treasury stock method for warrants and share-based compensation awards. None of the potential dilutive securities meet the definition of a participating security.

For purposes of the diluted net loss per share computation, all potentially dilutive securities were excluded because their effect would be anti-dilutive or because of unsatisfied contingent issuance conditions. As a result, basic net loss per share was equal to diluted net loss per share for each period presented.

The table below represents the anti-dilutive securities that could potentially be dilutive in the future for the periods presented:

	Three Months Ended March 31,	
(in shares of common stock)	**2022**	**2021**
Series A Preferred Stock	—	10,947,686
Stock options	1,938,804	2,836,655
Restricted stock units	16,076,087	14,121,542
Detachable Warrants	—	26,029,630
Inducement Warrants	—	479,208
FP Combination Warrants	8,291,704	—
Combination Warrants	2,763,902	—
Public Warrants	11,499,960	—
Private Placement Warrants	7,800,000	
PIPE Investment Obligation	3,270,349	—

The computations of basic and diluted net loss per share for the periods presented were as follows:

	Three Months Ended March 31,	
(in thousands, except per share and share amounts)	**2022**	**2021**
Numerator:		
Net loss	$ (71,372)	$ (77,496)
Denominator:		
Weighted-average shares outstanding - basic and diluted	83,643,940	71,431,259
Net loss per share - basic and diluted	**$ (0.85)**	**$ (1.08)**

Note 11 Income Taxes

Provision for income taxes for the three months ended March 31, 2022 was $2 thousand, resulting in an effective tax rate for the period of 0.0%. The Company had a minimal effective tax rate as a result of the continued generation of net operating losses ("NOLs") offset by a full valuation allowance recorded on such NOLs as the Company determined it is more-likely-than-not that the Company's NOLs will not be utilized.

Provision for income taxes for the three months ended March 31, 2021 was $28 thousand, resulting in an effective tax rate for the period of 0.0%. The Company had a minimal effective tax rate as a result of the continued generation of NOLs offset by a full valuation allowance recorded on such NOLs as the Company determined it is more-likely-than-not that the Company's NOLs will not be utilized. The remainder of the Company's provision for income taxes was related to the Company's foreign subsidiary.

Note 12 Commitments and Contingencies

Litigation and Other Legal Matters

From time to time, the Company is subject to claims and lawsuits in the ordinary course of business, such as contractual disputes and employment matters. The Company is also subject to regulatory and governmental examinations, information requests and subpoenas, inquiries, investigations, and threatened legal actions and proceedings. The Company records accruals for losses that are probable and reasonably estimable. These accruals are based on a variety of factors such as judgment, probability of loss, and opinions of internal and external legal counsel. Legal costs in connection with claims and lawsuits in the ordinary course of business are expensed as incurred.

Customer Contractual Dispute

In January 2019, the Company entered into a contract (and other related agreements) with a customer to provide mission support and launch support services. During 2021, a contractual dispute arose between the Company and the customer. In April 2022, the Company entered into a confidential settlement agreement with the customer and agreed to a payment to the customer of $833 thousand, which is anticipated to be paid by September 30, 2022. As of March 31, 2022 and December 31, 2021, the Company had accrued $833 thousand and $800 thousand for the settlement, respectively.

Commercial Agreements

During the three months ended March 31, 2022, the Company entered into commercial agreements to purchase $20 million of goods and services over three years from two affiliates of a PIPE investor. These commercial agreements became effective upon the closing of the Tailwind Two Merger.

Note 13 Related Party Transactions

Lockheed Martin

Lockheed Martin, directly and through its wholly-owned subsidiary Astrolink International, LLC ("Astrolink"), is a significant holder of debt and equity instruments in the Company. On June 26, 2017, the Company entered into the strategic cooperation agreement with Lockheed Martin (the "Strategic Cooperation Agreement") pursuant to which the parties agreed to (i) collaborate on the development, production and sale of satellites for use in U.S. Government spacecraft and spacecraft procurements and (ii) establish a cooperation framework to enable the parties to enter into projects, research and development agreements and other collaborative business arrangements and "teaming activities." In connection with the issuance of the Senior Secured Notes due 2026, the Company and Lockheed Martin amended and restated the Strategic Cooperation Agreement to, among other things, extend the term to March 8, 2026. In connection with the Merger Agreement, the Strategic Cooperation Agreement was further amended and restated to extend the term to October 28, 2030 and was subsequently extended for an additional twelve months to October 28, 2031 in March 2022 pursuant to existing contractual terms. Refer to Note 5 "Debt" and Note 6 "Warrants and Derivatives" for further discussion regarding debt and equity transactions with Lockheed Martin.

The Company recognized revenue from Lockheed Martin of $10.3 million and $3.8 million during the three months ended March 31, 2022 and 2021, respectively. In addition, the Company had accounts receivables due from Lockheed Martin of $15.2 million and $530 thousand as of March 31, 2022 and December 31, 2021, respectively.

As of March 31, 2022 and December 31, 2021, programs associated with Lockheed Martin represented approximately 86% and 56% of the Company's remaining performance obligations, respectively.

GeoOptics, Inc.

The Company owns a non-controlling equity interest in GeoOptics, Inc. (“GeoOptics”), a privately held company engaged in the acquisition and sale of Earth observation data and a purchaser of products and services from the Company. Additionally, one of the Company’s executive officers serves as a member of the GeoOptics board of directors. As of March 31, 2022 and December 31, 2021, the Company’s $1.7 million investment in GeoOptics represented an approximately 2.3% ownership interest and was fully impaired.

The Company recognized revenue from GeoOptics of $501 thousand and $320 thousand during the three months ended March 31, 2022 and 2021, respectively. In addition, the Company had accounts receivables due from GeoOptics of $637 thousand and $470 thousand as of March 31, 2022 and December 31, 2021, respectively.

As of March 31, 2022 and December 31, 2021, programs associated with GeoOptics represented approximately 3% and 9% of the Company's remaining performance obligations, respectively.

Transactions with Chairman and CEO

The Company leases office space in a building beneficially owned by its Chairman and CEO with a lease term of April 1, 2021 to March 31, 2026. The Company has a one-time right to extend the lease for a period of five additional years. During the three months ended March 31, 2022, the lease payments under this lease were approximately $57 thousand.

During the three months ended March 31, 2021, the Company's Chairman and CEO was paid $125 thousand for consulting services.

Beach Point

Beach point is a significant holder of debt and equity instruments in the Company. Refer to Note 5 "Debt" and Note 6 "Warrants and Derivatives" for further discussion regarding debt and equity transactions with Beach Point.

PIPE Investment Obligation

The PIPE Investment Obligation represents a related party transaction. Refer to Note 5 "Debt" for further discussion.

Note 14 Segment Information

The Company’s Chief Executive Officer is its chief operating decision maker (the “CODM”). The Company reports segment information based on how the CODM evaluates performance and makes decisions about how to allocate resources. Accordingly, the Company has two operating and reportable segments: Satellite Solutions and Earth Observation Solutions.

The reportable segments are defined as follows:

- **Satellite Solutions**

  The Satellite Solutions segment is a vertically integrated satellite provider with modern facilities and a global ground station network that delivers end-to-end satellite solutions, including spacecraft design, development, launch services and on-orbit operations for critical missions across a number of applications in a variety of orbits to governmental agencies and commercial businesses.

•Earth Observation Solutions

Through the Satellite Solutions segment, the Earth Observation Solutions segment has commenced developing satellites and intends to continue to develop, build, launch and operate a constellation of Earth observation satellites that will feature Synthetic Aperture Radar ("SAR") and electro-optical capabilities to provide Earth observation data and mission solutions that it believes will be distinguished by breadth of coverage, revisit rates and ability to observe and detect during day and night and through clouds and other interference. In addition, the Earth Observation Solutions segment plans to provide secondary payload solutions and onboard data processing capabilities on its satellite constellation, including sensors, optical links or other mission solutions.

The Earth Observation Solutions segment is still in its developmental stage and does not yet generate any material revenue. The scope and timing of the satellite constellation is subject to continuing assessments of customer demand and the Company's financial and other resources. The Company has designed and began building the first two satellites of the constellation and plans to launch the two satellites in late 2022 or the first half of 2023.

The CODM uses income (loss) from operations by segment as the segment profitability measure in order to evaluate segment performance. Income (loss) from operations by segment excludes share-based compensation expense and corporate and other costs included within the Company's consolidated income (loss) from operations.

The CODM does not review the Company's assets by segment; therefore, such information is not presented.

The following table presents revenue by segment and a reconciliation to consolidated revenue for the periods presented:

	Three Months Ended March 31,	
(in thousands)	**2022**	**2021**
Satellite Solutions	$ 12,974	$ 10,494
Earth Observation Solutions	146	—
Revenue	**$ 13,120**	**$ 10,494**

The following table presents loss from operations by segment for the periods presented:

	Three Months Ended March 31,	
(in thousands)	**2022**	**2021**
Satellite Solutions	$ (6,048)	$ (980)
Earth Observation Solutions	(660)	(912)
Loss from operations by segment	**$ (6,708)**	**$ (1,892)**

During the three months ended March 31, 2022, depreciation and amortization expense included in loss from operations by segment totaled $641 thousand and $184 thousand for Satellite Solutions and Earth Observation Solutions, respectively. During the three months ended March 31, 2021, depreciation and amortization expense included in loss from operations by segment totaled $671 thousand and related entirely to Satellite Solutions.

The following table presents a reconciliation of loss from operations by segment to consolidated loss from operations and net loss for the periods presented:

(in thousands)	Three Months Ended March 31, 2022	2021
Loss from operations by segment	$ (6,708)	$ (1,892)
Corporate and other	(9,007)	(3,853)
Share-based compensation expense	(17,335)	(168)
Loss from operations	**(33,050)**	**(5,913)**
Interest expense, net	2,923	907
Loss on extinguishment of debt	23,141	70,667
Change in fair value of warrant and derivative liabilities	11,853	(34)
Other expense	403	15
Loss before income taxes	**(71,370)**	**(77,468)**
Provision for income taxes	2	28
Net loss	**$ (71,372)**	**$ (77,496)**

Note 15 Leases

As part of normal operations, the Company leases real estate and equipment from various counterparties with lease terms and maturities extending through 2032. The Company applies the practical expedient to not separate the lease and non-lease components and accounts for the combined component as a lease. Additionally, the Company's right-of-use assets and lease liabilities include leases with lease terms of 12 months or less.

The Company's right-of-use assets and lease liabilities primarily represent lease payments that are fixed at the commencement of a lease and variable lease payments that depend on an index or rate. Lease payments are recognized as lease cost on a straight-line basis over the lease term, which is determined as the non-cancelable period, including periods in which termination options are reasonably certain of not being exercised and periods in which renewal options are reasonably certain of being exercised. The discount rate for a lease is determined using the Company's incremental borrowing rate that coincides with the lease term at the commencement of a lease. The incremental borrowing rate is estimated based on the Company's recent financing transactions.

Lease payments that are neither fixed nor dependent on an index or rate and vary because of changes in usage or other factors are included in variable lease costs. Variable lease costs are recorded in the period in which the obligation is incurred and primarily relate to utilities, maintenance, and repair costs.

The Company's leases do not contain material residual value guarantees or restrictive covenants. The Company is not a lessor in any leases and does not sublease.

The following table presents the amounts reported in the Company's condensed consolidated balance sheets related to operating and finance leases as of the presented dates:

(in thousands)	**Classification**	**March 31, 2022**	**January 1, 2022**
Right-of-Use Assets:			
Operating	Other assets	$ 14,119	$ 6,550
Finance	Property, plant and equipment, net	44	48
Total right-of-use assets		**$ 14,163**	**$ 6,598**
Lease Liabilities			
Operating	Accrued expenses and other current liabilities	$ 834	$ 166
Finance	Current portion of long-term debt	15	14
Operating	Other liabilities	15,640	7,962
Finance	Long-term debt	34	39
Total lease liabilities		**$ 16,523**	**$ 8,181**

The following is a summary of the Company's lease cost for the presented period:

Lease Cost (*in thousands*)	**Three Months Ended March 31, 2022**
Operating lease cost	$ 1,263
Finance lease cost	
Amortization of right-of-use assets	4
Interest on lease liabilities	2
Variable lease costs	140
Total lease cost	**$ 1,409**

The following is a summary of the cash flows and supplemental information associated with the Company's leases for the presented period:

Other information (*in thousands*)	**Three Months Ended March 31, 2022**
Cash paid for amounts included in the measurement of lease liabilities	
Operating cash flows from operating leases	$ 486
Operating cash flows from finance leases	2
Financing cash flows from finance leases	3
Right-of-use assets obtained in exchange for lease liabilities:	
Operating leases	7,384
Finance leases	-

The following is a summary of the weighted-average lease term and discount rate for operating and finance leases as of the presented date:

Lease Term and Discount Rate	**March 31, 2022**
Weighted-average remaining lease term (years)	
Operating leases	7.7
Finance leases	3.4
Weighted-average discount rate	
Operating leases	29.69 %
Finance leases	14.96 %

The following is a maturity analysis related to the Company's operating and finance leases as of March 31, 2022:

Maturity of Lease Liabilities (*in thousands*)	**Operating Leases**	**Finance Leases**
2022	$ 3,053	$ 16
2023	5,666	21
2024	5,771	11
2025	5,709	8
2026	5,705	7
Thereafter	21,522	-
Total lease payments	47,426	63
Less interest	30,952	14
Total lease liabilities	**$ 16,474**	**$ 49**

The table above excludes certain operating leases which have been executed but not yet commenced. The Company has an executed operating lease for office space with a lease term from April 2022 to January 2028 with total future minimum lease payments of approximately $5.4 million. Additionally, there is an executed operating lease for office space with a lease term from April 2022 to June 2027 with total future minimum lease payments of approximately $2 million.

The following is a maturity analysis related to the Company's operating and finance leases as of December 31, 2021 which is presented in accordance with ASC 840, *Leases*:

(in thousands)	Operating Leases	Finance Leases
2022	$ 3,484	$ 21
2023	4,865	21
2024	4,970	11
2025	4,928	8
2026	4,896	7
Thereafter	5,167	-
Total lease payments	28,310	68
Less interest on finance leases	-	15
Total	**$ 28,310**	**$ 53**

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

INTRODUCTION

The following discussion and analysis of our financial condition and results of operations and cash flows should be read in conjunction with our condensed consolidated financial statements, and the related notes thereto, included elsewhere in this Quarterly Report on Form 10-Q, as well as our audited consolidated financial statements as of and for the years ended December 31, 2021 and 2020 included in our registration statement on Form S-1, which was filed with the United States Securities and Exchange Commission (the "SEC") on April 22, 2022 (the "Form S-1") but has not yet been declared effective by the SEC. In addition to historical data, this discussion contains forward-looking statements about our business, results of operations, cash flows, financial condition and prospects based on current expectations that involve risks, uncertainties and assumptions. Our actual results could differ materially from such forward-looking statements. Factors that could cause or contribute to those differences include, but are not limited to, those identified below and those discussed in the sections titled "Risk Factors" and "Cautionary Note Regarding Forward-Looking Statements" included in the Form S-1. Additionally, our historical results are not necessarily indicative of the results that may be expected for any period in the future.

OVERVIEW

Terran Orbital Corporation, formerly known as Tailwind Two Acquisition Corp. ("Tailwind Two"), together with its wholly-owned subsidiaries (collectively, the "Company," "we," "our," "us," and "Terran Orbital"), is a leading manufacturer of small satellites primarily serving the United States ("U.S.") aerospace and defense industry. Through our subsidiary Tyvak Nano-Satellite Systems, Inc. ("Tyvak"), we provide end-to-end satellite solutions by combining satellite design, production, launch planning, mission operations, and in-orbit support to meet the needs of our customers. We access the international market through both Tyvak and our Torino, Italy based subsidiary, Tyvak International S.R.L. ("Tyvak International"). Through our subsidiary PredaSAR Corporation ("PredaSAR"), we are developing what we believe will be the world's largest, most advanced NextGen Earth observation constellation to provide near persistent, near real-time Earth imagery.

BASIS OF PRESENTATION

All financial information presented in this section includes the accounts of Terran Orbital Corporation and its subsidiaries, and has been prepared in U.S. dollars in accordance with generally accepted accounting principles in the United States of America ("GAAP"). All intercompany transactions have been eliminated.

Our Chief Executive Officer is our chief operating decision maker (the "CODM"). We report segment information based on how the CODM evaluates performance and makes decisions about how to allocate resources. Accordingly, we have two operating and reportable segments: Satellite Solutions and Earth Observation Solutions.

The reportable segments are defined as follows:

- **Satellite Solutions**

  The Satellite Solutions segment is a vertically integrated satellite provider with modern facilities and a global ground station network that delivers end-to-end satellite solutions, including spacecraft design, development, launch services and on-orbit operations for critical missions across a number of applications in a variety of orbits to governmental agencies and commercial businesses.

- **Earth Observation Solutions**

  Through the Satellite Solutions segment, the Earth Observation Solutions segment has commenced developing satellites and intends to continue to develop, build, launch and operate a constellation of Earth observation satellites that will feature Synthetic Aperture Radar ("SAR") and electro-optical capabilities to provide Earth observation data and mission solutions that it believes will be distinguished by breadth of coverage, revisit rates and ability to observe and detect during day and night and through clouds and other interference. In addition, the Earth Observation Solutions segment plans to provide secondary payload solutions and onboard data processing capabilities on its satellite constellation, including sensors, optical links or other mission solutions.

  The Earth Observation Solutions segment is still in its developmental stage and does not yet generate any material revenue. The scope and timing of the satellite constellation is subject to continuing assessments of customer demand and our financial

and other resources. We anticipate on completing two satellites of the constellation currently under construction, which we anticipate launching in late 2022 or the first half of 2023, while the remainder of the satellites of the constellation will be temporarily delayed based on our prioritization of production capacity to U.S. Government programs coupled with the level of our financial resources as of March 31, 2022.

The CODM uses income (loss) from operations by segment as the segment profitability measure in order to evaluate segment performance. Income (loss) from operations by segment excludes share-based compensation expense and corporate and other costs included within the Company's consolidated income (loss) from operations.

FACTORS AFFECTING OPERATING RESULTS

Our financial success is based on our ability to deliver high quality products and services on a timely basis and at an economical price for our customers. With the majority of our contracts with customers reflecting firm fixed pricing structures, our gross profit is dependent on the efficient and effective execution of our contracts. Our ability to maximize gross profit may be impacted by, but not limited to, unanticipated cost overruns, disruptions in our supply chains, and mix of customer contracts based on newer technology demonstrations versus existing technology.

From time to time, we may strategically enter into contracts with low or negative margins relative to other contracts or that are at risk of cost overruns. This may occur due to strategic decisions built around positioning ourselves for future contracts or to enhance our product and service offerings. However, in some instances, loss contracts may occur from unforeseen cost overruns which are not recoverable from the customer. We establish loss reserves on contracts in which the estimated cost-at-completion exceeds the estimated revenue. The loss reserves are recorded in the period in which a loss is determined.

We are actively executing on our growth initiatives with significant increases in headcount as well as the expansion of manufacturing facilities and office space in order to position ourselves to be awarded larger contracts with recurring revenue opportunities that will lay the foundation for our long-term success. Our portfolio of contracts includes several technology demonstrations, studies, and prototypes with the potential to convert into contracts to support future constellations. As of March 31, 2022, we have identified approximately 140 opportunities representing over $12 billion in potential revenue for our Satellite Solutions segment.

We may experience variability in the profitability of our contracts in the future and that such future variability may occur at levels and frequencies different from historical experience. Such variability in profitability may be due to strategic decisions, cost overruns or other circumstances within or outside of our control. Accordingly, our historical experience with profitability on our contracts is not indicative or predictive of future experience.

COVID-19 Pandemic

During March 2020, the World Health Organization declared the outbreak of a novel coronavirus as a pandemic (the "COVID-19 Pandemic"), which has become increasingly widespread across the globe. The COVID-19 Pandemic has negatively impacted the global economy, disrupted global supply chains, and created significant volatility and disruption in the financial and capital markets.

The COVID-19 Pandemic has contributed to a worldwide shortage of electronic components which has resulted in longer than historically experienced lead times for such electronic components. The reduced availability to receive electronic components used in our operations has negatively affected our timing and ability to deliver products and services to customers as well as increased costs in recent periods. We have considered the emergence and pervasive economic impact of the COVID-19 Pandemic in our assessment of our financial position, results of operations, cash flows, and certain accounting estimates as of and for the three months ended March 31, 2022. Due to the evolving and uncertain nature of the COVID-19 Pandemic, it is possible that the effects of the COVID-19 Pandemic could materially impact our estimates and condensed consolidated financial statements in future reporting periods.

RECENT DEVELOPMENTS

The comparability of our results of operations has been impacted by the following events:

Tailwind Two Merger

Prior to March 25, 2022, Tailwind Two was a publicly listed special purpose acquisition company incorporated as a Cayman Islands exempted company. On March 25, 2022, Tailwind Two acquired Terran Orbital Operating Corporation, formerly known as Terran Orbital Corporation ("Legacy Terran Orbital") (the "Tailwind Two Merger"). In connection with the Tailwind Two Merger, Tailwind Two filed a notice of deregistration with the Cayman Islands Registrar of Companies and filed a certificate of incorporation and a certificate of corporate domestication with the Secretary of State of the State of Delaware, resulting in Tailwind Two becoming a

Delaware corporation and changing its name from Tailwind Two to Terran Orbital Corporation. The Tailwind Two Merger resulted in Legacy Terran Orbital becoming a wholly-owned subsidiary of Terran Orbital Corporation.

As a result of the Tailwind Two Merger, all of Legacy Terran Orbital's issued and outstanding common stock was converted into shares of Terran Orbital Corporation's common stock using an exchange ratio of 27.585 shares of Terran Orbital Corporation's common stock per each share of Legacy Terran Orbital's common stock. In addition, Legacy Terran Orbital's convertible preferred stock and certain warrants were exercised and converted into shares of Legacy Terran Orbital's common stock immediately prior to the Tailwind Two Merger, and in turn, were converted into shares of Terran Orbital Corporation's common stock as a result of the Tailwind Two Merger. Further, in connection with the Tailwind Two Merger, Legacy Terran Orbital's share-based compensation plan and related share-based compensation awards were cancelled and exchanged or converted, as applicable, with a new share-based compensation plan and related share-based compensation awards of Terran Orbital Corporation.

While Legacy Terran Orbital became a wholly-owned subsidiary of Terran Orbital Corporation, Legacy Terran Orbital was deemed to be the acquirer in the Tailwind Two Merger for accounting purposes. Accordingly, the Tailwind Two Merger was accounted for as a reverse recapitalization, in which case the condensed consolidated financial statements of the Company represent a continuation of Legacy Terran Orbital and the issuance of common stock in exchange for the net assets of Tailwind Two recognized at historical cost and no recognition of goodwill or other intangible assets. Operations prior to the Tailwind Two Merger are those of Legacy Terran Orbital and all share and per-share data included in these condensed consolidated financial statements have been retroactively adjusted to give effect to the Tailwind Two Merger. In addition, the number of shares subject to, and the exercise price of, the Company's outstanding options and warrants were adjusted to reflect the Tailwind Two Merger. The treatment of the Tailwind Two Merger as a reverse recapitalization was based upon the pre-merger shareholders of Legacy Terran Orbital holding the majority of the voting interests of Terran Orbital Corporation, Legacy Terran Orbital's existing management team serving as the initial management team of Terran Orbital Corporation, Legacy Terran Orbital's appointment of the majority of the initial board of directors of Terran Orbital Corporation, and Legacy Terran Orbital's operations comprising the ongoing operations of the Company.

In connection with the Tailwind Two Merger, approximately $29 million of cash and marketable securities held in trust, net of redemptions by Tailwind Two's public shareholders, became available for use by the Company as well as proceeds received from the contemporaneous sale of common stock in connection with the closing of a PIPE investment with a contractual amount of $51 million (the "PIPE Investment"). In addition, the Company received additional proceeds from the issuance of debt contemporaneously with the Tailwind Two Merger. The aggregate cash raised will be used for general corporate purposes, the partial paydown of debt, the payment of transaction costs and the payment of other costs directly or indirectly attributable to the Tailwind Two Merger.

Beginning on March 28, 2022, the Company's common stock and public warrants began trading on the New York Stock Exchange (the "NYSE") under the symbols "LLAP" and "LLAP WS," respectively.

Refer to the discussions below under "Liquidity and Capital Resources" for further details regarding our financing transactions which occurred in connection with the Tailwind Two Merger.

Public Company Costs

As a result of the Tailwind Two Merger, we have incurred and will continue to incur additional legal, accounting, board compensation, and other expenses that we did not previously incur, including costs associated with SEC reporting and corporate governance requirements. These requirements include compliance with the Sarbanes-Oxley Act of 2002 as well as other rules implemented by the

SEC and the national securities exchanges. Our financial statements for the periods following the Tailwind Two Merger will reflect the impact of these expenses.

RESULTS OF OPERATIONS

Three Months Ended March 31, 2022 Compared to Three Months Ended March 31, 2021

The following table presents our consolidated results of operations for the three months ended March 31, 2022 and 2021:

	Three Months Ended March 31,		
(in thousands)	**2022**	**2021**	**$ Change**
Revenue	$ 13,120	$ 10,494	$ 2,626
Cost of sales	15,953	9,734	6,219
Gross (loss) profit	(2,833)	760	(3,593)
Selling, general, and administrative expenses	30,217	6,673	23,544
Loss from operations	**(33,050)**	**(5,913)**	**(27,137)**
Interest expense, net	2,923	907	2,016
Loss on extinguishment of debt	23,141	70,667	(47,526)
Change in fair value of warrant and derivative liabilities	11,853	(34)	11,887
Other expense	403	15	388
Loss before income taxes	**(71,370)**	**(77,468)**	**6,098**
Provision for income taxes	2	28	(26)
Net loss	**$ (71,372)**	**$ (77,496)**	**$ 6,124**

Revenue

The following table presents revenue by segment for the three months ended March 31, 2022 and 2021:

	Three Months Ended March 31,		
(in thousands)	**2022**	**2021**	**$ Change**
Satellite Solutions	$ 12,974	$ 10,494	$ 2,480
Earth Observation Solutions	146	-	146
Revenue	**$ 13,120**	**$ 10,494**	**$ 2,626**

The increase in revenue attributable to the Satellite Solutions segment was primarily due to the continued and increased level of progress made in satisfying our customer contracts and reflects the ongoing favorable impact from significant contract wins and modifications in recent periods.

During the three months ended March 31, 2022, we adjusted the estimate-at-completion ("EAC") on certain firm fixed price contracts, which had an estimated $3 million negative impact to revenue in the Satellite Solutions segment. While we believe our estimates as of March 31, 2022 consider all relevant and known information, such as supply chain and related production challenges, additional adjustments to our EACs could occur and have an impact on our revenue in future reporting periods.

The Earth Observation Solutions segment was still in its developmental stage and generated limited revenue by providing expert analyses and planned technology demonstrations.

Cost of Sales

The following table presents cost of sales by segment and other components for the three months ended March 31, 2022 and 2021:

	Three Months Ended March 31,		
(in thousands)	**2022**	**2021**	**$ Change**
Satellite Solutions	$ 13,803	$ 9,720	$ 4,083
Earth Observation Solutions	37	-	37
Share-based compensation expense	2,113	14	2,099
Cost of Sales	**$ 15,953**	**$ 9,734**	**$ 6,219**

The increase in cost of sales was primarily due to an increase of $4 million in labor, materials, third-party services, overhead and other direct costs incurred in satisfying our customer contracts as part of our growth initiatives in the Satellite Solutions segment as well as an increase in share-based compensation expense due to a $2.1 million non-recurring cumulative recognition of share-based compensation expense associated with awards that included a liquidity event, such as the Tailwind Two Merger, as a vesting condition. Prior to the Tailwind Two Merger, the awards were not probable of vesting and no share-based compensation expense was previously recognized.

During the three months ended March 31, 2022, we adjusted the EAC on certain firm fixed price contracts, which had an estimated $0.7 million negative impact to cost of sales in the Satellite Solutions segment. While we believe our estimates as of March 31, 2022 consider all relevant and known information, such as supply chain and related production challenges, additional adjustments to our EACs could occur and have an impact on our cost of sales in future reporting periods.

The Earth Observation Solutions segment was still in its developmental stage and generated limited revenue by providing expert analyses and planned technology demonstrations, incurring limited cost of sales.

Selling, General, and Administrative

The following table presents selling, general, and administrative expenses by segment and other components for the three months ended March 31, 2022 and 2021:

	Three Months Ended March 31,		
(in thousands)	**2022**	**2021**	**$ Change**
Satellite Solutions	$ 5,219	$ 1,754	$ 3,465
Earth Observation Solutions	768	912	(144)
Corporate and other	9,008	3,853	5,155
Share-based compensation expense	15,222	154	15,068
Selling, general, and administrative expenses	**$ 30,217**	**$ 6,673**	**$ 23,544**

The increase in selling, general, and administrative expenses was primarily due to the following:

- an increase in share-based compensation expense due to a $15.1 million non-recurring cumulative recognition of share-based compensation expense associated with awards that included a liquidity event, such as the Tailwind Two Merger, as a vesting condition;
- an increase in corporate salaries and wages of $2.5 million as well as an increase in accounting, legal, and other professional fees of $1.2 million as part of the Company's efforts of becoming a public company;
- an increase in expenses, net of overhead allocations, in the Satellite Solutions segment due to incremental headcount, additional leases for manufacturing facilities and office space, and other selling, general, and administrative expenses as part of the Company's growth initiatives;
- an increase in corporate facility costs of $566 thousand due to new leases for office locations commencing in 2021;
- an increase of $184 thousand in depreciation and amortization expense in the Earth Observation Solutions segment due to a company-owned satellite that was placed in service in 2021; and
- partially offset by a reduction in various other expenses in the Earth Observation Solutions.

Interest Expense, net

The increase in interest expense, net was due to an increase in contractual interest of $2 million as a result of higher debt balances and higher interest rates as a result of our financing transactions during 2021 and 2022, an increase in amortization related to discount on

debt of $438 thousand as a result of our financing transactions, partially offset by an increase in capitalized interest of $434 thousand associated with the development of our Earth observation constellation.

Loss on Extinguishment of Debt

During the three months ended March 31, 2022, loss on extinguishment of debt totaled $23 million, which related to the refinancing and extinguishment of our debt obligations in connection with the Tailwind Two Merger.

During the three months ended March 31, 2021, loss on extinguishment of debt totaled $71 million, which related to the refinancing of convertible note instruments.

Change in Fair Value of Warrant and Derivative Liabilities

The change in fair value of warrant and derivative liabilities relates to the periodic fair value remeasurement of liability-classified warrants and derivatives issued in connection with our financing transactions during the first and fourth quarter of 2021. The increase during the three months ended March 31, 2022 was primarily due to fair value remeasurements as a result of the Tailwind Two Merger.

Other Expense

The increase in other expense was primarily related to an increase of $370 thousand for third-party legal fees expensed in connection with our financing transactions.

Provision for Income Taxes

Provision for income taxes for the three months ended March 31, 2022 was $2 thousand, resulting in an effective tax rate for the period of 0.0%. We had a minimal effective tax rate as a result of the continued generation of net operating losses ("NOLs") offset by a full valuation allowance recorded on such NOLs as we determined it is more-likely-than-not that our NOLs will not be utilized.

Provision for income taxes for the three months ended March 31, 2021 was $28 thousand, resulting in an effective tax rate for the period of 0.0%. We had a minimal effective tax rate as a result of the continued generation of NOLs offset by a full valuation allowance recorded on such NOLs as we determined it is more-likely-than-not that our NOLs will not be utilized. The remainder of the provision for income taxes was related to our foreign subsidiary.

NON-GAAP MEASURES

To provide investors with additional information in connection with our results as determined in accordance with GAAP, we disclose non-GAAP financial measures, such as Adjusted Gross Profit and Adjusted EBITDA, that have not been prepared in accordance with GAAP. These non-GAAP measures may be different from non-GAAP measures made by other companies. These measures may exclude items that are significant in understanding and assessing our financial results. Therefore, these measures should not be considered in isolation or as an alternative to net income or other measures of financial performance or liquidity under GAAP.

Adjusted Gross Profit

We believe that the presentation of Adjusted Gross Profit is appropriate to provide additional information to investors about our gross profit adjusted for certain non-cash items. Further, we believe Adjusted Gross Profit provides a meaningful measure of operating

profitability because we use it for evaluating our business performance, making budgeting decisions, and comparing our performance against that of other peer companies using similar measures.

We define Adjusted Gross Profit as gross profit or loss adjusted for (i) share-based compensation expense included in cost of sales and (ii) depreciation and amortization included in cost of sales.

There are material limitations to using Adjusted Gross Profit. Adjusted Gross Profit does not take into account all items which directly affect our gross profit or loss. These limitations are best addressed by considering the economic effects of the excluded items independently and by considering Adjusted Gross Profit in conjunction with gross profit or loss as calculated in accordance with GAAP.

The following table reconciles Adjusted Gross Profit to gross profit or loss (the most comparable GAAP measure) for the three months ended March 31, 2022 and 2021:

	Three Months Ended March 31,		
(in thousands)	**2022**	**2021**	**$ Change**
Gross (loss) profit	**$ (2,833)**	**$ 760**	**$ (3,593)**
Share-based compensation expense	2,113	14	2,099
Depreciation and amortization	513	453	60
Adjusted gross (loss) profit	**$ (207)**	**$ 1,227**	**$ (1,434)**

The decrease in Adjusted Gross Profit was largely due to adjustments to the EAC on certain firm fixed price contracts, which had an estimated $3.7 million negative impact to Adjusted Gross Profit. While we believe our estimates as of March 31, 2022 consider all relevant and known information, such as supply chain and related production challenges, additional adjustments to our EACs could occur and have an impact on our Adjusted Gross Profit in future reporting periods.

