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

FORM 8-K/A
(Amendment No. 1)

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

March 31, 2022 (March 25, 2022)
Date of Report (Date of earliest event reported)

TERRAN ORBITAL CORPORATION
(Exact name of registrant as specified in its charter)

Delaware	**001-40170**	**98-1572314**
(State or other jurisdiction of incorporation)	**(Commission File Number)**	**(IRS Employer Identification No.)**

6800 Broken Sound Parkway, Suite 200
Boca Raton, Florida **33487**
(Address of principal executive offices) **(Zip code)**

(561) 988-1704
(Registrant's telephone number, including area code)

Tailwind Two Acquisition Corp.
150 Greenwich Street, 29th Floor
New York, New York 10006
(Former name or former address, if changed since last report)

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

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
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 is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company ☒

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

INTRODUCTORY NOTE

This Current Report on Form 8-K/A (this "***Amendment***") amends the Current Report on Form 8-K filed by Terran Orbital Corporation (f/k/a Tailwind Two Acquisition Corp. and referred to herein as the "***Company***") with the Securities and Exchange Commission (the "***SEC***") on March 28, 2022 (the "***Original Form 8-K***"). The purpose of this Amendment is to update the previous disclosure in this Introductory Note and to add the required disclosure under Items 2.01, 5.01, 5.02, 5.05, 5.06 and 9.01 of Form 8-K with respect to the closing of the Business Combination (as defined below) described in the Original Form 8-K and this Amendment.

Terms used in this Amendment but not defined herein, or for which definitions are not otherwise incorporated by reference herein, shall have the meaning given to such terms in the Original Form 8-K or, if not defined in the Original Form 8-K, the Proxy Statement/Prospectus (as defined below) and such definitions are incorporated herein by reference.

This Amendment incorporates by reference certain information from reports and other documents that were previously filed with the SEC, including certain information from the Proxy Statement/Prospectus. To the extent there is a conflict between the information contained in the Original Form 8-K or this Amendment and the information contained in such prior reports and documents and incorporated by reference herein, the information in the Original Form 8-K, as amended by this Amendment controls.

Domestication and Merger Transaction

As previously announced, Tailwind Two Acquisition Corp. ("***Tailwind Two***" and, after the Domestication as described below, "***Terran Orbital***"), a Cayman Islands exempted company, previously entered into an Agreement and Plan of Merger, dated as of October 28, 2021, as amended by Amendment No. 1 thereto dated February 8, 2022 and Amendment No. 2 thereto dated March 9, 2022 (as so amended, the "***Merger Agreement***" or the "***Business Combination Agreement***"), by and among Tailwind Two, Titan Merger Sub, Inc., a Delaware corporation ("***Merger Sub***") and Terran Orbital Corporation, a Delaware corporation ("***Old Terran Orbital***", which after the Merger (as defined below) was renamed Terran Orbital Operating Corporation).

On March 25, 2022, Tailwind Two, Merger Sub and Old Terran Orbital entered into an Acknowledgement and Waiver that waived the condition in the Merger Agreement that Tailwind Two shareholders shall not have elected to redeem greater than 85% of the shares of Tailwind Two Class A ordinary shares pursuant to the Acquiror Shareholder Redemption prior to the effectiveness of the Domestication (as defined below).

On March 25, 2022, as contemplated by the Merger Agreement and described in the section titled "*Proposal No. 2 - The Domestication Proposal*" beginning on page 157 of the final prospectus and definitive proxy statement, dated February 14, 2022 (the "***Proxy Statement/Prospectus***") and filed with the SEC, Tailwind Two filed a notice of deregistration with the Cayman Islands Registrar of Companies, together with the necessary accompanying documents, and filed a certificate of incorporation and a certificate of corporate domestication with the Secretary of State of the State of Delaware, under which Tailwind Two was domesticated and continued as a Delaware corporation (the "***Domestication***").

As a result of and upon the effective time of the Domestication, among other things, (i) all of the outstanding shares of Tailwind Two were converted into Terran Orbital's common stock, par value $0.0001 per share (the "***Terran Orbital Common Stock***") and (ii) each issued and outstanding whole warrant to purchase Tailwind Two Class A ordinary shares was converted into a warrant to purchase one share of Terran Orbital Common Stock at an exercise price of $11.50 per share on the terms and conditions set forth in the Tailwind Two Warrant Agreement, dated as of March 9, 2021, between Tailwind Two and Continental Stock Transfer & Trust Company.

As previously reported on the Current Report on Form 8-K filed with the SEC on March 22, 2022, Tailwind Two held an extraordinary general meeting, at which Tailwind Two's shareholders voted to approve the proposals

outlined in the Proxy Statement/Prospectus, including, among other things, the adoption of the Merger Agreement and the Domestication. On March 25, 2022, as contemplated by the Merger Agreement and described in the section titled "*Proposal No. 1 - The Business Combination Proposal*" beginning on page 111 of the Proxy Statement/Prospectus, Terran Orbital consummated the merger transaction contemplated by the Merger Agreement, whereby Merger Sub merged with and into Old Terran Orbital, the separate corporate existence of Merger Sub ceasing and Old Terran Orbital being the surviving corporation and a wholly-owned subsidiary of Terran Orbital (the "***Merger***" and, together with the Domestication, the "***Business Combination***"). At the effective time in connection with the Merger, Tailwind Two changed its name to "Terran Orbital Corporation".

At the effective time, each outstanding share of Terran Orbital (including shares of Old Terran Orbital common stock issued and outstanding as of immediately prior to the effective time pursuant to the Terran Orbital Preferred Stock Conversion and the Terran Orbital Warrant Settlement, in each case after giving effect thereto, and other than treasury shares and shares with respect to which appraisal rights under the DGCL are properly exercised and not withdrawn) was automatically converted into the right to receive a number of shares of Terran Orbital Common Stock, outstanding Old Terran Orbital options to purchase shares of Old Terran Orbital (whether vested or unvested) were exchanged for comparable options to purchase Terran Orbital Common Stock and the outstanding and unvested restricted stock units of Old Terran Orbital were cancelled in exchange for comparable restricted stock unit awards to be settled in shares of Terran Orbital Common Stock, in each case, based on the final exchange ratio of 27.585069, which was calculated as set forth in the Proxy Statement/Prospectus.

The foregoing description of the Business Combination does not purport to be complete and is qualified in its entirety by the full text of the Merger Agreement, which is attached hereto as Exhibits 2.1, 2.2 and 2.3 and is incorporated herein by reference.

PIPE Financing (Private Placement)

As previously announced, on October 28, 2021, concurrently with the execution of the Merger Agreement, Tailwind Two entered into subscription agreements (the "***Subscription Agreements***") with certain investors (the "***PIPE Investors***") and an affiliate of Mr. Daniel Staton, a director and shareholder of Terran Orbital (the "***Insider PIPE Investor***", and together with the PIPE Investors, the "***Investors***"). Pursuant to the Subscription Agreements, the Investors agreed to subscribe for and purchase, and Tailwind Two agreed to issue and sell to such Investors, immediately prior to the Closing, an aggregate of 5,080,409 shares of Tailwind Two Class A ordinary shares for a purchase price of $10.00 per share, for aggregate gross proceeds of approximately $50.8 million (the "***PIPE Financing***"). The PIPE Financing was consummated substantially concurrently with the Closing.

As described above, upon the effective time, all of the outstanding shares of Tailwind Two were converted into Terran Orbital Common Stock. Immediately after giving effect to the redemption of Class A ordinary shares of Tailwind Two in connection with the Business Combination, the Business Combination, the PIPE Investment, the issuance of Terran Orbital Common Stock to Old Terran Orbital stockholders pursuant to the Merger Agreement, and the issuance of Terran Orbital Common Stock to the Debt Providers (as defined below) pursuant to the Stock and Warrant Purchase Agreement (as defined below), there were 137,295,455 shares of Terran Orbital Common Stock issued and outstanding, which were beneficially owned as follows: (1) 82.2% by Old Terran Orbital stockholders, (2) 6.1% by the Debt Providers, (3) approximately 5.9% by the Tailwind Two Sponsor LLC (the "***Tailwind Two Sponsor***"), (4) 3.7% by the PIPE Investors, and (5) 2.1% by Tailwind Two's public shareholders. In addition, upon the consummation of the Business Combination, Tailwind Two's ordinary shares, warrants and units ceased trading on the New York Stock Exchange (the "***NYSE***"), and Terran Orbital's Common Stock and warrants began trading on March 28, 2022 on the NYSE under the symbols "LLAP" and "LLAP WS," respectively.

Investor Rights Agreement and Amendment

Concurrently with the execution of the Merger Agreement, Old Terran Orbital, Tailwind Two, the Tailwind Two Sponsor, Tommy Stadlen, certain of Old Terran Orbital's stockholders and other parties thereto, including Daniel Staton, Lockheed Martin (as defined below), Beach Point (as defined below) and Francisco Partners (as

defined below), entered into an investor rights agreement (the "***Investor Rights Agreement***"), pursuant to which, such parties were granted certain customary registration rights with respect to their respective Registrable Securities (as defined in the Investor Rights Agreement), in each case, on the terms and subject to the conditions set forth therein. The Investor Rights Agreement provides that Terran Orbital will grant the investors party thereto certain customary registration rights. Terran Orbital will, within 45 days after the consummation of the Business Combination, file with the SEC a registration statement registering the resale of such shares of Terran Orbital Common Stock and will use its commercially reasonable efforts to have such registration statement declared effective as soon as practicable after the filing thereof and will not be subject to any form of monetary penalty for its failure to do so; provided however that other than Francisco Partners, and subject to certain exceptions (including as discussed below), the investors shall be subject to a six month lock-up after the consummation of the Business Combination.

On March 25, 2022, Old Terran Orbital, Tailwind Two, the Tailwind Two Sponsor, Tommy Stadlen, certain of Old Terran Orbital's stockholders and other parties thereto entered into that certain First Amendment to Investor Rights Agreement (the "***Investor Rights Agreement Amendment***"), which amended the Investor Rights Agreement lockup to provide that an additional 2,400,000 shares of Terran Orbital Common Stock issued to affiliates of Beach Point (as defined below) shall not be subject to the lockup. Following the consummation of the Business Combination, approximately 82.7% of the New Terran Common Stock is subject to the Investor Rights Agreement lockup.

The foregoing description of the Investor Rights Agreement and Investor Rights Agreement Amendment do not purport to be complete and are qualified in their entirety by the full text of the Investor Rights Agreement and Investor Rights Agreement Amendment, which are attached hereto as Exhibits 10.8 and 10.9 and are incorporated herein by reference.

Sponsor Letter Agreement and Amendment

Concurrently with the execution of the Business Combination Agreement, (a) Tailwind Two, (b) the Tailwind Two Sponsor, (c) Old Terran Orbital and (d) each of Philip Krim, Chris Hollod, Matthew Eby, Tommy Stadlen, Wisdom Lu, Boris Revsin and Michael Kim, each of whom is a member of the Tailwind Two Board and/or management (collectively, the "***Insiders***"), entered into the Sponsor Letter Agreement, pursuant to which, among other things, the Tailwind Two Sponsor and Tommy Stadlen agreed to: (i) vote in favor of each of the transaction proposals to be voted upon at the Extraordinary General Meeting, including approval of the Business Combination Agreement and the transactions contemplated thereby (including the Merger); (ii) waive any adjustment to the conversion ratio set forth in the governing documents of Tailwind Two or any other anti-dilution or similar protection with respect to Tailwind Two (whether resulting from the transactions contemplated by the Subscription Agreements or otherwise); (iii) be bound by certain transfer restrictions with respect to his, her or its shares in Tailwind Two prior to the Closing; and (iv) agreed to be bound by certain covenants and agreements set forth in the Business Combination Agreement. In addition, pursuant to the Sponsor Letter Agreement, subject to, and conditioned upon the occurrence of, and effective as of immediately prior to, the closing of the Business Combination, each of Tailwind Two, the Tailwind Two Sponsor and the Insiders have agreed to terminate the lock-up provisions in respect of the Tailwind Two Class B Ordinary Shares that are set forth in Section 5(a) of that certain letter agreement, dated as of March 4, 2021, by and among Tailwind Two, the Tailwind Two Sponsor and the Insiders, which included, among other restrictions, a one year lock-up restriction on the Tailwind Two Class B Ordinary Shares following an initial business combination (subject to certain exceptions). Following the consummation of the Business Combination, the Tailwind Two Sponsor became subject to the lock-up provisions described in the Investor Rights Agreement. The Tailwind Two Sponsor and Tommy Stadlen collectively currently hold 8,100,000 shares of New Terran Common Stock and 7,800,000 private placement warrants.