Adjusted EBITDA

We believe that the presentation of Adjusted EBITDA is appropriate to provide additional information to investors about our operating profitability adjusted for certain non-cash items, non-routine items that we do not expect to continue at the same level in the future, as well as other items that are not core to our operations. Further, we believe Adjusted EBITDA provides a meaningful measure of operating profitability because we use it for evaluating our business performance, making budgeting decisions, and comparing our performance against that of other peer companies using similar measures.

We define Adjusted EBITDA as net income or loss adjusted for (i) interest, (ii) taxes, (iii) depreciation and amortization, (iv) share-based compensation expense, (v) loss on extinguishment of debt, (vi) change in fair value of warrant and derivative liabilities, and (vii) other non-recurring and/or non-cash items.

There are material limitations to using Adjusted EBITDA. Adjusted EBITDA does not take into account certain significant items, including depreciation and amortization, interest, taxes, and other adjustments which directly affect our net income or loss. These limitations are best addressed by considering the economic effects of the excluded items independently and by considering Adjusted EBITDA in conjunction with net income or loss as calculated in accordance with GAAP.

The following table reconciles Adjusted EBITDA to net loss (the most comparable GAAP measure) for the three months ended March 31, 2022 and 2021:

	Three Months Ended March 31,		
	2022	**2021**	**$ Change**
Net loss	**$ (71,372)**	**$ (77,496)**	**$ 6,124**
Interest expense, net	2,923	907	2,016
Provisions for income taxes	2	28	(26)
Depreciation and amortization	846	671	175
Share-based compensation expense	17,335	168	17,167
Loss on extinguishment of debt	23,141	70,667	(47,526)
Change in fair value of warrant and derivative liabilities	11,853	(34)	11,887
Other, net[(a)]	555	1,452	(897)
Adjusted EBITDA	**$ (14,717)**	**$ (3,637)**	**$ (11,080)**

(a) - Represents other expense and other charges and items. Non-recurring legal and accounting fees related to our transition to a public company are included herein.

The decrease in Adjusted EBITDA was primarily due to a decrease in gross profit and an increase in salaries and wages, legal and accounting fees, and facility expenses as a result of our growth initiatives. Refer to the discussions above under “Results of Operations” for further details.

KEY PERFORMANCE INDICATORS

We view growth in backlog as a key measure of our business growth. Backlog represents the estimated dollar value of executed contracts, including both funded (firm orders for which funding is authorized and appropriated) and unfunded portions of such contracts, for which work has not been performed (also known as the remaining performance obligations on a contract). Order backlog excludes contracts in which we recognize revenue in proportion to the amount we have the right to invoice for services performed and does not include unexercised contract options and potential orders under indefinite delivery/indefinite quantity contracts. Although backlog reflects business associated with contracts that are considered to be firm, terminations, amendments or contract cancellations may occur, which could result in a reduction in our total backlog.

Our backlog totaled $221.8 million and $73.9 million as of March 31, 2022 and December 31, 2021, respectively. The increase in backlog was primarily due to a new award to build 42 satellites for the U.S. Space Development Agency's ("SDA") Tranche 1 of the Transport Layer. The award is in addition to the 10 satellites we are building for the SDA's Tranche 0 of the Transport Layer.

As of March 31, 2022, programs associated with Lockheed Martin represented approximately 86% of the Company’s backlog.

LIQUIDITY AND CAPITAL RESOURCES

Liquidity

Our future cash needs are expected to include cash for operating activities, working capital, purchases of property and equipment, strategic investments, research and development expenses, development and expansion of facilities, development of our Earth observation constellation and debt service requirements.

We have historically funded our operations primarily through the issuance of debt and equity securities. In order to proceed with our business plan, we expect to need to raise additional funds through the issuance of additional debt, equity or other commercial arrangements, which may not be available to us when needed or on terms that we deem to be favorable. To the extent we raise additional capital through the sale of equity or convertible securities, the ownership interest of our shareholders will be diluted, and the terms of these securities may include liquidation or other preferences that adversely affect the rights of common shareholders. Debt financing and preferred equity financing, if available, may involve agreements that include covenants limiting or restricting our ability to take specific actions, such as incurring additional debt, making acquisitions or capital expenditures or declaring dividends. If we are unable to obtain sufficient financial resources, our business, financial condition and results of operations may be materially and adversely affected. We may be required to delay, limit, reduce or terminate parts of our strategic business plan or future commercialization efforts. There can be no assurance that we will be able to obtain financing on acceptable terms.

Furthermore, our ability to meet our debt service obligations and other capital requirements depends on our future operating performance, which is subject to future general economic, financial, business, competitive, legislative, regulatory, and other conditions, many of which are beyond our control. Changes in our operating plans, material changes in anticipated sales, increased expenses, acquisitions, or other events may cause us to seek equity and/or debt financing in future periods.

As of March 31, 2022, we had $76.7 million of cash and cash equivalents, which included $1.3 million of cash and cash equivalents held by our foreign subsidiary. We are not presently aware of any restrictions on the repatriation of our foreign cash and cash equivalents; however, earnings of our foreign subsidiary is essentially considered permanently invested in the foreign subsidiary. If these funds were needed to fund operations or satisfy obligations in the U.S., they could be repatriated and their repatriation into the U.S. may cause us to incur additional foreign withholding taxes. We do not currently intend to repatriate these earnings.

Our short-term liquidity requirements include initiatives related to (i) expansion of existing facilities and upgrade of equipment in order to increase operational capacity, (ii) recruitment of additional employees to meet operational needs, (iii) upgrade of information technology, (iv) research and development initiatives and (v) continued buildout of corporate functions and public company compliance requirements, inclusive of accounting and legal fees. Our long-term liquidity requirements include initiatives related to (i) development of our Earth observation constellation, inclusive of ground infrastructure, (ii) potential development of our proposed new campus of

approximately 660,000 square foot satellite manufacturing facility (the “Space Florida Facility”) and (iii) development of new satellite components and data and analytics software and infrastructure. Additionally, our liquidity requirements include the repayment of debt and other payment obligations incurred as a result the Tailwind Two Merger. The timing and amount of spend on these initiatives may be materially delayed, reduced, and cancelled as a result of our level of our financial resources.

Long-term Debt

As of March 31, 2022, debt was comprised of the following:

(in thousands)

Description	Issued	Maturity	Interest Rate	Interest Payable	March 31, 2022
Francisco Partners Facility	November 2021	April 2026	9.25%	Quarterly	$ 120,023
Senior Secured Notes due 2026[(1)]	March 2021	April 2026	9.25% and 11.25%	Quarterly	56,267
PIPE Investment Obligation	March 2022	December 2025	N/A	N/A	28,125
Finance leases	N/A	N/A	N/A	N/A	49
Unamortized deferred issuance costs					(2,115)
Unamortized discount on debt					(99,905)
Total debt					**102,444**
Current portion of long-term debt					7,515
Long-term debt					**$ 94,929**

(1) - Includes the Lockheed Martin Rollover Debt and Beach Point Rollover Debt, each as defined below.
N/A - Not meaningful or applicable

Significant changes in our long-term debt during the three months ended March 31, 2022 were as follows:

Francisco Partners Facility

On March 9, 2022, we amended the note purchase agreement (the “FP Note Purchase Agreement”) governing the issuance and sale of senior secured notes due on November 24, 2026 (the “Francisco Partners Facility”) to, among other things, (i) increase the principal amount of senior secured notes that may be issued under the FP Note Purchase Agreement to up to $154 million, (ii) increase the second tranche of the Francisco Partners Facility (the “Delayed Draw Notes”) to $24 million of senior secured notes, and (iii) accelerate the funding of the Delayed Draw Notes. The Delayed Draw Notes were issued net of a $4 million original issue discount and resulted in proceeds received of $20 million, before allocations for accounting purposes.

On March 25, 2022, we further amended the FP Note Purchase Agreement to, among other things, (i) decrease the principal amount of senior secured notes that may be issued under the Francisco Partners Facility to up to $119 million, (ii) amend certain existing covenants, as described below, (iii) add an additional covenant, as described below, (iv) revise the maturity date to April 1, 2026, and (v) change the timing of quarterly interest payments to May 15th, August 15th, November 15th and February 15th of each calendar year, with the first such interest payment required to be made on May 15, 2022. As consideration for the amendment on March 25, 2022, Francisco Partners received an additional 1.9 million shares of Terran Orbital Corporation's common stock in connection with the Tailwind Two Merger. Upon closing of the Tailwind Two Merger, the Company issued $65 million of senior secured notes as the third tranche of the Francisco Partners Facility (the “Conditional Notes”). The Conditional Notes were issued net of a $5 million original issue discount and resulted in proceeds received of $60 million, before allocations for accounting purposes.

As part of the amendment on March 25, 2022, the liquidity maintenance financial covenant of the Francisco Partners Facility was modified to require that as of the last day of each fiscal quarter, we must have an aggregate amount of unrestricted cash and cash equivalents of at least (i) $20 million in the case of the fiscal quarters ending March 31, 2022, June 30, 2022 and September 30, 2022, (ii) $10 million in the case of the fiscal quarter ending December 31, 2022 and (iii) $20 million plus 15% of certain aggregate funded indebtedness of the Company in the case of each fiscal quarter thereafter. In addition, a new covenant was added requiring us to at least break even on an EBITDA basis (as defined in the FP Note Purchase Agreement) by December 31, 2023, subject to certain extensions.

Senior Secured Notes due 2026

On March 25, 2022, the senior secured notes issued on March 8, 2021 and due April 1, 2026 (the "Senior Secured Notes due 2026") were impacted as described below.

In connection with the PIPE Investment, two holders of the Senior Secured Notes due 2026 agreed to, in substance, exchange the outstanding amount of principal and interest for common stock of Terran Orbital Corporation with any residual amounts settled in cash,

resulting in a loss on extinguishment of debt of $727 thousand. The consideration transferred as part of the extinguishment included common stock with a fair value of $4.6 million and a cash payment of $703 thousand, of which $293 thousand represents financing cash flows related to the repayment of debt and $410 thousand represents operating cash flows related to the payment of interest in the condensed consolidated statements of cash flows.

On March 25, 2022, the note purchase agreement governing the Senior Secured Notes due 2026 was amended to, among other things, (i) set the amount of senior secured notes that will remain outstanding with Lockheed Martin Corporation ("Lockheed Martin") subsequent to the Tailwind Two Merger to $25 million (the "Lockheed Martin Rollover Debt"), (ii) increase and set the amount of senior secured notes that will remain outstanding with Beach Point Capital ("Beach Point") subsequent to the Tailwind Two Merger to $31.3 million (the "Beach Point Rollover Debt"), (iii) set the terms of the Lockheed Martin Rollover Debt and the Beach Point Rollover Debt to have substantially similar terms as the terms in the Francisco Partners Facility, excluding call protection and the Beach Point Rollover Debt bearing interest at 11.25% (9.25% of which is payable in cash and 2.0% of which is payable in kind), and (iv) cause the Beach Point Rollover Debt to be subordinated in right of payment to the Francisco Partners Facility.

In connection with the Tailwind Two Merger, we partially extinguished Lockheed Martin's portion of the Senior Secured Notes due 2026, resulting in a gain on extinguishment of debt of $1.8 million, with the remainder representing the Lockheed Martin Rollover Debt. The consideration transferred as part of the partial extinguishment included a cash payment of $30.8 million, of which $25 million represents financing cash flows related to the repayment of debt and $5.8 million represents operating cash flows related to the payment of interest in the condensed consolidated statements of cash flows.

In connection with the PIPE Investment and the amendment on March 25, 2022, Beach Point agreed to, in substance, exchange a portion of the outstanding amount of principal and interest for common stock of Terran Orbital Corporation with the remainder representing the Beach Point Rollover Debt. As consideration for the amendment on March 25, 2022, Beach Point received an additional 2.4 million shares of Terran Orbital Corporation's common stock as part of the Tailwind Two Merger. Accordingly, Beach Point's portion of the Senior Secured Notes due 2026 was deemed to have been extinguished for the issuance of the Beach Point Rollover Debt and common stock of Terran Orbital Corporation, resulting in a loss on extinguishment of debt of $24.2 million.

PIPE Investment Obligation

An affiliate of a director and shareholder of the Terran Orbital Corporation invested $30 million, before allocations for accounting purposes, as part of the PIPE Investment (the "Insider PIPE Investment"). The subscription agreement for the Insider PIPE Investment included a provision that obligates us to pay the affiliate a quarterly fee of $1.875 million for sixteen quarters beginning with the period ending March 31, 2022 (the "PIPE Investment Obligation"). The first four quarterly payments are to be paid in cash and the remaining payments are to be paid, at our option, in cash or common stock of Terran Orbital Corporation, subject to subordination to and compliance with the Company's debt facilities.

Warrants and Derivatives

As of March 31, 2022, our liability-classified warrants were comprised of the following:

(in thousands, except share and per share amounts)	**Number of Issuable Shares as of March 31, 2022**	**Issuance**	**Maturity**	**Exercise Price**	**March 31, 2022**
Public Warrants	11,499,960	March 2021	March 2027	$ 11.50	5,750
Private Placement Warrants	7,800,000	March 2021	March 2027	$ 11.50	3,900
FP Combination Warrants	8,291,704	March 2022	March 2027	$ 10.00	25,966
Warrant liabilities	**27,591,664**				**$ 35,616**

Significant changes in our warrants and derivative instruments during the three months ended March 31, 2022 were as follows:

Inducement Warrants

As part of the Tailwind Two Merger, all of the warrants issued by Legacy Terran Orbital in connection with the issuance of the Senior Secured Notes due 2026 (the "Inducement Warrants") were ultimately net settled into approximately 695 thousand shares of Terran Orbital Corporation’s common stock.

Francisco Partners Warrants and Derivatives

As part of the Francisco Partners Facility, we issued warrants to Francisco Partners in November 2021 to purchase 1.5% of the fully diluted shares of Legacy Terran Orbital's common stock (the "FP Pre-Combination Warrants"). The FP Pre-Combination Warrants terminated unexercised upon consummation of the Tailwind Two Merger pursuant to their contractual provisions.

As additional consideration for the Francisco Partners Facility in November 2021, we committed to the issuance of (i) an equity grant package equal to 1.5% of the fully diluted shares of Terran Orbital Corporation's common stock outstanding as of immediately following the closing of the Tailwind Two Merger, plus an additional one million shares of Terran Orbital Corporation's common stock (the "FP Combination Equity"), and (ii) warrants to purchase 5.0% of the Terran Orbital Corporation's common stock on a fully diluted basis as of immediately following the closing of the Tailwind Two Merger at a strike price of $10.00 per share, redeemable at the option of Francisco Partners for $25 million on the third anniversary of the closing of the Tailwind Two Merger, and expiring on March 25, 2027 (the "FP Combination Warrants").

The FP Combination Equity and the FP Combination Warrants were contingently issuable upon closing of the Tailwind Two Merger. Upon consummation of the Tailwind Two Merger, approximately 3.3 million shares of Terran Orbital Corporation's common stock were issued related to the FP Combination Equity. In addition, approximately 8.3 million warrants were issued related to the FP Combination Warrants.

Pre-Combination and Combination Warrants and Derivatives

Upon initial funding of the Francisco Partners Facility and in connection with the amendment to the Senior Secured Notes due 2026 note purchase agreement in November 2021, we issued warrants to each of Lockheed Martin and Beach Point to purchase 0.25% of the fully diluted shares of Legacy Terran Orbital's common stock for on the same valuation and terms and conditions as the FP Pre-Combination Warrants (the "Pre-Combination Warrants"). The Pre-Combination Warrants terminated unexercised upon consummation of the Tailwind Two Merger pursuant to their contractual provisions.

In November 2021, we committed to issue to each of Lockheed Martin and Beach Point (i) an equity grant package equal to 0.25% of the fully diluted shares of Terran Orbital Corporation's common stock outstanding as of immediately following the closing of the Tailwind Two Merger (the "Combination Equity"), and (ii) warrants to purchase 0.83333% of Terran Orbital Corporation's common stock on a fully diluted basis as of immediately following the closing of the Tailwind Two Merger at a strike price of $10.00 per share expiring on March 25, 2027 (the "Combination Warrants").

The Combination Equity and the Combination Warrants were contingently issuable upon closing of the Tailwind Two Merger. Upon consummation of the Tailwind Two Merger, approximately 774 thousand shares of Terran Orbital Corporation's common stock were issued related to the Combination Equity. In addition, approximately 2.8 million warrants were issued related to the Combination Warrants. Subsequent to the Tailwind Two Merger, the Combination Warrants now represent equity-classified financial instruments.

Public Warrants

As part of the Tailwind Two Merger, we assumed outstanding warrants giving the holders the right to purchase an aggregate of 11.5 million shares of the Terran Orbital Corporation's common stock for $11.50 per share (the "Public Warrants"). The Public Warrants became exercisable on April 24, 2022, 30 days after the completion of the Tailwind Two Merger, and will expire five years from the completion of the Tailwind Two Merger.

We will not be obligated to deliver any shares of common stock pursuant to the exercise of a Public Warrant and will have no obligation to settle such warrant exercise unless a registration statement with respect to the shares underlying the warrants is then effective and a related prospectus is current, unless a valid exemption from registration is available. No Public Warrant will be exercisable for cash or on a cashless basis and we will not be obligated to issue shares upon exercise of a Public Warrant unless the underlying shares have been registered, qualified or deemed to be exempt under the securities laws of the state of residence of the registered holder of the warrants. On April 22, 2022, we filed the Form S-1 with the SEC for, among other transactions, the registration of the shares of common stock issuable by us upon exercise of the Public Warrants. The Form S-1 has not yet been declared effective by the SEC.

Once the Public Warrants become exercisable, we may redeem the outstanding warrants when the price per share of the Terran Orbital Corporation's common stock equals or exceeds $18.00 as follows:

- in whole and not in part;
- at a price of $0.01 per warrant;
- upon not less than of 30 days' prior written notice of redemption to each warrant holder; and

•if, and only if, the closing price of the Terran Orbital Corporation's shares of common stock equals or exceeds $18.00 per share (as adjusted) for any 20 trading days within a 30-trading day period ending three trading days before we send the notice of redemption to the warrant holders.

In addition, once the Public Warrants become exercisable, we may redeem the outstanding warrants when the price per share of Terran Orbital Corporation's common stock equals or exceeds $10.00 as follows:

•in whole and not in part;

•at $0.10 per warrant upon a minimum of 30 days' prior written notice of redemption; provided that holders will be able to exercise their warrants on a cashless basis prior to redemption and receive that number of shares determined based on the redemption date and the fair market value of Terran Orbital Corporation's shares of common stock;

•if, and only if, the closing price of the Terran Orbital Corporation's shares of common stock equals or exceeds $10.00 per share (as adjusted) for any 20 trading days within the 30-trading day period ending three trading days before we send the notice of redemption of the warrant holders; and

•if the closing price of Terran Orbital Corporation's shares of common stock for any 20 trading days within a 30-trading day period ending on the third trading day prior to the date on which we send the notice of redemption to the warrant holders is less than $18.00 per share (as adjusted), the Private Placement Warrants must also be concurrently called for redemption on the same terms as the outstanding Public Warrants, as described above.

If and when the Public Warrants become redeemable by us, we may exercise our redemption right even if we are unable to register or qualify the underlying securities for sale under all applicable state securities laws.

If we call the Public Warrants for redemption, as described above, we will have the option to require any holder that wishes to exercise the Public Warrants to do so on a "cashless basis," as described in the warrant agreement. The exercise price and number of common shares issuable upon exercise of the Public Warrants may be adjusted in certain circumstances including in the event of a share dividend, extraordinary dividend or recapitalization, reorganization, merger or consolidation. However, the Public Warrants will not be adjusted for issuances of common shares at a price below its exercise price. Additionally, in no event will we be required to net cash settle the Public Warrants.

Private Placement Warrants

As part of the Tailwind Two Merger, we assumed outstanding warrants that were previously issued in a private placement and that give the holders thereof the right to purchase an aggregate of 7.8 million shares of Terran Orbital Corporation's common stock for $11.50 per share (the "Private Placement Warrants"). The Private Placement Warrants are identical to the Public Warrants, except that the Private Placement Warrants and the common shares issuable upon their exercise will not be transferable, assignable or salable until 30 days after the completion of the Tailwind Two Merger. Additionally, the Private Placement Warrants will be exercisable on a cashless basis and be non-redeemable, except as described above, so long as they are held by the initial purchasers or their permitted transferees. If the Private Placement Warrants are held by someone other than the initial purchasers or their permitted transferees, the Private Placement Warrants will be redeemable by us and exercisable by such holders on the same basis as the Public Warrants. During April 2022, we filed a registration statement for the registration of the Private Placement Warrants and the shares of common stock issuable upon exercise of the Private Placement Warrants.

Detachable Warrants

As part of the Tailwind Two Merger, all of the warrants issued by Legacy Terran Orbital in connection with the extinguishment of convertible notes (the "Detachable Warrants") were ultimately net settled into approximately 22.3 million shares of the Terran Orbital Corporation's common stock.

Dividends

We intend to retain future earnings, if any, for future operations, expansion and debt repayment (if any) and there are no current plans to pay any cash dividends for the foreseeable future. In addition, our ability to pay dividends is limited by covenants of our existing and outstanding indebtedness, including the Francisco Partners Facility, and may be limited by covenants of any future indebtedness. There are no current restrictions in the covenants of our existing and outstanding indebtedness on our wholly-owned subsidiaries from

distributing earnings in the form of dividends, loans or advances and through repayment of loans or advances to Terran Orbital Corporation.

Following the Tailwind Two Merger, the Company's existing and outstanding indebtedness allows for the declaration and payment of dividends or prepayment of junior debt obligations in cash in an amount not to exceed $5 million.

Cash Flow Analysis

The following table is a summary of our cash flow activity for three months ended March 31, 2022 and 2021:

	Three Months Ended March 31,		
(in thousands)	**2022**	**2021**	**$ Change**
Net cash used in operating activities	$ (29,300)	$ (548)	$ (28,752)
Net cash used in investing activities	(4,030)	(2,422)	(1,608)
Net cash provided by financing activities	82,687	44,348	38,339
Effect of exchange rate fluctuations on cash and cash equivalents	(28)	(66)	38
Net increase in cash and cash equivalents	**$ 49,329**	**$ 41,312**	**$ 8,017**

Cash Flows from Operating Activities

The increase in net cash used in operating activities was primarily due to an increase in selling, general and administrative expense largely related to salaries and wages, legal and accounting fees, and facility expenses as a result of the Company's growth initiatives as well cash interest payments of approximately $6.2 million related to the partial extinguishment of the Senior Secured Notes due 2026. The remainder of the activity in net cash used in operating activities related to changes in assets and liabilities due to the volume and timing of other operating cash receipts and payments with respect to when the transactions are reflected in earnings.

Refer to the discussions above under "Results of Operations" for further details.

Cash Flows from Investing Activities

The increase in net cash used in investing activities primarily was due to an increase of $745 thousand related to the payment of capital expenditures incurred in previous reporting periods, an increase in the development of company-owned satellites of $327 thousand, and the buildout of other manufacturing facilities and office space.

Cash Flows from Financing Activities

During the three months ended March 31, 2022, net cash provided by financing activities primarily consisted of $58 million of proceeds received from the Tailwind Two Merger and the PIPE Investment, $42 million of proceeds received allocated to warrant and derivative instruments, $36 million of proceeds received allocated to the issuance of debt, and $15 million of proceeds received allocated to the

issuance of common stock in relation to our financing transactions. These increases were partially offset by $42 million of payments of issuance costs related to our equity and debt transactions coupled with $27 million related to the repayment of long-term debt.

During the three months ended March 31, 2021, net cash provided by financing activities primarily consisted of $47.5 million of proceeds received allocated to the issuance of debt and $2.5 million of proceeds received allocated to warrant and derivative instruments. These increases were partially offset by $5.7 million of payments of issuance costs related to our debt transactions.

Other Material Cash Requirements

In addition to debt service requirements on our long-term debt and any payment obligations on our warrants and derivatives, we have certain short-term and long-term cash requirements under operating leases and certain other contractual obligations and commitments.

Operating Leases

Refer to Note 15 "Leases" to the condensed consolidated financial statements for further information regarding our operating leases.

PIPE Investment

We entered into commercial agreements to purchase $20 million of goods and services over three years from two affiliates of a PIPE investor. These commercial agreements became effective upon the closing of the Tailwind Two Merger.

Off-Balance Sheet Arrangements

As of March 31, 2022, we do not have any material off-balance sheet arrangements other than the Combination Warrants, which are described above. Upon closing of the Tailwind Two Merger, the Combination Warrants became both indexed to and classified as equity under U.S. GAAP.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

Refer to the “Critical Accounting Policies and Estimates” section of “Terran Orbital's Management's Discussion and Analysis of Financial Condition and Results of Operations” under Exhibit 99.3 in the amendment to the current report on Form 8-K filed with the SEC on March 31, 2022. There were no material changes to these policies and estimates during the three months ended March 31, 2022.

ACCOUNTING PRONOUNCEMENTS

Refer to Note 1 “Organization and Summary of Significant Accounting Policies” to the condensed consolidated financial statements for further information about recent accounting pronouncements and adoptions.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

Certain statements in this Quarterly Report on Form 10-Q may constitute “forward-looking statements” for purposes of the federal securities laws. We intend such forward-looking statements to be covered by the safe harbor provisions for forward-looking statements contained in Section 27A of the Securities Act, and Section 21E of the Exchange Act. All statements, other than statements of present or historical fact included in this report, regarding Terran Orbital’s future financial performance, as well as Terran Orbital’s business strategy, future operations, financial position, estimated revenues, and losses, projected costs, earning outlooks, prospects, expectations, plans and objectives of management are forward-looking statements. When used in this report, the words “plan,” “believe,” “expect,” “anticipate,” “intend,” “outlook,” “estimate,” “forecast,” “project,” “continue,” “could,” “may,” “might,” “possible,” “potential,” “predict,” “should,” “would” and other similar words and expressions are intended to identify forward-looking statements, but the absence of these words does not mean that a statement is not forward-looking. These forward-looking statements are based on management’s current expectations, forecasts, assumptions, hopes, beliefs, intentions and strategies regarding future events and are based on currently available information as to the outcome and timing of future events. We caution you that these forward-looking statements are subject to all of the risks and uncertainties, most of which are difficult to predict and many of which are beyond our control, incident to our business.

These forward-looking statements are based on information available as of the date of this report, and current expectations, forecasts and assumptions, and involve a number of risks and uncertainties. There can be no assurance that future developments will be those that have been anticipated. Accordingly, forward-looking statements in this report should not be relied upon as representing our views as of any subsequent date, and we do not undertake any obligation to update forward-looking statements to reflect events or circumstances

after the date they were made, whether as a result of new information, future events or otherwise, except as may be required under applicable securities laws.

As a result of a number of known and unknown risks and uncertainties, Terran Orbital's actual results or performance may be materially different from those expressed or implied by these forward-looking statements. These risks and uncertainties include, but are not limited to:

- expectations regarding our strategies and future financial performance, including our future business plans or objectives, anticipated cost, timing and level of deployment of satellites, prospective performance and commercial opportunities and competitors, the timing of obtaining regulatory approvals, the ability to finance our operations, research and development activities and capital expenditures, reliance on government contracts and a strategic cooperation agreement with a significant customer, retention and expansion of our customer base, product and service offerings, pricing, marketing plans, operating expenses, market trends, revenues, margins, liquidity, cash flows and uses of cash, capital expenditures, and our ability to invest in growth initiatives;
- the ability to implement business plans, forecasts, and other expectations, and to identify and realize additional opportunities;
- anticipated timing, cost and performance of our Earth Observation Solutions' planned satellite constellation and our ability to successfully finance, deploy and commercialize its business;
- anticipated timing, cost, financing and development of our satellite manufacturing capabilities, including the Space Florida Facility;
- prospective performance and commercial opportunities and competitors;
- our ability to finance our operations, research and development activities and capital expenditures;
- our success in retaining or recruiting, or changes required in, our officers, key employees or directors;
- our expansion plans and opportunities;
- our ability to comply with domestic and foreign regulatory regimes and the timing of obtaining regulatory approvals;
- our ability to finance and invest in growth initiatives;
- our ability to deal appropriately with conflicts of interest in the ordinary course of our business;
- the outcome of any legal proceedings that may be instituted against us and others;
- the ability to maintain the listing of our common stock and the public warrants on the NYSE and the possibility of limited liquidity and trading of such securities;
- geopolitical risk and changes in applicable laws or regulations;
- the possibility that we may be adversely affected by other economic, business, and/or competitive factors;
- that we have identified material weaknesses in our internal control over financial reporting which, if not corrected, could affect the reliability of our condensed consolidated financial statements;
- the possibility that the COVID-19 Pandemic, or another major disease, disrupts our business;
- supply chain disruptions, including delays, increased costs and supplier quality control challenges; the ability to attract and retain qualified labor and professionals and our reliance on a highly skilled workforce, including technicians, engineers and other professionals;
- we do not expect to become profitable in the near future and may never achieve our profitability expectations, plus we expect to generate negative cash flow from operations and investments for the foreseeable future;
- our leverage and our ability to service cash debt payments and comply with debt maintenance covenants, including meeting minimum liquidity and operating profit covenants;
- limited access to equity and debt capital markets and other funding sources that will be needed to fund operations and make investments, including investments in our NextGen Earth Observation constellation and the Space Florida Facility;
- delays and costs associated with developing our NextGen Earth Observation constellation, Space Florida Facility and other initiatives whether due to changes in demand, lack of funding, design changes or other conditions or circumstances;

- litigation and regulatory enforcement risks, including the diversion of management time and attention and the additional costs and demands on our resources; and
- the other risk factors disclosed in our filings with the SEC from time to time including our Registration Statement on Form S-1 (File No. 333-264447), which was filed with the SEC on April 22, 2022.

These forward-looking statements are based on our current expectations, plans, forecasts, assumptions and beliefs concerning future developments and their potential effects. There can be no assurance that the future developments affecting us will be those that we have anticipated and we may not actually achieve the plans, intentions or expectations disclosed in our forward-looking statements, and you should not place undue reliance on our forward-looking statements. New risk factors and uncertainties may emerge from time to time and it is not possible 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. You should read this Quarterly Report on Form 10-Q with the understanding that our actual future results may be materially different from the expectations disclosed in the forward-looking statements we make. All forward-looking statements we make are qualified in their entirety by this cautionary statement. The forward-looking statements contained in this Quarterly Report on Form 10-Q are made as of the date of this report, and we do not assume any obligation to update any forward-looking statements to reflect events or circumstances after the date they were made, whether as a result of new information, future events or otherwise, except as required by law.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

Not applicable to smaller reporting companies.

ITEM 4. CONTROLS AND PROCEDURES.

Disclosure controls and procedures are controls and other procedures that are designed to ensure that information required to be disclosed in our reports filed or submitted under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, to allow timely decisions regarding required disclosure.

Evaluation of Disclosure Controls and Procedures

As required by Rules 13a-15 and 15d-15 under the Exchange Act, our Chief Executive Officer and Chief Financial Officer carried out an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures as of March 31, 2022. Based upon their evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) were not effective as the material weaknesses in Legacy Terran Orbital's internal control over financial reporting that were previously reported in the Form S-1 continued to exist as of March 31, 2022. As a result, we performed additional analysis as deemed necessary to ensure that our condensed consolidated financial statements were prepared in accordance with GAAP. Accordingly, management believes that the condensed consolidated financial statements included in this Quarterly Report on Form 10-Q present fairly in all material respects our financial position, results of operations, and cash flows for the period presented.

Changes in Internal Control Over Financial Reporting

There have been no changes in the Company's internal control over financial reporting during the three months ended March 31, 2022 that have materially affected, or that are reasonably likely to materially affect, the Company's internal control over financial reporting, except as described below.

We have begun implementation of a plan to remediate our identified material weaknesses. These remediation measures are ongoing and include (i) hiring additional accounting and IT personnel to bolster our technical reporting, transactional accounting, internal controls and IT capabilities; (ii) designing and implementing controls to formalize roles and review responsibilities and designing and implementing formal controls over segregation of duties; (iii) designing and implementing a formal risk assessment process to identify and evaluate changes in our business and the impact on our internal controls; (iv) designing and implementing controls to formally assess complex accounting transactions and other technical accounting and financial reporting matters; (v) designing and implementing formal processes, accounting policies, procedures, and controls supporting our financial close process, including completion of business performance reviews, creating standard balance sheet reconciliation templates and journal entry controls; and (vi) designing and implementing IT general controls, including controls over change management, the review and update of user access rights and privileges, controls over data backups, and controls over program development efforts.

PART II—OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS.

See Note 12 "Commitments and Contingencies" to the condensed consolidated financial statements under the heading “Litigation and Other Legal Matters” included in this Quarterly Report on Form 10-Q for legal proceedings and related matters.

ITEM 1A. RISK FACTORS.

Not applicable to smaller reporting companies.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS.

Recent Sales of Unregistered Equity Securities

During the three months ended March 31, 2022, the Company had the following unregistered sales of equity securities:

- On March 25, 2022, we issued and sold an aggregate of 5,080,409 shares of our common stock at $10 per share concurrently with the closing of the Tailwind Two Merger in connection with the PIPE Investment pursuant to subscription agreements entered into on October 28, 2021. The shares of common stock were issued under Section 4(a)(2) of the Securities Act, as a transaction by an issuer not involving a public offering. Each of the investors represented that it was an accredited investor for purposes of Rule 501 of Regulation D and that it was not acquiring such shares with a view to, or for offer or sale in connection with, any distribution thereof in violation of the Securities Act, and appropriate legends were affixed to the certificates representing such shares (or reflected in restricted book entry with the Registrant's transfer agent). The investors also represented that they had received such information as they deemed necessary in order to make an investment decision with respect to the shares.