On March 25, 2022, Tailwind Two, the Tailwind Two Sponsor, Old Terran Orbital and the Insiders entered into that certain Amendment to the Sponsor Letter Agreement (the "***Sponsor Letter Agreement Amendment***"), which amended the Sponsor Letter Agreement to, among other things, forfeit 525,000 shares of Tailwind Two common stock (which were subsequently issued by Terran Orbital to certain of the Debt Providers immediately

following the Closing pursuant to the Stock and Warrant Purchase Agreement) and terminate that certain Registration and Shareholder Rights Agreement, dated as of March 9, 2021, by and among the holders party thereto and Tailwind Two.

The foregoing description of the Sponsor Letter Agreement and Sponsor Letter Agreement Amendment do not purport to be complete and are qualified in their entirety by the full text of the Sponsor Letter Agreement and Sponsor Letter Agreement Amendment, which are attached hereto as Exhibits 10.1 and 10.2 and are incorporated herein by reference.

Old Terran Orbital Holder Support Agreements and Amendments

Concurrently with the execution of the Merger Agreement, certain equityholders and noteholders of Old Terran Orbital (collectively, the "***Old Terran Orbital Holders***") entered into transaction support agreements (collectively, the "***Old Terran Orbital Holder Support Agreements***") with Tailwind Two and Old Terran Orbital, pursuant to which the Old Terran Orbital Holders agreed to, among other things, (i) consent to and vote in favor of the Merger Agreement and the transactions contemplated thereby and (ii) be bound by certain other covenants and agreements related to the Business Combination.

Affiliates of Lockheed Martin Corporation ("***Lockheed Martin***") and Beach Point Capital Management ("***Beach Point***" and together with Lockheed Martin and Francisco Partners, the "***Debt Providers***"), each of which are noteholders of Old Terran Orbital, each further agreed, conditional upon certain other events, pursuant to the Old Terran Orbital Holder Support Agreements to, at their option, (a) exchange up to $25.0 million (in the case of Lockheed Martin) and $25.0 million (in the case of Beach Point) of aggregate principal amount of senior secured notes due 2026 (the "***Existing Notes***") outstanding issued by Old Terran Orbital pursuant to the Note Purchase Agreement, dated as of March 8, 2021, by and among Old Terran Orbital, the guarantors party thereto, the purchasers party thereto and

Lockheed Martin, as authorized representative (as amended, the "***Existing Note Purchase Agreement***"), for the same principal amount of debt to be issued under, and governed by, a new loan agreement or note purchase agreement or (b) keep outstanding such amounts (up to $25.0 million (in the case of Lockheed Martin) and $25.0 million (in the case of Beach Point) of aggregate principal amount of Existing Notes outstanding) under the Existing Note Purchase Agreement, in each case of (a) or (b), such debt shall have substantially similar terms as the terms of the Francisco Partners Facility (as defined below), except that such replacement loans or notes will not have call protection ((a) and/or (b) collectively, the "***Debt Rollover***"). The $25.0 million Debt Rollover from Beach Point was available upon the Closing, and up to $25.0 million Debt Rollover from Lockheed Martin was available ratably with the availability of the Conditional Notes (as defined below) depending on the percentage of Tailwind Two Class A ordinary shares that are redeemed by shareholders in connection with the Business Combination.

On March 25, 2022, Old Terran Orbital entered into amendments to the Old Terran Orbital Holder Support Agreement with (i) affiliates of Lockheed Martin and (ii) affiliates of Beach Point, respectively (collectively, the "***Old Terran Orbital Holder Support Agreement Amendments***"), to, among other things, (i) permit the FP NPA Amendment No. 2 (as defined below) and the aggregate principal amount of the notes issued and to be issued under the FP Note Purchase Agreement (as defined below) on or prior to the closing date of the Merger to be reduced from $150 million to $119 million and (ii) with respect to the Old Terran Orbital Holder Support Agreement Amendment with Beach Point, (v) increase the principal amount of debt to be issued or continued pursuant to the Debt Rollover by Beach Point from $25 million to approximately $31.3 million, (w) provide for payment subordination of the debt to be issued or continued pursuant to the Debt Rollover by Beach Point to the Francisco Partners Facility (as defined below) (the "***BP Subordination***"), (x) increase the interest rate on the debt to be issued or continued pursuant to the Debt Rollover by Beach Point by 2.0% per annum payable in kind, (y) provide that Beach Point would receive an additional 2,400,000 shares of Terran Orbital Common Stock (the "***Additional BP Shares***") and (z) change the timing of quarterly interest payments payable on the debt pursuant to the Debt Rollover 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.

Upon funding of the Pre-Combination Notes (as defined below) on November 24, 2021, each of Lockheed Martin and Beach Point received from Old Terran Orbital penny warrants to purchase shares of common stock of Old Terran Orbital equal to 0.25% of the fully diluted shares of Old Terran Orbital on the same valuation and terms and conditions as provided to Francisco Partners in connection with the Pre-Combination Notes, exercisable only in the event that the Business Combination was not consummated. Upon the consummation of the Business Combination, such warrants terminated. Pursuant to that certain Stock and Warrant Purchase Agreement, dated as of March 25, 2022, by and among Tailwind Two, and affiliates of Lockheed Martin, Beach Point and Francisco Partners (as defined below) (the "***Stock and Warrant Purchase Agreement***"), as an inducement for consummating the Debt Rollover and the BP Subordination, each of Lockheed Martin and Beach Point received (1) 386,946 shares of Terran Orbital Common Stock equal to approximately 0.25% of the fully diluted shares of Terran Orbital Common Stock as of immediately following the Closing plus (2) 1,381,951 warrants to purchase Terran Orbital Common Stock with respect to approximately 0.83333% of the fully diluted shares of Terran Orbital Common Stock as of immediately following the Closing at a strike price of $10.00 per share (the "***LM/BP Terran Warrants***"), plus (3), in the case of Beach Point, the Additional BP Shares, in each case in accordance with the terms of the Stock and Warrant Purchase Agreement.

The foregoing descriptions of each of the Old Terran Holder Orbital Support Agreements, the Old Terran Orbital Holder Support Agreement Amendments and the Stock and Warrant Purchase Agreement do not purport to be complete and is qualified in their entirety by the full text of the form of Old Terran Orbital Holder Support Agreements, the Old Terran Orbital Holder Support Agreement Amendments and the Stock and Warrant Purchase Agreement, which are attached hereto as Exhibits 10.5, 10.6, 10.7 and 4.5, respectively, and are incorporated herein by reference.

Amendment to Existing Note Purchase Agreement

Pursuant to the terms of the relevant Old Terran Orbital Holder Support Agreements, on November 24, 2021 Lockheed Martin and Beach Point entered into the fifth amendment to the Existing Note Purchase Agreement (the "***Fifth Amendment***") pursuant to which, as Required Purchasers under and as defined in the Existing Note Purchase Agreement, they, among other things, consented to Old Terran Orbital incurring obligations related to the Pre-Combination Notes (as defined below) under the FP Note Purchase Agreement (as defined below), aligning cash interest payments prior to March 8, 2024 with the terms of cash interest payments under the FP Note Purchase Agreement and the entry into a first lien intercreditor agreement. As previously disclosed on March 15, 2022, on March 9, 2022, the parties entered into the sixth amendment to Note Purchase Agreement ("***Existing NPA Amendment No. 6***"). Pursuant to the Existing NPA Amendment No. 6, the parties agreed, among other things, to consent to Old Terran Orbital incurring an additional $24.0 million of notes under the FP Note Purchase Agreement prior to the closing date of the Merger.

On March 25, 2022, Lockheed Martin and Beach Point entered into the seventh amendment to the Existing Note Purchase Agreement (the "***Seventh Amendment***") to effect the Debt Rollover as contemplated in the Old Terran Orbital Holder Support Agreements, as amended, pursuant to which, among other things, (i) $25 million principal amount of the Existing Notes held by Lockheed Martin and approximately $31.3 principal amount of the Existing Notes held by Beach Point are continued and kept outstanding under the Existing Note Purchase Agreement, as so amended (the Existing Notes so continued, the "***Rollover Notes***"), (ii) the Existing Notes other than the Rollover Notes are repaid in full, (iii) the terms of the Existing Note Purchase Agreement are amended to have substantially similar terms as the terms of the Francisco Partners Facility, except that the Rollover Notes do not have call protection and were issued without original issue discount, and the Rollover Notes held by Beach Point bear an interest rate of 11.25% per annum, including 9.25% payable in cash and 2.0% payable in kind, and (iv) the interest payment dates following the Seventh Amendment effective date are moved from the last business day of each quarter to May 15, August 15, November 15 and February 15 of each year.

The description of the Seventh Amendment does not purport to be complete and is qualified in its entirety by the full text of the Seventh Amendment, which is attached hereto as Exhibit 10.21 and is incorporated herein by reference.

Francisco Partners Note Purchase Agreement

On November 24, 2021 (the "***FP NPA Closing Date***"), Old Terran Orbital entered into a note purchase agreement (the "***FP Note Purchase Agreement***") with Wilmington Savings Fund Society, FSB, as agent, certain managed funds, affiliates, financing parties or investment vehicles of FP Credit Partners, L.P. ("***Francisco Partners***"), as the purchasers, and the guarantors from time to time party thereto to provide for the issuance and sale of senior secured notes in an aggregate principal amount up to $150.0 million (the "***Francisco Partners Facility***"), consisting of (i) $30.0 million of senior secured notes which were drawn on the FP NPA Closing Date (the "***Pre-Combination Notes***") and (ii) up to an additional $120.0 million senior secured notes that are drawable at Closing (the "***Combination Notes***"), up to $100.0 million of which would be available in whole or in part (the "***Conditional Notes***") depending on the percentage of Class A ordinary shares of Tailwind Two that are redeemed by shareholders in connection with the Business Combination. The other $20.0 million of the Combination Notes would be available at Closing regardless of the percentage of Class A ordinary shares of Tailwind Two that are redeemed. The Francisco Partners Facility has (i) a five-year maturity, bearing interest at a rate of 9.25% per annum (subject to increase in the event that (i) the Merger Agreement was terminated or (ii) the Business Combination failed to occur by the later of (x) April 28, 2022 and (y) to the extent extended pursuant to the Merger Agreement to a date no later than May 16, 2022, the Termination Date (as defined in the Merger Agreement as amended) (an "***Enhanced Protection Event***")), (ii) an original issue discount (OID) of $5.0 million, which was paid on the FP NPA Closing Date and (iii) call protection. The availability of the Combination Notes was subject to the satisfaction of certain conditions as set forth in the FP Note Purchase Agreement.

The obligations of Old Terran Orbital under the Francisco Partners Facility are guaranteed by Tyvak Nano-Satellite Systems, Inc., and PredaSAR Corporation as of the FP NPA Closing Date, and will be guaranteed by each wholly-owned U.S. subsidiary established, created or acquired by Old Terran Orbital after the FP NPA Closing Date and by Terran Orbital following the consummation of the Business Combination (the "***Guarantors***"), subject to certain exceptions. The obligations are secured by substantially all assets of Old Terran Orbital and the Guarantors, subject to customary exceptions.

The Francisco Partners Facility requires Old Terran Orbital and its subsidiaries to make certain mandatory prepayments, with (i) 100% of net cash proceeds of all non- ordinary course asset sales or other dispositions of property and any extraordinary receipts, subject to the ability to reinvest such proceeds and certain other exceptions, and (ii) 100% of the net cash proceeds of any debt incurrence, other than debt permitted by the FP Note Purchase Agreement. Old Terran Orbital may prepay the Francisco Partners Facility at any time (i) in whole or in part if an Enhanced Protection Event has not occurred subject to payment of customary breakage costs and a customary make-whole premium for any voluntary prepayment prior to the date that is 12 months following the FP NPA Closing Date (the "***Callable Date***"), followed by a call premium of (x) 3.0% on or prior to the first anniversary of the Callable Date, (y) 2.00% after the first anniversary but on or prior to the second anniversary of the Callable Date, and (z) thereafter at par and (ii) in whole if an Enhanced Protection Event has occurred, subject to payment of customary breakage costs and a customary make-whole premium for any voluntary prepayment prior to the maturity date.

The Francisco Partners Facility contains certain customary affirmative covenants, negative covenants and events of default. In addition, on the FP NPA Closing Date but before giving effect to entry into the FP NPA Amendment No. 2 (as defined below), commencing with the first fiscal quarter ending after the Closing Date, the Francisco Partners Facility had a liquidity maintenance financial covenant that, subject to certain conditions, requires that as of the last day of each fiscal quarter, Terran Orbital, Old Terran Orbital and its subsidiaries have an aggregate amount of unrestricted cash and cash equivalents of at least the greater of (a) $20.0 million and (b) an amount equal to 15% of the total funded indebtedness of Terran Orbital, Old Terran Orbital and its subsidiaries.

As previously disclosed on March 15, 2022, on March 9, 2022, the parties entered into Amendment No 1. to the FP Note Purchase Agreement ("***FP NPA Amendment No. 1***"). Pursuant to the FP Amendment No. 1, the parties agreed, among other things, to (i) permit the issuance and sale of an aggregate principal amount of $24.0 million of senior secured notes on March 9, 2022, (ii) increase the principal amount of senior secured notes that may be issued under the FP Note Purchase Agreement to up to $154.0 million and (iii) with respect to the issuance of the Conditional Notes, delete the condition that the Net Debt (as defined in the FP Note Purchase

Agreement) equal $40.0 million or less and added the condition that Tailwind Two's public shareholders shall not have elected to redeem a number of Tailwind Two's Class A ordinary shares, that would result in greater than 85% of the aggregate number of Class A ordinary shares outstanding being redeemed (the "***Redemption Condition***").

On March 25, 2022, the parties entered into Amendment No 2. to the FP Note Purchase Agreement (***FP NPA Amendment No. 2***"). Pursuant to the FP Amendment No. 2, the parties agreed, among other things, to (i) remove the Redemption Condition, (ii) reduce the amount of the Conditional Notes that shall be issued on the closing date of the Merger from up to $100.0 million to a fixed amount of $65.0 million, as a result of which the aggregate principal amount of the senior secured notes issued under the FP Note Purchase Agreement as of the closing date of the Merger (excluding any interest paid in kind) shall be $119.0 million, (iii) permit the amount of the Debt Rollover by Beach Point to increase from $25 million to approximately $31.3 million, (iv) modify the minimum cash covenant from greater of (a) $20.0 million and (b) an amount equal to 15% of the total funded indebtedness to (x) $20.0 million in the case of the fiscal quarters ending March 31, 2022, June 30, 2022 and September 30, 2022, (y) $10.0 million in the case of the fiscal quarter ending December 31, 2022 and (y) thereafter, $20.0 million plus 15% of the total funded indebtedness other than, among others, the Debt Rollover and the indebtedness under the FP Note Purchase Agreement, (v) add a new financial covenant requiring Terran Orbital, Old Terran Orbital and its subsidiaries to have a minimum consolidated EBITDA of at least $0 commencing from the fiscal quarter ending December 31, 2023, which test commencement date may be postponed to the extent Terran Orbital meets certain equity raise milestones, (vi) conformed the scheduled maturity date to that of the Existing Note Purchase Agreement to April 1, 2026 and (vi) 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. Further, Beach Point entered into the BP Subordination as described above.

Upon funding of the Pre-Combination Notes on November 24, 2021, certain affiliates of Francisco Partners received from Old Terran Orbital penny warrants, exercisable only in the event that the Business Combination was not consummated, to purchase shares of common stock of Old Terran Orbital equal, in the aggregate, to 1.5% of the fully diluted shares of Old Terran Orbital. Upon the consummation of the Business Combination, such warrants terminated. Pursuant to the terms of the Stock and Warrant Purchase Agreement and as an inducement for entering into the FP Note Purchase Agreement, as amended by FP NPA Amendment No. 1 and FP NPA Amendment No. 2, and consummating the transactions contemplated thereby, certain affiliates of Francisco Partners were issued, immediately following the Closing, (1) 2,321,677 shares of Terran Orbital Common Stock equal to approximately 1.5% of the fully diluted shares of Terran Orbital Common Stock outstanding as of immediately following the Closing, (2) an additional 1.0 million shares of Terran Orbital Common Stock, plus (3) an additional 1,925,000 shares of Terran Orbital Common Stock. In addition, pursuant to the Stock and Warrant Purchase Agreement, certain affiliates of Francisco Partners were issued 8,291,704 warrants to purchase Terran Orbital Common Stock consisting, in the aggregate, of approximately 5.0% of Terran Orbital Common Stock on a fully diluted basis as of immediately following the Closing at a strike price of $10.00 per share, redeemable in full at the option of Francisco Partners for $25.0 million in cash on the third anniversary of the Closing Date.

The foregoing description of the Francisco Partners Facility does not purport to be complete and is qualified in its entirety by the full text of each of the FP Note Purchase Agreement, FP NPA Amendment No. 1 and FP NPA Amendment No. 2, which are attached hereto as Exhibits 10.17, 10.18 and 10.19, respectively, and are incorporated herein by reference.

Item 2.01 Completion of Acquisition or Disposition of Assets.

The disclosure set forth in the "*Introductory Note—Domestication and Merger Transaction*" in the Original Form 8-K is incorporated into this Item 2.01 by reference.

FORM 10 INFORMATION

Item 2.01(f) of Form 8-K states that if the predecessor registrant was a "shell company" (as such term is defined in Rule12b-2 under the Securities Exchange Act of 1934, as amended (the "***Exchange Act***")), as Tailwind Two was immediately before the Business Combination, then the registrant must disclose the information that would

be required if the registrant were filing a general form for registration of securities on Form 10. As a result of the consummation of the Business Combination, and as discussed below in Item 5.06 of this Amendment, Terran Orbital has ceased to be a shell company. Accordingly, Terran Orbital is providing the information below that would be included in a Form 10 if Terran Orbital were to file a Form 10. Please note that the information provided below relates to Terran Orbital as the combined company after the consummation of the Business Combination, unless otherwise specifically indicated or the context otherwise requires.

Cautionary Note Regarding Forward-Looking Statements

This Amendment, or some of the information incorporated herein by reference, contains forward-looking statements. All statements, other than statements of present or historical fact included in or incorporated by reference in this Amendment, 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, plans and objectives of management are forward-looking statements. When used in this Amendment, 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, assumptions, beliefs, intentions and strategies regarding future events and are based on currently available information as to the outcome and timing of future events. Terran Orbital cautions you that these forward-looking statements are subject to all of the risks and uncertainties, most of which are difficult to predict and many of which are beyond the control of Terran Orbital, incident to its business.

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

As a result of a number of known and unknown risks and uncertainties, 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 Terran Orbital's strategies and future financial performance, including Terran Orbital's future business plans or objectives, anticipated timing and level of deployment of satellites, prospective performance and commercial opportunities and competitors, the timing of obtaining regulatory approvals, the ability to finance its research and development activities, reliance on government contracts and a strategic cooperation agreement with a significant customer, retention and expansion of its customer base, product and service offerings, pricing, marketing plans, operating expenses, market trends, revenues, liquidity, cash flows and uses of cash, capital expenditures, and Terran Orbital's 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 Terran Orbital Earth Observation Solutions' planned satellite constellation and the ability to successfully deploy and commercialize its business;
- anticipated timing, cost, financing and development of Terran Orbital's satellite manufacturing capabilities, including Terran Orbital's planned new Space Florida Facility;
- prospective performance and commercial opportunities and competitors;

- Terran Orbital's ability to finance its research and development activities;
- Terran Orbital's success in retaining or recruiting, or changes required in, Terran Orbital's officers, key employees or directors;
- Terran Orbital's expansion plans and opportunities;
- Terran Orbital's ability to comply with domestic and foreign regulatory regimes and the timing of obtaining regulatory approvals;
- Terran Orbital's ability to ability to invest in growth initiatives;
- Terran Orbital's ability to deal appropriately with conflicts of interest in the ordinary course of Terran Orbital's business;
- the outcome of any legal proceedings that may be instituted against Terran Orbital and others following the Business Combination;
- the risk that the consummation of the Business Combination disrupts current plans and operations of Terran Orbital;
- the ability to realize the anticipated benefits of the Business Combination;
- the possibility of limited liquidity and trading of Terran Orbital's securities;
- geopolitical risk and changes in applicable laws or regulations;
- the possibility that Terran Orbital may be adversely affected by other economic, business, and/or competitive factors;
- that Terran Orbital has identified material weaknesses in its internal control over financial reporting which, if not corrected, could affect the reliability of its consolidated financial statements;
- the possibility that the COVID-19 pandemic, or another major disease, disrupts Terran Orbital's business;
- litigation and regulatory enforcement risks, including the diversion of management time and attention and the additional costs and demands on Terran Orbital's resources; and
- other factors detailed under the section titled "*Risk Factors*" beginning on page 43 of the Proxy Statement/Prospectus and incorporated herein by reference.

The foregoing list of factors is not exhaustive. You should carefully consider the foregoing factors and the other risks and uncertainties described in the "*Risk Factors*" section of the other documents filed by Terran Orbital from time to time with the SEC.

New risk factors emerge from time to time and it is not possible to predict all such risk factors, nor can Terran Orbital assess the impact of all such risk factors its 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. All forward-looking statements attributable to Terran Orbital or persons acting on its behalf are expressly qualified in their entirety by the foregoing cautionary statements.

Business

Terran Orbital's business is described in the Proxy Statement/Prospectus in the section titled "*Information About Terran Orbital*" beginning on page 231, which is incorporated herein by reference.

Risk Factors

The risks associated with Terran Orbital's business are described in the Proxy Statement/Prospectus in the section titled "*Risk Factors - Risks Related to Terran Orbital's Business and Terran Orbital Following the Business Combination*" beginning on page 43 and are incorporated herein by reference.

The following risk factors are provided to update the risk factors previously disclosed in the Proxy Statement/Prospectus in the section titled "*Risk Factors - Risks Related to Terran Orbital's Business and Terran Orbital Following the Business Combination*" beginning on page 43.