- On March 25, 2022, we issued an aggregate of 8,420,569 shares of our common stock as consideration to certain debt providers concurrently with the closing of the Tailwind Two Merger in partial consideration for such debt providers each agreeing to enter into the transactions in connection with the closing of the Tailwind Two Merger. The shares of common stock were issued under Section 4(a)(2) of the Securities Act, as a transaction by an issuer not involving a public offering. Each of the investors represented that it was an accredited investor for purposes of Rule 501 of Regulation D and that it was not acquiring such shares with a view to, or for offer or sale in connection with, any distribution thereof in violation of the Securities Act, and appropriate legends were affixed to the certificates representing such shares (or reflected in restricted book entry with the Registrant's transfer agent). The investors also represented that they had received such information as they deemed necessary in order to make an investment decision with respect to the shares.

- On March 25, 2022, we issued an aggregate of 11,055,606 warrants as consideration to certain debt providers concurrently with the closing of the Tailwind Two Merger in partial consideration for such debt providers each agreeing to enter into the transactions in connection with the closing of the Tailwind Two Merger. The warrants were issued under Section 4(a)(2) of the Securities Act, as a transaction by an issuer not involving a public offering. Each of the investors represented that it was an accredited investor for purposes of Rule 501 of Regulation D and that it was not acquiring such warrants with a view to, or for offer or sale in connection with, any distribution therefor in violation of the Securities Act, and appropriate legends were affixed to the certificates representing such warrants (or reflected in restricted book entry with the Registrant's transfer agent). The investors also represented that they had received such information as they deemed necessary in order to make an investment decision with respect to the warrants.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES.

None.

ITEM 4. MINE SAFETY DISCLOSURES.

Not applicable.

ITEM 5. OTHER INFORMATION.

None.

ITEM 6. EXHIBITS.

The exhibits listed on the accompanying Exhibit Index are filed/furnished or incorporated by reference as part of this report.

Exhibits Index

The information required by this Item is set forth on the exhibit index below.

Exhibit Number	Description	Incorporated by Reference		
		Form	Exhibit	Filing Date
2.1	Amendment No. 1 to the Agreement and Plan of Merger, dated as of February 8, 2022, by and among Tailwind Two Acquisition Corp., Titan Merger Sub, Inc., and Terran Orbital Corporation	S-4/A	2.2	2/10/2022
2.2	Amendment No. 2 to the Agreement and Plan of Merger, dated as of March 9, 2022, by and among Tailwind Two Acquisition Corp., Titan Merger Sub, Inc., and Terran Orbital Corporation	8-K	2.1	3/15/2022
3.1	Certificate of Incorporation of Terran Orbital Corporation	8-K	3.1	3/28/2022
3.2	Bylaws of Terran Orbital Corporation	8-K	3.2	3/28/2022
3.3	Certificate of Amendment to the Certificate of Incorporation of Terran Orbital Corporation	8-K	3.3	3/28/2022
4.1	Certificate of Corporate Domestication of Tailwind Two Acquisition Corp.	8-K	4.1	3/28/2022
4.2	Form of Common Stock Certificate of Terran Orbital Corporation	8-K	4.2	3/28/2022
4.3*	Stock and Warrant Purchase Agreement, dated March 25, 2022, by and among Tailwind Two Acquisition Corp., Terran Orbital Corporation, FP Credit Partners II, L.P., FP Credit Partners Phoenix II, L.P., BPC Lending II LLC and Lockheed Martin Corporation			
10.1	Amendment to Sponsor Letter Agreement, dated as of March 25, 2022, between Tailwind Two Sponsor, LLC, Tommy Stadlen, certain other persons, Tailwind Two Acquisition Corp. and Terran Orbital Corporation	8-K	10.2	3/28/2022
10.2	Amendment to Terran Orbital Holder Support Agreement, dated as of March 25, 2022, Tailwind Two Acquisition Corp., Terran Orbital Corporation and BPC Lending II LLC	8-K	10.6	3/28/2022
10.3	Amendment to Terran Orbital Holder Support Agreement, dated as of March 25, 2022, Tailwind Two Acquisition Corp., Terran Orbital Corporation and Lockheed Martin Corporation	8-K	10.7	3/28/2022
10.4	First Amendment to Investor Rights Agreement, dated as of March 25, 2022, by and among Tailwind Two Acquisition Corp., Terran Orbital Corporation, and other parties thereto	8-K	10.9	3/28/2022
10.5	Form of Indemnification Agreement	8-K	10.10	3/28/2022
10.6+	Terran Orbital Corporation 2021 Omnibus Incentive Plan	8-K	10.13	3/28/2022
10.7	Amendment No. 1 to Note Purchase Agreement, dated as of March 9, 2022, by and among Terran Orbital Corporation, the guarantors from time to time party thereto, the purchasers from time to time party thereto and Wilmington Savings Fund Society, FSB, as agent	8-K	10.1	3/15/2022
10.8	Amendment No. 2 to Note Purchase Agreement, dated as of March 25, 2022, by and among Terran Orbital Corporation, the guarantors from time to time party thereto, the purchasers from time to time party thereto and Wilmington Savings Fund Society, FSB, as agent	8-K	10.19	3/28/2022
10.9	Amendment No. 7 to Note Purchase Agreement, dated as of March 25, 2022, by and among Terran Orbital Operating Corporation (f/k/a Terran Orbital Corporation), the guarantors from time to time party thereto, the purchasers from time to time party thereto and Lockheed Martin Corporation, as Authorized Representative	8-K	10.21	3/31/2022
10.10*+	Form of Terran Orbital Corporation Notice of Grant of Restricted Stock Units under the Amended and Restated Terran Orbital Corporation 2014 Equity Incentive Plan, as amended (4 Year Service Condition)			
10.11*+	Form of Terran Orbital Corporation Notice of Grant of Restricted Stock Units under the Amended and Restated Terran Orbital Corporation 2014 Equity Incentive Plan, as amended (2 Year Service Condition).			
10.12*+	Form of Terran Orbital Corporation Restricted Stock Units Agreement under the Amended and Restated Terran Orbital Corporation 2014 Equity Incentive Plan, as amended.			

10.13*+	Form of Terran Orbital Corporation Notice of Grant of Restricted Stock Units (Retention - $11.00 Share Price Hurdle) under the Amended and Restated Terran Orbital Corporation 2014 Equity Incentive Plan, as amended.
10.14*+	Form of Terran Orbital Corporation Notice of Grant of Restricted Stock Units (Retention - $13.00 Share Price Hurdle) under the Amended and Restated Terran Orbital Corporation 2014 Equity Incentive Plan, as amended
10.15*+	Form of Terran Orbital Corporation Restricted Stock Units Agreement (Retention RSUs) under the Amended and Restated Terran Orbital Corporation 2014 Equity Incentive Plan, as amended
10.16*+	Form of Terran Orbital Corporation Stock Option Agreement under the Amended and Restated Terran Orbital Corporation 2014 Equity Incentive Plan, as amended
10.17*+	Pre-Tailwind Two Merger Form of Employment Agreement for Non-NEO Officers
31.1*	Certification of Principal Executive Officer 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.
31.2*	Certification of Principal Financial Officer 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.
32.1**	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.
32.2**	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.
101	XBRL Instant Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
104	Cover Page Interactive Data File - the cover page XBRL tags are embedded within the Inline XBRL document

* Filed herewith.
** Furnished herewith.
+ Indicates a management contract or compensatory plan.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

TERRAN ORBITAL CORPORATION

Date: May 16, 2022

By: /s/ Gary A. Hobart
Gary A. Hobart
Chief Financial Officer, Executive Vice President and Treasurer
(Principal Financial Officer)

Exhibit 4.3

STOCK AND WARRANT PURCHASE AGREEMENT

This STOCK AND WARRANT PURCHASE AGREEMENT (this "Agreement") is made as of March 25, 2022 by and among TAILWIND TWO ACQUISITION CORP. (a Delaware corporation, expected to be renamed TERRAN ORBITAL CORPORATION, a Delaware corporation (the "Company"), FP CREDIT PARTNERS II, L.P., a Cayman Islands limited partnership ("FPCP 1"), FP CREDIT PARTNERS PHOENIX II, L.P., a Cayman Islands limited partnership ("FPCP 2", and, together with FPCP 1, the "FPCP Purchasers"), BPC LENDING II LLC, a Delaware limited liability company ("BP"), and LOCKHEED MARTIN CORPORATION, a Maryland corporation ("LM"). Each of FPCP 1, FPCP 2, BP and LM is referred to herein individually as a "Purchaser", and all of them are referred to herein collectively as "Purchasers."

WHEREAS, the Company, Titan Merger Sub, Inc. ("Merger Sub"), a wholly owned subsidiary of the Company, and Terran Orbital Corporation (expected to be renamed Terran Orbital Operating Corporation, the "Target") are party to that certain Agreement and Plan of Merger, dated as of October 28, 2021 (as amended by Amendment No. 1 dated as of February 8, 2022, as further amended by Amendment No. 2 dated as of March 9, 2022, as further amended by the Acknowledgment and Waiver dated as of March 25, 2022 and as may be further amended from time to time, the "Business Combination Agreement"), pursuant to which, among other things, Merger Sub will merge with and into the Target (the "Merger"), with the Target being the surviving corporation in the Merger;

WHEREAS, on or prior to the date hereof, as contemplated by the Business Combination Agreement, the Company has transferred by way of continuation from the Cayman Islands to Delaware and domesticated as a Delaware corporation in accordance with applicable Laws;

WHEREAS, the Target, as issuer, the guarantors party thereto, certain affiliates of FP Credit Partners, L.P. ("FPCP") and Wilmington Savings Fund Society, FSB, as administrative agent and collateral agent (the "FP Agent"), have entered into a Note Purchase Agreement, dated as of November 24, 2021 (as amended, restated, amended and restated, supplemented or otherwise modified from time to time to the date hereof, the "FP Note Purchase Agreement"), which provides for the issuance and sale by the Target to such affiliates of FPCP, on the terms and subject to the conditions set forth therein, of (A) on the Closing Date (as defined in the FP Note Purchase Agreement), certain Initial Senior Secured Notes (as defined in the FP Note Purchase Agreement) due 2026 in an aggregate original principal amount of $30,000,000, (B) on the Amendment No. 1 Closing Date (as defined in the FP Note Purchase Agreement), certain Delayed Draw Senior Secured Notes (as defined in the FP Note Purchase Agreement) due 2026 in an aggregate original principal amount of $24,000,000, (C) on the Combination Closing Date (as defined in the FP Note Purchase Agreement), certain Additional Delayed Draw Senior Secured Notes (as defined in the FP Note Purchase Agreement) due 2026 in an aggregate original principal amount of $65,000,000, and certain related transactions contemplated thereby (the foregoing, collectively, the "FP Note Transactions");

WHEREAS, (i) the Target as issuer, (ii) the guarantors party thereto, (iii) LM, as a purchaser, (iv) BPC Lending II LLC, as a purchaser (together with LM, collectively, the "Existing LMT/BP Noteholders"), (v) Lockheed Martin, as authorized representative, and (vi) the other parties thereto entered into that certain Note Purchase Agreement, dated as of March 8, 2021 (as amended, amended and restated, supplemented or otherwise modified from time to time to the date hereof including by the Fifth NPA Amendment, the Sixth NPA Amendment and the Seventh NPA Amendment (each as defined below), the "Existing Note Purchase Agreement"), pursuant to which the Target issued and sold to the purchasers party thereunder certain senior secured notes due 2026 (the "Existing Notes") in an aggregate original principal amount of $86,859,108;

WHEREAS, in furtherance of the Business Combination Agreement, the Existing LMT/BP Noteholders, the Target and the Company have entered into those certain Transaction Support Agreements, each dated as of October 28, 2021 and as amended by those certain Amendments to the Transaction Support Agreements, each dated as of March 25, 2022 (each, a "Support Agreement" and collectively, the "Support Agreements"), pursuant to which each of the Existing LMT/BP Noteholders has committed to, among other things, consummate the Debt Rollover (as defined in the Support Agreements) on the Combination Closing Date and subject to the terms and conditions set forth in the Support Agreements;

WHEREAS, in furtherance of the Support Agreements, the Existing LMT/BP Noteholders, the other parties thereto, the Target, the guarantors party thereto and Lockheed Martin, as authorized representative, have entered into the Fifth Amendment to Note Purchase Agreement, dated as of November 24, 2021 (the "Fifth NPA Amendment"), to the Existing Note Purchase Agreement, pursuant to which, among other things, the requisite purchasers under the Existing Note Purchase Agreement consented to the incurrence of the Initial Senior Secured Notes (as defined in the FP Note Purchase Agreement) and made certain other amendments to the Existing Note Purchase Agreement;

WHEREAS, in furtherance of the Support Agreements, the Existing LMT/BP Noteholders, the other parties thereto, the Target, the guarantors party thereto and Lockheed Martin, as authorized representative, have entered into the Sixth Amendment to Note Purchase Agreement, dated as of March 9, 2022 (the "Sixth NPA Amendment"), to the Existing Note Purchase Agreement, pursuant to which, among other things, the requisite purchasers thereunder consented to the early draw of the Delayed Draw Senior Secured Notes (as defined in the FP Note Purchase Agreement) in the principal amount of $24 million and made certain other amendments to the Existing Note Purchase Agreement;

WHEREAS, in furtherance of the Support Agreements, the Existing LMT/BP Noteholders, the Target, the guarantors party thereto and Lockheed Martin, as authorized representative, have entered into the Seventh Amendment (the "Seventh NPA Amendment") to the Existing Note Purchase Agreement, dated as of the date hereof, to, among other things, effect the Debt Rollover;

WHEREAS, in furtherance of the Support Agreement by BP, BP, the FP Agent and the other parties thereto entered into a Subordination Agreement, dated as of March 25, 2022, whereby BP shall subordinate its debt remaining as a result of the Debt Rollover to the debt under the FP Note Purchase Agreement (the "BP Subordination" and together with the transactions contemplated in the Support Agreements with respect to the Existing Notes, the transactions contemplated in the Fifth NPA Amendment, the Sixth NPA Amendment and the Seventh NPA Amendment, the "Existing Note Support Transactions" and, together with the FP Note Transactions, the "Financing Transactions");

WHEREAS, as an inducement for FPCP, which is an affiliate of each of the FPCP Purchasers, to enter into the FP Note Transactions and as an inducement for the Existing LMT/BP Noteholders, which are one or more Purchasers or affiliates of one or more Purchasers hereunder (Purchasers that are the Existing LMT/BP Noteholders or affiliates of the Existing LMT/BP Noteholders, the "LMT/BP Purchasers"), to enter into the Existing Note Support Transactions, the Company is entering into this Agreement to issue the Subscribed Shares (as defined below) and the Warrants (as defined below) to the Purchasers as set forth on Schedule 1 on the terms and subject to the conditions set forth herein; and

WHEREAS, the Company shall issue a portion of the Subscribed Shares and a Warrant to each Purchaser as provided in this Agreement, which issuances, for the avoidance of doubt, shall be made by the Company immediately following, and conditioned upon, the consummation of the Merger as contemplated by the Business Combination Agreement, including Section 3.09 thereof.

NOW, THEREFORE, in consideration of the foregoing and of the mutual promises, covenants and conditions hereinafter contained, the undersigned parties agree as follows:

1.PURCHASE AND SALE OF THE SUBSCRIBED SHARES AND THE WARRANTS.

1.1Sale and Issuance of the Subscribed Shares and the Warrants

1.1.

1.1.1In consideration of, and in express reliance upon, (a) in the case of the FPCP Purchasers, the consummation of the FP Note Transactions and, in the case of the LMT/BP Purchasers, the Existing Note Support Transactions, and (b) the representations, warranties and covenants set forth herein, at the Closing, subject to the terms and conditions set forth in this Agreement, the Company shall issue and sell to each Purchaser, and each Purchaser shall acquire and receive from the Company, (A) that number of shares of the Company's Common Stock (the "Shares") specified on Schedule 1 (such Shares, the "Subscribed Shares") and (B) a warrant to purchase, at each Purchaser's election, that number of Shares (as may be adjusted from time to time) specified on Schedule 1 substantially in the form attached hereto as Exhibit A (each, a "Warrant" and collectively, the "Warrants"). Schedule 1 sets forth (1) the number of Subscribed Shares to be issued to each Purchaser, (2) the number of Shares purchasable pursuant to such Warrant, in each case, if the applicable Purchaser exercised such Warrant in full on the date hereof, (3) the exercise price payable by the holder of the Warrant upon exercise of the Warrant, in each case, if the applicable Purchaser exercised such Warrant in full on the date hereof immediately following the Effective Time (as defined in the Business Combination Agreement), and (4) solely with respect to any Purchaser that is an FPCP Purchaser, the cash price payable by the Company in the event that the holder of such unexercised Warrant elects to return such unexercised Warrant to the Company in accordance with the terms of such Warrant. For the avoidance of doubt, the parties agree that the number of Subscribed Shares and Warrants to be issued to each Purchaser shall be determined in accordance with Section 3.09 of the Business Combination Agreement; provided, further, that in the event that any additional Acquiror Shares (as defined in the Business Combination Agreement), or Equity Securities (as defined in the Business Combination Agreement) convertible into or exchangeable for Acquiror Shares, are issued to the public shareholders of the Company in connection with the consummation of the transactions contemplated by the Business Combination Agreement or any of the Company Public Warrants (as hereinafter defined) or the Warrant Agreement (as hereinafter defined), in each case, as in effect on the date of the Business Combination Agreement, is exchanged, amended, restated, supplemented or otherwise modified, as applicable, to entitle the holder of any Company Public Warrant to purchase a greater number of Acquiror Shares (whether initially or upon adjustment in accordance with the terms thereof) than they would otherwise have been entitled to but for such exchange, amendment or modification to the Warrant Agreement ("Warrant Modification"), the references to "fully diluted Acquiror Shares" in Section 3.09 of the Business Combination Agreement shall be interpreted for purposes of determining the number of Subscribed Shares and Warrants to be issued hereunder to the Purchasers to mean the fully diluted Acquiror Shares after giving effect to any such issuances of additional Acquiror Shares or Equity Securities and any Warrant Modification, notwithstanding clause (C) of any parenthetical contained in Section 3.09 of the Business Combination Agreement. For the avoidance of doubt, the following shall not implicate the foregoing provision of this Section 1.1 or otherwise affect the number of Subscribed Shares and Warrants to be issued thereunder: (i) any anti-dilution provision or adjustment feature of the Company Public Warrants in existence on the date of the Business Combination Agreement (i.e., that is not the result of a Warrant Modification) and (ii) any transactions involving Equity Securities of the Company or Equity Securities of the Target, which would not, after giving effect to such transactions, have a net effect on the aggregate number of Acquiror Shares that otherwise would be outstanding and issuable upon the conversion

or exchange of Equity Securities of the Company after the consummation of the transactions contemplated by the Business Combination Agreement (as such agreement was in effect on October 28, 2021).

1.1.2In consideration of, and in express reliance upon, the consummation of the Existing Note Support Transactions by BP and the BP Subordination, the Company shall issue and sell to BP, and BP shall acquire and receive from the Company for no additional consideration, 2,400,000 Shares. Any such Shares issued to BP under this Section 1.1.2 shall be treated as "Subscribed Shares" for all purposes under this Agreement.

1.1.3In consideration of, and in express reliance upon, the consummation of the FP Note Transactions, the Company shall issue and sell to the FPCP Purchasers, and FPCP Purchasers shall acquire and receive from the Company for no additional consideration, 1,925,000 Shares. Any such Shares issued to FPCP Purchasers under this Section 1.1.3 shall be treated as "Subscribed Shares" for all purposes under this Agreement.

1.1.4For the avoidance of doubt and notwithstanding anything to the contrary in this Agreement or the Business Combination Agreement, the references to "fully diluted Acquiror Shares" in Section 3.09 of the Business Combination Agreement shall be interpreted for purposes of determining the number of Subscribed Shares and Warrants to be issued hereunder to the Purchasers to mean the fully diluted Acquiror Shares after giving effect to the issuance of 2,400,000 Shares to BP pursuant to Section 1.1.2 and the issuance of 1,925,000 Shares to FPCP Purchasers pursuant to Section 1.1.3.

1.2Closing; Delivery

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1.2.1The purchase and sale of the Subscribed Shares and the Warrants shall take place remotely via the exchange of documents and signatures on the Combination Closing Date simultaneously with the consummation of certain of the Financing Transactions, including the sale and delivery of the Additional Delayed Draw Senior Notes pursuant to the Note Purchase Agreement and the consummation of the Existing Note Support Transactions (the "Closing"). The sale and purchase of the Subscribed Shares and the Warrants at the Closing shall be made in reliance upon the terms and conditions set forth in this Agreement. The Company and each Purchaser shall take such additional actions and execute and deliver such additional agreements and other instruments and documents as are necessary or appropriate to effect the transactions contemplated by this Agreement in accordance with its terms.

1.2.2At or prior to the Closing, the Company shall deliver the following to the Purchasers:

(a)*Subscribed Shares.* Evidence reasonably satisfactory to such Purchaser of the issuance of each Purchaser's portion (as set forth on Schedule 1 hereto) of the Subscribed Shares in book-entry form, free and clear of all Liens, restrictions, claims, taxes and preemptive rights, in the name of such Purchaser (or its nominee or custodian designated in writing by such Purchaser in its delivery instructions), except for any Liens or other transfer restrictions under applicable federal and state securities Laws and the Transaction Agreements.

(b)*Warrants*. Each Warrant, duly executed and delivered by the Company.

1.2.3At or prior to the Closing, each Purchaser shall deliver the following to the Company:

(a)*Delivery Instructions*. Such information as is reasonably requested by the Company at least five Business Days prior to the date on which the Closing is anticipated to occur in order for the Company to issue the Subscribed Shares to such Purchaser.

(b)*Warrants*. Each Warrant, duly executed and delivered by each Purchaser.

1.3Defined Terms Used in This Agreement

. In addition to the terms defined above or otherwise herein, the following terms used in this Agreement shall be construed to have the meanings set forth or referenced below.

"Affiliate" means, with respect to a specified Person, (a) another Person that directly, or indirectly through one or more intermediaries, Controls or is Controlled by or is under common Control with the Person specified and (b) other than with respect to any Purchaser, any officer or director of such Person. For the avoidance of doubt and notwithstanding the foregoing, (i) each of the BP Funds and each of their respective successors and assigns shall be deemed an Affiliate of BP for purposes of this Agreement and (ii) each of the FP Funds and each of their respective successors and assigns shall be deemed an Affiliate of the FPCP Purchasers for purposes of this Agreement.

"BP Funds" means any Affiliate of BP and any Person, fund or account managed by Beach Point Capital Management LP, a Delaware limited partnership.

"Business Combination Transaction Agreements" has the meaning set forth in the Business Combination Agreement with respect to the term "Transaction Agreements".

"Business Day" means any day other than a Saturday, Sunday or other day on which commercial banks are authorized to close under the Laws of, or are in fact closed in, New York, New York.

"Common Stock" means the common stock of the Company, $0.0001 par value per share.

"Contractual Obligation" means, as to any Person, any provision of any security issued by such Person or of any agreement, instrument or other undertaking to which such Person is a party or by which it or any of its property is bound.

"Control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ability to exercise voting power, by contract or otherwise. "Controlling" and "Controlled" have meanings correlative thereto. Without limiting the generality of the foregoing, a Person shall be deemed to be Controlled by another Person if such other Person possesses, directly or indirectly, power to vote 5% or more of the securities having ordinary voting power for the election of directors, managing general partners or the equivalent.

"Exchange" means NYSE (as defined in the Business Combination Agreement) or, if applicable in accordance with Section 7.07(b) of the Business Combination Agreement, Nasdaq (as defined in the Business Combination Agreement).

"Exchange Act" means the U.S. Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated by the Securities and Exchange Commission thereunder.

"FP Funds" means any Affiliate of, or any Person, fund or account managed by, Francisco Partners Management, L.P., a Cayman Islands limited partnership, or FPCP.

"Governmental Authority" means the government of the United States or any other nation, or of any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government (including any supra-national bodies such as the European Union or the European Central Bank).

"Investor Rights Agreement" means the Investor Rights Agreement of the Company, dated October 28, 2021, as amended from time to time.

"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.

"Lien" means any mortgage, pledge, hypothecation, assignment, deposit arrangement, encumbrance, lien (statutory or other), charge, or preference, priority or other security interest or preferential arrangement in the nature of a security interest of any kind or nature whatsoever (including any conditional sale or other title retention agreement, any easement, right of way or other encumbrance on title to real property, and any financing lease having substantially the same economic effect as any of the foregoing).

"Material Adverse Effect" means any "Material Adverse Effect" as such term is defined in the FP Note Purchase Agreement and the Existing Note Purchase Agreement, as applicable, except that, for purposes of this definition, each of this Agreement and the Warrants shall be deemed to be a "Note Document" as such term is used in the definition of "Material Adverse Effect" set forth in the FP Note Purchase Agreement and the Existing Note Purchase Agreement, and each Purchaser shall be deemed to be a "Note Party" as such term is used in the definition of "Material Adverse Effect" set forth in the FP Note Purchase Agreement and the Existing Note Purchase Agreement, as applicable.

"Organization Documents" means, (a) with respect to any corporation, the certificate or articles of incorporation and the bylaws, (b) with respect to any limited liability company, the certificate or articles of formation or organization and operating agreement, and (c) with respect to any partnership, joint venture, trust or other form of business entity, the partnership, joint venture or other applicable agreement of formation or organization, including in each case of the foregoing the equivalent or comparable constitutive documents with respect to any non-U.S. jurisdiction, and any agreement, instrument, filing or notice with respect thereto filed in connection with its formation or organization with the applicable Governmental Authority in the jurisdiction of its formation or organization and, if applicable, any certificate or articles of formation or organization of such entity.

"Person" means any natural person, corporation, limited liability company, trust, joint venture, association, company, partnership, Governmental Authority or other entity.

"Preferred Stock" means the Company's preferred stock, par value $0.0001 per share.

"Securities Act" means the U.S. Securities Act of 1933, as amended, and the rules and regulations promulgated by the Securities and Exchange Commission thereunder.

"Stock Plan" means the Terran Orbital Corporation 2021 Omnibus Incentive Plan, as amended from time to time.

"Transaction Agreements" means the FP Note Purchase Agreement, the other Note Documents (as defined in the FP Note Purchase Agreement), the Fifth NPA Amendment, the Sixth NPA Amendment, the Seventh NPA Amendment, and the Investor Rights Agreement.

2.REPRESENTATIONS AND WARRANTIES OF THE COMPANY

. The Company hereby represents and warrants to each Purchaser that, except as set forth on the Disclosure Schedule, which exceptions shall be deemed to be part of the representations and warranties made hereunder, the following representations are true and complete as of the date hereof and as of the Combination Closing Date, except as otherwise indicated. The Disclosure Schedule shall be arranged in sections corresponding to the numbered and lettered sections contained in this Section 2, and the disclosures in any section of the Disclosure Schedule shall qualify other sections in this Section 2 to the extent it is reasonably apparent on its face from a reading of the disclosure that such disclosure is applicable to such other sections.

2.1Organization, Good Standing, Corporate Power and Qualification

. Each of the Company and each of its subsidiaries (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 permits, governmental licenses, authorizations, consents and approvals to (i) own or lease its assets and carry on its business and (ii) execute, deliver and perform its obligations, with respect to the Company, under this Agreement and the Warrants and, with respect to the Company and each of its subsidiaries, under the Transaction Agreements 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)(i) or (c), to the extent that failure to do so could not reasonably be expected to have a Material Adverse Effect.

2.2Capitalization

. The authorized equity capital of the Company consists of the following.

2.2.1as of the date of this agreement, 300,000,000 shares of Common Stock, of which (a) as of immediately prior to the Closing, (i) 11,559,323 shares are issued and outstanding, (ii) no shares are issuable upon conversion of shares of Preferred Stock and (iii) a maximum of 19,300,000 shares are issuable on exercise of the Company Public Warrants (as hereinafter defined) and Company Private Placement Warrants (as hereinafter defined), and (b) as of immediately following the Closing (after giving effect to all of the transactions contemplated hereby and by the Business Combination Agreement on the date of this Agreement), (i) 137,295,455 shares will be issued and outstanding, (ii) no shares will be issuable on conversion of shares of Preferred Stock, (iii) a maximum of 19,300,000 shares will be issuable on exercise of the Company Public Warrants and Company Private Placement Warrants and (iv) a maximum of 30,355,605 shares will be issuable on exercise of the Warrants, the Company Public Warrants and the Company Private Placement Warrants. All of the outstanding shares of Common Stock are, or when issued will be, duly authorized, validly issued, fully paid and nonassessable and were, or when issued will be, issued in material compliance with all applicable federal and state securities Laws.

2.2.250,000,000 shares of Preferred Stock, none of which are issued and outstanding immediately prior to the Closing and none of which will be issued and outstanding immediately

following the Closing (after giving effect to all of the transactions contemplated hereby and by the Business Combination Agreement). None of the rights, preferences and powers of, or the restrictions on, the Preferred Stock set forth in the Certificate of Incorporation of the Company (the "Certificate") are prohibited by the General Corporation Law of the State of Delaware. Each outstanding share of Preferred Stock, if any, is convertible into one share of Common Stock.

2.2.3immediately following the Closing (after giving effect to all of the transactions contemplated hereby and by the Business Combination Agreement), subject to adjustment as provided in the Stock Plan, an initial share reserve equal to 13,729,546 shares of Common Stock (the "Share Reserve"), in addition the share reserve with respect to the "Employee Retention Share Pool" (as defined in the Stock Plan), will be available for issuance to officers, directors, advisors, employees, consultants and other service providers of the Company pursuant to the Stock Plan, which was duly adopted by the Board and approved by the Company's stockholders. Of such shares of Common Stock reserved under the Stock Plan, no options to purchase shares of Common Stock, restricted stock units with respect to shares of Common Stock, restricted shares of Common Stock and/or other equity-based awards with respect to Common Stock have been granted under the Stock Plan and are currently outstanding, and 13,729,546 shares of Common Stock of the Share Reserve remain available for issuance to officers, directors, advisors, employees, consultants and other service providers pursuant to the Stock Plan, in each case, immediately following the Closing (after giving effect to all of the transactions contemplated hereby and by the Business Combination Agreement). The Company has furnished to Purchaser complete and accurate copies of the Stock Plan and forms of agreements used thereunder.

2.2.4immediately following the Closing (after giving effect to all of the transactions contemplated hereby and by the Business Combination Agreement), there will be no outstanding preemptive rights, options, warrants, conversion privileges or rights (including but not limited to rights of first refusal or similar rights), orally or in writing, to purchase or acquire any securities from the Company including, without limitation, any shares of Common Stock or Preferred Stock, or any securities convertible into or exchangeable or exercisable for shares of Common Stock or Preferred Stock, except (a) as contemplated by the Business Combination Agreement and the Business Combination Transaction Agreements, (b) for the securities and rights described in Section 2.2.3 of this Agreement, (c) for the issuance of Subscribed Shares and Warrants as contemplated by this Agreement and (d) for the Company Public Warrants and Company Private Placement Warrants. Certain outstanding shares of Common Stock (not including the Subscribed Shares issued to the FPCP Purchasers) are subject to a lock-up agreement as provided in the Investor Rights Agreement. Immediately following the Closing, except as contemplated by the Business Combination Agreement, the Investor Rights Agreement, the Warrant Agreement, dated March 9, 2021 (the "Warrant Agreement"), by and between the Company and Continental Stock Transfer & Trust Company (the public warrants issued pursuant thereto, the "Company Public Warrants"), the Private Placement Warrants Purchase Agreement, dated as of March 4, 2021, by and between the Company and the Sponsor (as defined in the Business Combination Agreement) (the private placement warrants issued pursuant thereto, the "Company Private Placement Warrants"), the Transaction Agreements, this Agreement, the Warrants and the recipients of equity incentive awards to purchase shares of Common Stock under the Stock Plan, no Person shall have (A) full ratchet, formula adjustment, or any other type of protection against dilution of their ownership interest in the Company, (B) rights to require the Company to repurchase any of the Company's securities, (C) rights to receive the same or better rights in connection with any ownership interest in the Company as any other Person may receive either pursuant to this Agreement or at any time hereafter or (D) rights of redemption by the Company. The Company has obtained, or, prior to the Closing shall obtain, valid waivers of any rights of other Persons to purchase any of the Shares covered by the Warrants.

2.2.5The Common Stock is registered pursuant to Section 12(b) of the Exchange Act and listed for trading on the Exchange under the symbol "TWNT." There is no suit, action,

proceeding or investigation pending or, to the knowledge of the Company, threatened against the Company seeking to deregister the Common Stock. The Company has not taken any action designed to terminate the registration of the Common Stock under the Exchange Act.

2.3Authorization; No Contravention

. The execution, delivery and performance by (x) the Company of this Agreement and the Warrants and (y) the Company and each of its subsidiaries of each Transaction Agreement to which such Person is party have been duly authorized by all necessary corporate or other organizational action, and, upon receipt of the Required Acquiror Shareholder Approval (as defined in the Business Combination Agreement), will not (a) contravene the terms of any of such Person's Organization Documents, (b) conflict with or result in any breach or contravention of, or the creation of any Lien under, or require any payment to be made under (i) any Contractual Obligation to which such Person is a party or affecting such Person or the properties of such Person or any of its subsidiaries or (ii) any order, judgment, injunction, writ or decree of any Governmental Authority or any arbitral award to which such Person or its property is subject, or (c) violate any applicable Law (including, without limitation, Regulation U or Regulation X issued by the Board of Governors of the Federal Reserve System of the United States), in the case of clauses (b) and (c) to the extent such contravention, conflict, breach or violation could reasonably be expected to have a Material Adverse Effect.

2.4Valid Issuance of Shares and Warrants

. Assuming receipt of the Required Acquiror Shareholder Approval and the consummation of the transactions contemplated by this Agreement in accordance with its terms, each of the Subscribed Shares and each Warrant (including any warrant issued in replacement or substitution for such Warrant pursuant to the terms of such Warrant), when issued, sold and delivered in accordance with the terms and for the consideration set forth in this Agreement, and the Shares to be issued upon valid exercise of each Warrant, when issued, sold and delivered in accordance with the terms and for the consideration set forth in each Warrant, in each case, will be duly authorized, validly issued, (and in the case of any Shares) fully paid and nonassessable and free of restrictions on transfer other than restrictions on transfer under this Agreement, the Warrants and the Transaction Agreements, applicable state and federal securities Laws and Liens or encumbrances created by or imposed by any Purchaser. Assuming the accuracy of the representations of each Purchaser in Section 3 of this Agreement and subject to the Required Acquiror Shareholder Approval, the filings described in clause (a), (c) or (e) of Section 2.5 below, the offer, sale and issuance of each of the Subscribed Shares and each Warrant is, and the Shares to be issued pursuant to and in conformity with each Warrant will be, in compliance with all applicable federal and state securities Laws.

2.5Governmental Consents and Filings

. 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, the Company of this Agreement and the Warrants or the Company or any of its subsidiaries of any Transaction Agreement to which such Person is a party other than (a) those that have already been obtained and are in full force and effect, (b) filings to perfect the Liens created by the Collateral Documents (as defined in the FP Note Purchase Agreement and the Existing Note Purchase Agreement, as applicable), (c) the filing of any applicable reports or other filings under securities Laws (d) applicable requirements of the HSR Act (e) the filing of any applicable reports with, or approvals of, the Exchange and (f) such licenses, approvals, authorizations, registrations, filings or consents the failure of which to obtain or make would not reasonably be expected to result in a Material Adverse Effect. As of their respective dates (or if amended or superseded by a filing, then on the date of such subsequent filing), all reports required to be filed by the Company with the Securities and Exchange Commission (the "SEC

Reports") complied in all material respects with the requirements of the Securities Act and the Exchange Act as in effect at the time of filing, and none of the SEC Reports, when filed, contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances in which they were made, not misleading. The financial statements of the Company included in the SEC Reports complied in all material respects with applicable accounting requirements and the rules and regulations of the Securities and Exchange Commission with respect thereto as in effect at the time of filing and fairly present in all material respects the financial position of the Company as of and for the dates thereof and the results and operations and cash flows for the periods then ended, subject, in the case of unaudited statements, to normal, year-end audit adjustments. Each Purchaser acknowledges that (i) the staff of the SEC (the "Staff") issued the Staff Statement on Accounting and Reporting Considerations for Warrants Issued by Special Purpose Acquisition Companies on April 12, 2021 (the "Statement"), (ii) the Company continues to review the Statement and its implications, including on the financial statements and other information included in the SEC Reports and (iii) any restatement, revision or other modification of the SEC Reports in connection with such review of the Statement or any subsequent agreements, orders, comments or other guidance from the Staff of the SEC regarding the accounting policies of the Company shall be deemed not material for purposes of this Agreement.

3.REPRESENTATIONS AND WARRANTIES OF EACH PURCHASER

. Each Purchaser, solely with respect to itself and not with respect to the other Purchasers, hereby represents and warrants to the Company as follows.

3.1Authorization

. Purchaser has full power and authority to enter into this Agreement, the applicable Warrant and the Transaction Agreements to which it is a party. This Agreement, the applicable Warrant and the Transaction Agreements to which it is a party, when executed and delivered by Purchaser, will constitute valid and legally binding obligations of Purchaser, enforceable in accordance with their terms, except as limited by applicable bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance, and any other Laws of general application affecting enforcement of creditors' rights generally, and as limited by Laws relating to the availability of specific performance, injunctive relief, or other equitable remedies.

3.2Purchase Entirely for Own Account

. This Agreement is made with Purchaser in reliance upon Purchaser's representation to the Company, which by Purchaser's execution of this Agreement, Purchaser hereby confirms, that its Subscribed Shares and its Warrant and the Shares to be acquired by Purchaser pursuant to such Warrant will be acquired for investment for Purchaser's own account, not as a nominee or agent, and not with a view to the resale or distribution of any part thereof, and that Purchaser has no present intention of selling, granting any participation in, or otherwise distributing the same. By executing this Agreement, Purchaser further represents that Purchaser does not presently have any contract, undertaking, agreement or arrangement with any Person (other than an Affiliate of Purchaser) to sell, transfer or grant participations to such Person or to any third Person, with respect to its Subscribed Shares or its Warrant or the Shares subject to such Warrant. Purchaser has not been formed for the specific purpose of acquiring its Subscribed Shares or its Warrant or the Shares subject to such Warrant.

3.3Disclosure of Information

. Purchaser has had adequate opportunity to discuss the Company's business, management, financial affairs and the terms and conditions of the offering of the Subscribed Shares and the Warrants

with the Company's management. Purchaser acknowledges that the securities offered hereby (i) were not offered by any form of general solicitation or general advertising, including but not limited to the methods described in Rule 502(c) under the Securities Act, and (ii) are not being offered in a manner involving a public offering under, or in a distribution in violation of, the Securities Act, or any state securities laws. The Investor acknowledges that it is not relying upon, and has not relied upon, any statement, representation, warranty or other information made by any person, firm or corporation, other than the representations and warranties of the Company contained in Section 2 of this Agreement, in making its investment or decision to invest in the Subscribed Shares and the Warrants. Purchaser acknowledges and agrees that no federal or state agency has passed upon or endorsed the merits of the offering of the Subscribed Shares, Warrants or Shares issuable upon exercise of the Warrants or made any findings or determination as to the fairness of this investment.

3.4Restricted Securities

. Purchaser understands that none of the issuances of its Subscribed Shares or its Warrant or the Shares issuable upon exercise of such Warrant have been registered under the Securities Act, by reason of a specific exemption from the registration provisions of the Securities Act which depends upon, among other things, the bona fide nature of the investment intent and the accuracy of Purchaser's representations as expressed herein. Purchaser understands that its Subscribed Shares and its Warrant and the Shares subject to such Warrant are "restricted securities" under applicable U.S. federal and state securities Laws and that, pursuant to these Laws, Purchaser must hold the Shares indefinitely unless their resale is registered with the Securities and Exchange Commission and qualified by state authorities, or an exemption from such registration and qualification requirements is available. Purchaser acknowledges and agrees that the Subscribed Shares, the Warrants and the Shares to be issued upon exercise of the Warrants will not be immediately eligible for offer, resale, transfer, pledge or disposition pursuant to Rule 144 promulgated under the Securities Act until at least one year from the Closing Date and that the provisions of Rule 144(i) will apply to such securities. The Purchaser acknowledges and agrees that it has been advised to consult legal counsel and tax and accounting advisors prior to making any offer, resale, transfer, pledge or disposition of any of the securities offered hereby.

3.5No Public Market

. Purchaser understands that no public market now exists for its Warrant and that the Company has made no assurances that a public market will ever exist for its Warrant.

3.6Legends

. Purchaser understands that its Subscribed Shares and its Warrant and the Shares issuable upon exercise of such Warrant and any securities issued in respect of or exchange therefor may bear any one or more of the following legends: (a) any legend or required by the Warrant or any other Transaction Agreements; (b) any legend required by the securities Laws of any state to the extent such Laws are applicable thereto; and (c) unless the issuance of the applicable Shares has been registered under the Securities Act, the following legend on any Shares represented by a certificate or book-entry position:

"THE ISSUANCE OF THE SHARES REPRESENTED BY THIS CERTIFICATE HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), AND SUCH SHARES HAVE BEEN ACQUIRED FOR INVESTMENT AND NOT WITH A VIEW TO, OR IN CONNECTION WITH, THE SALE OR DISTRIBUTION THEREOF. NO TRANSFER MAY BE EFFECTED WITHOUT AN EFFECTIVE REGISTRATION STATEMENT RELATED

THERETO OR AN OPINION OF COUNSEL IN A FORM REASONABLY SATISFACTORY TO THE COMPANY THAT SUCH REGISTRATION IS NOT REQUIRED UNDER THE ACT."

The Company shall cause such legend or legends to be removed promptly upon such legend or legends ceasing to be required by, or applicable to such Warrant or such Shares under, applicable Law, and delivery of an opinion of counsel in a form reasonably satisfactory to the Company that such registration is not required under the Securities Act.

3.7Accredited Investor

. Purchaser is an accredited investor as defined in Rule 501(a) of Regulation D promulgated under the Securities Act.

3.8Non-Foreign Person

. Purchaser is not a "foreign person," as defined at 31 C.F.R. § 800.224, and is not otherwise controlled by a "foreign person," as defined at 31 C.F.R. § 800.224.

3.9Principal Place of Business

. The office of Purchaser in which its principal place of business is identified in the address or addresses of Purchaser on the signature page for Purchaser.

4.GENERAL PROVISIONS.

4.1Survival of Warranties

. Unless otherwise set forth in this Agreement, the representations and warranties of the Company and each Purchaser contained in or made pursuant to this Agreement shall survive the execution and delivery of this Agreement and the Closing until each Warrant has expired or been terminated in accordance with its terms and shall in no way be affected by any investigation or knowledge of the subject matter thereof made by or on behalf of any Purchaser or the Company.

4.2Successors and Assigns

. The terms and conditions of this Agreement shall inure to the benefit of and be binding upon the respective successors and assigns of the parties. Nothing in this Agreement, express or implied, is intended to confer upon any party other than the parties hereto or their respective successors and assigns any rights, remedies, obligations, or liabilities under or by reason of this Agreement, except as expressly provided in this Agreement.

4.3Governing Law

. THIS AGREEMENT AND ANY CLAIM, CONTROVERSY, DISPUTE OR CAUSE OF ACTION (WHETHER IN CONTRACT OR TORT OR OTHERWISE) BASED UPON, ARISING OUT OF OR RELATING TO THIS AGREEMENT AND THE TRANSACTIONS CONTEMPLATED HEREBY SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAW OF THE STATE OF DELAWARE.

4.4Venue; Waiver of Jury Trial

.

(i)EACH PARTY IRREVOCABLY AND UNCONDITIONALLY AGREES THAT IT WILL NOT COMMENCE ANY ACTION, LITIGATION OR PROCEEDING OF ANY KIND OR DESCRIPTION, WHETHER IN LAW OR EQUITY, WHETHER IN CONTRACT OR IN TORT OR OTHERWISE, AGAINST ANY OTHER PARTY IN ANY WAY RELATING TO THIS AGREEMENT, OR THE TRANSACTIONS RELATING HERETO, IN ANY OTHER FORUM OTHER THAN THE COURTS OF THE STATE OF NEW YORK AND ANY UNITED STATES DISTRICT COURT IN THE STATE OF NEW YORK, AND ANY APPELLATE COURT FROM ANY THEREOF LOCATED IN NEW YORK COUNTY, NEW YORK, AND EACH OF THE PARTIES HERETO IRREVOCABLY AND UNCONDITIONALLY SUBMITS TO THE JURISDICTION OF SUCH COURTS AND AGREES THAT ALL CLAIMS IN RESPECT OF ANY SUCH ACTION, LITIGATION OR PROCEEDING MAY BE HEARD AND DETERMINED IN SUCH NEW YORK COURT OR, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, IN SUCH FEDERAL COURT. EACH OF THE PARTIES HERETO AGREES THAT A FINAL JUDGMENT IN ANY SUCH ACTION OR PROCEEDING SHALL BE CONCLUSIVE AND MAY BE ENFORCED IN OTHER JURISDICTIONS BY SUIT ON THE JUDGMENT OR IN ANY OTHER MANNER PROVIDED BY LAW.

(ii)EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PERSON HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PERSON WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT AND THE WARRANTS BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

4.5Counterparts; Facsimile

. This Agreement may be executed and delivered by facsimile, electronic mail or other transmission method and in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

4.6Titles and Subtitles; Interpretation

. The titles and subtitles used in this Agreement are used for convenience only and are not to be considered in construing or interpreting this Agreement. All references in this Agreement to sections, paragraphs, schedules and exhibits shall, unless otherwise provided, refer to sections and paragraphs hereof and schedules and exhibits attached hereto. Unless otherwise specified or the context requires otherwise, (i) references herein to the "parties" or any "party" are to the parties to this Agreement, (ii) references herein to any agreement, instrument or other document (including this Agreement) are references to such agreement, instrument or other document, as applicable, as amended, restated, supplemented or otherwise modified from time to time and (iii) references herein to any statute, rule or regulation are references to

such statute, rule or regulation, as applicable, as amended, restated, supplemented or otherwise modified from time to time, including through the promulgation of rules or regulations thereunder, and to any consolidation thereof or successor statute, rule or regulation, as applicable, thereto. As used herein, (A) the words "this Agreement," "herein," "hereto," "hereof" and "hereunder" and words of similar import refer to this Agreement as a whole and not to any particular provision or part of this Agreement, (B) the words "any" and "or" express alternatives that are not mutually exclusive, (C) the words "include," "includes" and "including" are deemed to be followed by the phrase "without limitation," (D) the word "extent" in the phrase "to the extent" means the degree to which a subject or other thing extends and does not mean simply "if" and (E) words importing the singular also import the plural, and *vice versa.*

4.7Notices

. All notices and other communications given or made pursuant to this Agreement shall be in writing and shall be deemed effectively given upon the earlier of actual receipt or: (a) personal delivery to the party to be notified, (b) when sent, if sent by email during normal business hours of the recipient, and if not sent during normal business hours, then on the next Business Day, (c) five days after having been sent by registered or certified mail, return receipt requested, postage prepaid, or (d) one Business Day after deposit with a nationally recognized overnight courier, freight prepaid, specifying next Business Day delivery, with written verification of receipt. All communications shall be sent to the applicable party at its address or email address as set forth on the signature page, or to such address or email address as subsequently modified by written notice given in accordance with this Section 4.7. If notice is given to the Company, it shall be sent to: (i) Tailwind Two Acquisition Corp., 150 Greenwich Street, 29th Floor, New York, NY 10006, matthewdeby@gmail.com, marked "Attention: Matthew Eby"; and a copy (which shall not constitute notice) shall also be sent to Kirkland & Ellis LLP, 601 Lexington Avenue, New York, NY 10022, jonathan.davis@kirkland.com, chelsea.darnell@kirkland.com and patrick.salvo@kirkland.com, marked "Attention: Jonathan Davis, Chelsea Darnell and Patrick Salvo" and (ii) Terran Orbital Corporation, 6800 Broken Sound Parkway NW, Suite 200, Boca Raton, FL 33847, marc.bell@terranorbital.com and terranorbitallegal@terranorbital.com, marked "Attention: Marc Bell, Chief Executive Officer"; and a copy (which shall not constitute notice) shall also be sent to Akin Gump Strauss Hauer & Feld LLP, One Bryant Park, New York NY 10036, jpavlich@akingump.com, marked "Attention: Jonathan Pavlich."

4.8No Finder's Fees

. Except for a fee which may be payable by the Target to Houlihan Lokey Capital, Inc., Goldman Sachs & Co., and Jefferies LLC in connection with the transactions contemplated by the Business Combination Agreement on the Combination Closing Date, each party represents that it neither is nor will be obligated for any finder's fee or commission in connection with this transaction. Each party agrees to indemnify and to hold harmless the other parties from any liability for any commission or compensation in the nature of a finder's or broker's fee arising out of this transaction (and the costs and expenses of defending against such liability or asserted liability) for which such party or any of its officers, employees, or representatives is responsible.

4.9Attorneys' Fees

. If any action at law or in equity (including arbitration) is necessary to enforce or interpret the terms of any of this Agreement, the Warrants or the Transaction Agreements, the prevailing party shall be entitled to reasonable attorneys' fees, costs and necessary disbursements in addition to any other relief to which such party may be entitled.

4.10Amendments and Waivers

. Except as expressly provided herein, neither this Agreement nor any term hereof may be amended, waived, discharged or terminated other than by a written instrument referencing this Agreement and signed by the Company and each Purchaser.

4.11Severability

. The invalidity or unenforceability of any provision hereof shall in no way affect the validity or enforceability of any other provision.

4.12Delays or Omissions

. No delay or omission to exercise any right, power or remedy accruing to any party under this Agreement, upon any breach or default of any other party under this Agreement, shall impair any such right, power or remedy of such non-breaching or non-defaulting party nor shall it be construed to be a waiver of any such breach or default, or an acquiescence therein, or of or in any similar breach or default thereafter occurring; nor shall any waiver of any single breach or default be deemed a waiver of any other breach or default theretofore or thereafter occurring. Any waiver, permit, consent or approval of any kind or character on the part of any party of any breach or default under this Agreement, or any waiver on the part of any party of any provisions or conditions of this Agreement, must be in writing and shall be effective only to the extent specifically set forth in such writing. All remedies, either under this Agreement or by law or otherwise afforded to any party, shall be cumulative and not alternative.

4.13Entire Agreement

. This Agreement (including the Exhibits hereto), the Warrants, the Support Agreements and the Transaction Agreements constitute the full and entire understanding and agreement between the parties with respect to the subject matter hereof and any other written or oral agreement relating to the subject matter hereof existing between the parties are expressly canceled.

4.14Dispute Resolution

. The parties (a) hereby irrevocably and unconditionally submit to the jurisdiction of the federal or state courts located in the Southern District of New York for the purpose of any suit, action or other proceeding arising out of or based upon this Agreement, (b) agree not to commence any suit, action or other proceeding arising out of or based upon this Agreement except in the federal or state courts located in the Southern District of New York, and (c) hereby waive, and agree not to assert, by way of motion, as a defense, or otherwise, in any such suit, action or proceeding, any claim that a party is not subject to the jurisdiction of the above-named courts, that its property is exempt or immune from attachment or execution based upon judgment or order of such court(s), that any suit, action or proceeding arising out of or based upon this Agreement commenced in the federal or state courts located in the Southern District of New York is brought in an inconvenient forum, that the venue of such suit, action or proceeding is improper or that this Agreement or the subject matter hereof may not be enforced in or by such court. Should any party commence a suit, action or other proceeding arising out of or based upon this Agreement in a forum other than the federal or state courts located in the Southern District of New York, or should any party otherwise seek to transfer or dismiss such suit, action or proceeding from such court(s), that party shall indemnify and reimburse the other parties for all legal costs and expenses incurred in enforcing this provision.

4.15Right to Conduct Business

. The Company hereby acknowledges that each Purchaser may invest in numerous companies, some of which may be competitive with the Company’s business. No Purchaser shall be liable for any claim

arising out of or based upon (a) the investment by any Purchaser in any entity competitive with the Company, or (b) actions taken by any partner, officer or other representative of any Purchaser to assist any such competitive company, whether or not such action was taken as a board member of such competitive company or otherwise, and whether or not such action has a detrimental effect on the Company; *provided that* each Purchaser shall remain subject to its obligations under this Agreement, the Warrants and the Transaction Agreements to which it is a party in the course of such investments or taking such actions.

4.16Public Disclosure; Confidentiality

. Except as may be required by applicable Law or for the purpose of any required SEC disclosure or related public announcement or investment presentation made by the Company or the Target (provided that the Company shall, to the extent permitted by applicable Law, provide each of the Purchasers and its legal counsel a reasonable opportunity to review any information so disclosed to the extent relating to this Agreement, the Warrants, the Transaction Agreements or such Purchaser and shall consider in good faith any comments of such Purchaser or its legal counsel with respect thereto prior to making such disclosure), neither the Company nor any Purchaser, nor their respective Affiliates, shall issue any press release or public announcement concerning this Agreement, the Warrants or the Transaction Agreements, or make any other public disclosure containing the terms of this Agreement, including the name of any Purchaser, without obtaining the prior written approval of the other parties, which may be withheld in each other party's sole discretion, unless required by applicable Law, subpoena or judicial or similar order, in which case, the disclosing party shall endeavor to give the non-disclosing party or parties prior written notice of such publication or other disclosure if permitted by such applicable Law, subpoena or judicial or similar order. In addition, each party agrees to comply with the confidentiality obligations set forth in Section 12.07 of the FP Note Purchase Agreement and the Existing Note Purchase Agreement, as applicable (and in the event of any conflict with this Section 4.16, Section 12.07 of the FP Note Purchase Agreement and the Existing Note Purchase Agreement, as applicable, shall control).

4.17Specific Performance

. The parties agree that failure of any party to perform its agreements and covenants hereunder, including a party's failure to take all actions as are necessary on such party's part in accordance with the terms and conditions of this Agreement and the Warrants to consummate the transactions contemplated hereby and thereby, will cause irreparable injury to the other parties, for which monetary damages, even if available, will not be an adequate remedy. It is agreed that the parties shall be entitled to equitable relief including injunctive relief and specific performance of the terms hereof, without the requirement of posting a bond or other security, and each party hereby consents to the issuance of injunctive relief by any court of competent jurisdiction to compel performance of a party's obligations and to the granting by any court of the remedy of specific performance of such party's obligations hereunder, this being in addition to any other remedies to which the parties are entitled at law or equity.

[SIGNATURE PAGES FOLLOW]

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

COMPANY:

TAILWIND TWO ACQUISITION CORP.

By: /s/ Chris Hollod
Name: Chris Hollod
Title: Co-Chief Executive Officer

PURCHASERS:

FP CREDIT PARTNERS II, L.P.

By: FP Credit Partners GP II, L.P.
Its: General Partner

By: FP Credit Partners GP II Management, LLC
Its: General Partner

By: /s/ Scott Eisenberg
Name: Scott Eisenberg
Title: Managing Director

FP CREDIT PARTNERS PHOENIX II, L.P.

By: FP Credit Partners GP II, L.P.
Its: General Partner

By: FP Credit Partners GP II Management, LLC
Its: General Partner

By: /s/ Scott Eisenberg
Name: Scott Eisenberg
Title: Managing Director

Address notices to:
c/o Francisco Partners
1114 Avenue of the Americas, 15th Floor
New York, NY 10036
Attention: Lee Rubenstein, Jordan Smith
Email: lee.rubenstein@franciscopartners.com, jordan.smith@franciscopartners.com

with a copy (which shall not constitute notice) to:

Latham & Watkins LLP
505 Montgomery Street, Suite 2000
San Francisco, CA 94111
Attention: Haim Zaltzman
Email: haim.zaltzman@lw.com

BPC LENDING II LLC

By: /s/ Allan Schweitzer
Name: Allan Schweitzer
Title: Executive Managing Officer

Address: c/o Beach Point Capital Management
Suite 6000N
1620 26th Street
Santa Monica, CA 90404

Attention: Lawrence Goldman
Email: lgoldman@beachpointcapital.com

LOCKHEED MARTIN CORPORATION

By: /s/ John Enright
Name: John Enright
Title: Director, Corporate Development

Address: 6801 Rockledge Drive, MP 205
Bethesda, MD 20817

Attention: Michael Elliott, Associate General Counsel
Email: Michael.a.elliott@lmco.com

SCHEDULE 1

Description of Subscribed Shares and Warrants

Purchaser	Number of Subscribed Shares Issued	Number of Shares for Which Warrant Is Exercisable*	Exercise Price of Warrant*	Cash Price Payable if the Warrant is Returned to the Company
FP CREDIT PARTNERS II, L.P.	5,003,798	7,907,863	$10.00	**$23,842,696.63****
FP CREDIT PARTNERS PHOENIX II, L.P.	242,879	383,841	$10.00	**$1,157,303.37****
BPC LENDING II LLC	2,786,946	1,381,951	$10.00	N/A
LOCKHEED MARTIN CORPORATION	386,946	1,381,951	$10.00	N/A
Total	**8,420,569**	**11,055,605**	**N/A**	$25,000,000**

*Assuming Warrant were exercised in full on the date hereof immediately following the closing of the transactions contemplated by the Business Combination Agreement.

**Both Warrants must be returned to the Company together pursuant to the terms of the Warrants.

EXHIBIT A

Form of Warrant

THE ISSUANCE OF THIS WARRANT AND THE UNDERLYING SECURITIES HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR UNDER THE SECURITIES LAWS OF ANY STATE AND HAVE BEEN ACQUIRED FOR INVESTMENT AND NOT WITH A VIEW TO, OR IN CONNECTION WITH, THE SALE OR DISTRIBUTION THEREOF. NO TRANSFER MAY BE EFFECTED WITHOUT AN EFFECTIVE REGISTRATION STATEMENT RELATED THERETO OR AN OPINION OF COUNSEL IN A FORM REASONABLY SATISFACTORY TO THE COMPANY (IF THE COMPANY SO REQUESTS) THAT SUCH REGISTRATION IS NOT REQUIRED UNDER THE SECURITIES ACT.

WARRANT TO PURCHASE SHARES OF COMMON STOCK
OF
[TERRAN ORBITAL CORPORATION]

No. [●]
Number of Warrant Shares: [●]
Original Issue Date: [●]
Void After: [●]

FOR VALUE RECEIVED, [TERRAN ORBITAL CORPORATION], a Delaware corporation (the "Company"), hereby certifies that [●], a [●] (together with its successors, transferees and assignees, the "Holder"), is entitled to purchase from the Company, at the election of the Holder, up to [●] duly authorized, validly issued, fully paid and nonassessable shares of Common Stock (as hereinafter defined), subject to adjustment as set forth herein, at a purchase price per share of $10.00, subject to adjustment as set forth herein (the "Exercise Price"), on the terms and subject to the conditions set forth herein. Certain capitalized terms used herein are defined in Section1 hereof.

This Warrant has been issued pursuant to that certain Stock and Warrant Purchase Agreement (the "Purchase Agreement") entered into on the date hereof by the Company and the purchasers identified therein and as an inducement to the Holder or one or more of its affiliates to enter into the applicable Financing Transactions (as defined in the Purchase Agreement).

1.Definitions. As used in this Warrant, the following terms have the following respective meanings:

"Aggregate Exercise Price" means, with respect to any given exercise of this Warrant, an amount equal to *the product of* (a) the total number of Warrant Shares in respect of which this Warrant is being so exercised *multiplied by* (b) the Exercise Price then in effect as of the Exercise Date in accordance with the terms of this Warrant (including any amendments thereto).

"Business Day" means any day other than a Saturday, Sunday or other day on which commercial banks in New York, New York are authorized or obligated by law or executive order to close or are in fact closed.

"Common Stock" means the common stock, par value $0.0001 per share, of the Company or any other class or series of capital stock of the Company into or for which such shares of common stock have been converted, exchanged, reclassified or otherwise changed.

"Exercise Date" means, with respect to any given exercise of this Warrant, the first Business Day occurring during the Exercise Period on which all of the conditions to such exercise set forth in Section 3 have been satisfied no later than 5:00 p.m., New York, New York local time.

"Fair Market Value" means, as of any given date, (a) if the Common Stock is traded on a national securities exchange, inter-dealer quotation system or over-the-counter bulletin board service during the Reference Period (as hereinafter defined) (or such shorter period of consecutive Trading Days within the Reference Period on which the Common Stock was so traded as may be mutually agreed between the Company and the Holder), the volume-weighted average of the closing prices per share of Common Stock, as reported by Bloomberg, or if not reported by Bloomberg, as reported by Morningstar, during the period of thirty (30) Trading Days ending on the Trading Day immediately prior to such date (the "Reference Period"), (b) if this Warrant is being exercised in connection with a reorganization, reclassification, consolidation, merger, sale, or similar transaction contemplated by Section 4(e), the per-share value of the consideration received by the holders of the outstanding shares of Common Stock (or other securities of the Company then constituting Warrant Shares) in connection therewith and (c) in any other case, the fair market value per share of Common Stock as jointly determined by the board of directors of the Company (the "Board") in consultation with the Holder, each acting in good faith; *provided* that if the Board and the Holder are unable to agree on the fair market value per share of the Common Stock within ten (10) Business Days after the Company's receipt of the Exercise Notice, such fair market value shall be determined by a nationally recognized investment banking, accounting or valuation firm selected by the Board with the consent of the Holder (not to be unreasonably withheld, conditioned or delayed) and engaged by the Company, which firm's determination shall be final and conclusive, and the fees and expenses of which firm shall be borne equally by the Company and the Holder.

"Original Issue Date" means [●].

"Person" means any individual, sole proprietorship, partnership, limited liability company, corporation, joint venture, trust, incorporated organization or government or department or agency thereof.

"Principal Exchange" means, as of any given time, the principal securities exchange or securities market on which the Common Stock is then listed or quoted.

"Repurchase Date" means the date that is three (3) years after the Original Issue Date.

"Trading Day" means any day on which the Common Stock is traded on the Principal Exchange.

"Warrant" means this Warrant and any warrant issued upon division or combination of, or in substitution for, this Warrant.

"Warrant Shares" means the shares of Common Stock or other securities of the Company purchasable from time to time upon exercise of this Warrant in accordance with the terms hereof.

2.Term of Warrant; Redemption of Warrant.

2.1.This Warrant shall be exercisable at any time and from time to time during the period commencing on the Original Issue Date and ending upon the earlier to occur of (i) 11:59 p.m. (New York, New York local time) on the date that is five (5) years after the Original Issue Date or, if such date is not a Business Day, on the first Business Day thereafter (such date, the "Expiration Date") or (ii) the time at which this Warrant has been exercised in respect of all of the Warrant

Shares subject hereto or redeemed pursuant to Section **Error! Reference source not found.** (such period, the "Exercise Period").

2.2.[Intentionally Omitted].

2.3.[At the election of the Holder, provided the Holder has not exercised this Warrant for any Warrant Shares for which this Warrant is exercisable and no other holder that is an FPCP Purchaser (as defined in the Purchase Agreement) of any other warrant issued pursuant to the Purchase Agreement has exercised in whole or in part such warrant, the Holder may, in its sole discretion (but subject to the foregoing proviso), elect by written notice (a "Repurchase Notice") delivered to the Company no later than five (5) Business Days prior to the Repurchase Date, to return all of this Warrant on the Repurchase Date to the Company in exchange for a payment on the Repurchase Date by the Company to the Holder of $[25,000,000] (the "Repurchase Price"). If the Holder delivers a Repurchase Notice, then, on the Repurchase Date, the Holder shall return this Warrant to the Company and the Company shall pay the Repurchase Price to the Holder by delivery of a certified or bank cashier's check payable to the order of the Holder or by wire transfer of immediately available funds to an account designated in writing by the Holder.]

3.Exercise of Warrant.

3.1.*Exercise Procedures*. The Holder may exercise this Warrant from time to time during the Exercise Period, for all or any portion of the Warrant Shares in respect of which it has not previously been exercised, by:

3.1.1.surrendering this Warrant (or, in the case of the loss, theft or destruction of this Warrant, delivering an indemnity in accordance with Section 8(a)) to the Company, together with a duly completed and executed written notice in the form attached hereto as **Exhibit A** (each, an "Exercise Notice"); and

3.1.2.paying the Aggregate Exercise Price to the Company in accordance with Section 3(b).

3.2.*Payment of the Aggregate Exercise Price*. Payment of the Aggregate Exercise Price shall be made, at the option of the Holder as indicated in the applicable Exercise Notice:

3.2.1.by delivering to the Company a certified or bank cashier's check payable to the order of the Company or by wire transfer of immediately available funds to an account designated in writing by the Company;

3.2.2.without payment of any cash consideration or other immediately available funds, by instructing the Company to issue the Warrant Shares for which the Holder has elected to exercise this Warrant on a net basis such that the total number of Warrant Shares to be issued to the Holder pursuant to such exercise is calculated using the following formula:

$$X = \frac{Y(A - B)}{A}$$

where:

X = the number of Warrant Shares to be issued to the Holder;

Y = the total number of Warrant Shares for which the Holder has elected to exercise this Warrant pursuant to Section 3(a) (inclusive of the number of Warrant Shares to be withheld by the Company

in payment of the Aggregate Exercise Price (or portion thereof to be paid in the manner provided in this clause (ii)));

A = the Fair Market Value of one Warrant Share as of the Exercise Date; and

B = the Exercise Price in effect as of the Exercise Date;

3.2.3.by surrendering to the Company securities of the Company having a value as of the Exercise Date equal to the Aggregate Exercise Price (or portion thereof to be paid in the manner provided in this clause (iii)), which value shall be (x) in the case of debt securities, the principal amount thereof plus accrued and unpaid interest, (y) in the case of preferred stock, the liquidation value thereof plus declared and accumulated but unpaid dividends and (z) in the case of shares of Common Stock, the Fair Market Value thereof; or

3.2.4.any combination of the foregoing.

In the event that all or any part of the Aggregate Exercise Price is paid pursuant to any of the preceding clauses (ii), (iii) or (iv) and the number of shares or other securities to be withheld by or surrendered to the Company in accordance therewith would result in the withholding or surrender of a fraction of a share or other security, the number of shares or other securities withheld by or surrendered to the Company shall be rounded up to the nearest whole number and the Company shall make a cash payment to the Holder (by delivery of a certified or bank cashier's check payable to the order of the Holder or by wire transfer of immediately available funds to an account designated in writing by the Holder) in an amount equal to *the product of* (A) the fraction of a share or other security that otherwise would have been withheld or surrendered in the absence of the foregoing provisions of this sentence *multiplied by* (B) the value of such share or other security as of the Exercise Date, determined in accordance with the preceding clause (iii).