Terran Orbital relies indirectly on contracts with U.S. government entities for a substantial portion of its revenues, and its business is concentrated in a small number of primary contracts. The loss or reduction in scope of any one of our primary contracts would materially reduce our revenue.

A substantial portion of Terran Orbital's revenue is derived from solutions pursuant to subcontracts that are ultimately provided to the U.S. government. For the year ended December 31, 2021, Old Terran Orbital generated approximately 54% of its total revenue in connection with contracts supporting the U.S. government. Terran Orbital expects that U.S. government contracts will continue to be a substantial source of revenue for the foreseeable future. A breach of the underlying contract with government customers or reduction in service to our customers could have a material adverse effect on our business, financial condition and results of operations. The U.S. government may also terminate or suspend these contracts, at any time with or without cause. Although the contracts we provide services under generally involve fixed annual minimum commitments, such commitments, along with all other contracts with the U.S. government, are subject to annual Congressional appropriations and the federal budget process, and as a result, the U.S. government may not continue to fund these contracts at current or anticipated levels. Similarly, contracts in other jurisdictions are also subject to government procurement policies and procedures.

Terran Orbital is an early stage company with a history of losses and may not achieve or maintain profitability.

Old Terran Orbital incurred net losses of $138.9 million and $10.5 million for the years ended December 31, 2021 and December 31, 2020, respectively, and has incurred net losses of approximately $197 million from its inception through December 31, 2021. We expect our operating expenses to increase over the next several years as we scale our operations, increase research and development efforts relating to new offerings and technologies, and hire more employees. These efforts may be more costly than we expect and may not result in increased revenue or growth in our business. Any failure to increase our revenue sufficiently to keep pace with our investments and other expenses could prevent us from achieving or maintaining profitability or positive cash flow. The likelihood of success of Terran Orbital's business plan must be considered in light of the substantial challenges, expenses, difficulties, complications and delays frequently encountered in connection with developing and expanding early-stage businesses and the competitive environment in which it operates. The development of the NextGen Earth Observation constellation and related intellectual property involves a substantial degree of risk, is a capital-intensive business and may ultimately fail. If Terran Orbital cannot successfully execute its plan to develop the NextGen Earth Observation constellation, its business will not succeed.

Terran Orbital's potential profitability is dependent upon the successful development and successful commercial introduction and acceptance of the NextGen Earth Observation constellation, which may not occur. Even if Terran Orbital is able to successfully develop its NextGen Earth Observation constellation, there can be no assurance that it will be commercially successful and become profitable on a sustained basis, if at all. Terran Orbital expects to have quarter-to-quarter fluctuations in revenues, expenses and capital expenditures, some of which could be significant, due to research, development, manufacturing expenses and the investments required to manufacture and launch the NextGen Earth Observation constellation satellites.

We may not be able to convert our orders in backlog or the sales opportunities represented in our pipeline into revenue.

Our backlog consisted of approximately $73.9 million in customer contracts as of December 31, 2021. However, these contracts are cancellable by customers for convenience. If a customer cancels a contract before it is required to pay the last deposit prior to launch, we may not receive all potential revenue from these orders, except for an initial non-refundable deposit which is paid at the time the contract is signed. In addition, backlog includes both funded (firm orders for which funding is authorized and appropriated) and unfunded portions of such contracts, for which work has not been performed. If a contract is unfunded whole or part, and the customer does not obtain funding or appropriation of funding, there is a risk that we may not potential revenue from that portion of the contract.

In addition, backlog is typically subject to large variations from quarter to quarter and comparisons of backlog from period to period are not necessarily indicative of future revenues. Furthermore, some contracts comprising the backlog are for services scheduled many years in the future, and the economic viability of customers with whom we have contracted is not guaranteed over time. As a result, the contracts comprising our backlog may not result in actual revenue in any particular period, or at all, and the actual revenue from such contracts may differ from our backlog estimates. The timing of receipt of revenues, if any, on projects included in backlog could change because many factors affect the scheduling of missions and adjustments to contracts may also occur. The failure to realize some portion of our backlog could adversely affect our revenues and gross margins. Furthermore, the presentation of our financial results requires us to make estimates and assumptions that may affect revenue recognition. In some instances, we could reasonably use different estimates and assumptions, and changes in estimates are likely to occur from period to period. Accordingly, actual results could differ significantly from our estimates.

Management has identified 85 or more programs accounting for over $9 billion in potential revenue and refers to this opportunity as its sales pipeline. Management may fail to convert any or all of these potential opportunities into revenue for a variety of reasons both inside of and outside of management's control.

Terran Orbital derives a substantial portion of its revenue from Lockheed Martin. If Lockheed Martin changes its business strategy or reduces or eliminates its demand for Terran Orbital's products and services, Terran Orbital's business, prospects, operating results and financial condition could be adversely affected.

Lockheed Martin is a significant customer of Terran Orbital and accounts for, and is expected to continue to account for, a substantial portion of Terran Orbital's consolidated revenue. Lockheed Martin individually represented approximately 50% of Old Terran Orbital's consolidated revenues for the year ended December 31, 2021. In addition, programs associated with Lockheed Martin represent approximately 56% of our backlog as of December 31, 2021. Future operating results will continue to depend on the success of Terran Orbital's relationships with Lockheed Martin, including under the SCA (as defined below).

Orders from Lockheed Martin are subject to fluctuation and may be reduced materially or eliminated entirely due to changes in Lockheed Martin's needs, Terran Orbital not meeting Lockheed Martin's specifications or price expectations or other factors. Any reduction or delay in sales of products to Lockheed Martin could significantly reduce Terran Orbital's revenue. Terran Orbital's operating results will also depend on successfully developing relationships with additional key customers. Terran Orbital cannot assure Lockheed Martin will be retained or that additional key customers will be recruited.

Old Terran Orbital identified material weaknesses in its internal control over financial reporting as of December 31, 2021 and, as a result, Old Terran Orbital has determined that Old Terran Orbital's disclosure controls and procedures were not effective as of December 31, 2021. If Terran Orbital is unable to remediate these material weaknesses, or if it identifies additional material weaknesses in the future or otherwise fails to maintain effective internal control over financial reporting, it may not be able to accurately or timely report its financial condition or results of operations, which may adversely affect Terran Orbital's business, stock price and operating results.

In connection with the preparation and audit of Old Terran Orbital's financial statements, material weaknesses were identified in Old Terran Orbital's internal control over financial reporting. A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting such that there is a reasonable possibility that a material misstatement of its annual or interim financial statements will not be prevented or detected on a timely basis. These material weaknesses are as follows:

- Old Terran Orbital did not design and maintain an effective control environment commensurate with its financial reporting requirements. Specifically, it lacked a sufficient number of professionals with an (i) appropriate level of accounting knowledge, training and experience to appropriately analyze, record and disclose accounting matters timely and accurately, and (ii) appropriate level of knowledge, training and experience to establish effective processes and controls. Additionally, the limited personnel resulted in an inability to consistently establish appropriate authorities and responsibilities in pursuit of financial reporting objectives, as demonstrated by, among other things, insufficient segregation of duties in its finance and accounting functions.

This material weakness in the control environment contributed to the following additional material weaknesses:

- Old Terran Orbital did not design and maintain an effective risk assessment process at a precise enough level to identify new and evolving risks of material misstatement in its financial statements. Specifically, changes to existing controls or the implementation of new controls have not been sufficient to respond to changes to the risks of material misstatement to financial reporting.
- Old Terran Orbital did not design and maintain formal accounting policies, procedures and controls to achieve complete, accurate and timely financial accounting, reporting and disclosures, including controls over the preparation and review of business performance reviews, account reconciliations and journal entries.
- Old Terran Orbital did not design and maintain effective controls to address the identification of and accounting for complex revenue transactions, including the proper application of U.S. GAAP related to such transactions. Specifically, it did not design and maintain controls over the accurate recording of progress towards completion on loss contracts, subsequent to initial loss recognition.
- Old Terran Orbital did not design and maintain effective controls over the accounting for inventory in accordance with U.S. GAAP. Specifically, it did not design and maintain effective controls over complete and accurate inventory costing, appropriate capitalization of inventoriable costs, or classification of inventory between raw materials, work-in-process and finished goods.

These material weaknesses resulted in material audit adjustments to inventory, revenue, cost of sales, research and development and operating expenses, accounts payable and accruals, and property and equipment account balances and disclosures in the consolidated financial statements in prior periods. Additionally, each of the material weaknesses described above could result in a misstatement of substantially all account balances or disclosures that would result in a material misstatement to the annual or interim consolidated financial statements that would not be prevented or detected.

Old Terran Orbital did not design and maintain effective controls over information technology ("IT") general controls for information systems that are relevant to the preparation of their financial statements. Specifically, Old Terran Orbital did not design and maintain:

- user access controls to ensure appropriate segregation of duties and that adequately restrict user and privileged access to financial applications, programs, and data to appropriate company personnel;
- program change management controls to ensure that IT program and data changes affecting financial IT applications and underlying accounting records are identified, tested, authorized, and implemented appropriately;

- computer operations controls to ensure that data backups are authorized and monitored; and
- testing and approval controls for program development to ensure that new software development is aligned with business and IT requirements.

The IT deficiencies noted above did not result in a misstatement to the consolidated financial statements, however, the deficiencies, when aggregated, could impact maintaining effective segregation of duties, as well as the effectiveness of IT-dependent controls (such as automated controls that address the risk of material misstatement to one or more assertions, along with the IT controls and underlying data that support the effectiveness of system-generated data and reports) that could result in misstatements potentially impacting all financial statement accounts and disclosures that would not be prevented or detected. Accordingly, management has determined these deficiencies in the aggregate constitute a material weakness.

Terran Orbital has begun implementation of a plan to remediate these material weaknesses described above. Those remediation measures are ongoing and include (i) hiring additional accounting and IT personnel to bolster its 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 Terran Orbital's business and the impact on its 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 Terran Orbital's 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.

While Terran Orbital believes these efforts will remediate the material weaknesses, Terran Orbital may not be able to complete its evaluation, testing or any required remediation in a timely fashion, or at all. Terran Orbital cannot assure you that the measures it has taken to date and may take in the future, will be sufficient to remediate the control deficiencies that led to its material weaknesses in internal control over financial reporting or that they will prevent or avoid potential future material weaknesses. The effectiveness of Terran Orbital's internal control over financial reporting is subject to various inherent limitations, including cost limitations, judgments used in decision making, assumptions about the likelihood of future events, the possibility of human error and the risk of fraud. Any failure to design or maintain effective internal controls over financial reporting or any difficulties encountered in their implementation or improvement could increase compliance costs, negatively impact share trading prices, or otherwise harm Terran Orbital's operating results or cause it to fail to meet its reporting obligations.

Terran Orbital's ability to use net operating loss carryforwards and other tax attributes may be limited in connection with the business combination or other ownership changes.

Terran Orbital has incurred losses during its history, does not expect to become profitable in the near future, and may never achieve profitability. To the extent that Terran Orbital continues to generate taxable losses, unused losses will carry forward to offset future taxable income, if any, until such unused losses expire, if at all. As of December 31, 2021, we had approximately $91 million and $76 million net operating losses ("NOL") carryforwards in our federal and state tax jurisdictions, respectively.

Under legislation informally known as the Tax Act, as modified by the Cares Act, U.S. federal net operating loss carryforwards generated in taxable periods beginning after December 31, 2017, may be carried forward indefinitely, but the deductibility of such net operating loss carryforwards in taxable years beginning after December 31, 2020, is limited to 80% of taxable income. It is uncertain if and to what extent various states will conform to the Tax Act or the CARES Act.