3.3.*Delivery of Stock Certificates*. Upon receipt by the Company of an Exercise Notice, surrender of this Warrant and, if applicable, payment of the Aggregate Exercise Price (in accordance with Section 3(b) hereof), the Company shall, as promptly as practicable, and in any event no later than four (4) Trading Days thereafter, at the election of the Company as set forth in the Exercise Notice, either (i) cause the Company's transfer agent to credit the number of Warrant Shares to which the Holder is entitled pursuant to such exercise to a balance account with The Depository Trust Company, if such Warrant Shares are not subject to any securities legends and restrictions at such time, and otherwise to a balance account with the Company's transfer agent, subject to any securities legends and restrictions then applicable, in the name of the Holder or, at the Holder's instruction set forth in the Exercise Notice, the Holder's agent or designee (subject to compliance with Section 6 below) or (ii) issue and deliver to the Holder or, at the Holder's instruction set forth in the Exercise Notice, the Holder's agent or designee (subject to compliance with Section 6 below) a certificate or certificates (at the Holder's instruction set forth in the Exercise Notice), sent by reputable overnight courier to the address as specified in the Exercise Notice and registered in the Company's share register in the name of the Holder or its agent or designee (as indicated in the Exercise Notice), representing the number of Warrant Shares to which the Holder is entitled pursuant to such exercise. Subject to Section 3(g), this Warrant shall be deemed to have been exercised and the applicable Warrant Shares shall be deemed to have been issued, and the Holder (or its agent or designee as indicated in the Exercise Notice) shall be deemed to have become the holder of record of such Warrant Shares for all purposes, as of the Exercise Date, regardless of the date on which such Warrant Shares are actually credited to the Holder's (or its agent's or designee's) balance account or the date on which the certificate or certificates evidencing the Warrant Shares are actually delivered. The Company's obligations to issue and deliver the Warrant Shares on the terms and subject to the conditions set forth in this Warrant are absolute and

unconditional, irrespective of any action or inaction by the Holder to enforce the same, any waiver or consent with respect to any provision hereof, the recovery of any judgment against any Person or any action to enforce the same or any setoff, counterclaim, recoupment, limitation or termination. In addition to any other rights available to the Holder, if the Company fails to credit (or cause to be credited) the Holder's (or its agent's or designee's) balance account for the Warrant Shares to which the Holder is entitled upon the Holder's exercise of this Warrant within three (3) Trading Days following the Exercise Date or to issue to the Holder (or its agent or designee) a certificate or certificates representing the number of Warrant Shares to which the Holder is entitled upon the Holder's exercise of this Warrant and to register such Warrant Shares on the Company's share register within three (3) Trading Days following the Exercise Date, as applicable, and if on or after such Trading Day the Holder or its broker purchases (in an open-market transaction or otherwise) shares of Common Stock to deliver in satisfaction of a sale by the Holder of shares of Common Stock issuable upon the exercise of this Warrant that the Holder anticipated timely receiving from the Company (a "Buy-In"), then the Company shall (A) pay in cash to the Holder, within two (2) Business Days of Holder's request, the amount, if any, by which (x) the Holder's total purchase price (including brokerage commissions, if any) for the shares of Common Stock so purchased exceeds (y) the product of (1) the number of Warrant Shares that the Company was required to deliver to the Holder in connection with the exercise at issue multiplied by (2) the price at which the sell order giving rise to such purchase obligation was executed, and (B) at the option of the Holder, either reinstate the portion of the Warrant and equivalent number of Warrant Shares for which such exercise was not honored (in which case such exercise shall be deemed rescinded) or deliver to the Holder (in accordance with the foregoing provisions of this Section 3(c)) the number of shares of Common Stock that would have been issued had the Company timely complied with its exercise and delivery obligations hereunder. For example, if the Holder purchases Common Stock having a total purchase price of $11,000 to cover a Buy-In with respect to an attempted exercise of shares of Common Stock with an aggregate sale price giving rise to such purchase obligation of $10,000, then, pursuant to clause (A) of the immediately preceding sentence, the Company shall be required to pay the Holder $1,000. The Holder shall provide the Company written notice indicating the amounts payable to the Holder in respect of the Buy-In and, upon request of the Company, evidence of the amount of such loss. Nothing herein shall limit a Holder's right to pursue any other remedies available to it hereunder, at law or in equity including, without limitation, a decree of specific performance or injunctive relief with respect to the Company's failure to timely deliver shares of Common Stock upon exercise of the Warrant as required pursuant to the terms hereof.

3.4.*Fractional Shares*. The Company shall not be required to issue any fraction of a Warrant Share upon any exercise of this Warrant. In the event that the Holder would be entitled to purchase any fraction of a Warrant Share upon any exercise of this Warrant in the absence of the immediately preceding sentence, the Company shall, in lieu of issuing such fractional share, pay to the Holder an amount in cash (by delivery of a certified or bank cashier's check payable to the order of the Holder or by wire transfer of immediately available funds to an account designated in writing by the Holder) equal to *the product of* (i) such fraction *multiplied by* (ii) the Fair Market Value of one Warrant Share as of the Exercise Date.

3.5.*Delivery of New Warrant*. Unless the purchase rights represented by this Warrant shall have expired pursuant to Section 2(a) or shall have been fully exercised, the Company shall, concurrently with its delivery of the certificate or certificates representing the Warrant Shares being issued in accordance with Section 3(c) hereof, deliver to the Holder a new Warrant evidencing the rights of the Holder to purchase such Warrant Shares in respect of which this Warrant has not previously been exercised, which new Warrant shall in all other respects be identical to this Warrant.

3.6.*Valid Issuance of Warrant and Warrant Shares; Payment of Taxes*. With respect to each exercise of this Warrant, the Company hereby represents, covenants, and agrees:

3.6.1.This Warrant is, and any Warrant issued in substitution for or replacement of this Warrant shall be, upon issuance, duly authorized and validly issued.

3.6.2.All Warrant Shares issuable upon the exercise of this Warrant pursuant to the terms hereof shall be, upon issuance, and the Company shall take all such reasonable actions as may be necessary or appropriate to cause such Warrant Shares to be, validly issued, fully paid, and non-assessable, issued without violation of any preemptive or similar rights of any stockholder or other securityholder of the Company, free and clear of all taxes, liens, and charges and, subject to and in accordance with the applicable provisions of that certain Investor Rights Agreement of the Company, dated as of October 28, 2021 and as amended from time to time or restrictions under securities laws, eligible to be registered for resale under the Securities Act.

3.6.3.The Company shall take all such actions as may be necessary or appropriate to ensure that all such Warrant Shares are issued without violation by the Company of any applicable law or governmental regulation or any requirements of any securities exchange upon which shares of Common Stock or other securities then constituting Warrant Shares may be listed at the time of such exercise (except for official notice of issuance which shall be immediately delivered by the Company upon each such issuance).

3.6.4.The Company shall use commercially reasonable efforts to cause the Warrant Shares, as promptly as reasonably practicable following such exercise, to be listed on the Principal Exchange.

3.6.5.The Company shall pay all expenses in connection with, and all taxes and other governmental charges that may be imposed with respect to, the issuance or delivery of Warrant Shares upon exercise of this Warrant other than the Aggregate Exercise Price; *provided* that the Company shall not be required to pay any tax or governmental charge that may be imposed with respect to any applicable withholding or the issuance or delivery of the Warrant Shares to any Person other than the Holder, and no such issuance or delivery shall be made unless and until the Person requesting such issuance has paid to the Company the amount of any such tax, or has established to the satisfaction of the Company that such tax has been paid.

3.7.*Conditional Exercise*. Notwithstanding any other provision hereof, if an exercise of any portion of this Warrant is to be made in connection with a sale of the Company (pursuant to a merger, combination, tender offer, sale of stock, sale of assets, business combination with a special purpose acquisition company or other blank-check company or otherwise), such exercise may, at the election of the Holder, be conditioned upon the consummation of such transaction, in which case such exercise shall not be deemed to be effective until immediately prior to the consummation of such transaction.

3.8.*Reservation of Shares*. During the Exercise Period, the Company shall at all times reserve and keep available out of its authorized but unissued Common Stock (or other securities constituting Warrant Shares), solely for the purpose of issuance upon the exercise of this Warrant, the maximum number of Warrant Shares then issuable upon the exercise of this Warrant, and shall at all times cause the par value per Warrant Share to be less than or equal to the Exercise Price then in effect. The Company shall take all such actions as may be necessary or appropriate in order that the Company may validly and legally issue fully paid and nonassessable shares of Common Stock (or other securities constituting Warrant Shares) upon the exercise of this Warrant.

4.Adjustment to Warrant Shares. In order to prevent dilution of the purchase rights granted under this Warrant, the number of Warrant Shares issuable and the Exercise Price upon exercise of this Warrant shall be subject to adjustment from time to time as provided in this Section 4 (in each case, after taking into account any prior adjustments pursuant to this Section 4).

4.1.*Reclassification of Shares.* If the shares of Common Stock or other securities then constituting Warrant Shares are changed into the same or a different number of shares of any other class of capital stock or other securities of the Company, whether by reclassification, capital reorganization, conversion of all outstanding shares of the relevant class or series or other relevant securities or otherwise (except as otherwise provided for in this Section 4), and whether automatically or by action of the holders thereof (a "Reclassification"), then, in lieu of the number of Warrant Shares for which this Warrant otherwise would have been exercisable immediately prior to such Reclassification, the Holder shall have the right, from and after such Reclassification, to exercise this Warrant for the number and kind of shares of capital stock or other securities of the Company as would have been issuable as a result of such Reclassification in respect of the Warrant Shares for which this Warrant otherwise would have been exercisable immediately prior to such Reclassification if this Warrant had been exercised in full and such Warrant Shares were issued and outstanding at the time of such Reclassification, all subject to further adjustment as provided herein at an Exercise Price consistent with the same.

4.2.*Subdivision or Combination of Shares.* If the Company subdivides or combines its Common Stock or other securities of the Company then constituting Warrant Shares, then (i) in the case of a subdivision, the Exercise Price shall be proportionately decreased and the number of Warrant Shares shall be proportionately increased and (ii) in the case of a combination, the Exercise Price shall be proportionately increased and the number of Warrant Shares shall be proportionately decreased.

4.3.*Stock Dividends.* If the Company pays any dividend or makes any distribution in respect of the Common Stock or other securities of the Company then constituting Warrant Shares that is payable in additional shares of Common Stock or such other securities, then (i) the Exercise Price shall be adjusted, from and after the date of determination of the stockholders of the Company entitled to receive such dividend, to be an amount equal to *the product of* (A) the Exercise Price in effect immediately prior to such date of determination *multiplied by* (B) *the quotient of* (x) the total number of shares of Common Stock or such other securities outstanding immediately prior to such dividend or distribution *divided by* (y) the total number of shares of Common Stock or such other securities outstanding immediately after such dividend or distribution and (ii) the number of Warrant Shares shall be proportionately adjusted such that the Aggregate Exercise Price shall remain unchanged.

4.4.*Pre-Exercise Dividends and Distributions*. If the Company pays any dividend or makes any distribution (whether in cash, securities or other property) in respect of the Common Stock or other securities of the Company then constituting Warrant Shares (except as otherwise provided for in Section 4(c)), then the Board shall make provision so that, upon any exercise of this Warrant, the Holder shall be entitled to receive, in addition to the Warrant Shares issuable upon such exercise, such dividend or distribution to the extent that such dividend or distribution would have been paid or made, as applicable, in respect of the Warrant Shares issued upon such exercise had Warrant Shares been outstanding immediately prior to the record date for such dividend or distribution.

4.5.*Reorganization, Reclassification, Consolidation or Merger*. In the event of any (i) capital reorganization of the Company, (ii) reclassification of the stock of the Company, (iii)

consolidation or merger of the Company with or into another Person, (iv) sale of all or substantially all of the Company's assets to another Person or (v) other similar transaction, in each case which entitles the holders of Common Stock or other securities of the Company then constituting Warrant Shares (either directly or upon subsequent liquidation) to receive stock, securities or other property with respect to or in exchange for Common Stock (except as otherwise provided for in this Section 4), this Warrant shall, immediately after such reorganization, reclassification, consolidation, merger, sale, or similar transaction, remain outstanding and shall thereafter, in lieu of or in addition to (as the case may be) the number of Warrant Shares then exercisable under this Warrant, be exercisable for the kind and number of shares of capital stock or other securities or property of the Company or of the successor Person resulting from such transaction to which the Holder would have been entitled upon such reorganization, reclassification, consolidation, merger, sale, or similar transaction if the Holder had exercised this Warrant in full immediately prior to the time of such reorganization, reclassification, consolidation, merger, sale, or similar transaction and acquired the applicable number of Warrant Shares then issuable hereunder as a result of such exercise (without taking into account any limitations or restrictions on the exercisability of this Warrant), and, in such case, appropriate adjustment (in form and substance satisfactory to the Holder) shall be made with respect to the Holder's rights under this Warrant to ensure that the provisions of this Section 4 shall thereafter be applicable, as nearly as possible, to this Warrant in relation to any shares of stock, securities, or assets thereafter acquirable upon exercise of this Warrant. The provisions of this Section 4(e) shall similarly apply to successive reorganizations, reclassifications, consolidations, mergers, sales, or similar transactions. The Company shall not effect any such reorganization, reclassification, consolidation, merger, sale, or similar transaction unless, prior to the consummation thereof, the successor Person (if other than the Company) resulting from such reorganization, reclassification, consolidation, merger, sale, or similar transaction, shall assume, by written instrument substantially similar in form and substance to this Warrant and satisfactory to the Holder, the obligation to deliver to the Holder such shares of stock, securities, or assets which, in accordance with the foregoing provisions, such Holder shall be entitled to receive upon exercise of this Warrant. Notwithstanding anything to the contrary contained herein, with respect to any reorganization, reclassification, consolidation, merger, sale, or similar transaction contemplated by this Section 4(e), the Holder shall have the right to elect prior to the consummation of such event, action or transaction, to exercise this Warrant in accordance with Section 3 (notwithstanding any provision thereof that otherwise would restrict such exercise) instead of giving effect to the provisions contained in this Section 4(e).

4.6.*Certificate as to Adjustment*.

4.6.1.As promptly as reasonably practicable following any adjustment of the number of Warrant Shares pursuant to this Section 4, but in any event not later than five (5) Business Days thereafter, the Company shall furnish to the Holder a certificate of an executive officer of the Company setting forth in reasonable detail such adjustment and the facts upon which it is based and certifying the calculation thereof.

4.6.2.As promptly as reasonably practicable following the receipt by the Company of a written request by the Holder, but in any event not later than two Business Days thereafter, the Company shall furnish to the Holder a certificate of an executive officer of the Company certifying the number of shares and class or series of capital stock, or the number or amount and kind of other securities or property, then constituting the Warrant Shares.

4.7.*Notices*. In the event:

4.7.1.that the Company shall take a record of the holders of its Common Stock (or other securities then issuable upon exercise of the Warrant) for the purpose of entitling

or enabling them to receive any dividend or other distribution (other than (A) dividends or distributions otherwise provided for in, and subject to the Company's compliance with, Section 4, (B) repurchases of capital stock issued to or held by employees, officers, directors or consultants of the Company or its subsidiaries upon termination of their employment or services pursuant to agreements providing for the right of said repurchase or a right of first refusal by the Company, (C) repurchases of capital stock issued to or held by employees, officers, directors or consultants of the Company or its subsidiaries pursuant to rights of first refusal or first offer contained in agreements providing for such rights, or (D) repurchases of capital stock of the Company in connection with the settlement of disputes with any stockholder), to vote at a meeting (or by written consent), to receive any right to subscribe for or purchase or otherwise receive any shares of capital stock of any class or any other securities of the Company or to receive any other security of the Company; or

4.7.2.of any reorganization, merger, consolidation or similar transaction involving the Company or any reclassification, conversion, exchange or similar transaction affecting the Company's capital stock or any sale of all or substantially all of the Company's assets to another Person; or

4.7.3.of the voluntary or involuntary dissolution, liquidation or winding-up of the Company; or

4.7.4.the Expiration Date shall occur;

then, in each such case, the Company shall send or cause to be sent to the Holder at least five (5) Business Days prior to the applicable record date for, or the applicable anticipated effective date of, such action, transaction or event a written notice specifying, as the case may be, (A) the record date for such dividend, distribution, meeting or consent, or other right or action, and a description of such dividend, distribution, or other right or action to be taken at such meeting or by written consent, or (B) the effective date on which such reorganization, merger, consolidation, reclassification, conversion, exchange, sale, dissolution, liquidation, winding-up or other applicable transaction is expected to occur, and the date, if any is to be fixed, as of which the books of the Company shall close or a record shall be taken with respect to which the holders of record of Common Stock (or other securities of the Company then constituting Warrant Shares) shall be entitled to exchange their shares of Common Stock (or other securities of the Company then constituting Warrant Shares) for securities or other property deliverable upon such reorganization, reclassification, consolidation, merger, sale, dissolution, liquidation, or winding-up, and the amount per share and character of such exchange applicable to the Warrant and the Warrant Shares.

5.[Intentionally Omitted.]

6.Transfer of Warrant. Subject to the transfer conditions referred to in the legend endorsed hereon and applicable securities laws and pursuant to the Business Combination Agreement (as defined in the Purchase Agreement) and the Business Combination Transaction Agreements (as defined in the Purchase Agreement), as applicable, this Warrant and all rights hereunder are transferable, in whole or in part, by the Holder without charge to the Holder, upon surrender of this Warrant to the Company with a properly completed and duly executed written notice of assignment, together with funds sufficient to pay any transfer taxes payable in connection with the making of such transfer. Upon such compliance, surrender, and delivery and, if required, such payment, the Company shall record (or cause to be recorded) such transfer on the books and records of the Company, execute and deliver a new Warrant or Warrants in the name of the assignee or assignees and in the denominations specified in such instrument of assignment and issue to the assignor a new Warrant evidencing the portion of this Warrant, if any, not so assigned, and this Warrant shall thereafter promptly be cancelled. Notwithstanding anything herein or in any legend to the contrary,

the Company shall not require an opinion of counsel in connection with any sale, assignment, transfer or other disposition of this Warrant (or any portion hereof or any interest herein) or of any of the Warrant Shares to an affiliate (as defined in Regulation D) of the Holder; provided that such affiliate shall represent to the Company it is an "accredited investor" as defined in Regulation D.

7.Holder Not Deemed a Stockholder; Limitations on Liability. Except as otherwise specifically provided herein, prior to the issuance to the Holder of any Warrant Shares, the Holder shall not be entitled to vote or receive dividends or be deemed the holder of shares of capital stock of the Company for any purpose, nor shall anything contained in this Warrant be construed to confer upon the Holder, as such, any of the rights of a stockholder of the Company or any right to vote, give, or withhold consent to any corporate action (whether any reorganization, issue of stock, reclassification of stock, consolidation, merger, conveyance, or otherwise), receive notice of meetings, receive dividends or subscription rights, or otherwise. In addition, nothing contained in this Warrant shall be construed as imposing any liabilities on the Holder to purchase any securities (upon exercise of this Warrant or otherwise) or as a stockholder of the Company, whether such liabilities are asserted by the Company or by creditors of the Company. Notwithstanding this Section 7, the Company shall provide the Holder with copies of the same notices and other information given to the stockholders of the Company generally, contemporaneously with the giving thereof to the stockholders.

8.Replacement on Loss; Division and Combination.

8.1.*Replacement of Warrant upon Loss*. Upon receipt of evidence reasonably satisfactory to the Company of the loss, theft, destruction or mutilation of this Warrant and upon delivery of an indemnity reasonably satisfactory to it (it being understood that a written indemnification agreement or affidavit of loss of the Holder shall be a sufficient indemnity) and, in case of mutilation, upon surrender of such Warrant for cancellation to the Company, the Company at its own expense shall execute and deliver to the Holder, in lieu hereof, a new Warrant identical to the Warrant so lost, stolen, mutilated, or destroyed; *provided* that, in the case of mutilation, no indemnity shall be required if this Warrant in identifiable form is surrendered to the Company for cancellation.

8.2.*Division and Combination of Warrant*. Subject to compliance with the applicable provisions of this Warrant as to any transfer or other assignment which may be involved in such division or combination, this Warrant may be divided or, following any such division of this Warrant, subsequently combined with other Warrants, upon the surrender of this Warrant and, if applicable, such other Warrants to the Company, together with a written notice specifying the names and denominations in which new Warrants are to be issued, signed by the Holder (or an agent or attorney-in-fact thereof) and, if applicable, the holders of such other Warrants. Subject to compliance with the applicable provisions of this Warrant as to any transfer or assignment which may occur in connection with such division or combination, the Company shall at its own expense execute and deliver a new Warrant or Warrants in exchange for the Warrant or Warrants so surrendered in accordance with such notice. Such new Warrant or Warrants shall be of like tenor to the surrendered Warrant or Warrants and shall be exercisable in the aggregate for the number of Warrant Shares for which the Warrant or Warrants so surrendered in accordance with such notice were exercisable in the aggregate.

9.No Impairment. The Company shall not, by amendment of its certificate of incorporation or bylaws, or through any reorganization, transfer of assets, merger, consolidation, dissolution, issue or sale of securities or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms to be observed or performed by it hereunder, but shall at all times in good faith assist in the carrying out of all of the provisions of this Warrant and in the taking of all such actions as may reasonably

be requested by the Holder in order to protect the exercise rights of the Holder against dilution or other impairment, consistent with the purpose of this Warrant.

10.Compliance with the Securities Act. The Holder, by acceptance of this Warrant, agrees to comply in all respects with the provisions of this Section 10 and the restrictive legend requirements set forth on the face of this Warrant and further agrees that such Holder shall not offer, sell or otherwise dispose of this Warrant or any Warrant Shares to be issued upon exercise hereof except under circumstances that will not result in a violation of the Securities Act or any applicable state securities laws. This Warrant and all Warrant Shares issued upon exercise of this Warrant (unless such issuance was registered under the Securities Act) or transfer of such Warrant shall be stamped or imprinted with a legend in substantially the following form:

> "THE ISSUANCE OF THIS WARRANT AND THE UNDERLYING SECURITIES HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR UNDER THE SECURITIES LAWS OF ANY STATE AND HAVE BEEN ACQUIRED FOR INVESTMENT AND NOT WITH A VIEW TO, OR IN CONNECTION WITH, THE SALE OR DISTRIBUTION THEREOF. NO TRANSFER MAY BE EFFECTED WITHOUT AN EFFECTIVE REGISTRATION STATEMENT RELATED THERETO OR AN OPINION OF COUNSEL IN A FORM REASONABLY SATISFACTORY TO THE COMPANY (IF THE COMPANY SO REQUESTS) THAT SUCH REGISTRATION IS NOT REQUIRED UNDER THE SECURITIES ACT."

11.Warrant Register. The Company shall keep and properly maintain at its principal executive offices books for the registration of the Warrant and any transfers or assignments thereof. The Company may deem and treat the Person in whose name the Warrant is registered on such register as the Holder thereof for all purposes, and the Company shall not be affected by any notice to the contrary, except any assignment, division, combination or other transfer of the Warrant effected in accordance with the provisions of this Warrant.

12.Notices. All notices and other communications given or made pursuant to this Warrant shall be in writing and shall be deemed effectively given upon the earlier of actual receipt or: (a) personal delivery to the party to be notified, (b) when sent, if sent by email during normal business hours of the recipient, and if not sent during normal business hours, then on the next succeeding Business Day, (c) five days after having been sent by registered or certified mail, return receipt requested, postage prepaid or (d) one Business Day after deposit with a nationally recognized overnight courier, freight prepaid, specifying next Business Day delivery, with written verification of receipt. All communications shall be sent to the Company or the Holder, as applicable, at its address or email address as set forth on the signature page, or to such address or email address as subsequently modified by written notice given in accordance with this Section 12.

13.Cumulative Remedies. Except to the extent otherwise expressly provided herein, the rights and remedies provided in this Warrant are cumulative and are not exclusive of, and are in addition to and not in substitution for, any other rights or remedies available at law, in equity or otherwise.

14.Equitable Relief. Each of the parties hereto acknowledges that a breach or threatened breach by such party of any of its obligations under this Warrant would give rise to irreparable harm to the other party hereto for which monetary damages would not be an adequate remedy and hereby agrees that in the event of a breach or a threatened breach by such party of any such obligations, the other party hereto shall, in addition to any and all other rights and remedies that may be available to it in respect of such breach, be entitled to equitable relief, including a restraining order, an injunction, specific performance, and any other relief that may be available from a court of competent jurisdiction.

15.Entire Agreement. This Warrant (including the exhibits attached hereto) and the agreements referred to herein and in the Purchase Agreement, including the Transaction Agreements (as defined in the Purchase Agreement) together constitute the sole and entire agreement of the parties to this Warrant with respect to the subject matter hereof and supersede all prior and contemporaneous understandings and agreements, both written and oral, with respect to such subject matter.

16.Successor and Assigns. This Warrant and the rights evidenced hereby shall be binding upon and shall inure to the benefit of the parties hereto and the successors of the Company and the successors and permitted assigns of the Holder. Each successor or permitted assign of the Holder shall be deemed to be the Holder for all purposes hereunder.

17.No Third-Party Beneficiaries. This Warrant is for the sole benefit of the Company and the Holder and their respective successors and, in the case of the Holder, permitted assigns, and nothing herein, express or implied, is intended to or shall confer upon any other Person any legal or equitable right, benefit, or remedy of any nature whatsoever under or by reason of this Warrant.

18.Headings. The headings in this Warrant are for reference only and shall not affect the interpretation of this Warrant. All references in this Warrant to sections, paragraphs and exhibits shall, unless otherwise provided, refer to sections and paragraphs hereof and exhibits attached hereto. Unless otherwise specified or the context requires otherwise, (i) references herein to the "parties" or any "party" are to the parties to this Warrant, (ii) references herein to any agreement, instrument or other document (including this Warrant) are references to such agreement, instrument or other document, as applicable, as amended, restated, supplemented or otherwise modified from time to time and (iii) references herein to any statute, rule or regulation are references to such statute, rule or regulation, as applicable, as amended, restated, supplemented or otherwise modified from time to time, including through the promulgation of rules or regulations thereunder, and to any consolidation thereof or successor statute, rule or regulation, as applicable, thereto. As used herein, (A) the words "this Warrant," "herein," "hereto," "hereof" and "hereunder" and words of similar import refer to this Warrant as a whole and not to any particular provision or part of this Warrant, (B) the words "any" and "or" express alternatives that are not mutually exclusive, (C) the words "include," "includes" and "including" are deemed to be followed by the phrase "without limitation," (D) the word "extent" in the phrase "to the extent" means the degree to which a subject or other thing extends and does not mean simply "if" and (E) words importing the singular also import the plural, and *vice versa*.

19.Amendment and Modification; Waiver. Except as otherwise provided herein, this Warrant may only be amended, modified, or supplemented by an agreement in writing signed by each party hereto. No waiver by any party hereto of any of the provisions hereof shall be effective unless explicitly set forth in writing and signed by the party granting such waiver. No waiver by any party hereto shall operate or be construed as a waiver in respect of any failure, breach, or default not expressly identified by such written waiver, whether of a similar or different character, and whether occurring before or after that waiver. No failure to exercise, or delay in exercising, any rights, remedy, power, or privilege arising from this Warrant shall operate or be construed as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power, or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power, or privilege.

20.Severability. If any provision of this Warrant becomes or is declared by a court of competent jurisdiction to be illegal, unenforceable or void, portions of such provision, or such provision in its entirety, to the extent necessary, shall be severed from this Warrant, and such illegal, unenforceable or void provision shall be replaced with a valid and enforceable provision that will achieve, to the extent possible, the same economic, business and other purposes of the illegal, unenforceable or void provision. The balance of this Warrant shall be enforceable in accordance with its terms.

21.Governing Law. THIS WARRANT AND ANY CLAIM, CONTROVERSY, DISPUTE OR CAUSE OF ACTION (WHETHER IN CONTRACT OR TORT OR OTHERWISE) BASED UPON, ARISING OUT OF OR RELATING TO THIS WARRANT AND THE TRANSACTIONS CONTEMPLATED HEREBY SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAW OF THE STATE OF DELAWARE.

22.VENUE; WAIVER OF JURY TRIAL.

22.1.EACH PARTY IRREVOCABLY AND UNCONDITIONALLY AGREES THAT IT WILL NOT COMMENCE ANY ACTION, LITIGATION OR PROCEEDING OF ANY KIND OR DESCRIPTION, WHETHER IN LAW OR EQUITY, WHETHER IN CONTRACT OR IN TORT OR OTHERWISE, AGAINST THE OTHER PARTY IN ANY WAY RELATING TO THIS WARRANT OR THE TRANSACTIONS RELATING HERETO, IN ANY OTHER FORUM OTHER THAN THE COURTS OF THE STATE OF NEW YORK AND ANY UNITED STATES DISTRICT COURT IN THE STATE OF NEW YORK, AND ANY APPELLATE COURT FROM ANY THEREOF LOCATED IN NEW YORK COUNTY, NEW YORK, AND EACH OF THE PARTIES HERETO IRREVOCABLY AND UNCONDITIONALLY SUBMITS TO THE JURISDICTION OF SUCH COURTS AND AGREES THAT ALL CLAIMS IN RESPECT OF ANY SUCH ACTION, LITIGATION OR PROCEEDING MAY BE HEARD AND DETERMINED IN SUCH NEW YORK COURT OR, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, IN SUCH FEDERAL COURT. EACH OF THE PARTIES HERETO AGREES THAT A FINAL JUDGMENT IN ANY SUCH ACTION OR PROCEEDING SHALL BE CONCLUSIVE AND MAY BE ENFORCED IN OTHER JURISDICTIONS BY SUIT ON THE JUDGMENT OR IN ANY OTHER MANNER PROVIDED BY LAW.

22.2.EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS WARRANT OR THE TRANSACTIONS CONTEMPLATED HEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PERSON HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PERSON WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTY HERETO HAVE BEEN INDUCED TO ENTER INTO THIS WARRANT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

23.Counterparts. This Warrant may be executed in counterparts, each of which shall be deemed an original, but all of which together shall be deemed to be one and the same agreement. A signed copy of this Warrant or any Exercise Notice delivered by facsimile, e-mail, or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original signed copy of this Warrant or such Exercise Notice.

24.No Strict Construction. This Warrant shall be construed without regard to any presumption or rule requiring construction or interpretation against the party drafting an instrument or causing any instrument to be drafted.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the Company has duly executed this Warrant on the Original Issue Date.

[TERRAN ORBITAL CORPORATION]

By: _ _____ _____
Name: [●]
Title: [●]

Address: 6800 Broken Sound Parkway NW, Suite 200, Boca Raton, FL 33847

Attention: Marc Bell, Chief Executive Officer
Email:marc.bell@terranorbital.com; terranorbitallegal@terranorbital.com

Accepted and agreed:

[●]

By: _____ _____
Name: [●]
Title: [●]

Address: [●]
[●]

Attention: [●]
Email: [●]

EXHIBIT A
FORM OF EXERCISE NOTICE

To: TERRAN ORBITAL CORPORATION (the "Company")
Attention: Chief Executive Officer

(1)**Exercise**. The undersigned hereby elects, pursuant to the provisions of the attached Warrant, to purchase _____ Warrant Shares (as defined in the attached Warrant) for an Aggregate Exercise Price (as defined in the attached Warrant) of $_____ and:

❑ tenders herewith payment in cash in accordance with Section 3(b)(i) of the attached Warrant in satisfaction of $_____ of the Aggregate Exercise Price; and/or

❑ instructs the Company to withhold Shares issuable upon such exercise, in lieu of a cash payment, in accordance with Section 3(b)(ii) of the attached Warrant in satisfaction of $_____ of the Aggregate Exercise Price; and/or

❑ tenders herewith securities of the Company in accordance with accordance with Section 3(b)(iii) in satisfaction of $_____ of the Aggregate Exercise Price.

(2) **Conditional Exercise**. Is this a conditional exercise pursuant to Section 3(g)?

❑ Yes ❑ No

If "Yes," indicate the applicable condition:____
_____

(3) **Manner of Delivery**. Please issue the applicable Warrant Shares:

❑ by crediting such Warrant Shares, if they are unrestricted and unlegended, to the undersigned's account with The Depository Trust Company as set forth below, or otherwise to the undersigned's account with the Company's transfer agent.

Name:_____
DWAC Account Number:____

❑ by issuing a certificate or certificates as set forth below.

Name:_____
Address:

___

(*Print name of the warrant holder*)

(*Signature*)
[_____]
(*Name and title of signatory, if applicable*)

(*Date*)

(*Email address*)

Exhibit 10.10

EXECUTION COPY

TERRAN ORBITAL CORPORATION
NOTICE OF GRANT OF RESTRICTED STOCK UNITS
(U.S. Participants)

Terran Orbital Corporation, a Delaware corporation (the *"**Company**"*), has granted to the Participant an award (the *"**Award**"*) of certain units pursuant to the Amended and Restated Terran Orbital Corporation 2014 Equity Incentive Plan (the *"**Plan**"*) and the Company's Restricted Stock Unit Agreement (the "***Award Agreement***"), each of which represents the right to receive on the applicable Settlement Date (as defined below) one (1) Share, as set forth below. Capitalized terms used herein but not otherwise defined shall have the meaning ascribed to such term in the Plan.

Participant:	**Employee ID:**
Date of Grant:	
Total Number of Units:	_ (each a "***Unit***"), subject to adjustment as provided by the Award Agreement.
Expiration Date:	The seventh (7th) anniversary of the Date of Grant.
Vesting Start Date:	_____
Vested Units:	The vesting of each Unit requires the satisfaction of both the Service Condition (as defined below) and Liquidity Event Condition (as defined below) on or before the Expiration Date. Each Unit will vest and become non-forfeitable on the first date (the "***Vesting Date***") on which both of the Service Condition and Liquidity Event Condition have been satisfied with respect to such Unit on or before the Expiration Date, provided that, except as otherwise provided by the Award Agreement, the Participant's Continuous Service has not terminated before the applicable Vesting Date, as determined by the Board:
Service Condition	The Service Condition will be satisfied for a portion of the Total Number of Units (as defined above) by the Participant's Continuous Service through the applicable date, as follows, provided, the Participant's Continuous Service has not been terminated prior to the applicable Service Date (as defined below):

Service Date	Portion of Units for which Service Condition Satisfied
1st anniversary of Vesting Start Date	25%
2nd anniversary of Vesting Start Date	25%
3rd anniversary of Vesting Start Date	25%
4th anniversary of Vesting Start Date	25%

Liquidity Event Condition	The Liquidity Event Condition will be satisfied prior to the Expiration Date upon the first to occur of: (i) the declaration that an Initial Public Offering (as defined in the Award Agreement) is effective provided that the Participant's Continuous Service has not terminated before such date, and (ii) the time immediately prior to the consummation of a Change in Control (as defined in the Plan), provided that, in either of (i) or (ii), the Participant's Continuous Service has not terminated before such date.
Settlement Date:	Except as provided by the Award Agreement, the Settlement Date with respect to each Unit shall be the Vesting Date applicable to such Unit; provided, however, that if the Liquidity Event Condition is satisfied by an effective Initial Public Offering, then the Settlement Date for any Unit that vests and becomes non-forfeitable prior to the lapsing of any lock-up period described in Section 13 of the Award Agreement shall be the first to occur of (i) the date on which such lock-up period lapses and (ii) a date determined by the Board, which, in each of (i) and (ii), shall be no later than the 15th day of the third month following the end of the Applicable Year in which the Unit vests and is non-forfeitable. For this purpose, "***Applicable Year***" means the calendar year or the Company's fiscal year, whichever year ends later.

By their signatures below or by electronic acceptance or authentication in a form authorized by the Company, the Company and the Participant agree that the Award is governed by this Grant Notice and by the provisions of the Award Agreement and the Plan, both of which are made a part of this document. The Participant acknowledges that copies of the Plan and the Award Agreement are available on the Company's internal web site and may be viewed and printed by the Participant for attachment to the Participant's copy of this Grant Notice. The Participant represents that the Participant has read and is familiar with the provisions of the Award Agreement and the Plan, and hereby accepts the Award subject to all of their terms and conditions.

TERRAN ORBITAL CORPORATION

By:
[Officer Name]
[Officer Title]

Address:

PARTICIPANT

Signature

Date

Address

'ACHMENTS: Amended and Restated Terran Orbital Corporation 2014 Equity Incentive Plan, and the Terran Orbital Corporation Restricted Stock Unit Agreement

Exhibit 10.11

EXECUTION COPY

TERRAN ORBITAL CORPORATION
NOTICE OF GRANT OF RESTRICTED STOCK UNITS
(U.S. Participants)

Terran Orbital Corporation, a Delaware corporation (the *"**Company**"*), has granted to the Participant an award (the *"**Award**"*) of certain units pursuant to the Amended and Restated Terran Orbital Corporation 2014 Equity Incentive Plan (the *"**Plan**"*) and the Company's Restricted Stock Unit Agreement (the "***Award Agreement***"), each of which represents the right to receive on the applicable Settlement Date (as defined below) one (1) Share, as set forth below. Capitalized terms used herein but not otherwise defined shall have the meaning ascribed to such term in the Plan.

Participant:	**Employee ID:**
Date of Grant:	
Total Number of Units:	_ (each a "***Unit***"), subject to adjustment as provided by the Award Agreement.
Expiration Date:	The seventh (7th) anniversary of the Date of Grant.
Vesting Start Date:	_____
Vested Units:	The vesting of each Unit requires the satisfaction of both the Service Condition (as defined below) and Liquidity Event Condition (as defined below) on or before the Expiration Date. Each Unit will vest and become non-forfeitable on the first date (the "***Vesting Date***") on which both of the Service Condition and Liquidity Event Condition have been satisfied with respect to such Unit on or before the Expiration Date, provided that, except as otherwise provided by the Award Agreement, the Participant's Continuous Service has not terminated before the applicable Vesting Date, as determined by the Board:
Service Condition	The Service Condition will be satisfied for a portion of the Total Number of Units (as defined above) by the Participant's Continuous Service through the applicable date, as follows, provided, the Participant's Continuous Service has not been terminated prior to the applicable Service Date (as defined below):

Service Date	Portion of Units for which Service Condition Satisfied
1st anniversary of Vesting Start Date	50%
2nd anniversary of Vesting Start Date	50%

Liquidity Event Condition	The Liquidity Event Condition will be satisfied prior to the Expiration Date upon the first to occur of: (i) the declaration that an Initial Public Offering (as defined in the Award Agreement) is effective provided that the Participant's Continuous Service has not terminated before such date, and (ii) the time immediately prior to the consummation of a Change in Control (as defined in the Plan), provided that, in either of (i) or (ii), the Participant's Continuous Service has not terminated before such date.
Settlement Date:	Except as provided by the Award Agreement, the Settlement Date with respect to each Unit shall be the Vesting Date applicable to such Unit; provided, however, that if the Liquidity Event Condition is satisfied by an effective Initial Public Offering, then the Settlement Date for any Unit that vests and becomes non-forfeitable prior to the lapsing of any lock-up period described in Section 13 of the Award Agreement shall be the first to occur of (i) the date on which such lock-up period lapses and (ii) a date determined by the Board, which, in each of (i) and (ii), shall be no later than the 15th day of the third month following the end of the Applicable Year in which the Unit vests and is non-forfeitable. For this purpose, "***Applicable Year***" means the calendar year or the Company's fiscal year, whichever year ends later.

By their signatures below or by electronic acceptance or authentication in a form authorized by the Company, the Company and the Participant agree that the Award is governed by this Grant Notice and by the provisions of the Award Agreement and the Plan, both of which are made a part of this document. The Participant acknowledges that copies of the Plan and the Award Agreement are available on the Company's internal web site and may be viewed and printed by the Participant for attachment to the Participant's copy of this Grant Notice. The Participant represents that the Participant has read and is familiar with the provisions of the Award Agreement and the Plan, and hereby accepts the Award subject to all of their terms and conditions.

TERRAN ORBITAL CORPORATION	**PARTICIPANT**
By:	
[Officer Name]	Signature
[Officer Title]	
	Date
Address:	
	Address

`ACHMENTS: Amended and Restated Terran Orbital Corporation 2014 Equity Incentive Plan, and the Terran Orbital Corporation Restricted Stock Unit Agreement

Exhibit 10.12

EXECUTION COPY

TERRAN ORBITAL CORPORATION
RESTRICTED STOCK UNITS AGREEMENT
(U.S. Participants)

Terran Orbital Corporation, a Delaware corporation (the "***Company***"), has granted to the Participant named in the *Notice of Grant of Restricted Stock Units* (the *"**Grant Notice**"*) to which this Restricted Stock Units Agreement (the *"**Agreement**"*) is attached an Award (as defined in the Plan) consisting of Restricted Stock Units (each a *"**Unit**"*) subject to the terms and conditions set forth in the Grant Notice and this Agreement. The Award has been granted pursuant to and shall in all respects be subject to the terms and conditions of the Amended and Restated Terran Orbital Corporation 2014 Equity Incentive Plan, as amended (the *"**Plan**"*), the provisions of which are incorporated herein by reference. By signing the Grant Notice, the Participant: (a) acknowledges receipt of and represents that the Participant has read and is familiar with the Grant Notice, this Agreement, and the Plan, (b) accepts the Award subject to all of the terms and conditions of the Grant Notice, this Agreement and the Plan and (c) agrees to accept as binding, conclusive and final all decisions or interpretations of the Administrator upon any questions arising under the Grant Notice, this Agreement or the Plan.

1.**Definitions and Construction.**

1.1.**Definitions.** Capitalized terms shall have the meanings assigned to such terms in the Grant Notice or the Plan unless otherwise defined herein or as follows:

1.1.1."***Initial Public Offering***" means either (i) the closing of the initial underwritten public offering of securities of the class of equity securities then subject to the Award pursuant to an effective registration statement filed under the Securities Act or (ii) the closing of an acquisition of the Company by a special purpose acquisition company whose shares are publicly traded on a national stock exchange.

1.1.2."***Liquidity Event Date***" means the date of satisfaction of the Liquidity Event Condition (as defined in the Grant Notice).

1.1.3."***Units***" mean the Restricted Stock Units granted pursuant to the Award, as adjusted from time to time pursuant to Section 9.

1.2.**Construction.** Captions and titles contained herein are for convenience only and shall not affect the meaning or interpretation of any provision of this Agreement. Except when otherwise indicated by the context, the singular shall include the plural and the plural shall include the singular. Use of the term "or" is not intended to be exclusive, unless the context clearly requires otherwise.

2.**Administration.**

All questions of interpretation concerning the Grant Notice, this Agreement, the Plan or any other form of agreement or other document employed by the Company in the

administration of the Plan or the Award shall be determined by the Administrator. All such determinations by the Administrator shall be final, binding and conclusive upon all persons having an interest in the Award, unless fraudulent or made in bad faith. Any and all actions, decisions and determinations taken or made by the Administrator in the exercise of its discretion pursuant to the Plan or the Award or other agreement thereunder (other than determining questions of interpretation pursuant to the preceding sentence) shall be final, binding and conclusive upon all persons having an interest in the Award. Any person designated by the Board as an officer of the Company (an "***Officer***") shall have the authority to act on behalf of the Company with respect to any matter, right, obligation, or election which is the responsibility of or which is allocated to the Company herein, provided the Officer has apparent authority with respect to such matter, right, obligation, or election.

3.**The Award.**

3.1.**Grant of Units.** On the Date of Grant, the Participant shall acquire, subject to the provisions of this Agreement, the Total Number of Units set forth in and defined in the Grant Notice, subject to adjustment as provided in Section 9. Each Unit represents a right to receive on a date determined in accordance with the Grant Notice and this Agreement one (1) Share.

3.2.**No Monetary Payment Required.** The Participant is not required to make any monetary payment (other than applicable tax withholding, if any) as a condition to receiving the Units or Shares issued upon settlement of the Units, the consideration for which shall be past services actually rendered or future services to be rendered to the Company, a Parent or Subsidiary (each, as defined in the Plan) or for its benefit. Notwithstanding the foregoing, if required by applicable law, the Participant shall furnish consideration in the form of cash or past services rendered to the Company, a Parent or Subsidiary or for its benefit having a value not less than the par value of the Shares issued upon settlement of the Units.

3.3.**Termination of the Award**. The Award shall terminate upon the first to occur of (a) the date of termination of the Participant's Continuous Service for Cause (each, as defined in the Plan) prior to the applicable Vesting Date (as defined in and set forth in the Grant Notice) and, to the extent unvested, on the date of the termination of the Participant's Continuous Service other than for Cause, (b) the Expiration Date (as defined in the Grant Notice) if the Liquidity Event Date has not yet occurred on or before the Expiration Date, (c) a Change in Control (as defined in the Plan) to the extent the Award is settled in connection with the Change in Control as contemplated under Section 13(c) of the Plan, or (d) the final settlement of all Units that vest and become non-forfeitable pursuant to the terms and conditions of the Grant Notice in accordance with Section 5.

4.**Vesting of Units; Termination of Continuous Service.**

4.1.**Normal Vesting.** Units acquired pursuant to this Agreement shall vest and become non-forfeitable as provided in the Grant Notice. For purposes of determining the number of Units that vest and become non-forfeitable following a Change in Control, credited Continuous Service shall include all service with the Company, a Parent or Subsidiary at the time service is rendered.

4.2.**Termination of Continuous Service for Cause**. If the Participant's Continuous Service is terminated for Cause at any time prior to the applicable Vesting Date, then all Units subject to the Award shall be forfeited and automatically canceled immediately upon the Participant's termination of Continuous Service, notwithstanding that the Participant may have satisfied the Service Condition (as defined in the Grant Notice) with respect to all or a portion of the Units or the Liquidity Event Condition with respect to the Award.

4.3.**Termination of Continuous Service other than for Cause**. If the Participant's Continuous Service terminates for any reason, whether voluntary or involuntary (including the Participant's death or Disability (as defined in the Plan)), then the Participant shall forfeit to the Company any Units pursuant to the Award which remain unvested as of the date of the Participant's termination of Continuous Service other than for Cause.

5.**Settlement of the Award.**

5.1.**Issuance of Shares.** Subject to the provisions of Section 6.3, the Company shall issue one (1) Share to the Participant within thirty (30) days of the applicable Vesting Date with respect to each Unit that vests and becomes non-forfeitable on such date (such date of settlement, an *"**Original Settlement Date**"*); provided, however, that if the tax withholding obligations of the Company, a Parent or Subsidiary, if any, will not be satisfied by the share withholding method described in Section 6.3 and the Original Settlement Date would occur on a date on which a sale by the Participant of the Shares to be issued in settlement of the Units that vested and became non-forfeitable would violate the written policy of the Company pertaining to the purchase, sale, transfer or other disposition of the Company's equity securities by Directors (as defined in the Plan), Officers, Employees (as defined in the Plan) or other service providers who may possess material, nonpublic information regarding the Company or its securities (the "***Trading Compliance Policy***"), then the Settlement Date for such vested Units shall be deferred until the next day on which the sale of such shares would not violate the Trading Compliance Policy, but in any event, shall be on or before the fifteenth (15^{th}) day of the third calendar month following calendar year of the Original Settlement Date. Shares issued in settlement of Units shall not be subject to any restriction on transfer other than any such restriction as may be required pursuant to Section 6.3, Section 7 or the Company's Trading Compliance Policy.

5.2.**Beneficial Ownership of Shares; Certificate Registration.** The Participant hereby authorizes the Company, in its sole discretion, to deposit any or all Shares acquired by the Participant pursuant to the settlement of the Award with the Company's transfer agent, including any successor transfer agent, to be held in book entry form, or to deposit such Shares for the benefit of the Participant with any broker with which the Participant has an account relationship of which the Company has notice. Except as provided by the foregoing, a certificate for the Shares acquired by the Participant shall be registered in the name of the Participant, or, if applicable, in the names of the heirs of the Participant.

5.3.**Restrictions on Grant of the Award and Issuance of Shares.** The grant of the Award and issuance of Shares upon settlement of the Award shall be subject to compliance with all applicable requirements of federal, state or foreign law with respect to such securities. No Shares may be issued hereunder if the issuance of such Shares would constitute a violation of any applicable federal, state or foreign securities laws or other law or regulations or the requirements

of any stock exchange or market system upon which the Shares may then be listed. The inability of the Company to obtain from any regulatory body having jurisdiction the authority, if any, deemed by the Company's legal counsel to be necessary to the lawful issuance of any Shares subject to the Award shall relieve the Company of any liability in respect of the failure to issue such shares as to which such requisite authority shall not have been obtained. As a condition to the settlement of the Award, the Company may require the Participant to satisfy any qualifications that may be necessary or appropriate, to evidence compliance with any applicable law or regulation and to make any representation or warranty with respect thereto as may be requested by the Company.

5.4.**Fractional Shares.** The Company shall not be required to issue fractional Shares upon the settlement of the Award.

6.**Tax Withholding.**

6.1.**In General.** At the time the Grant Notice is executed, or at any time thereafter as requested by the Company, a Parent or Subsidiary, the Participant hereby authorizes withholding from payroll and any other amounts payable to the Participant, and otherwise agrees to make adequate provision for, any sums required to satisfy the federal, state, local and foreign tax (including any social insurance) withholding obligations of the Company, a Parent or Subsidiary, if any, which arise in connection with the Award, the vesting of Units or the issuance of Shares in settlement thereof. The Company shall have no obligation to deliver Shares until the tax withholding obligations of the Company, a Parent or Subsidiary have been satisfied by the Participant.

6.2.**Assignment of Sale Proceeds.** Subject to compliance with applicable law and the Company's Trading Compliance Policy, if permitted by the Company, the Participant may satisfy the Company's, a Parent's or Subsidiary's tax withholding obligations in accordance with procedures established by the Company providing for delivery by the Participant to the Company or a broker approved by the Company of properly executed instructions, in a form approved by the Company, providing for the assignment to the Company of the proceeds of a sale with respect to some or all of the shares being acquired upon settlement of Units.

6.3.**Withholding in Shares.** The Company shall have the right, but not the obligation, to require the Participant to satisfy all or any portion of the Company's, a Parent's or Subsidiary's tax withholding obligations by deducting from the Shares otherwise deliverable to the Participant in settlement of the Award a number of whole Shares having a fair market value, as determined by the Company as of the date on which the tax withholding obligations arise, not in excess of the amount of such tax withholding obligations determined by the applicable minimum statutory withholding rates if required to avoid liability classification of the Award under generally accepted accounting principles in the United States. Any determination by the Company with respect to whether to permit the withholding of Shares to satisfy the tax withholding obligation shall be made by the Administrator if the Participant is subject to Section 16 of the Exchange Act.

7.**Effect of Change in Control.**

In the event of a Change in Control, the Award shall be subject to and treated as set

forth in Section 13 of the Plan and any applicable provisions of the Grant Notice.

8.**Right of First Refusal.**

8.1.**Grant of Right of First Refusal.** Except as provided in Section 8.7, in the event, prior to an Initial Public Offering, the Participant, the Participant's legal representative, or other holder of Shares acquired upon settlement of the Award proposes to sell, exchange, transfer, pledge, or otherwise dispose of any such Shares (the "***Transfer Shares***") to any person or entity, including, without limitation, any stockholder of the Company, a Parent or Subsidiary, the Company shall have the right to repurchase the Transfer Shares under the terms and subject to the conditions set forth in this Section (the "***Right of First Refusal***").

8.2.**Notice of Proposed Transfer.** Prior to any proposed transfer of the Transfer Shares, the Participant shall deliver written notice (the "***Transfer Notice***") to the Company describing fully the proposed transfer, including the number of Transfer Shares, the name and address of the proposed transferee (the "***Proposed Transferee***") and, if the transfer is voluntary, the proposed transfer price, and containing such information necessary to show the bona fide nature of the proposed transfer. In the event of a bona fide gift or involuntary transfer, the proposed transfer price shall be deemed to be the Fair Market Value of the Transfer Shares, as determined by the Board in good faith. If the Participant proposes to transfer any Transfer Shares to more than one Proposed Transferee, the Participant shall provide a separate Transfer Notice for the proposed transfer to each Proposed Transferee. The Transfer Notice shall be signed by both the Participant and the Proposed Transferee and must constitute a binding commitment of the Participant and the Proposed Transferee for the transfer of the Transfer Shares to the Proposed Transferee subject only to the Right of First Refusal.

8.3.**Bona Fide Transfer.** If the Company determines that the information provided by the Participant in the Transfer Notice is insufficient to establish the bona fide nature of a proposed voluntary transfer, the Company shall give the Participant written notice of the Participant's failure to comply with the procedure described in this Section 8, and the Participant shall have no right to transfer the Transfer Shares without first complying with the procedure described in this Section 8. The Participant shall not be permitted to transfer the Transfer Shares if the proposed transfer is not bona fide.

8.4.**Exercise of Right of First Refusal.** If the Company determines the proposed transfer to be bona fide, the Company shall have the right to purchase all, but not less than all, of the Transfer Shares (except as the Company and the Participant otherwise agree) at the proposed transfer price and on the terms set forth in the Transfer Notice by delivery to the Participant of a notice of exercise of the Right of First Refusal within thirty (30) days after the date the Transfer Notice is delivered to the Company. The Company's exercise or failure to exercise the Right of First Refusal with respect to any proposed transfer described in a Transfer Notice shall not affect the Company's right to exercise the Right of First Refusal with respect to any proposed transfer described in any other Transfer Notice, whether or not such other Transfer Notice is issued by the Participant or issued by a person other than the Participant with respect to a proposed transfer to the same Proposed Transferee. If the Company exercises the Right of First Refusal, the Company and the Participant shall thereupon consummate the sale of the Transfer Shares to the Company on the terms set forth in the Transfer Notice within sixty (60) days after the date the Transfer

Notice is delivered to the Company (unless a longer period is offered by the Proposed Transferee); provided, however, that in the event the Transfer Notice provides for the payment for the Transfer Shares other than in cash, the Company shall have the option of paying for the Transfer Shares by the present value cash equivalent of the consideration described in the Transfer Notice as reasonably determined by the Company. For purposes of the foregoing, cancellation of any indebtedness of the Participant to the Company, a Parent or Subsidiary shall be treated as payment to the Participant in cash to the extent of the unpaid principal and any accrued interest canceled. Notwithstanding anything contained in this Section to the contrary, the period during which the Company may exercise the Right of First Refusal and consummate the purchase of the Transfer Shares from the Participant shall terminate no sooner than the completion of a period of eight (8) months following the date on which the Participant acquired the Transfer Shares.

8.5.**Failure to Exercise Right of First Refusal.** If the Company fails to exercise the Right of First Refusal in full (or to such lesser extent as the Company and the Participant otherwise agree) within the period specified in Section 8.4, the Participant may conclude a transfer to the Proposed Transferee of the Transfer Shares on the terms and conditions described in the Transfer Notice, provided such transfer occurs not later than ninety (90) days following delivery to the Company of the Transfer Notice or, if applicable, following the end of the period described in the last sentence of Section 8.4. The Company shall have the right to demand further assurances from the Participant and the Proposed Transferee (in a form satisfactory to the Company) that the transfer of the Transfer Shares was actually carried out on the terms and conditions described in the Transfer Notice. No Transfer Shares shall be transferred on the books of the Company until the Company has received such assurances, if so demanded, and has approved the proposed transfer as bona fide. Any proposed transfer on terms and conditions different from those described in the Transfer Notice, as well as any subsequent proposed transfer by the Participant, shall again be subject to the Right of First Refusal and shall require compliance by the Participant with the procedure described in this Section.

8.6.**Transferees of Transfer Shares.** All transferees of the Transfer Shares or any interest therein, other than the Company, shall be required as a condition of such transfer to agree in writing (in a form satisfactory to the Company) that such transferee shall receive and hold such Transfer Shares or interest therein subject to all of the terms and conditions of this Agreement, including this Section 8 providing for the Right of First Refusal with respect to any subsequent transfer. Any sale or transfer of any Shares shall be void unless the provisions of this Section are met.

8.7.**Transfers Not Subject to Right of First Refusal.** The Right of First Refusal shall not apply to any transfer or exchange of the Shares if such transfer or exchange is in connection with a Change in Control. If the consideration received pursuant to such transfer or exchange consists of Shares, such consideration shall remain subject to the Right of First Refusal unless the provisions of Section 8.9 result in a termination of the Right of First Refusal.

8.8.**Assignment of Right of First Refusal.** The Company shall have the right to assign the Right of First Refusal at any time, whether or not there has been an attempted transfer, to one or more persons as may be selected by the Company.

8.9.**Early Termination of Right of First Refusal.** The other provisions of this Agreement notwithstanding, the Right of First Refusal shall terminate and be of no further force and effect upon the existence of a public market for the class of shares subject to the Right of First Refusal. A "***public market***" shall be deemed to exist if (i) such shares are listed on a national securities exchange (as that term is used in the Exchange Act) or (ii) such shares are traded on the over-the-counter market and prices therefor are published daily on business days in a recognized financial journal.

9.**Adjustments for Changes in Capital Structure.**

In the event of a change in the capital structure of the Company, the Award shall be subject to and treated as set forth in Section 13(a) of the Plan.

10.**Rights as a Stockholder, Director, Employee or Consultant.**

The Participant shall have no rights as a stockholder with respect to any Shares which may be issued in settlement of this Award until the date of the issuance of such Shares (as evidenced by the appropriate entry on the books of the Company or of a duly authorized transfer agent of the Company). No adjustment shall be made for dividends, distributions or other rights for which the record date is prior to the date the shares are issued, except as provided in Section 9. If the Participant is an Employee, the Participant understands and acknowledges that, except as otherwise provided in a separate, written employment agreement between the Company, a Parent or Subsidiary and the Participant, the Participant's employment is "at will" and is for no specified term. Nothing in this Agreement shall confer upon the Participant any right to continue in the Continuous Service of the Company, a Parent or Subsidiary or interfere in any way with any right of the Company, a Parent or Subsidiary to terminate the Participant's Continuous Service at any time.

11.**Legends.**

The Company may at any time place legends referencing any applicable federal, state or foreign securities law restrictions on all certificates representing Shares issued pursuant to this Agreement. The Participant shall, at the request of the Company, promptly present to the Company any and all certificates representing shares acquired pursuant to this Award in the possession of the Participant in order to carry out the provisions of this Section. Unless otherwise specified by the Company, legends placed on such certificates may include, but shall not be limited to, the following:

11.1."THE SECURITIES EVIDENCED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, AND MAY NOT BE SOLD, TRANSFERRED, ASSIGNED OR HYPOTHECATED UNLESS THERE IS AN EFFECTIVE REGISTRATION STATEMENT UNDER SUCH ACT COVERING SUCH SECURITIES, THE SALE IS MADE IN ACCORDANCE WITH RULE 144 OR RULE 701 UNDER THE ACT, OR THE COMPANY RECEIVES AN OPINION OF COUNSEL REASONABLY SATISFACTORY TO THE COMPANY, STATING THAT SUCH SALE, TRANSFER, ASSIGNMENT OR HYPOTHECATION IS EXEMPT FROM THE REGISTRATION AND PROSPECTUS DELIVERY REQUIREMENTS OF SUCH ACT."

11.2.“THE SHARES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO CERTAIN RESTRICTIONS ON TRANSFER AND REPURCHASE OPTIONS IN FAVOR OF THE CORPORATION OR ITS ASSIGNEE SET FORTH IN AN AGREEMENT BETWEEN THE CORPORATION AND THE REGISTERED HOLDER, OR SUCH HOLDER’S PREDECESSOR IN INTEREST, A COPY OF WHICH IS ON FILE AT THE PRINCIPAL OFFICE OF THIS CORPORATION.”

12.**Compliance with Section 409A.**

It is intended that any election, payment or benefit which is made or provided pursuant to or in connection with this Award that may result in compensation that constitutes nonqualified deferred compensation within the meaning of Section 409A (“***Section 409A Deferred Compensation***”) shall comply in all respects with the applicable requirements of Section 409A of the Code (“***Section 409A***”) (including applicable regulations or other administrative guidance thereunder, as determined by the Administrator in good faith) to avoid the unfavorable tax consequences provided therein for non-compliance. In connection with effecting compliance with or an exemption from Section 409A, the following shall apply:

12.1.**Separation from Service; Required Delay in Payment to Specified Employee.** Notwithstanding anything set forth herein to the contrary, no amount payable pursuant to this Agreement on account of the Participant’s termination of Continuous Service which constitutes Section 409A Deferred Compensation shall be paid unless and until the Participant has incurred a “separation from service” within the meaning of the Treasury Regulations issued pursuant to Section 409A of the Code (the *“**Section 409A Regulations**”*). Furthermore, to the extent that the Participant is a “specified employee” within the meaning of the Section 409A Regulations as of the date of the Participant’s separation from service, no Section 409A Deferred Compensation which is payable on account of the Participant’s separation from service shall be paid to the Participant before the date (the *“**Delayed Payment Date**”*) which is first day of the seventh (7^{th}) month after the date of the Participant’s separation from service or, if earlier, the date of the Participant’s death following such separation from service. All such amounts that would, but for this Section, become payable prior to the Delayed Payment Date will be accumulated and paid on the Delayed Payment Date.

12.2.**Other Changes in Time of Payment.** Neither the Participant nor the Company shall take any action to accelerate or delay the payment of any benefits under this Agreement in any manner which would not be in compliance with the Section 409A Regulations.

12.3.**Installment Payments**. It is the intent that any right of Participant to receive installment payments (within the meaning of Section 409A) with respect to the Units subject to this Agreement shall, for all purposes of Section 409A, be treated as a right to a series of separate payments.

12.4.**Amendments to Comply with Section 409A; Indemnification.** Notwithstanding any other provision of this Agreement to the contrary, the Company is authorized to amend this Agreement, to void or amend any election made by the Participant under this Agreement and/or to delay the payment of any monies and/or provision of any benefits in such manner as may be determined by the Company, in its discretion, to be necessary or appropriate to

comply with or be exempt from the Section 409A Regulations without prior notice to or consent of the Participant. The Participant hereby releases and holds harmless the Company, a Parent or Subsidiary and each of their respective directors, officers and stockholders from any and all claims that may arise from or relate to any tax liability, penalties, interest, costs, fees or other liability incurred by the Participant in connection with the Award, including as a result of the application of Section 409A.

12.5.**Advice of Independent Tax Advisor.** The Company has not obtained a tax ruling or other confirmation from the Internal Revenue Service with regard to the application of Section 409A to the Award, and the Company does not represent or warrant that this Agreement will avoid adverse tax consequences to the Participant, including as a result of the application of Section 409A to the Award. The Participant hereby acknowledges that he or she has been advised to seek the advice of his or her own independent tax advisor prior to entering into this Agreement and is not relying upon any representations of the Company or any of its agents as to the effect of or the advisability of entering into this Agreement.

13.**Lock-Up Agreement.**

The Participant hereby agrees that in the event of any underwritten public offering of Shares, including an initial public offering of Shares, made by the Company pursuant to an effective registration statement filed under the Securities Act, the Participant shall not offer, sell, contract to sell, pledge, hypothecate, grant any option to purchase or make any short sale of, or otherwise dispose of any Shares of the Company or any rights to acquire Shares of the Company for such period of time from and after the effective date of such registration statement as may be established by the underwriter for such public offering; provided, however, that such period of time may not exceed one hundred eighty (180) days from the effective date of the registration statement to be filed in connection with such public offering; **or, upon the request of the Company or the underwriter, such longer period as necessary to permit compliance with FINRA Rule 2241 or any successor provisions or amendments thereto**. The foregoing limitation will not apply to Shares registered in the public offering under the Securities Act. The Participant hereby agrees to enter into any agreement reasonably required by the underwriters to implement the foregoing within a reasonable timeframe if so requested by the Company.

14.**Restrictions on Transfer of Shares.**

At any time prior to the existence of a public market for the Shares, the Board may prohibit the Participant and any transferee of such Participant from selling, transferring, assigning, pledging, or otherwise disposing of or encumbering any Shares acquired pursuant to the Award (each, a "***Transfer***") without the prior written consent of the Board. The Board may withhold consent for any reason, including without limitation any Transfer (i) to any individual or entity identified by the Company as a potential competitor or considered by the Company to be unfriendly, or (ii) if such Transfer increases the risk of the Company having a class of security held of record by such number of persons as would require the Company to register any class of securities under the Exchange Act; or (iii) if such Transfer would result in the loss of any federal or state securities law exemption relied upon by the Company in connection with the initial issuance of such Shares or the issuance of any other securities; or (iv) if such Transfer is facilitated in any manner by any public posting, message board, trading portal, Internet site, or similar method

of communication, including without limitation any trading portal or Internet site intended to facilitate secondary transfers of securities; or (v) if such Transfer is to be effected in a brokered transaction; or (vi) if such Transfer would be of less than all of the Shares then held by the stockholder and its affiliates or is to be made to more than a single transferee. No Shares acquired pursuant to this Award may be sold, exchanged, transferred (including, without limitation, any transfer to a nominee or agent of the Participant), assigned, pledged, hypothecated or otherwise disposed of, including by operation of law in any manner which violates any of the provisions of this Agreement, and any such attempted disposition shall be void. The Company shall not be required (a) to transfer on its books any Shares which will have been transferred in violation of any of the provisions set forth in this Agreement or (b) to treat as owner of such Shares or to accord the right to vote as such owner or to pay dividends to any transferee to whom such Shares will have been so transferred.

15.**Miscellaneous Provisions.**

15.1.**Termination or Amendment.** The Plan or this Agreement may be amended or terminated pursuant to the terms of Section 4 or Section 17 of the Plan or as otherwise permitted under this Agreement; provided, however, that except as provided in Section 7 of this Agreement or Section 13 of the Plan in connection with a Change in Control, no such termination or amendment may have a materially adverse effect on the Participant's rights under this Agreement without the consent of the Participant unless such termination or amendment is necessary to comply with applicable law or government regulation, including, but not limited to, Section 409A. No amendment or addition to this Agreement shall be effective unless in writing.

15.2.**Nontransferability of the Award.** Prior to the issuance of Shares on the applicable Settlement Date, neither this Award nor any Units subject to this Award shall be subject in any manner to anticipation, alienation, sale, exchange, transfer, assignment, pledge, encumbrance, or garnishment by creditors of the Participant or the Participant's beneficiary, except transfer by will or by the laws of descent and distribution and, for so long as the Company is relying on an order of the Securities and Exchange Commission (the "***SEC***") under Section 12(h) of the Exchange Act or a no-action position of the Staff of the SEC relieving the Company from registration under Section 12(g) of the Exchange Act of the Units and the Shares subject thereto, the restrictions on transfer provided by Rule 12h-1(f) under the Exchange Act that would apply were the Units subject to such rule (including the requirement under such rule that any permitted transferee may not further transfer the Units). No Units subject to this Award, or the Shares underlying such Units, shall, prior to the settlement of the Units, be subject to any short position, "put equivalent position" or "call equivalent position" by the Participant, as such terms are defined in Rule 16a-1 under the Exchange Act, until the Company becomes subject to Section 13 or Section 15(d) of the Exchange Act or is no longer relying on such SEC order or SEC Staff no action position. All rights with respect to the Award shall be exercisable during the Participant's lifetime only by the Participant or the Participant's guardian or legal representative.

15.3.**Further Instruments.** The parties hereto agree to execute such further instruments and to take such further action as may reasonably be necessary to carry out the intent of this Agreement.

15.4.**Binding Effect.** This Agreement shall inure to the benefit of the successors and assigns of the Company and, subject to the restrictions on transfer set forth herein, be binding upon the Participant and the Participant's heirs, executors, administrators, successors and assigns.

15.5.**Delivery of Documents and Notices.** Any document relating to participation in the Plan or any notice required or permitted hereunder shall be given in writing and shall be deemed effectively given (except to the extent that this Agreement provides for effectiveness only upon actual receipt of such notice) upon personal delivery, electronic delivery at the e-mail address, if any, provided for the Participant by the Company, a Parent or Subsidiary, or upon deposit in the U.S. Post Office or foreign postal service, by registered or certified mail, or with a nationally recognized overnight courier service, with postage and fees prepaid, addressed to the other party at the address of such party set forth in the Grant Notice or at such other address as such party may designate in writing from time to time to the other party.