In addition, Terran Orbital's net operating loss carryforwards are subject to review and possible adjustment by the IRS and state tax authorities. Under Sections 382 and 383 of the Code, Terran Orbital's federal net operating

loss carryforwards and other tax attributes (such as research tax credits) may become subject to an annual limitation in the event of certain cumulative changes in the ownership of Terran Orbital. An "ownership change" pursuant to Section 382 of the Code generally occurs if one or more stockholders or groups of stockholders who own at least 5% of a company's stock increase their ownership by more than 50 percentage points over their lowest ownership percentage within a rolling three-year period. Terran Orbital's ability to utilize its net operating loss carryforwards and other tax attributes to offset future taxable income or tax liabilities may be limited as a result of ownership changes, including potential changes in connection with the Business Combination or other transactions. Similar rules may apply under state tax laws. Terran Orbital has not yet determined the amount of the cumulative change in its ownership resulting from the Business Combination or other transactions, or any resulting limitations on its ability to utilize its net operating loss carryforwards and other tax attributes. If Terran Orbital earns taxable income, such limitations could result in increased future income tax liability and its future cash flows could be adversely affected.

Following the consummation of the Business Combination, Terran Orbital has a substantial amount of indebtedness and payment obligations that could affect operations and financial condition and prevent it from fulfilling its obligations under its indebtedness.

Following the consummation of the Business Combination, Terran Orbital has a substantial amount of indebtedness, including debt outstanding under the Francisco Partners Facility and the Rollover Notes as described in the Introductory Note of this Amendment.

Terran Orbital's substantial indebtedness and payment obligations could have important consequences. For example, it could:

- make it difficult for it to satisfy obligations to holders of its indebtedness;
- increase its vulnerability to general adverse economic and industry conditions;
- require the dedication of a substantial portion of cash flow from operations to payments on indebtedness, thereby reducing the availability of cash flow to fund working capital, capital expenditures, research and development efforts, and other general corporate purposes;
- limit flexibility in planning for, or reacting to, changes in its business and the industry in which it operates;
- place it at a competitive disadvantage compared to competitors that have less debt; and
- limit its ability to borrow additional funds.

Despite Terran Orbital's significant leverage, the combined business may be able to incur significant additional amounts of debt, which could further exacerbate the risks associated with its significant leverage.

Terran Orbital faces substantial risks associated with its international operations.

Approximately 19% of Terran Orbital's revenue in 2021 was generated internationally. Terran Orbital's international operations are headquartered in Torino, Italy, where it also has a manufacturing facility. In addition, Terran Orbital also has an international presence in Oslo, Norway. Terran Orbital also sources supplies from international suppliers. Operating in foreign countries poses substantial risks, including:

- difficulties in developing products and services that are tailored to the needs of local customers;
- instability of international economies and governments;

- changes in laws and policies affecting trade and investment in other jurisdictions, including the United Kingdom's exit from the European Union;
- exposure to varying legal standards, including data privacy, security and intellectual property protection in other jurisdictions;
- difficulties in obtaining required regulatory authorizations;
- difficulties in enforcing legal rights in other jurisdictions;
- local domestic ownership requirements;
- requirements that certain operational activities be performedin-country;
- changing and conflicting national and local regulatory requirements;
- foreign currency exchange rates and exchange controls; and
- ongoing compliance with the U.S. Foreign Corrupt Practices Act, U.S. export controls, anti-money laundering and trade sanction laws, and similar anti-corruption and international trade laws in other countries.

Terran Orbital is highly dependent on the services of Marc Bell, its co-founder and Chief Executive Officer, and if Terran Orbital is unable to retain Mr. Bell, as well as attract and retain key employees, qualified management, technical and engineering personnel, Terran Orbital's ability to compete could be harmed.

Terran Orbital's success depends, in part, on its ability to retain its key personnel. Terran Orbital is highly dependent on the services of Marc Bell, its Co-Founder, Chairman and Chief Executive Officer. If Mr. Bell was to discontinue his employment with Terran Orbital due to death, disability or any other reason, Terran Orbital would be significantly disadvantaged. We do not maintain "key person" life insurance policies on any of our employees, including Mr. Bell. The unexpected loss of or failure to retain one or more of Terran Orbital's key employees could adversely affect Terran Orbital's business.

Terran Orbital's success also depends, in part, on its continuing ability to identify, hire, attract, train, retain and develop other highly qualified personnel, in particular engineers. Experienced and highly skilled employees and/or personnel with required security clearances as discussed in more detail under "—Terran Orbital is subject to the U.S. Government's security requirements, including the DoD's National Industrial Security Program Operating Manual, for its facility and personnel security clearances, which are prerequisites to its ability to perform on classified contracts and work for the U.S. Government" are in high demand and competition for these qualified employees can be intense. Because Terran Orbital's satellites are based on a different technology platform than traditional LEO satellites, individuals with sufficient training in its technology may not be available to hire, and as a result, Terran Orbital will need to expend significant time and expense training the employees it does hire. Terran Orbital may not be able to attract, assimilate, develop or retain qualified personnel in the future, and its failure to do so could adversely affect Terran Orbital's business, including the execution of its global business strategy. Any failure by Terran Orbital's management team and Terran Orbital's employees to perform as expected may have a material adverse effect on Terran Orbital's business, prospects, financial condition and operating results.

Financial Information

The audited financial statements of Old Terran Orbital as of and for the years ended December 31, 2021 and 2020 are set forth in Exhibit 99.1 hereto and are incorporated herein by reference.

The unaudited pro forma combined financial information of Tailwind Two and Old Terran Orbital as of and for the year ended December 31, 2021 is set forth in Exhibit 99.2 hereto and is incorporated herein by reference.

Human Capital Resources

The human capital resources of Terran Orbital are described in the Proxy Statement/Prospectus in the section titled "*Information About Terran Orbital - Human Capital Resources*" beginning on page 242 and that information is incorporated herein by reference. As of March 31, 2022, Terran Orbital had over 330 employees.

Properties

The properties of Terran Orbital are described in the Proxy Statement/Prospectus in the section titled "*Information About Terran Orbital - Facilities*" beginning on page 244 and that information is incorporated herein by reference. During the first quarter of 2022, Terran Orbital added an additional 60,547 square foot manufacturing facility in Irvine, California and expanded its manufacturing space by an additional 6,000 square feet in Santa Maria, California.

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

Old Terran Orbital's Management's Discussion and Analysis of Financial Condition and Results of Operations (Terran Orbital's "***MD&A***") is set forth in Exhibit 99.3 hereto and is incorporated herein by reference.

Quantitative and Qualitative Disclosures about Market Risk

Terran Orbital's operations expose us to certain market risks. Terran Orbital monitors and manages these financial exposures as an integral part of its overall risk management program.

Interest Rate Risk

Terran Orbital does not have any variable-rate debt or any other material exposure to interest rate risk.

Foreign Currency Risk

Terran Orbital has exposure to the effects of foreign currency exchange rate fluctuations related to the translation of the results of its international operations, which use the Euro to conduct business, into U.S. dollars, and related to foreign currency gains and losses on transactions denominated in currencies other than its functional currency. The effects of translating Terran Orbital's international operations into U.S. dollars are reflected as a component of accumulated other comprehensive income (loss) in the consolidated balance sheets. Foreign currency gains and losses are reflected in the in the consolidated statements of operations and comprehensive loss and were not material during 2021 or 2020.

Security Ownership of Certain Beneficial Owners and Management

The following table sets forth information regarding the beneficial ownership of Terran Orbital Common Stock immediately following the consummation of the Business Combination on the Closing Date by:

- each person who is known to be the beneficial owner of more than 5% of shares of Terran Orbital common stock;
- each of Terran Orbital's current named executive officers and directors; and
- all current executive officers and directors of Terran Orbital as a group.

Beneficial ownership is determined according to the rules of the SEC, which generally provide that a person has beneficial ownership of a security if he, she or it possesses sole or shared voting or investment power over that security, including options and warrants that are currently exercisable or exercisable within 60 days of the Closing Date.

The beneficial ownership of Terran Orbital's common stock is based on 137,295,455 shares of Terran Orbital's common stock issued and outstanding as of the Closing Date.

Unless otherwise indicated, Terran Orbital believes that all person named in the table below have sole voting and investment power with respect to the voting securities beneficially owned by them.

Name and Address of Beneficial Owners	Number of Shares	% of Ownership
Five Percent Holders:		
Beach Point Capital Parties[1]	24,119,581	17.393%
Lockheed Martin Parties[2]	14,725,883	10.608%
Tailwind Two Sponsor LLC[3]	14,044,905	9.800%
Francisco Partners Parties[4]	13,538,381	9.299%
Austin Williams	7,443,113	5.421%

Roland Coelho	7,443,113	5.421%
Directors and Executive Officers:		
Marc H. Bell(5)	12,017,340	8.722%
Anthony Previte(6)	11,714,358	8.450%
Marco Villa(7)	6,114,742	4.445%
Gary A. Hobart	241,369	*
Hilary Hageman	0	*
Mathieu Riffel	0	*
Daniel C. Staton(8)(9)	12,772,511	9.270%
James LaChance	220,543	*
Tom Manion	0	*
Richard Y. Newton, III	7,282	*
Tobi Petrocelli	0	*
Douglas L. Raaberg	7,282	*
Stratton Sclavos	1,029,586	*
Directors and executive officers as a group (13 persons)	**44,125,014**	**31.411%**

* Less than 1%

(1) Represents the common stock held by the following: Beach Point SCF XI LP, a Delaware limited partnership ("SCF XI"), beneficially owns 1,390,784 shares of common stock; Beach Point SCF IV LLC, a Delaware limited liability company ("SCF IV"), beneficially owns 1,121,725 shares common stock; Beach Point SCF Multi-Port LP, a Delaware limited partnership ("SCF Multi"), beneficially owns 2,273,763 shares common stock; BPC Opportunities Fund III LP, a Delaware limited partnership ("Opportunities"), beneficially owns 11,622,718 shares of common stock; Beach Point Select Fund LP, a Delaware limited partnership ("Select"), beneficially owns 3,296,956 shares common stock; Beach Point Securitized Credit Fund LP, a Delaware limited partnership ("Securitized"), beneficially owns 1,515,842 shares of common stock; and Beach Point TX SCF LP, a Delaware limited partnership ("TX"), beneficially owns 1,515,842 shares of common stock. In addition, the following represents warrants exercisable within 60 days of March 30, 2022 held by the following: SCF XI owns 84,530 warrants; SCF IV owns 68,176 warrants; SCF Multi owns 138,195 warrants; Opportunities owns 706,407 warrants; Select owns 200,383 warrants; Securitized owns 92,130 warrants; and TX owns 92,130 warrants. Beach Point Advisors LLC, a Delaware limited liability company ("Fund GP"), is the General Partner or Managing Member of each of the above listed entities (the "Funds) and Scott Klein and Carl Goldsmith are the members of the Fund GP and may be deemed to beneficially own the securities held by the Funds. Notwithstanding the foregoing, the Fund GP, Mr. Klein and Mr. Goldsmith each disclaims beneficial ownership of the securities held by the Funds except to the extent of its or his respective pecuniary interest therein. Beach Point Capital Management LP ("BPCM"), the investment manager of above listed entities, has investment discretion and voting power over the securities owned by the Funds. Beach Point GP LLC ("BPGP"), the General Partner of BPCM, and BPCM may be deemed to beneficially own the securities held by the Funds. Notwithstanding the foregoing, each of BPCM and BPGP disclaims beneficial ownership of all securities held by the Funds. The business address of each entity is c/o Beach Point Capital Management LP, 1620 26th Street, Suite 6000n, Santa Monica CA 90404.