15.5.1.***Description of Electronic Delivery and Signature.*** The Plan documents, which may include but do not necessarily include: the Plan, the Grant Notice, this Agreement, and any reports of the Company provided generally to the Company's stockholders, may be delivered to the Participant electronically. In addition, if permitted by the Company, the Participant may deliver electronically the Grant Notice to the Company or to such third party involved in administering the Plan as the Company may designate from time to time. Such means of electronic delivery may include but do not necessarily include the delivery of a link to a Company intranet or the Internet site of a third party involved in administering the Plan, the delivery of the document via e-mail or such other means of electronic delivery specified by the Company. Any and all such documents and notices may be electronically signed.

15.5.2.***Consent to Electronic Delivery and Signature.*** The Participant acknowledges that the Participant has read Section 15.5(a) of this Agreement and consents to the electronic delivery of the Plan documents and, if permitted by the Company, the delivery of the Grant Notice, as described in Section 15.5(a). The Participant agrees that any and all such documents requiring a signature may be electronically signed and that such electronic signature shall have the same effect as handwritten signature for the purposes of validity, enforceability and admissibility. The Participant acknowledges that he or she may receive from the Company a paper copy of any documents delivered electronically at no cost to the Participant by contacting the Company by telephone or in writing. The Participant further acknowledges that the Participant will be provided with a paper copy of any documents if the attempted electronic delivery of such documents fails. Similarly, the Participant understands that the Participant must provide the Company or any designated third-party administrator with a paper copy of any documents if the attempted electronic delivery of such documents fails. The Participant may revoke his or her consent to the electronic delivery of documents described in Section 15.5(a) or may change the electronic mail address to which such documents are to be delivered (if Participant has provided an electronic mail address) at any time by notifying the Company of such revoked consent or revised e-mail address by telephone, postal service or electronic mail. Finally, the Participant understands that he or she is not required to consent to electronic delivery of documents described in Section 15.5(a).

15.6.**Integrated Agreement.** The Grant Notice, this Agreement and the Plan shall constitute the entire understanding and agreement of the Participant and the Company, a Parent or

Subsidiary with respect to the subject matter contained herein or therein and supersede any prior agreements, understandings, restrictions, representations, or warranties among the Participant and the Company, a Parent or Subsidiary with respect to such subject matter. To the extent contemplated herein or therein, the provisions of the Grant Notice, this Agreement and the Plan shall survive any settlement of the Award and shall remain in full force and effect.

15.7.**Applicable Law.** This Agreement shall be governed by the laws of the State of Delaware as such laws are applied to agreements between Delaware residents entered into and to be performed entirely within the State of Delaware.

15.8.**Counterparts.** The Grant Notice may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

Exhibit 10.13

TERRAN ORBITAL CORPORATION
NOTICE OF GRANT OF RESTRICTED STOCK UNITS
(U.S. Participants - $11.00 Share Price Hurdle)

Terran Orbital Corporation, a Delaware corporation, and any successor thereto (the *"**Company**"*), has granted to the Participant an award (the *"**Award**"*) of certain units pursuant to the Amended and Restated Terran Orbital Corporation 2014 Equity Incentive Plan (the *"**Plan**"*) and the Company's Restricted Stock Units Agreement (Retention RSUs) (the "***Award Agreement***"), each of which represents the right to receive on the applicable Settlement Date (as defined below) one (1) Share (as defined in the Plan), as set forth below. Capitalized terms used herein but not otherwise defined shall have the meaning ascribed to such term in the Award Agreement.

Participant:	**Employee ID:**
Date of Grant:	
Total Number of Units:	_ (each a "***Unit***"), subject to adjustment as provided by the Award Agreement.
Expiration Date:	The fifth (5th) anniversary of the Closing Date.
Vested Units:	The vesting of each Unit requires the satisfaction of each of the following conditions (each as defined below): (i) the Closing Condition, (ii) the Time Condition, and (iii) the Share Price Condition. Each Unit will vest and become non-forfeitable on the first date (the "***Vesting Date***") on which each of the Closing Condition, the Time Condition and the Share Price Condition have been satisfied with respect to such Unit on or before the Expiration Date, *provided* that, except as otherwise provided herein or in the Award Agreement, the Participant is employed by the Service Recipient on the applicable Vesting Date:
Closing Condition:	The Closing Condition will be satisfied for the Total Number of Units on the Closing Date.
Time Condition:	The Time Condition will be satisfied for the Total Number of Units by the Participant's continuous employment by the Service Recipient through the first (1st) anniversary of the Closing Date.
Share Price Condition:	The Share Price Condition will be satisfied with respect to the Total Number of Units as and when the Last Reported Closing Price per Share of $11.00 or greater (the "***Share Price Hurdle***") is achieved, for any twenty (20) trading days during any consecutive thirty (30)-day period during the Incentive Period. The Share Price Hurdle shall be equitably adjusted for share subdivisions, share capitalization, reorganization, and the like, as determined by Administrator.
Change In Control:	If a Change in Control occurs following the Closing Date and before the applicable Vesting Date, provided the Participant is employed by the Service Recipient from the Date of Grant through the consummation of the Change in Control, upon the termination of the Participant's employment by the Service Recipient without Cause or by reason of the Participant's death or Disability (as defined in the Plan), in each case, following such Change of Control, each unvested outstanding Unit shall fully vest upon the date of such termination (such date, also a "***Vesting Date***") if the consideration received by the Acquiror Shareholders in connection with such Change in Control is greater than or equal to $11.00 per Share. The $11.00 per Share amount shall be equitably adjusted for share subdivisions, share capitalization, reorganization, and the like, as determined by the Administrator. In the event any unvested outstanding Units do not vest in connection with a Change in Control, the treatment of such unvested outstanding Units shall be determined under the terms of the Acquiror Equity Incentive Plan.

Settlement Date:	Except as provided by the Award Agreement, the Settlement Date with respect to each Unit shall be within thirty (30) days of the Vesting Date applicable to such Unit, subject to Section 5 of the the Grant Agreement (each such actual date, the "***Settlement Date***").
Forfeiture upon Expiration:	If any Units remain outstanding and unvested as of the Expiration Date (the "***Expired Units***"), such Expired Units shall be forfeited and canceled for no consideration or other payment.
Lock-up:	Commencing on the Settlement Date, in addition to any other restriction imposed by federal or state securities or other applicable law, the Participant agrees that sixty percent (60%) of the Shares issued on the Settlement Date in respect of the vested Units (the "***Lock-up Shares***") shall be subject to a lock up and the Participant agrees to not transfer, exchange, assign, pledge, hypothecate, encumber or otherwise dispose of such Lock-up Shares (the "***Transfer Restrictions***") except as set forth below. The Transfer Restrictions with respect to the Lock-Up Shares shall lapse over the following time periods and with respect to the following amounts of Lock-up Shares: (i) on the 90-day anniversary of the Settlement Date such Transfer Restrictions shall lapse with respect to 50% of the Lock-Up Shares and (ii) on the 180-day anniversary of the Settlement Date such Transfer Restrictions shall lapse with respect to the remaining 50% of the Lock-Up Shares.

By their signatures below or by electronic acceptance or authentication in a form authorized by the Company, the Company and the Participant agree that the Award is governed by this Grant Notice and by the provisions of the Award Agreement and the Plan, both of which are made a part of this document. The Participant acknowledges that copies of the Plan and the Award Agreement are available on the Company's internal web site and may be viewed and printed by the Participant for attachment to the Participant's copy of this Grant Notice. The Participant represents that the Participant has read and is familiar with the provisions of the Award Agreement and the Plan, and hereby accepts the Award subject to all of their terms and conditions.

TERRAN ORBITAL CORPORATION	**PARTICIPANT**
By:	
[Officer Name]	Signature
[Officer Title]	
	Date
Address:	
	Address

`ACHMENTS: Amended and Restated Terran Orbital Corporation 2014 Equity Incentive Plan, and the Terran Orbital Corporation Restricted Stock Unit Agreement (Retention RSUs)

Exhibit 10.14

TERRAN ORBITAL CORPORATION
NOTICE OF GRANT OF RESTRICTED STOCK UNITS
(U.S. Participants - $13.00 Share Price Hurdle)

Terran Orbital Corporation, a Delaware corporation, and any successor thereto (the *"**Company**"*), has granted to the Participant an award (the *"**Award**"*) of certain units pursuant to the Amended and Restated Terran Orbital Corporation 2014 Equity Incentive Plan (the *"**Plan**"*) and the Company's Restricted Stock Units Agreement (Retention RSUs) (the "***Award Agreement***"), each of which represents the right to receive on the applicable Settlement Date (as defined below) one (1) Share (as defined in the Plan), as set forth below. Capitalized terms used herein but not otherwise defined shall have the meaning ascribed to such term in the Award Agreement.

Participant:	**Employee ID:**
Date of Grant:	
Total Number of Units:	_ (each a "***Unit***"), subject to adjustment as provided by the Award Agreement.
Expiration Date:	The fifth (5th) anniversary of the Closing Date.
Vested Units:	The vesting of each Unit requires the satisfaction of each of the following conditions (each as defined below): (i) the Closing Condition, (ii) the Time Condition, and (iii) the Share Price Condition. Each Unit will vest and become non-forfeitable on the first date (the "***Vesting Date***") on which each of the Closing Condition, the Time Condition and the Share Price Condition have been satisfied with respect to such Unit on or before the Expiration Date, *provided* that, except as otherwise provided herein or in the Award Agreement, the Participant is employed by the Service Recipient on the applicable Vesting Date:
Closing Condition:	The Closing Condition will be satisfied for the Total Number of Units on the Closing Date.
Time Condition:	The Time Condition will be satisfied for the Total Number of Units by the Participant's continuous employment by the Service Recipient through the first (1st) anniversary of the Closing Date.
Share Price Condition:	The Share Price Condition will be satisfied with respect to the Total Number of Units as and when the Last Reported Closing Price per Share of $13.00 or greater (the "***Share Price Hurdle***") is achieved, for any twenty (20) trading days during any consecutive thirty (30)-day period during the Incentive Period. The Share Price Hurdle shall be equitably adjusted for share subdivisions, share capitalization, reorganization, and the like, as determined by Administrator.
Change In Control:	If a Change in Control occurs following the Closing Date and before the applicable Vesting Date, provided the Participant is employed by the Service Recipient from the Date of Grant through the consummation of the Change in Control, upon the termination of the Participant's employment by the Service Recipient without Cause or by reason of the Participant's death or Disability (as defined in the Plan), in each case, following such Change of Control, each unvested outstanding Unit shall fully vest upon the date of such termination (such date, also a "***Vesting Date***") if the consideration received by the Acquiror Shareholders in connection with such Change in Control is greater than or equal to $13.00 per Share. The $13.00 per Share amount shall be equitably adjusted for share subdivisions, share capitalization, reorganization, and the like, as determined by the Administrator. In the event any unvested outstanding Units do not vest in connection with a Change in Control, the treatment of such unvested outstanding Units shall be determined under the terms of the Acquiror Equity Incentive Plan.

Settlement Date:	Except as provided by the Award Agreement, the Settlement Date with respect to each Unit shall be within thirty (30) days of the Vesting Date applicable to such Unit, subject to Section 5 of the Grant Agreement (each such actual date, the "***Settlement Date***").
Forfeiture upon Expiration:	If any Units remain outstanding and unvested as of the Expiration Date (the "***Expired Units***"), such Expired Units shall be forfeited and canceled for no consideration or other payment.
Lock-up:	Commencing on the Settlement Date, in addition to any other restriction imposed by federal or state securities or other applicable law, the Participant agrees that sixty percent (60%) of the Shares issued on the Settlement Date in respect of the vested Units (the "***Lock-up Shares***") shall be subject to a lock up and the Participant agrees to not transfer, exchange, assign, pledge, hypothecate, encumber or otherwise dispose of such Lock-up Shares (the "***Transfer Restrictions***") except as set forth below. The Transfer Restrictions with respect to the Lock-Up Shares shall lapse over the following time periods and with respect to the following amounts of Lock-up Shares: (i) on the 90-day anniversary of the Settlement Date such Transfer Restrictions shall lapse with respect to 50% of the Lock-Up Shares and (ii) on the 180-day anniversary of the Settlement Date such Transfer Restrictions shall lapse with respect to the remaining 50% of the Lock-Up Shares.

By their signatures below or by electronic acceptance or authentication in a form authorized by the Company, the Company and the Participant agree that the Award is governed by this Grant Notice and by the provisions of the Award Agreement and the Plan, both of which are made a part of this document. The Participant acknowledges that copies of the Plan and the Award Agreement are available on the Company's internal web site and may be viewed and printed by the Participant for attachment to the Participant's copy of this Grant Notice. The Participant represents that the Participant has read and is familiar with the provisions of the Award Agreement and the Plan, and hereby accepts the Award subject to all of their terms and conditions.

TERRAN ORBITAL CORPORATION	**PARTICIPANT**
By:	
[Officer Name] [Officer Title]	Signature
	Date
Address:	
	Address

`ACHMENTS: Amended and Restated Terran Orbital Corporation 2014 Equity Incentive Plan, and the Terran Orbital Corporation Restricted Stock Unit Agreement (Retention RSUs)

Exhibit 10.15

TERRAN ORBITAL CORPORATION
RESTRICTED STOCK UNITS AGREEMENT (Retention RSUs)
(U.S. Participants)

Terran Orbital Corporation, a Delaware corporation (the "***Company***"), has granted to the Participant named in the *Notice of Grant of Restricted Stock Units* (the "***Grant Notice***") to which this Restricted Stock Units Agreement (Retention RSUs) (this "***Agreement***") is attached an Award (as defined in the Plan) consisting of Restricted Stock Units (each a "***Unit***") subject to the terms and conditions set forth in the Grant Notice and this Agreement. The Award has been granted pursuant to and shall in all respects be subject to the terms and conditions of the Amended and Restated Terran Orbital Corporation 2014 Equity Incentive Plan, as amended (the "***Plan***"), the provisions of which are incorporated herein by reference. By signing the Grant Notice, the Participant: (a) acknowledges receipt of and represents that the Participant has read and is familiar with the Grant Notice, this Agreement, and the Plan, (b) accepts the Award subject to all of the terms and conditions of the Grant Notice, this Agreement and the Plan and (c) agrees to accept as binding, conclusive and final all decisions or interpretations of the Administrator upon any questions arising under the Grant Notice, this Agreement or the Plan.

1.**Definitions and Construction.**

a.**Definitions.** Capitalized terms shall have the meanings assigned to such terms in the Grant Notice or the Plan unless otherwise defined herein or as follows:

i."***Acquiror Incentive Equity Plan***" means the "Acquiror Incentive Equity Plan" as defined in the Merger Agreement.

ii."***Acquiror Shareholders***" means the "Acquiror Shareholders" as defined in the Merger Agreement.

iii."***Administrator***" shall mean "Administrator" as defined in the Plan prior to the Closing Date and the "Committee" as defined in the Acquirior Incentive Equity Plan on and after the Closing Date.

iv."***Change in Control***" means "Change in Control" as defined in the Acquiror Incentive Equity Plan.

v. "***Cause***" shall mean "Cause" as defined in the Acquiror Incentive Equity Plan.

vi."***Closing Date***" means the "Closing Date" as defined in the Merger Agreement.

vii. "***Incentive Period***" means the period beginning on the Closing Date and ending on and including the Expiration Date.

viii."***Last Reported Closing Price***" means the "Last Reported Closing Price" as defined in the Merger Agreement.

ix."***Merger Agreement***" means that that certain Agreement and Plan of Merger, dated October 28, 2021 (as may be amended, supplemented or otherwise modified from time to time), by and among Tailwind Two Acquisition Corp., a Cayman Islands Exempted Company, Titan Merger Sub, Inc., a Delaware corporation and Terran Orbital Corporation, a Delaware corporation.

x."***Service Recipient***" shall mean "Service Recipient" as defined in the Acquiror Incentive Equity Plan.

xi. "***Units***" mean the Restricted Stock Units granted pursuant to the Award, as adjusted from time to time pursuant to the Plan prior to the Closing Date and Acquiror Incentive Equity Plan on and following the Closing Date.

b.**Construction.** Captions and titles contained herein are for convenience only and shall not affect the meaning or interpretation of any provision of this Agreement. Except when otherwise indicated by the context, the singular shall include the plural and the plural shall include the singular. Use of the term "or" is not intended to be exclusive, unless the context clearly requires otherwise.

2.**Administration.**

All questions of interpretation concerning the Grant Notice, this Agreement, the Plan or any other form of agreement or other document employed by the Company in the administration of the Plan or the Award shall be determined by the Administrator. All such determinations by the Administrator shall be final, binding and conclusive upon all persons having an interest in the Award, unless fraudulent or made in bad faith. Any and all actions, decisions and determinations taken or made by the Administrator in the exercise of its discretion pursuant to the Plan or the Award or other agreement thereunder (other than determining questions of interpretation pursuant to the preceding sentence) shall be final, binding and conclusive upon all persons having an interest in the Award. Any person designated by the Board as an officer of the Company (an "***Officer***") shall have the authority to act on behalf of the Company with respect to any matter, right, obligation, or election which is the responsibility of or which is allocated to the Company herein, provided the Officer has apparent authority with respect to such matter, right, obligation, or election.

3.**The Award.**

a.**Grant of Units.** On the Date of Grant, the Participant shall acquire, subject to the provisions of this Agreement, the Total Number of Units set forth in and defined in the Grant Notice. Each Unit represents a right to receive on a date determined in accordance with the Grant Notice and this Agreement one (1) Share.

b.**No Monetary Payment Required.** The Participant is not required to make any monetary payment (other than applicable tax withholding, if any) as a condition to receiving the Units or Shares issued upon settlement of the Units, the consideration for which shall be past services actually rendered or future services to be rendered to the Company, a Parent or Subsidiary (each, as defined in the Plan) or for its benefit. Notwithstanding the foregoing, if required by applicable law, the Participant shall furnish consideration in the form of cash or past services

rendered to the Company, a Parent or Subsidiary or for its benefit having a value not less than the par value of the Shares issued upon settlement of the Units.

c.**Termination of the Award**. The Award shall terminate upon the first to occur of (a) the termination of the Merger Agreement in accordance with its terms prior to the Closing Date, (b) prior to the Closing Date, on the date of termination of the Participant's employment, (c) on and following the Closing Date, to the extent unvested (after taking into account the Change in Control provisions set forth in the Grant Notice) on the date of the termination of the Participant's employment by the Service Recipient for any reason, (d) the Expiration Date (as defined in the Grant Notice), or (e) the final settlement of all Units that vest and become non-forfeitable pursuant to the terms and conditions of the Grant Notice in accordance with Section 5.

4.**Vesting of Units; Termination of Employment.**

a.**Normal Vesting.** Units acquired pursuant to this Agreement shall vest and become non-forfeitable as provided in the Grant Notice.

b.**Termination of Employment Generally**. Except as set forth in 4.3 or 4.4 of this Agreement, (x) prior to the Closing Date, if the Participant's employment terminates for any reason or no reason or (y) on or following the Closing Date, in the event of a termination of Participant's employment for any or no reason, in each case, the Participant shall automatically forfeit to the Company any Units pursuant to the Award which remain unvested as of the date of the termination of the Participant's employment.

c.**Termination of Employment for Cause**. In the event of the termination of the Participant's employment by the Service Recipient for Cause, the Participant shall automatically forfeit to the Company any Units, whether vested or unvested, immediately upon the date of Termination.

d.**Termination of Employment following a Change in Control without Cause or due to death or Disability**. In the event of the termination of the Participant's employment by the Service Recipient without Cause or by reason of the Participant's death or Disability, in each case, following a Change in Control, then any unvested Units subject to the Award shall vest, if at all, pursuant to the Change in Control provisions set forth in the Grant Notice.

5.**Settlement of the Award.**

a.**Issuance of Shares.** Subject to the provisions of Section 6.3, the Company shall issue one (1) Share to the Participant within thirty (30) days of the applicable Vesting Date with respect to each Unit that vests and becomes non-forfeitable on such date (such date of settlement, an *"**Original Settlement Date**"*); provided, however, that if the tax withholding obligations of the Company, a Parent or Subsidiary, if any, will not be satisfied by the share withholding method described in Section 6.3 and the Original Settlement Date would occur on a date on which a sale by the Participant of the Shares to be issued in settlement of the Units that vested and became non-forfeitable would violate any written policy of the Company pertaining to the purchase, sale, transfer or other disposition of the Company's equity securities by Directors,

Officers, Employees or other service providers who may possess material, nonpublic information regarding the Company or its securities, as in effect from time to time, (the "***Trading Compliance Policy***"), then the Settlement Date for such vested Units shall be deferred until the next day on which the sale of such shares would not violate the Trading Compliance Policy, but in any event, shall be on or before the fifteenth (15^{th}) day of the third calendar month following calendar year of the Original Settlement Date. Shares issued in settlement of Units shall not be subject to any restriction on transfer other than any such restrictions set forth in the Grant Notice or as may be required pursuant to Section 6.3, Section 7 or the Company's Trading Compliance Policy.

b.**Beneficial Ownership of Shares; Certificate Registration.** The Participant hereby authorizes the Company, in its sole discretion, to deposit any or all Shares acquired by the Participant pursuant to the settlement of the Award with the Company's transfer agent, including any successor transfer agent, to be held in book entry form, or to deposit such Shares for the benefit of the Participant with any broker with which the Participant has an account relationship of which the Company has notice. Except as provided by the foregoing, if applicable, a certificate for the Shares acquired by the Participant may be registered in the name of the Participant, or, if applicable, in the names of the heirs of the Participant.

c.**Restrictions on Grant of the Award and Issuance of Shares.** The grant of the Award and issuance of Shares upon settlement of the Award shall be subject to compliance with all applicable requirements of federal, state or foreign law with respect to such securities. No Shares may be issued hereunder if the issuance of such Shares would constitute a violation of any applicable federal, state or foreign securities laws or other law or regulations or the requirements of any stock exchange or market system upon which the Shares may then be listed. The inability of the Company to obtain from any regulatory body having jurisdiction the authority, if any, deemed by the Company's legal counsel to be necessary to the lawful issuance of any Shares subject to the Award shall relieve the Company of any liability in respect of the failure to issue such shares as to which such requisite authority shall not have been obtained. As a condition to the settlement of the Award, the Company may require the Participant to satisfy any qualifications that may be necessary or appropriate, to evidence compliance with any applicable law or regulation and to make any representation or warranty with respect thereto as may be requested by the Company.

d.**Fractional Shares.** The Company shall not be required to issue fractional Shares upon the settlement of the Award.

6.**Tax Withholding.**

a.**In General.** At the time the Grant Notice is executed, or at any time thereafter as requested by the Company, a Parent or Subsidiary, the Participant hereby authorizes withholding from payroll and any other amounts payable to the Participant, and otherwise agrees to make adequate provision for, any sums required to satisfy the federal, state, local and foreign tax (including any social insurance) withholding obligations of the Company, a Parent or Subsidiary, if any, which arise in connection with the Award, the vesting of Units or the issuance of Shares in settlement thereof. The Company shall have no obligation to deliver Shares until the tax withholding obligations of the Company, a Parent or Subsidiary have been satisfied by the Participant.

b.**Assignment of Sale Proceeds.** Subject to compliance with applicable law and the Company's Trading Compliance Policy, if permitted by the Company, the Participant may satisfy the Company's, a Parent's or Subsidiary's tax withholding obligations in accordance with procedures established by the Company providing for delivery by the Participant to the Company or a broker approved by the Company of properly executed instructions, in a form approved by the Company, providing for the assignment to the Company of the proceeds of a sale with respect to some or all of the shares being acquired upon settlement of Units.

c.**Withholding in Shares.** The Company shall have the right, but not the obligation, to require the Participant to satisfy all or any portion of the Company's, a Parent's or Subsidiary's tax withholding obligations by deducting from the Shares otherwise deliverable to the Participant in settlement of the Award a number of whole Shares having a fair market value, as determined by the Company as of the date on which the tax withholding obligations arise, equal to such tax withholding obligations. Any determination by the Company with respect to whether to permit the withholding of Shares to satisfy the tax withholding obligation shall be made by the Administrator if the Participant is subject to Section 16 of the Exchange Act.

7.**Effect of Change in Control.**

In the event of a Change in Control, the Award shall be subject to and treated as set forth in the Acquiror Incentive Equity Plan and any applicable provisions of the Grant Notice.

8.**Legends.**

The Company may at any time place legends referencing any applicable federal, state or foreign securities law restrictions or other restrictions (such as transfer restrictions) on all certificates or book entries representing Shares issued pursuant to the Units under this Agreement. The Participant shall, at the request of the Company, promptly present to the Company any and all certificates representing Shares acquired pursuant to this Award in the possession of the Participant in order to carry out the provisions of this Section.

9.**Compliance with Section 409A.**

It is intended that any election, payment or benefit which is made or provided pursuant to or in connection with this Award that may result in compensation that constitutes nonqualified deferred compensation within the meaning of Section 409A ("***Section 409A Deferred Compensation***") shall comply in all respects with the applicable requirements of Section 409A of the Code ("***Section 409A***") (including applicable regulations or other administrative guidance thereunder, as determined by the Administrator in good faith) to avoid the unfavorable tax consequences provided therein for non-compliance. In connection with effecting compliance with or an exemption from Section 409A, the following shall apply:

a.**Separation from Service; Required Delay in Payment to Specified Employee.** Notwithstanding anything set forth herein to the contrary, no amount payable pursuant to this Agreement on account of the termination of the Participant's employment which constitutes Section 409A Deferred Compensation shall be paid unless and until the Participant has incurred a "separation from service" within the meaning of the Treasury Regulations issued pursuant to Section 409A of the Code (the *"**Section 409A Regulations**"*). Furthermore, to the extent that the

Participant is a "specified employee" within the meaning of the Section 409A Regulations as of the date of the Participant's separation from service, no Section 409A Deferred Compensation which is payable on account of the Participant's separation from service shall be paid to the Participant before the date (the *"**Delayed Payment Date**"*) which is first day of the seventh (7^{th}) month after the date of the Participant's separation from service or, if earlier, the date of the Participant's death following such separation from service. All such amounts that would, but for this Section, become payable prior to the Delayed Payment Date will be accumulated and paid on the Delayed Payment Date.

b.**Other Changes in Time of Payment.** Neither the Participant nor the Company shall take any action to accelerate or delay the payment of any benefits under this Agreement in any manner which would not be in compliance with the Section 409A Regulations.

c.**Installment Payments**. It is the intent that any right of Participant to receive installment payments (within the meaning of Section 409A) with respect to the Units subject to this Agreement shall, for all purposes of Section 409A, be treated as a right to a series of separate payments.

d.**Amendments to Comply with Section 409A; Indemnification.** Notwithstanding any other provision of this Agreement to the contrary, the Company is authorized to amend this Agreement, to void or amend any election made by the Participant under this Agreement and/or to delay the payment of any monies and/or provision of any benefits in such manner as may be determined by the Company, in its discretion, to be necessary or appropriate to comply with or be exempt from the Section 409A Regulations without prior notice to or consent of the Participant. The Participant hereby releases and holds harmless the Company, a Parent or Subsidiary and each of their respective directors, officers and stockholders from any and all claims that may arise from or relate to any tax liability, penalties, interest, costs, fees or other liability incurred by the Participant in connection with the Award, including as a result of the application of Section 409A.

e.**Advice of Independent Tax Advisor.** The Company has not obtained a tax ruling or other confirmation from the Internal Revenue Service with regard to the application of Section 409A to the Award, and the Company does not represent or warrant that this Agreement will avoid adverse tax consequences to the Participant, including as a result of the application of Section 409A to the Award. The Participant hereby acknowledges that he or she has been advised to seek the advice of his or her own independent tax advisor prior to entering into this Agreement and is not relying upon any representations of the Company or any of its agents as to the effect of or the advisability of entering into this Agreement.

10.**Miscellaneous Provisions.**

a.**Termination or Amendment.** The Plan or this Agreement may be amended or terminated prior to the Closing Date pursuant to the terms of Section 4 or Section 17 of the Plan, following the Closing Date pursuant to the terms of Section 3 of the Acquiror Incentive Equity Plan, or as otherwise permitted under this Agreement; provided, however, that except as provided in Section 7 of this Agreement or, following the Closing Date, Section 10 of the Acquiror Incentive Equity Plan, no such termination or amendment may have a materially adverse effect on the

Participant's rights under this Agreement without the consent of the Participant unless such termination or amendment is necessary to comply with applicable law or government regulation, including, but not limited to, Section 409A. No amendment or addition to this Agreement shall be effective unless in writing.

b.**Nontransferability of the Award.** Prior to the issuance of Shares on the applicable Settlement Date, neither this Award nor any Units subject to this Award shall be subject in any manner to anticipation, alienation, sale, exchange, transfer, assignment, pledge, encumbrance, or garnishment by creditors of the Participant or the Participant's beneficiary, except transfer by will or by the laws of descent and distribution. All rights with respect to the Award shall be exercisable during the Participant's lifetime only by the Participant or the Participant's guardian or legal representative.

c.**Further Instruments.** The parties hereto agree to execute such further instruments and to take such further action as may reasonably be necessary to carry out the intent of this Agreement.

d.**Binding Effect.** This Agreement shall inure to the benefit of the successors and assigns of the Company and, subject to the restrictions on transfer set forth herein, be binding upon the Participant and the Participant's heirs, executors, administrators, successors and assigns.

e.**Delivery of Documents and Notices.** Any document relating to participation in the Plan or any notice required or permitted hereunder shall be given in writing and shall be deemed effectively given (except to the extent that this Agreement provides for effectiveness only upon actual receipt of such notice) upon personal delivery, electronic delivery at the e-mail address, if any, provided for the Participant by the Company, a Parent or Subsidiary, or upon deposit in the U.S. Post Office or foreign postal service, by registered or certified mail, or with a nationally recognized overnight courier service, with postage and fees prepaid, addressed to the other party at the address of such party set forth in the Grant Notice or at such other address as such party may designate in writing from time to time to the other party.

i.***Description of Electronic Delivery and Signature.*** The Plan documents, which may include but do not necessarily include: the Plan, the Grant Notice, this Agreement, and any reports of the Company provided generally to the Company's stockholders, may be delivered to the Participant electronically. In addition, if permitted by the Company, the Participant may deliver electronically the Grant Notice to the Company or to such third party involved in administering the Plan as the Company may designate from time to time. Such means of electronic delivery may include but do not necessarily include the delivery of a link to a Company intranet or the Internet site of a third party involved in administering the Plan, the delivery of the document via e-mail or such other means of electronic delivery specified by the Company. Any and all such documents and notices may be electronically signed.

ii.***Consent to Electronic Delivery and Signature.*** The Participant acknowledges that the Participant has read Section 10.5(a) of this Agreement and consents to the electronic delivery of the Plan documents and, if permitted by the Company, the delivery of the Grant Notice, as described in Section 10.5(a). The Participant agrees that any and all such documents requiring a signature may be electronically signed and that such electronic signature

shall have the same effect as handwritten signature for the purposes of validity, enforceability and admissibility. The Participant acknowledges that he or she may receive from the Company a paper copy of any documents delivered electronically at no cost to the Participant by contacting the Company by telephone or in writing. The Participant further acknowledges that the Participant will be provided with a paper copy of any documents if the attempted electronic delivery of such documents fails. Similarly, the Participant understands that the Participant must provide the Company or any designated third-party administrator with a paper copy of any documents if the attempted electronic delivery of such documents fails. The Participant may revoke his or her consent to the electronic delivery of documents described in Section 10.5(a) or may change the electronic mail address to which such documents are to be delivered (if Participant has provided an electronic mail address) at any time by notifying the Company of such revoked consent or revised e-mail address by telephone, postal service or electronic mail. Finally, the Participant understands that he or she is not required to consent to electronic delivery of documents described in Section 10.5(a).

f.**Integrated Agreement.** The Grant Notice, this Agreement, the Plan and, following the Closing Date, the Acquiror Equity Incentive Plan shall constitute the entire understanding and agreement of the Participant and the Company, a Parent or Subsidiary with respect to the subject matter contained herein or therein and supersede any prior agreements, understandings, restrictions, representations, or warranties among the Participant and the Company, a Parent or Subsidiary with respect to such subject matter. To the extent contemplated herein or therein, the provisions of the Grant Notice, this Agreement, the Plan and, following the Closing Date, the Acquiror Equity Incentive Plan shall survive any settlement of the Award and shall remain in full force and effect.

g.**Applicable Law.** This Agreement shall be governed by the laws of the State of Delaware as such laws are applied to agreements between Delaware residents entered into and to be performed entirely within the State of Delaware.

h.**Counterparts.** The Grant Notice may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

Exhibit 10.16

TERRAN ORBITAL CORPORATION

AMENDED AND RESTATED 2014 EQUITY INCENTIVE PLAN

STOCK OPTION AGREEMENT

Unless otherwise defined herein, the terms defined in the Amended and Restated 2014 Equity Incentive Plan (the "Plan") shall have the same defined meanings in this Amended and Restated 2014 Equity Incentive Plan Stock Option Agreement (the "Option Agreement").

I. NOTICE OF STOCK OPTION GRANT

Name:

Address:

The undersigned Participant has been granted an Option to purchase Common Stock of the Company, subject to the terms and conditions of the Plan and this Option Agreement, as follows:

Date of Grant:

Vesting Commencement Date:

Exercise Price per Share: $

Total Number of Shares
Subject to the Option:

Total Exercise Price : $

Type of Option: ___ Incentive Stock Option

___ Nonstatutory Stock Option

Term/Expiration Date:

Vesting Schedule:

This Option shall be exercisable, in whole or in part, according to the following vesting schedule:

Termination Period:

This Option shall be exercisable for three (3) months after Participant ceases to be a Service Provider, unless such termination is due to Participant's death or Disability, in which case this Option shall be exercisable for twelve (12) months after Participant ceases to be a Service Provider. Notwithstanding the foregoing sentence, in no event may this Option be exercised after the Term/Expiration Date as provided above and this Option may be subject to earlier termination as provided in Section 13 of the Plan.