(2) Represents the common stock held by Lockheed Martin Corporation, a Maryland corporation ("***Lockheed Martin***"), and Astrolink International LLC, a Delaware limited liability company and an indirectly wholly owned subsidiary of Lockheed Martin ("***Astrolink***"). Lockheed Martin beneficially owns 786,941 shares of common stock; Astrolink beneficially owns 12,419,066 shares of common stock. In addition, the following represents warrants exercisable within 60 days of March 31, 2022 held by Lockheed Martin: 1,381,951 warrants. The business address of each is c/o Lockheed Martin, 6801 Rockledge Drive, Bethesda, MD 20817.

(3) Represents the common stock held by Tailwind Two Sponsor LLC, a Delaware limited liability company ("***Tailwind Two Sponsor***"). Tailwind Two Sponsor beneficially owns 8,025,000 shares of common stock. In addition, Tailwind Two Sponsor holds 7,722,000 private placement warrants of which 6,019,905 are exercisable within 60 days of March 31, 2022. Under the terms of the private placement warrants, Tailwind Two Sponsor has elected that it may not exercise such warrants to the extent such exercise would cause such stockholder, together with its affiliates, to beneficially own a number of common stock which would exceed 9.8%, of the Company's then outstanding common stock following such exercise. The business address of the Tailwind Two Sponsor is 150 Greenwich Street, 29th Floor, New York, NY 10006. Mr. Philip Krim controls Tailwind Two Sponsor LLC and, as such, shares voting and investment discretion with respect to the securities held by Tailwind Two Sponsor LLC and may be deemed to have beneficial ownership of such securities. Mr. Philip Krim disclaims beneficial ownership of such securities except to the extent of his pecuniary interest therein.

(4) Represents the common stock held by FP Credit Partners II, L.P., a Cayman Islands limited partnership (“***FP Credit II***”), and FP Credit Partners Phoenix II L.P., a Cayman Islands limited partnership (“***FP Phoenix II***”). FP Credit II beneficially owns 5,003,798 shares of common stock. In addition, FP Phoenix II beneficially owns 242,879 shares of common stock.

Represents the following warrants exercisable within 60 days of March 31, 2022 for FP Credit II: 7,907,863. In addition, the following warrants are exercisable within 60 days of the March 31, 2022 for FP Phoenix II: 383,841 warrants.

FP Credit Partners GP II, L.P. is the general partner (the “***GP***”) of both FP Credit II and FP Phoenix II. FP Credit Partners GP II Management, LLC is the general partner (the “***UGP***”) of the GP. Francisco Partners Management, L.P. (“***FPM***”) serves as the investment manager for each of FP Credit II and FP Phoenix II. As a result, each of FPM, the UGP, and the GP may be deemed to share voting and dispositive power over the shares held, but each disclaims beneficial ownership. Additionally, voting and disposition decisions at FPM with respect to the shares noted above are made by an investment committee. The members of the investment committee may be deemed to have or share beneficial ownership of the shares held by FP Credit II and FP Phoenix II, but each member of the investment committee disclaims beneficial ownership of such shares. The business address of each of FP Credit II, FP Phoenix II, the GP, the UGP, and FPM is c/o Francisco Partners Management, L.P., One Letterman Drive, Building C — Suite 410, San Francisco, CA 94129.

(5) Includes 70,991 common stock held by Terran Orbital Management Investors LLC, an investment vehicle over which Mr. Bell shares voting and dispositive power.

(6) Includes 35,495 common stock held by Terran Orbital Management Investors LLC, an investment vehicle over which Mr. Previte shares voting and dispositive power.

(7) Includes 70,991 common stock held by Terran Orbital Management Investors LLC, an investment vehicle over which Mr. Villa shares voting and dispositive power.

(8) Includes 53,243 common stock held by Terran Orbital Management Investors LLC, an investment vehicle over which Mr. Staton shares voting and dispositive power.

(9) Includes 8,133,126 common stock held by Staton Tyvak Family Limited Partnership and 3,000,000 common shares held by Staton Orbital Family Limited Partnership over which Mr. Staton has sole voting and dispositive power.

Directors and Executive Officers

Terran Orbital directors and executive officers after the consummation of the Business Combination are described in the Proxy Statement/Prospectus in the section titled “*Management of New Terran Orbital Following the Business Combination*” beginning on page 275 and that information is incorporated by reference. Additionally, compensation committee interlocks and insider participation information regarding Terran Orbital’s executive officers is described in the Proxy Statement/Prospectus in the section titled “*Management of New Terran Orbital Following the Business Combination - Compensation Committee Interlocks and Insider Participation*” beginning on page 281 and that information is incorporated herein by reference.

The information set forth under Item 5.02 of this Amendment is incorporated herein by reference.

Executive Compensation

The executive compensation of Old Terran Orbital’s executive officers is described in the Proxy Statement/Prospectus in the section titled “*Executive and Director Compensation of Terran Orbital*” beginning on page 265 and under Item 5.02 of this Amendment, and that information is incorporated herein by reference.

Director Compensation

The compensation of Old Terran Orbital’s directors is described in the Proxy Statement/Prospectus in the section titled “*Executive and Director Compensation of Terran Orbital - Director Compensation*” beginning on page 273 and under Item 5.02 of this Amendment, and that information is incorporated herein by reference.

Certain Relationships and Related Party Transactions

Certain relationships and related party transactions of Terran Orbital are described in the Proxy Statement/Prospectus in the section titled "*Certain Relationships and Related Person Transactions*" beginning on page 286 and in "Note 13 - Related Party Transactions" to the audited financial statements of Old Terran Orbital filed as Exhibit 99.1 hereto, and that information is incorporated herein by reference.

Director Independence

The NYSE listing standards require that a majority of Terran Orbital's board of directors (the "***Board***") be independent. An "independent director" is defined generally as a person who has no material relationship with the listed company (either directly or as a partner, shareholder or officer of an organization that has a relationship with the company). The Board has determined that each individual member of the Board other than Marc H. Bell, Anthony Previte and Daniel C. Staton are "independent directors" as defined in the NYSE listing standards. In addition, the Board has determined that each individual member of the audit committee meets the financial literacy requirements of the NYSE corporate governance standards and the independence requirements of Rule 10A-3 of the Exchange Act.

Legal Proceedings

Reference is made to the disclosure regarding legal proceedings in the section of the Proxy Statement/Prospectus in the section titled "*Information About Terran Orbital - Legal Proceedings*" beginning on page 244, which is incorporated herein by reference.

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

Market Information and Dividends

Shares of Terran Orbital's common stock and Terran Orbital's warrants began trading on the NYSE under the symbols "LLAP" and "LLAP WS," respectively, on March 28, 2022, in lieu of the ordinary shares, warrants and units of Tailwind Two. Terran Orbital has not paid any cash dividends on its shares of common stock to date. It is the present intention of the Board to retain all earnings, if any, for use in Terran Orbital's business operations and, accordingly, the Board does not anticipate declaring any dividends in the foreseeable future. The payment of cash dividends in the future will be dependent upon Terran Orbital's revenues and earnings, if any, capital requirements and general financial condition. The payment of any cash dividends is within the discretion of the Board. Further, the ability of Terran Orbital to declare dividends may be limited by the terms of outstanding indebtedness under the Francisco Partners Facility and any other financing or other agreements entered into by it or its subsidiaries from time to time.

Information respecting Tailwind Two's Class A ordinary shares, warrants and units and related stockholder matters are described in the Proxy Statement/Prospectus in the section titled "*Comparison of Corporate Governance and Shareholder Rights*" on page 294 and such information is incorporated herein by reference.

Holders of Record

As of the Closing Date, Terran Orbital had 137,295,455 shares of common stock issued and outstanding, 19,299,960 warrants exercisable for one share of common stock, at a price of $11.50 per share, and 11,055,606 warrants exercisable for one share of common stock, at a price of $10.00 per share. As of the Closing Date, there were 129 holders of record of common stock of Terran Orbital.

Securities Authorized for Issuance Under Equity Compensation Plans

Reference is made to the disclosure described in the Proxy Statement/Prospectus in the sections entitled "*Proposal No. 10 - The Incentive Equity Plan Proposal*" beginning on page 178, which is incorporated herein by reference. The Incentive Equity Plan and the material terms thereunder, including the authorization of the initial share reserve thereunder, were approved by Tailwind Two's shareholders at the extraordinary general meeting on March 22, 2022.

Recent Sales of Unregistered Securities

Reference is made to the disclosure set forth under Item 3.02 of the Original Form 8-K concerning the issuance and sale by Terran Orbital of certain unregistered securities, which is incorporated herein by reference.

Description of Registrant's Securities

The description of Terran Orbital's securities is contained in the Proxy Statement/Prospectus in the section titled "*Description of New Terran Orbital Securities*" beginning on page 297 is incorporated herein by reference.

Indemnification Agreements

The description of the indemnification agreements entered into by Terran Orbital on March 25, 2022 contained in Item 1.01 of the Original Form 8-K is incorporated herein by reference.

Financial Statements and Supplementary Data

Reference is made to the disclosure set forth under Item 9.01 of this Amendment relating to the financial information of Terran Orbital, and to Exhibits 99.1 and 99.2 to this Amendment, all of which are incorporated herein by reference.

Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

Not applicable as of the Closing Date.

Item 5.01 Changes in Control of the Registrant.

The information set forth in the section entitled "*Introductory Note*" of the Original Form 8-K and in the section entitled "*Security Ownership of Certain Beneficial Owners and Management*" in Item 2.01 of this Amendment is incorporated herein by reference.

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

Upon the consummation of the Business Combination on the Closing Date, and in accordance with the terms of the Merger Agreement, each executive officer of Tailwind Two ceased serving in such capacities, and Philip Krim, Matt Eby, Chris Hollod, Wisdom Lu, Tommy Stadlen, Boris Revsin and Michael Kim ceased serving on Tailwind Two's board of directors.

Terran Orbital's directors and executive officers upon the consummation of the Business Combination on the Closing Date are described in the Proxy Statement/Prospectus in the section titled "Management of New Terran Orbital Following the Business Combination" beginning on page 275 and that information is incorporated by reference.

Effective as of the consummation of the Business Combination on the Closing Date, the standing committees of Terran Orbital's Board of Directors consist of an audit committee (the "Audit Committee"), a compensation committee (the "Compensation Committee") and a nominating and corporate governance committee

(the "Nominating and Corporate Governance Committee"). James LaChance, who is the chairperson of the Audit Committee, was determined by Terran Orbital's Board of Directors to be qualified as the "audit committee financial expert", as such term is defined in Item 407(d)(5) of Regulation S-K. The members of the Audit Committee, the Compensation Committee and the Nominating and Corporate Governance Committee are described in the Proxy Statement/Prospectus in the section titled "Management of New Terran Orbital Following the Business Combination" beginning on page 275 and that information is incorporated by reference.

The information set forth above in the sections titled "Directors and Executive Officers," "Executive Compensation," "Certain Relationships and Related Party Transactions" in Item 2.01 of this Amendment and "Indemnification Agreements" in Item 1.01 of the Original Form 8-K is incorporated herein by reference.

In addition, as disclosed in Item 5.02 of the Original Form8-K, the Incentive Equity Plan became effective on the Closing Date. The material terms of the Incentive Equity Plan are described in the Proxy Statement/Prospectus in the section entitled "Proposal No. 10 - The Incentive Equity Plan Proposal" beginning on page 178, which is incorporated herein by reference.

On March 29, 2022, the Board of Directors of Terran Orbital approved the payment of the following compensation to thenon-employee directors of the Company for their service on the Board of Directors of Terran Orbital: (i) an annual cash retainer of $90,000; (ii) an initial equity retainer of 25,000 restricted stock units with three year vesting from the date of grant; (iii) an annual equity retainer of 17,500 restricted stock units with one year vesting from the date of grant; (iv) an annual cash retainer of $20,000 for the chair of the audit committee, $15,000 for the chair of the compensation committee and $10,000 for the chair of the nominating and corporate governance committee; (v) an annual cash retainer of $10,000 for other members of the audit committee, $7,500 for other members of the compensation committee and $5,000 for other members of the nominating and corporate governance committee; and (vi) an additional annual cash retainer of $25,000 for Mr. Sclavos for serving as the lead independent director.

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

Following the closing of the Business Combination, on March 25, 2022, the Board considered and adopted a new Code of Business Conduct and Ethics (the "***Code of Ethics***"). The Code of Ethics applies to all of Terran Orbital's directors, officers and employees. The foregoing description of the Code of Ethics is qualified in its entirety by the full text of the Code of Ethics, a copy of which is filed as Exhibit 14.1 to this Amendment and incorporated herein by reference. The Code of Ethics is also available on the investor relations page of Terran Orbital's website.

Item 5.06 Change in Shell Company Status.

As a result of the Business Combination, Tailwind Two ceased being a shell company (as defined in Rule12b-2 of the Exchange Act) as of the Closing. Reference is made to the disclosure in the Proxy Statement/Prospectus in the sections titled "*Proposal No. 1 - The Business Combination Proposal*" beginning on page 111 and "*Proposal No. 2 - The Domestication Proposal*" beginning on page 157, which are incorporated herein by reference. Further, the information set forth in the "*Introductory Note*" and under 2.01 of this this Amendment, is incorporated herein by reference.

Item 9.01 Financial Statements and Exhibits

(a) Financial statements of business acquired.

The audited financial statements of Old Terran Orbital as of and for the years ended December 31, 2021 and 2020 are set forth in Exhibit 99.1 hereto and are incorporated herein by reference.

(b) Pro forma financial information.

The unaudited pro forma combined financial information of Tailwind Two and Old Terran Orbital as of and for the year ended December 31, 2021 is set forth in Exhibit 99.2 hereto and is incorporated herein by reference.

(d) Exhibits

Exhibit No.	Description
2.1†	Agreement and Plan of Merger, dated as of October 28, 2021, by and among the Terran Orbital Corporation, Tailwind Two Acquisition Corp. and Titan Merger Sub, Inc. (incorporated by reference to Exhibit 2.1 to Current Report on Form 8-K filed on October 28, 2021).
2.2	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 (incorporated by reference to Exhibit 2.2 to Amendment No. 3 to the Registration Statement on Form S-4 (File No. 333-261378) filed on February 10, 2022).
2.3	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 (incorporated by reference to Exhibit 2.1 to Current Report on Form 8-K filed on March 15, 2022).
3.1	Certificate of Incorporation of Terran Orbital Corporation (incorporated by reference to Exhibit 3.1 to Current Report on Form8-K filed on March 28, 2022).
3.2	Bylaws of Terran Orbital Corporation (incorporated by reference to Exhibit 3.2 to Current Report on Form8-K filed on March 28, 2022).
3.3	Certificate of Amendment to the Certificate of Incorporation of Terran Orbital Corporation (incorporated by reference to Exhibit 3.3 to Current Report on Form 8-K filed on March 28, 2022).
4.1	Certificate of Corporate Domestication of Tailwind Two Acquisition Corp. (incorporated by reference to Exhibit 4.1 to Current Report on Form 8-K filed on March 28, 2022).
4.2	Form of Common Stock Certificate of Terran Orbital Corporation (incorporated by reference to Exhibit 4.2 to Current Report on Form 8-K filed on March 28, 2022).
4.3	Warrant Agreement, dated as of March 9, 2021, between Tailwind Two Acquisition Corp. and Continental Stock Transfer & Trust Company (incorporated by reference to Exhibit 4.1 from the Current Report on Form 8-K filed on March 10, 2021).
4.4	Private Placement Warrants Purchase Agreement, dated October between Tailwind Two Acquisition Corp. and Tailwind Two Sponsor LLC (incorporated by reference to Exhibit 10.3 from the Current Report on Form 8-K filed on March 10, 2021).
4.5	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 (incorporated by reference to Exhibit 4.5 to Current Report on Form 8-K filed on March 28, 2022).
10.1	Sponsor Letter Agreement (incorporated by reference to Exhibit 10.1 to Current Report on Form8-K filed on October 28, 2021).
10.2	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 (incorporated by reference to Exhibit 10.2 to Current Report on Form 8-K filed on March 28, 2022).
10.3	Form of Subscription Agreement (incorporated by reference to Exhibit 10.2 to Current Report on Form 8-K filed on October 28, 2021).

10.4	Form of Subscription Agreement (Insider PIPE Investor) (incorporated by reference to Exhibit 10.4 to Current Report on Form8-K filed on October 28, 2021).
10.5	Form of Terran Orbital Holder Support Agreement (incorporated by reference to Exhibit 10.5 to Current Report on Form8-K filed on October 28, 2021).
10.6	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 (incorporated by reference to Exhibit 10.6 to Current Report on Form 8-K filed on March 28, 2022).
10.7	Amendment to Terran Orbital Holder Support Agreement, dated as of March 25, 2022, Tailwind Two Acquisition Corp., Terran Orbital Corporation and Lockheed Martin Corporation(incorporated by reference to Exhibit 10.7 to Current Report on Form 8-K filed on March 28, 2022).
10.8	Investor Rights Agreement, dated October 28, 2021, by and among Terran Orbital Corporation, Tailwind Two Acquisition Corp. and the other parties thereto (incorporated by reference to Exhibit 10.5).
10.9	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 (incorporated by reference to Exhibit 10.9 to Current Report on Form 8-K filed on March 28, 2022).
10.10	Form of Indemnification Agreement (incorporated by reference to Exhibit 10.10 to Current Report on Form8-K filed on March 28, 2022).
10.11	Investment Management Trust Account Agreement, dated March 9, 2021, between Tailwind Two Acquisition Corp. and Continental Stock Transfer & Trust Company (incorporated by reference to Exhibit 10.1 from the Current Report on Form 8-K filed on March 10, 2021).
10.12	Registration and Shareholder Rights Agreement, dated March 9, 2021, between Tailwind Two Acquisition Corp. and Tailwind Two Sponsor LLC (incorporated by reference to Exhibit 10.2 from the Current Report on Form 8-K filed on March 10, 2021).
10.13+	Terran Orbital Corporation 2021 Incentive Equity Award Plan (incorporated by reference to Exhibit 10.13 to Current Report on Form 8-K filed on March 28, 2022).
10.14+	Amended and Restated Employment Agreement, dated as of October 23, 2021, by and between Marc Bell and Terran Orbital Corporation (incorporated by reference to Exhibit 10.8 to the Registration Statement on Form S-4 (File No. 333-261378) filed on November 26, 2021).
10.15+	Employment Agreement, dated as of March 15, 2021, by and between Anthony Previte and Terran Orbital Corporation (incorporated by reference to Exhibit 10.9 to the Registration Statement on Form S-4 (File No. 333-261378) filed on November 26, 2021).
10.16+	Employment Agreement, dated as of March 22, 2021, by and between Marco Villa and Terran Orbital Corporation (incorporated by reference to Exhibit 10.10 to the Registration Statement on Form S-4 (File No. 333-261378) filed on November 26, 2021).
10.17	Note Purchase Agreement, dated as of November 24, 2021, 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 (incorporated by reference to Exhibit 10.11 to the Registration Statement on Form S-4 (File No. 333-261378) filed on November 26, 2021).

10.18	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 (incorporated by reference to Exhibit 10.1 to Current Report on Form 8-K filed on March 15, 2022).
10.19	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 (incorporated by reference to Exhibit 10.19 to Current Report on Form 8-K filed on March 28, 2022).
10.20#	Second Amended and Restated Strategic Cooperation Agreement, dated as of October 28, 2021, by and among Lockheed Martin Corporation, Terran Orbital Corporation, Tyvak Nano-Satellite Systems, Inc. and PredaSAR Corporation (incorporated by reference to Exhibit 10.12 to Amendment No. 3 to the Registration Statement on Form S-4 (File No. 333-261378) filed on February 10, 2022).
10.21	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.
14.1	Code of Business Conduct and Ethics of Terran Orbital Corporation.
21.1	List of Subsidiaries of Terran Orbital Corporation.
99.1	Audited financial statements of Terran Orbital Corporation (Old Terran Orbital) as of and for the years ended December 31, 2021 and 2020.
99.2	Unaudited pro forma combined financial information of Tailwind Two Acquisition Corp. and Old Terran Orbital as of and for the year ended December 31, 2021.
99.3	Management's Discussion and Analysis of Financial Condition and Results of Operations of Terran Orbital Corporation (Old Terran Orbital).
104	Cover Page Interactive Data File (embedded within the Inline XBRL document).

† Schedules and exhibits to this Exhibit omitted pursuant to Item 601(b)(2) of Regulation S-K. The Registrant hereby agrees to furnish supplementally a copy of any omitted schedule or exhibit to the SEC upon request.
+ Indicates a management contract or compensatory plan.
# Certain confidential portions (indicated by brackets and asterisks) have been omitted from this exhibit.

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 hereunto duly authorized.

TERRAN ORBITAL CORPORATION
(Registrant)

By: /s/ Gary Hobart
Name: Gary Hobart
Title: Chief Financial Officer
Date: March 31, 2022

Exhibit 10.21

EXECUTION VERSION

SEVENTH AMENDMENT TO NOTE PURCHASE AGREEMENT

THIS SEVENTH AMENDMENT TO NOTE PURCHASE AGREEMENT (this "Amendment"), dated as of March 25, 2022, is entered into by and among TERRAN ORBITAL CORPORATION, a Delaware corporation (expected to be renamed TERRAN ORBITAL OPERATING CORPORATION, the "Issuer"), the Guarantors (as defined in the Note Purchase Agreement referred to below) identified on the signature pages hereof, the purchasers identified on the signature pages hereof (such purchasers, and the other purchasers party to the below-defined Note Purchase Agreement, together with their respective successors and permitted assigns, each individually, a "Purchaser", and collectively, the "Purchasers"), and LOCKHEED MARTIN CORPORATION, a Maryland corporation ("Lockheed Martin"), as Authorized Representative for the Purchasers (in such capacity, together with its successors and assigns in such capacity, the "Authorized Representative"):

W I T N E S S E T H

WHEREAS, Issuer, the Guarantors from time to time party thereto, the Purchasers and the Authorized Representative are parties to that certain Note Purchase Agreement, dated as of March 8, 2021, as amended by that certain First Amendment to Note Purchase Agreement, dated as of April 30, 2021, as further amended by that certain Second Amendment to Note Purchase Agreement, dated as of May 21, 2021, as further amended by that certain Third Amendment to Note Purchase Agreement, dated as of June 7, 2021, as further amended by that certain Fourth Amendment to Note Purchase Agreement, dated as of October 28, 2021, as further amended by that certain Fifth Amendment to Note Purchase Agreement, dated as of November 24, 2021, and as further amended by that certain Sixth Amendment to Note Purchase Agreement, dated as of March 9, 2022 (the "Existing Note Purchase Agreement," and the Existing Note Purchase Agreement as amended hereby, the "Note Purchase Agreement"), pursuant to which the Issuer issued and the Purchasers purchased Senior Secured Notes due 2026 in an aggregate original principal amount of $86,859,108 (the "Notes");