II. AGREEMENT

1.Grant of Option. The Administrator of the Company hereby grants to the Participant named in the Notice of Stock Option Grant in Part I of this Option Agreement ("Participant"), an option (the "Option") to purchase the number of Shares set forth in the Notice of Stock Option Grant, at the exercise price per Share set forth in the Notice of Stock Option Grant (the "Exercise Price"), and subject to the terms and conditions of the Plan, which is incorporated herein by reference. Subject to Section 18 of the Plan, in the event of a conflict between the terms and conditions of the Plan and this Option Agreement, the terms and conditions of the Plan shall prevail.

If designated in the Notice of Stock Option Grant as an Incentive Stock Option ("ISO"), this Option is intended to qualify as an Incentive Stock Option as defined in Section 422 of the Code. Nevertheless, to the extent that it exceeds the $100,000 rule of Code Section 422(d), this Option shall be treated as a Nonstatutory Stock Option ("NSO"). Further, if for any reason this Option (or portion thereof) shall not qualify as an ISO, then, to the extent of such nonqualification, such Option (or portion thereof) shall be regarded as a NSO granted under the Plan. In no event shall the Administrator, the Company or any Parent or Subsidiary or any of their respective employees or directors have any liability to Participant (or any other person) due to the failure of the Option to qualify for any reason as an ISO.

2.Exercise of Option.

(a)Right to Exercise. This Option shall be exercisable during its term in accordance with the Vesting Schedule set out in the Notice of Stock Option Grant and with the applicable provisions of the Plan and this Option Agreement.

(b)Method of Exercise. This Option shall be exercisable by delivery of an exercise notice in the form attached as Exhibit A (the "Exercise Notice") or in a manner and pursuant to such procedures as the Administrator may determine, which shall state the election to exercise the Option, the number of Shares with respect to which the Option is being exercised (the "Exercised Shares"), and such other representations and agreements as may be required by the Company. The Exercise Notice shall be accompanied by payment of the aggregate Exercise Price as to all Exercised Shares, together with any applicable tax withholding. This Option shall be deemed to be exercised upon receipt by the Company of such fully executed Exercise Notice accompanied by the aggregate Exercise Price, together with any applicable tax withholding.

No Shares shall be issued pursuant to the exercise of an Option unless such issuance and such exercise comply with Applicable Laws. Assuming such compliance, for income tax purposes the Shares shall be considered transferred to Participant on the date on which the Option is exercised with respect to such Shares.

3.Participant's Representations. In the event the Shares have not been registered under the Securities Act of 1933, as amended (the "Securities Act"), at the time this Option is exercised, Participant shall, if required by the Company, concurrently with the exercise of all or any portion of this Option, deliver to the Company his or her Investment Representation Statement in the form attached hereto as Exhibit B.

4.Lock-Up Period. Participant hereby agrees that Participant shall not offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend, or otherwise transfer or dispose of, directly or indirectly, any Common Stock (or other securities) of the Company or enter into any swap, hedging or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of any Common Stock (or other securities) of the Company held by Participant (other than those included in the registration) for a period specified by the representative of the underwriters of Common Stock (or other securities) of the Company not to exceed one hundred and eighty (180) days following the effective date of any registration statement of the Company filed under the Securities Act (or such other period as may be requested by the Company or the underwriters to accommodate regulatory restrictions on (i) the publication or other distribution of research reports and (ii) analyst recommendations and opinions, including, but not limited to, the restrictions contained in NASD Rule 2711(f)(4) or NYSE Rule 472(f)(4), or any successor provisions or amendments thereto).

Participant agrees to execute and deliver such other agreements as may be reasonably requested by the Company or the underwriter which are consistent with the foregoing or which are necessary to give further effect thereto. In addition, if requested by the Company or the representative of the underwriters of Common Stock (or other securities) of the Company, Participant shall provide, within ten (10) days of such request, such information as may be required by the Company or such representative in connection with the completion of any public offering of the Company's securities pursuant to a registration statement filed under the Securities Act. The obligations described in this Section 4 shall not apply to a registration relating solely to employee benefit plans on Form S-1 or Form S-8 or similar forms that may be promulgated in the future, or a registration relating solely to a Commission Rule 145 transaction on Form S-4 or similar forms that may be promulgated in the future. The Company may impose stop-transfer instructions with respect to the shares of Common Stock (or other securities) subject to the foregoing restriction until the end of said one hundred and eighty (180) day (or other) period. Participant agrees that any transferee of the Option or shares acquired pursuant to the Option shall be bound by this Section 4.

5.Method of Payment. Payment of the aggregate Exercise Price shall be by any of the following, or a combination thereof, at the election of the Participant:

(a) cash;

(b) check;

(c)consideration received by the Company under a formal cashless exercise program adopted by the Company in connection with the Plan; or

(d)surrender of other Shares which (i) shall be valued at its Fair Market Value on the date of exercise, and (ii) must be owned free and clear of any liens, claims, encumbrances or security interests, if accepting such Shares, in the sole discretion of the Administrator, shall not result in any adverse accounting consequences to the Company.

6. Restrictions on Exercise. This Option may not be exercised until such time as the Plan has been approved by the stockholders of the Company, or if the issuance of such Shares upon such exercise or the method of payment of consideration for such shares would constitute a violation of any Applicable Law.

7. Non-Transferability of Option.

(a)This Option may not be transferred in any manner otherwise than by will or by the laws of descent or distribution and may be exercised during the lifetime of Participant only by Participant. The terms of the Plan and this Option Agreement shall be binding upon the executors, administrators, heirs, successors and assigns of Participant.

(b)Further, until the Company becomes subject to the reporting requirements of Section 13 or 15(d) of the Exchange Act, or after the Administrator determines that it is, will, or may no longer be relying upon the exemption from registration of Options under the Exchange Act as set forth in Rule 12h-1(f) promulgated under the Exchange Act (the "Reliance End Date"), Participant shall not transfer this Option or, prior to exercise, the Shares subject to this Option, in any manner other than (i) to persons who are "family members" (as defined in Rule 701(c)(3) of the Securities Act) through gifts or domestic relations orders, or (ii) to an executor or guardian of Participant upon the death or disability of Participant. Until the Reliance End Date, the Options and, prior to exercise, the Shares subject to this Option, may not be pledged, hypothecated or otherwise transferred or disposed of, including by entering into any short position, any "put equivalent position" or any "call equivalent position" (as defined in Rule 16a-1(h) and Rule 16a-1(b) of the Exchange Act, respectively), other than as permitted in clauses (i) and (ii) of this paragraph.

8. Term of Option. This Option may be exercised only within the term set out in the Notice of Stock Option Grant, and may be exercised during such term only in accordance with the Plan and the terms of this Option Agreement.

9. Tax Obligations.

(a)Tax Withholding. Participant agrees to make appropriate arrangements with the Company (or the Parent or Subsidiary employing or retaining Participant) for the satisfaction of all Federal, state, local and foreign income and employment tax withholding requirements applicable to the Option exercise. Participant acknowledges and agrees that the Company may refuse to honor the exercise and refuse to deliver the Shares if such withholding amounts are not delivered at the time of exercise.

(b)Notice of Disqualifying Disposition of ISO Shares. If the Option granted to Participant herein is an ISO, and if Participant sells or otherwise disposes of any of the Shares acquired pursuant to the ISO on or before the later of (i) the date two (2) years after the Date of Grant, or (ii) the date one (1) year after the date of exercise, Participant shall immediately notify the Company in writing of such disposition. Participant agrees that Participant may be subject to income tax withholding by the Company on the compensation income recognized by Participant.

(c)Code Section 409A. Under Code Section 409A, an Option that vests after December 31, 2004 (or that vested on or prior to such date but which was materially modified after October 3, 2004) that was granted with a per Share exercise price that is determined by the Internal Revenue Service (the "IRS") to be less than the Fair Market Value of a Share on the date of grant (a "discount option") may be considered "deferred compensation." An Option that is a "discount option" may result in (i) income recognition by Participant prior to the exercise of the Option, (ii) an additional twenty percent (20%) federal income tax, and (iii) potential penalty and interest charges. The "discount option" may also result in additional state income, penalty and interest tax to the Participant. Participant acknowledges that the Company cannot and has not guaranteed that the IRS will agree that the per Share exercise price of this Option equals or exceeds the Fair Market Value of a Share on the date of grant in a later examination. Participant agrees that if the IRS determines that the Option was granted with a per Share exercise price that was less than the Fair Market Value of a Share on the date of grant, Participant shall be solely responsible for Participant's costs related to such a determination.

10. Entire Agreement; Governing Law. The Plan is incorporated herein by reference. The Plan and this Option Agreement constitute the entire agreement of the parties with respect to the subject matter hereof and supersede in their entirety all prior undertakings and agreements of the Company and Participant with respect to the subject matter hereof, and may not be modified adversely to the Participant's interest except by means of a writing signed by the Company and Participant. This Option Agreement is governed by the internal substantive laws but not the choice of law rules of California.

11. No Guarantee of Continued Service. PARTICIPANT ACKNOWLEDGES AND AGREES THAT THE VESTING OF SHARES PURSUANT TO THE VESTING SCHEDULE HEREOF IS EARNED ONLY BY CONTINUING AS A SERVICE PROVIDER AT THE WILL OF THE COMPANY (OR THE PARENT OR SUBSIDIARY EMPLOYING OR RETAINING PARTICIPANT) AND NOT THROUGH THE ACT OF BEING HIRED, BEING GRANTED THIS OPTION OR ACQUIRING SHARES HEREUNDER. PARTICIPANT FURTHER ACKNOWLEDGES AND AGREES THAT THIS AGREEMENT, THE TRANSACTIONS CONTEMPLATED HEREUNDER AND THE VESTING SCHEDULE SET FORTH HEREIN DO NOT CONSTITUTE AN EXPRESS OR IMPLIED PROMISE OF CONTINUED ENGAGEMENT

AS A SERVICE PROVIDER FOR THE VESTING PERIOD, FOR ANY PERIOD, OR AT ALL, AND SHALL NOT INTERFERE IN ANY WAY WITH PARTICIPANT'S RIGHT OR THE RIGHT OF THE COMPANY (OR THE PARENT OR SUBSIDIARY EMPLOYING OR RETAINING PARTICIPANT) TO TERMINATE PARTICIPANT'S RELATIONSHIP AS A SERVICE PROVIDER AT ANY TIME, WITH OR WITHOUT CAUSE.

Participant acknowledges receipt of a copy of the Plan and represents that he or she is familiar with the terms and provisions thereof, and hereby accepts this Option subject to all of the terms and provisions thereof. Participant has reviewed the Plan and this Option in their entirety, has had an opportunity to obtain the advice of counsel prior to executing this Option and fully understands all provisions of the Option. Participant hereby agrees to accept as binding, conclusive and final all decisions or interpretations of the Administrator upon any questions arising under the Plan or this Option. Participant further agrees to notify the Company upon any change in the residence address indicated below.

PARTICIPANT TERRAN ORBITAL CORPORATION

Signature By

Print Name Print Name

Title

Residence Address

Exhibit 10.17

Form of Officer Employment Agreement
(Non-NEO, Pre-Merger)

EMPLOYMENT AGREEMENT

Terran Orbital Corporation (the "Company") and [●] ("Executive") (collectively, the "Parties") agree to enter into this Employment Agreement ("Agreement"), effective as of [●] ("Effective Date"), as follows:

1.Employment

The Company hereby agrees to employ Executive, and Executive hereby agrees to be employed by the Company, upon the terms and subject to the conditions set forth in this Agreement.

2.Term of Employment

This Agreement shall become effective, if at all, only upon the Effective Date. The period of Executive's employment under this Agreement shall begin upon the Start Date (as defined below) and shall continue for a period of five (5) years following the Start Date (the "Expiration Date"), unless terminated in accordance with Section 5 below. As used in this Agreement, (i) "Start Date" means [●] and (ii) the phrase "Employment Term" refers to Executive's period of employment from the Start Date until the date Executive's employment is terminated or terminates. Notwithstanding the foregoing, if Executive fails to commence Executive's employment by the Start Date, this Agreement shall be null and void and the Company will have no obligations to Executive under this Agreement.

3.Duties and Responsibilities

(a) The Company will employ Executive during the Employment Term as [●]. In such capacity, Executive shall perform the customary duties and have the customary responsibilities of such positions and such other duties as may be assigned to Executive from time to time by the [●].

(b) Executive's primary work location will be in the Company's offices in Boca Raton, Florida.

(c) Executive agrees to faithfully serve the Company, devote Executive's full working time, attention and energies to the business of the Company and its subsidiaries, and perform the duties under this Agreement to the best of Executive's abilities. Executive may participate in other outside business, charitable and/or civic activities, if Executive provides advance written notice to [●], and [●] consents to such activities in writing and provided they do not interfere with Executive's duties under this Agreement and will not be disadvantageous to the Company. Executive may also act as an agent of the U.S. government or provide advisory services to the U.S. government, as may be required in Executive's agreements, if any, with the U.S. Government.

(d) Executive agrees (i) to comply with all applicable laws, rules and regulations; (ii) to comply with the Company's rules, procedures, policies, requirements, and directions; and (iii) not to engage in any other business, self-employment or employment, whether a competing

business or otherwise, without the advanced written consent of [●], except as may be otherwise specifically provided for herein.

4.Compensation and Benefits

(a)Base Salary. During the Employment Term, the Company shall pay Executive a base salary at the annualized rate of [●] or such higher rate as may be determined from time to time by the Company ("Base Salary"). Such Base Salary shall be paid in accordance with the Company's standard payroll practice for executives, which may change prospectively from time to time as may be determined by the Company.

(b)Annual Bonus. During the Employment Term, Executive shall be eligible to earn an annual performance-based bonus for each calendar year based on the achievement of goals set by [●] for each calendar year. Executive's target annual bonus will be in an amount up to [●] of Base Salary ("Target Annual Bonus"). To earn an annual bonus Executive must remain employed by the Company through December 31st of the applicable performance year. Any annual bonus will be paid in the calendar year immediately following the end of the applicable performance year, but in no event later than March 15th of such year. The bonus (if any) earned for calendar year [●] will be pro-rated based on the number of months that the Executive was actually employed during such year.

(c)Expense Reimbursement. The Company shall promptly reimburse Executive for the ordinary and necessary business expenses reasonably incurred by Executive in the performance of Executive's duties under this Agreement in accordance with the Company's customary practices applicable to executives, including but not limited to business related travel expenses. Executive will be permitted to fly business class or better, if business class is not available, and Executive will be permitted to stay in non-leisure class hotels for business travel. Such expenses are incurred and accounted for in accordance with the Company's policy and applicable laws.

(d)Restricted Stock Unit Grant. Subject to the approval of the Board, Executive shall be granted, within [●] days following the Start Date, [●] Restricted Stock Units ("RSUs") under and subject to the terms and conditions of the Amended and Restated Terran Orbital Corporation 2014 Equity Incentive Plan (as may be amended, the "Equity Plan") and the Restricted Stock Unit Agreement attached hereto as Exhibit A, and a notice of grant (including the vesting schedule to be set forth therein) which will be provided to Executive at the time of grant, based on the representative form attached hereto as Exhibit B (but with such other and further terms and conditions as the Board shall determine), which Executive will be required to sign.

(e)Other Benefit Plans, Fringe Benefits and Vacations. During the Employment Term, Executive shall be eligible to participate in or receive benefits under any 401(k) savings plan, nonqualified deferred compensation plan, supplemental executive retirement plan, medical and dental benefits plan, life insurance plan, short-term and long-term disability plans, supplemental and/or incentive compensation plans, or any other employee benefit or fringe benefit plan, generally made available by the Company to executives in accordance with the eligibility and participation requirements of such plans, as well as

vacation and sick time in accordance with Company policy, and to the extent that there is any variance between the language of the relevant plan and this Agreement, the plan language shall control.

5.Termination of Employment

Executive's employment under this Agreement may be terminated under any of the circumstances set forth in this Section 5. Upon termination, Executive (or Executive's beneficiary or estate, as the case may be) shall be entitled to receive the compensation and benefits described in Section 6 below, and, if applicable, Section 7 below. Upon any termination of employment hereunder, the Company's acting Facilities Security Officer shall notify Executive's security clearance sponsor, if any, of Executive's change in status.

(a)Death. Executive's employment shall terminate upon Executive's death.

(b)Total Disability. The Company may terminate Executive's employment upon Executive's becoming "Totally Disabled." For purposes of this Agreement, the term "Totally Disabled" means the Executive is unable to perform the normal duties and responsibilities Executive was performing prior to the onset of any sickness, injury or disability, with or without reasonable accommodation, for a period of one hundred eighty (180) consecutive days with no reasonable prospect of returning to a normal work schedule within a reasonable period of time. A determination of whether the Executive is Totally Disabled shall be made by the Company in its sole discretion, based on then-available information provided by Executive. If the Company has short-term and long-term disability plans, then the Executive's compensation during the period in which Executive is Totally Disabled shall be exclusively governed by such plans.

(c)Termination by the Company for Cause. The Company may terminate Executive's employment for Cause at any time after providing written notice to Executive, if after providing Executive with notice of the breach, Executive fails to cure the breach, if curable, within seven (7) days after receipt of the notice of breach. For purposes of this Agreement, the term "Cause" shall mean:

(i)conviction or plea of no lo contendere of any felony;

(ii)deliberate and repeated refusal to perform the customary and legal employment duties reasonably related to Executive's Position (other than as a result of vacation, sickness, illness or injury);

(iii)in the good faith judgment of the Company, fraud or embezzlement of Company property or assets;

(iv)willful misconduct or gross negligence with respect to the Company or any of its subsidiaries that may, in the good faith judgment of the Company, result in a breach of trust or have a material adverse effect on the Company; or

(v)a breach or violation of any provision of this Agreement.

(d)Termination by the Company without Cause. The Company may terminate Executive's employment without Cause at any time after providing written notice to Executive. A termination of employment upon the Expiration Date shall not be deemed to be a termination without Cause.

(e)Termination by Executive without Good Reason. Executive may terminate Executive's employment under this Agreement without Good Reason after providing not less than sixty (60) days' advance written notice to the Company.

(f)Termination by Executive with Good Reason. Executive may terminate Executive's employment under this Agreement for Good Reason. For purposes of this Agreement, "Good Reason" shall mean termination by the Executive within ninety (90) days of the initial existence of one of the conditions described below which occurs without the Executive's consent: (i) a material diminution in the Executive's Base Salary; (ii) material diminution in the Executive's authority, duties, or responsibilities as compared to those on the date of this Agreement; (iii) a change of more than 75 miles in the geographic location at which the Executive must perform the services under this Agreement; (iv) any other action or inaction that constitutes a material breach of the Agreement by the Company. In order to terminate for Good Reason, the Executive must provide notice to the Company of the existence of the applicable condition described above within thirty (30) days of the initial existence of the condition, upon the notice of which the Company must be provided a period of sixty (60) days during which it may remedy the condition and not be required to pay any amounts as set forth in Section 6 below for a Termination by Executive with Good Reason. A termination of employment upon the Expiration Date shall not be deemed to be a termination by Executive for Good Reason.

(g)Termination Upon Expiration of the Agreement. Unless terminated earlier pursuant to this Agreement, this Agreement shall automatically expire on the Expiration Date and Executive's employment shall terminate as of such date. For the avoidance of doubt, no severance or other termination benefits shall be payable to Executive in connection with termination of Executive's employment or expiration of this Agreement, in either case, as of the Expiration Date, except for those payments and benefits set forth in Section 6 below.

6.Compensation Following Termination of Employment

Upon termination of Executive's employment under this Agreement, Executive (or Executive's designated beneficiary or estate, as the case may be) shall be entitled to receive the following compensation:

(a)Earned but Unpaid Compensation, Expense Reimbursement. The Company shall pay Executive any accrued but unpaid Base Salary for services rendered to the date of termination, any accrued but unpaid expenses required to be reimbursed under this Agreement, and any vacation accrued but unused to the date of termination.

(b)Other Compensation and Benefits. Except as may be provided under this Agreement,

(i)any benefits to which Executive may be entitled pursuant to the plans, policies and arrangements referred to in Section 4 above shall be determined and paid in accordance with the terms of such plans, policies and arrangements, and

(ii)Executive shall have no right to receive any other compensation, or to participate in any other plan, arrangement or benefit, with respect to future periods after such termination or resignation.

7.Additional Compensation Payable Following Termination Without Cause or by Executive for Good Reason Prior to the Expiration Date

(a)Requirements for Additional Compensation. In addition to the compensation set forth in Section 6 above, Executive will receive the additional compensation set forth in subsection (b) below, if the following requirements are met:

(i)Executive's employment is terminated prior to the Expiration Date by the Company without Cause pursuant to Section 5(d) or prior to the Expiration Date Executive terminates employment for Good Reason pursuant to Section 5(f);

(ii)Executive strictly abides by the restrictive covenants set forth in Section 8 below; and

(iii)Executive executes (and does not revoke) a separation agreement and release in a form satisfactory to the Company on or after Executive's employment termination date, but no later than the date required by the Company (which shall not be later than 60 days following Executive's termination).

(b)Additional Compensation. The Company shall provide Executive with the following compensation and benefits:

(i)An amount equal to [●] months of Executive's then current Base Salary, paid in a lump sum within seventy (70) days following Executive's termination;

(ii)An amount equal to Executive's Target Annual Bonus for the year in which the termination occurs, paid in a lump sum within seventy (70) days following Executive's termination;

(iii)All the outstanding equity awards granted to Executive by the Company or any affiliates shall become immediately vested in full as of the date of Executive's termination, provided that this acceleration provision shall not apply to any equity award that has not been outstanding for at least twelve (12) months as of the date of Executive's termination of employment; plus

(iv)Subject to (x) Executive's timely election of continuation coverage under COBRA, and (y) Executive's continued copayment of premiums at the same level and cost to Executive as if Executive were an employee of the Company (excluding, for purposes of calculating cost, an employee's ability to pay premiums with pre-tax dollars), continued payment by the Company of Executive's health, dental, and

vision insurance coverage during the eighteen (18) month period following the date of termination to the same extent that the Company paid for such coverage immediately prior to the date of termination, in a manner intended to avoid any excise tax under Section 4980D of the Internal Revenue Code, subject to the eligibility requirements and other terms and conditions of such insurance plans then in place. Notwithstanding the foregoing, the Company's obligation to pay for any portion of the cost of the premium for such COBRA coverage pursuant to this Section 7(b)(iv) shall not apply for any month during which Executive is eligible to receive subsidized COBRA continuation coverage pursuant to the requirements of the American Rescue Plan Act of 2021, or similar applicable legislation.

8.Restrictive Covenants

Concurrently with the execution of this Agreement, Executive shall execute a confidentiality agreement with the Company, in the form attached as Exhibit C hereto (the "Confidentiality Agreement"). Executive agrees that during the course of employment with the Company, Executive has and will come into contact with and have access to various forms of confidential information and trade secrets, which are the property of the Company. Executive agrees to comply with terms of any confidentiality, non-disclosure or similar agreements between Executive and the Company and any affiliates.

9.Withholding of Taxes

The Company shall withhold from any compensation and benefits payable under this Agreement all applicable federal, state, local, or other taxes.

10.No Claim Against Assets

Nothing in this Agreement shall be construed as giving Executive any claim against any specific assets of the Company or as imposing any trustee relationship upon the Company in respect of Executive. The Company shall not be required to establish a special or separate fund or to segregate any of its assets in order to provide for the satisfaction of its obligations under this Agreement. Executive's rights under this Agreement shall be limited to those of an unsecured general creditor of the Company and its affiliates.

11.Successors and Assigns

Except as otherwise provided in this Agreement, this Agreement shall inure to the benefit of and be binding upon the Parties hereto and their respective heirs, representatives, successors and assigns. The Company agrees that in the event the Company engages in any corporate transaction in which it is not the surviving entity, it will require any successor to the Company to be bound by this Agreement. The rights and benefits of Executive under this Agreement are personal to Executive's and no such right or benefit shall be subject to voluntary or involuntary alienation, assignment or transfer; provided, however, that nothing in this Section 11 shall preclude Executive from designating a beneficiary or beneficiaries to receive any benefit payable on Executive's death.

12.Entire Agreement; Amendment

Other than the Confidentiality Agreement, the Equity Plan and Restricted Stock Unit Agreement and notice of grant of the RSUs, and any other agreements and plans related to any equity granted to Executive by the Company or an affiliate, all of which shall remain in full force and effect, this Agreement, together with all exhibits hereto, shall supersede any and all existing oral or written agreements, representations, or warranties between Executive and the Company or any of its subsidiaries or affiliated entities relating to the terms of Executive's employment. This Agreement may not be amended except by a written agreement signed by both Parties and, in the case of the Company, signed by an officer or director of the Company.

13.Governing Law

This Agreement shall be governed by and construed in accordance with the domestic substantive laws of the State of Florida, without giving effect to any conflicts or choice of laws rule or provision that would result in the application of the domestic substantive laws of any other jurisdiction. Any dispute under this Agreement shall be brought in state or federal court in Palm Beach County, Florida. Executive agrees and acknowledges that this is a proper and convenient forum and will not raise objections to this venue based on inconvenient forum, improper venue or similar grounds.

14.Section 409a

(a) Although the Company does not guarantee the tax treatment of any payments under the Agreement, the intent of the Parties is that the payments and benefits under this Agreement be exempt from, or comply with, Section 409A of the Internal Revenue Code of 1986, as amended, and all Treasury Regulations and guidance promulgated thereunder ("Code Section 409A") and to the maximum extent permitted the Agreement shall be limited, construed and interpreted in accordance with such intent. In no event whatsoever shall the Company or its affiliates or their respective officers, directors, employees or agents be liable for any additional tax, interest or penalties that may be imposed on Executive by Code Section 409A or damages for failing to comply with Code Section 409A.

(b) Notwithstanding any other provision of this Agreement to the contrary, to the extent that any reimbursement of expenses constitutes "deferred compensation" under Code Section 409A, such reimbursement shall be provided no later than December 31 of the year following the year in which the expense was incurred. The amount of expenses reimbursed in one year shall not affect the amount eligible for reimbursement in any subsequent year. The amount of any in-kind benefits provided in one year shall not affect the amount of in-kind benefits provided in any other year.

(c) For purposes of Code Section 409A (including, without limitation, for purposes of Treasury Regulation Section 1.409A-2(b)(2)(iii)), the right to receive payments in the form of installment payments shall be treated as a right to receive a series of separate payments and, accordingly, each installment payment shall at all times be considered a separate and distinct payment. Whenever a payment under this Agreement may be paid within a

specified period, the actual date of payment within the specified period shall be within the sole discretion of the Company.

(d) Notwithstanding any other provision of this Agreement to the contrary, if at the time of Executive's separation from service (as defined in Code Section 409A), Executive is a "Specified Employee," then the Company will defer the payment or commencement of any nonqualified deferred compensation subject to Code Section 409A payable upon separation from service (without any reduction in such payments or benefits ultimately paid or provided to Executive) until the date that is six (6) months following separation from service or, if earlier, the earliest other date as is permitted under Code Section 409A (and any amounts that otherwise would have been paid during this deferral period will be paid in a lump sum on the day after the expiration of the six (6) month period or such shorter period, if applicable). Executive will be a "Specified Employee" for purposes of this Agreement if, on the date of Executive's separation from service, Executive is an individual who is, under the method of determination adopted by the Company designated as, or within the category of employees deemed to be, a "Specified Employee" within the meaning and in accordance with Treasury Regulation Section 1.409A-1(i). The Company shall determine in its sole discretion all matters relating to who is a "Specified Employee" and the application of and effects of the change in such determination.

(e) Notwithstanding anything in this Agreement or elsewhere to the contrary, a termination of employment shall not be deemed to have occurred for purposes of any provision of this Agreement providing for the payment of any amounts or benefits that constitute "non-qualified deferred compensation" within the meaning of Code Section 409A upon or following a termination of the Employee's employment unless such termination is also a "separation from service" within the meaning of Code Section 409A and, for purposes of any such provision of this Agreement, references to a "termination," "termination of employment" or like terms shall mean "separation from service" and the date of such separation from service shall be the date of termination for purposes of any such payment or benefits.

15.Limitation on Payments

(a) In the event that any payments and other benefits provided for in this Agreement or otherwise payable to Executive (i) constitute "parachute payments" within the meaning of Section 280G of the Code, and (ii) but for this Section 15, would be subject to the excise tax imposed by Section 4999 of the Code, then any post-termination severance benefits payable under this Agreement or otherwise will be either:

(i)delivered in full, or

(ii)delivered as to such lesser extent which would result in no portion of such benefits being subject to excise tax under Section 4999 of the Code,

(iii)whichever of the foregoing amounts, taking into account the applicable federal, state and local income taxes and the excise tax imposed by Section 4999, results in the receipt by Executive on an after-tax basis, of the greatest amount of benefits,

notwithstanding that all or some portion of such benefits may be taxable under Section 4999 of the Code.

(b) If a reduction in severance and other benefits constituting "parachute payments" is necessary so that benefits are delivered to a lesser extent, reduction will occur in the following order: (i) reduction of cash payments; (ii) cancellation of accelerated vesting of equity awards (by cutting back performance-based awards first and then time-based awards, based on reverse order of vesting dates (rather than grant dates)), if applicable; and (iii) reduction of employee benefits.

(c) Unless the Company and Executive otherwise agree in writing, any determination required under this Section 15 will be made in writing by the Company's independent public accountants or by such other person or entity to which the parties mutually agree (the "Firm"), whose determination will be conclusive and binding upon Executive and the Company. For purposes of making the calculations required by this Section 15, the Firm may make reasonable assumptions and approximations concerning applicable taxes and may rely on reasonable, good faith interpretations concerning the application of Sections 280G and 4999 of the Code. The Company and Executive will furnish to the Firm such information and documents as the Firm may reasonably request in order to make a determination under this Section. The Company will bear all costs the Firm may incur in connection with any calculations contemplated by this Section 15.

16.Notices

Any notice, consent, request or other communication made or given in connection with this Agreement shall be in writing and shall be deemed to have been duly given when delivered or mailed by nationally recognized overnight courier services, by registered or certified mail, return receipt requested, by facsimile or by hand delivery, to those listed below at their following respective addresses or at such other address as each may specify by notice to the others:

To the Company:

[●]

To Executive:

[●]

17.Miscellaneous

(a)Waiver. The failure of a party to insist upon strict adherence to any term of this Agreement on any occasion shall not be considered a waiver thereof or deprive that party of the right thereafter to insist upon strict adherence to that term or any other term of this Agreement.

(b)Separability. If any term or provision of this Agreement above is declared illegal or unenforceable by any court of competent jurisdiction and cannot be modified to be enforceable, such term or provision shall immediately become null and void, leaving the remainder of this Agreement in full force and effect.

(c)Headings. Section headings are used herein for convenience of reference only and shall not affect the meaning of any provision of this Agreement.

(d)Rules of Construction. Whenever the context so requires, the use of the singular shall be deemed to include the plural and vice versa.

(e)Counterparts. This Agreement may be executed via electronic signature, PDF, transmitted by hand delivery, regular or overnight mail, facsimile or e-mail, and in any number of counterparts, each of which so executed shall be deemed to be an original, and such counterparts will together constitute but one Agreement.

IN WITNESS WHEREOF, the Parties hereto have duly executed this Agreement as of the day and year set forth below.

TERRAN ORBITAL CORPORATION	[●]
By:	By:
Name: [●]	Date:
Title: [●]	
Date:	Address:

Exhibit 31.1

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, Marc H. Bell, certify that:

1.I have reviewed this Quarterly Report on Form 10-Q of Terran Orbital Corporation;

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)) 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)Paragraph intentionally omitted in accordance with SEC Release Nos. 34-47986 and 34-54942;

(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: May 16, 2022

By: /s/ Marc H. Bell
Marc H. Bell
Chairman and Chief Executive Officer

Exhibit 31.2

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, Gary A. Hobart, certify that:

1.I have reviewed this Quarterly Report on Form 10-Q of Terran Orbital Corporation;

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)) 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)Paragraph intentionally omitted in accordance with SEC Release Nos. 34-47986 and 34-54942;

(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: May 16, 2022

By: /s/ Gary A. Hobart
Gary A. Hobart
Chief Financial Officer, Executive Vice President and Treasurer

Exhibit 32.1

CERTIFICATION 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 Quarterly Report of Terran Orbital Corporation (the "Company") on Form 10-Q for the period ending March 31, 2022 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Marc H. Bell, Chairman and Chief Executive Officer, 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; and

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

Date: May 16, 2022 By: /s/ Marc H. Bell
Marc H. Bell
Chairman and Chief Executive Officer

The foregoing certification is being furnished as an exhibit to the Report pursuant to Item 601(b)(32) of Regulation S-K and Section 1350 of Title 18 of the United States Code and, accordingly, is not being filed with the U.S. Securities and Exchange Commission as part of the Report and is not to be incorporated by reference into any filing of the Company under the Securities Act of 1933 or the Securities Exchange Act of 1934 (whether made before or after the date of the Report, irrespective of any general incorporation language contained in such filing).

Exhibit 32.2

CERTIFICATION 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 Quarterly Report of Terran Orbital Corporation (the "Company") on Form 10-Q for the period ending March 31, 2022 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Gary A. Hobart, Chief Financial Officer, Executive Vice President and Treasurer, 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; and

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

Date: May 16, 2022

By: /s/ Gary A. Hobart
Gary A. Hobart
Chief Financial Officer, Executive Vice President and Treasurer

The foregoing certification is being furnished as an exhibit to the Report pursuant to Item 601(b)(32) of Regulation S-K and Section 1350 of Title 18 of the United States Code and, accordingly, is not being filed with the U.S. Securities and Exchange Commission as part of the Report and is not to be incorporated by reference into any filing of the Company under the Securities Act of 1933 or the Securities Exchange Act of 1934 (whether made before or after the date of the Report, irrespective of any general incorporation language contained in such filing).