WHEREAS, in connection with that certain Agreement and Plan of Merger, dated as of October 28, 2021 (together with the schedules and exhibits thereto, 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 that certain Acknowledgment and Waiver, dated as of March 25, 2022, and as may be further amended, restated, amended and restated, supplemented or otherwise modified from time to time pursuant to the terms of the Note Purchase Agreement, the "Merger Agreement"), by and among Tailwind Two Acquisition Corp., a Cayman Islands exempted company (which, on the date hereof, will domesticate as a Delaware corporation and expected to be renamed TERRAN ORBITAL CORPORATION, as the "Acquiror"), Titan Merger Sub, Inc. a Delaware corporation, a direct, wholly-owned subsidiary of Acquiror, and the Issuer, pursuant to which the Acquiror intends to, directly or indirectly, acquire (the "Combination") all of the outstanding Equity Interests of the Issuer;

WHEREAS, pursuant to the Merger Agreement, among other things, on the date hereof the Issuer shall merge with, and into, Merger Sub, with the Issuer surviving such merger (the "Merger");

WHEREAS, in connection with the execution of the Merger Agreement, each of Lockheed Martin and BPC Lending II LLC (the "Continuing Purchasers") entered into a Transaction Support Agreement (as amended, restated, amended and restated, supplemented or otherwise modified from time to time, each, a "Transaction Support Agreement" and collectively, the "Transaction Support Agreements") with the Acquiror and the Issuer pursuant to which each Continuing Purchaser has agreed, subject to the terms and conditions set forth in the applicable Transaction Support Agreement, to keep a certain amount of its Notes outstanding under the Note Purchase Agreement (the "Note Continuation") following the Merger on substantially similar terms as the terms set forth in the FP Note Purchase Agreement (as defined in the Note Purchase Agreement);

WHEREAS, the Issuer has requested that the Authorized Representative and the Purchasers amend the Existing Note Purchase Agreement to provide for, among other things, the Note Continuation in accordance with the Transaction Support Agreements; and

WHEREAS, upon the terms and conditions set forth herein, the Authorized Representative and the Purchasers are willing to amend the Existing Note Purchase Agreement.

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants herein contained, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

1. Defined Terms. All initially capitalized terms used herein (including the preamble and recitals hereof) without definition shall have the meanings ascribed thereto in the Note Purchase Agreement.

2. Amendments to Note Purchase Agreement. Effective as of the date of the satisfaction (or waiver in writing by the Authorized Representative) of the conditions precedent set forth in Section 5 hereof (the "Seventh Amendment Effective Date"), the Existing Note Purchase Agreement (other than the schedules and exhibits attached thereto) shall be amended to delete the stricken text (indicated textually in the same manner as the following example: ~~stricken text~~) and to add the bold and double-underlined text (indicated textually in the same manner as the following example: **bold and double-underlined text**) as set forth on the pages of the Note Purchase Agreement attached as Annex A hereto.

3. Consent to Non-*Pro Rata* Payments. On or about the Seventh Amendment Effective Date, in connection with the Merger each Purchaser identified in the funds flow information described in Section 5(h)(ii) below (the "Fund Flow") will receive prepayment of all or a portion of the aggregate outstanding principal amount of the Notes held by such Purchaser in accordance with the Funds Flow, which shall result in certain Purchasers receiving payment of a proportion of the aggregate outstanding principal amount of all Notes and accrued interest thereon in an amount that is greater than their respective *pro rata shares* (the "Non-*Pro Rata* Payments"). Notwithstanding anything to the contrary in the Existing Note Purchase Agreement, including Sections 2.07(a) and 2.14 thereof, each Purchaser hereby consents to the Non-*Pro Rata* Payments on or about the Seventh Amendment Effective Date. Following such Non-*Pro Rata* Payments, the outstanding principal amount of each Note shall be reflected on Schedule I attached hereto.

4. Exiting Purchasers. Certain Purchasers have agreed that they shall no longer constitute Purchasers under the Existing Note Purchase Agreement as of the date hereof (each, an "Exiting Purchaser"). Each Purchaser that executes and delivers a signature page hereto that identifies it as an Exiting Purchaser shall constitute an Exiting Purchaser and, as of the date hereof, each applicable Exiting Purchaser shall not be a Purchaser under the Note Purchase Agreement. No Exiting Purchaser shall have any rights, duties or obligations under the Note Purchase Agreement. All amounts owing to an Exiting Purchaser, including the outstanding principal amount of the Notes held by such Purchaser and all accrued and unpaid interest and fees, shall be paid by the Purchaser to such Exiting Purchaser in accordance with Section 3 above. The consent of an Exiting Purchaser is not required to give effect to the changes contemplated by this Amendment. Each of the Issuer and the other Note Parties agrees with and consents to the foregoing. Without limiting the foregoing, the parties hereto (including, without limitation, each Exiting Purchaser) hereby agree that the consent of any Exiting Purchaser shall be limited to the acknowledgements and agreements set forth in this Section 4 and shall not be required as a condition to the effectiveness of any other amendments, restatements, supplements or modifications to the Note Purchase

Agreement or the other Note Documents. On the Seventh Amendment Effective Date: (a) the obligations of each Exiting Purchaser under the Existing Note Purchase Agreement shall be terminated (and, for the avoidance of doubt, no Exiting Purchaser shall have any obligations under the Note Purchase Agreement); (b) each Exiting Purchaser shall no longer be a Purchaser or "Noteholder" under the Note Purchase Agreement or any other Note Document; (c) each Exiting Purchaser shall be paid in full in cash all amounts owing to such Exiting Purchaser under the Existing Note Purchase Agreement in accordance with Section 3 above; (d) no Exiting Purchaser shall have any rights or duties as a Purchaser under the Existing Note Purchase Agreement, the Note Purchase Agreement or any other Note Document, except for rights or duties in respect of expense reimbursement and indemnification provisions in the Existing Note Purchase Agreement or any other Note Document which by their terms would survive termination of the Existing Note Purchase Agreement or such other Note Document; and (e) the Note Parties shall have no obligations or liabilities to any Exiting Purchaser under the Note Purchase Agreement and the other Note Documents, except for rights or duties in respect of expense reimbursement and indemnification provisions in the Existing Note Purchase Agreement or any other Note Document which by their terms would survive termination of the Existing Note Purchase Agreement or such other Note Document.

5. Conditions Precedent to Amendment. The effectiveness of this Amendment is conditioned on the satisfaction in full, in a manner satisfactory to the Authorized Representative, or waiver, of the following conditions precedent:

(a) Executed Amendment. The Authorized Representative shall have received this Amendment and the other Note Documents to entered into in connection with this Amendment, each duly executed and delivered by the parties hereto or thereto, and the same shall be in full force and effect.

(b) Payment of Notes. Each Purchaser shall have received (i) its Non-*Pro Rata* Payment and (ii) payment in cash of all accrued and unpaid interest on the Notes held by it through the Seventh Amendment Effective Date.

(c) Acquiror Closing Warrants and Acquiror Shares. (i) On the Seventh Amendment Effective Date, each of the First Amendment to the Investor Rights Agreement, the Acquiror Closing Warrants (as defined in the Merger Agreement) and the Stock and Warrant Purchase Agreement in respect thereof (the "Acquiror Closing Warrant Purchase Agreement") shall have been executed and delivered and the transactions thereunder to be consummated on the Seventh Amendment Effective Date (including the issuance of the Acquiror Shares (as defined in the Merger Agreement) pursuant to the Acquiror Closing Warrant Purchase Agreement) shall have been, or substantially concurrently with the Note Continuation shall be, fully consummated in accordance with the terms thereof, and (ii) on the Seventh Amendment Effective Date, (y) the Issuer shall instruct, or cause the Acquiror to instruct, the transfer agent for the Acquiror Shares to register the Acquiror Shares being issued to the Continuing Purchasers pursuant to the Acquiror Closing Warrant Purchase Agreement on Acquiror's share register in the name of the applicable purchaser thereof (or its designee) under the Acquiror Closing Warrant Purchase Agreement and (y) the Authorized Representative and the Purchasers shall have received a copy of the executed instruction letter to the transfer agent reflecting the foregoing.

(d) Opinions of Counsel. The Authorized Representative and the Purchasers shall have received favorable opinions of legal counsel to the Note Parties, addressed to the Purchasers and the Authorized Representative and dated as of the date hereof, in form and substance satisfactory to the Purchasers, the Authorized Representative and their respective counsel.

(e) No Material Adverse Effect. Since the date of the Merger Agreement, there shall not have occurred a Material Adverse Effect (as defined in the Merger Agreement in effect as of October 28, 2021).

(f) Organization Documents, Resolutions, Etc. Receipt by the Authorized Representative of the following, each of which shall be originals, facsimiles or pdf scans, in form and substance satisfactory to the Authorized Representative and its legal counsel:

(i) copies of the Organization Documents of each Note Party certified to be true and complete as of a recent date by the appropriate Governmental Authority of the state or other jurisdiction of its incorporation or organization, where applicable, and certified by a Responsible Officer of such Note Party to be true and correct as of the date hereof;

(ii) such certificates of resolutions, shareholder resolutions or other action, incumbency certificates and/or other certificates of Responsible Officers of each Note Party as Agent may require evidencing the identity, authority and capacity of each Responsible Officer thereof authorized to act as a Responsible Officer in connection with this Amendment and the other Note Documents to which such Note Party is a party; and

(iii) such documents and certifications as Agent may require to evidence that each Note Party is duly organized or formed, and is validly existing, in good standing and qualified to engage in business in its state of organization or formation, including certificates of good standing or status in all applicable jurisdictions.

(g) Closing Certificate. Receipt by the Agent of a certificate signed by a Responsible Officer of the Issuer certifying as of the date hereof, that:

(i) the conditions specified in Sections 5(e), (j), (l), (m), (n), (o), (p) and (t) have been satisfied;

(ii) the Issuer and its Subsidiaries (after giving effect to the transactions contemplated hereby, including the Merger, and the issuance of the FP Notes on the Seventh Amendment Effective Date) are Solvent on a consolidated basis; and

(iii) attached thereto are true, correct and complete copies of (x) the Amendment to Sponsor Agreement, dated as of the Combination Closing Date, by and between the Acquiror, Tailwind Two Sponsor, LLC, the Issuer, Tommy Stadlen and the other persons party thereto, which amendment is in full force and effect as of the date hereof, (y) the Acknowledgment and Waiver dated as of March 25, 2022 by and among the Acquiror, Merger Sub and the Issuer and (z) the Amendment No. 2 to FP Note Purchase Agreement.

(h) Other Transactions. The subordination agreement between the Authorized Representative and Staton Orbital Family Limited Partnership (the "Staton Subordination Agreement"), in form and substance reasonably acceptable to the Authorized Representative and the Purchasers, shall have been executed and delivered substantially concurrently with the execution and delivery of this Amendment (it being agreed that the Authorized Representative's execution of such Staton Subordination Agreement shall evidence that such Staton Subordination Agreement is in form and substance acceptable to the Authorized Representative and the Purchasers).

(i) Notice of Issuance/Funds Flow. Receipt by the Authorized Representative and the Purchasers of (i) an executed copy of the notice of issuance to be delivered pursuant to Section 5.03(a) of the FP Note Purchase Agreement, in substance reasonably acceptable to the Authorized Representative and the Purchasers, and (ii) a funds flow with respect to the consummation of the Combination and the Transactions, in substance reasonably acceptable to the Authorized Representative and the Purchasers.

(j) Termination Date. The Termination Date (as defined in the Merger Agreement) shall not have occurred.

(k) Filings. UCC-3 financing statements in respect of the new name of the Issuer shall have been filed, registered or recorded or delivered to the Collateral Agent and shall be in proper form for filing, registration or recordation.

(l) Representations and Warranties. The representations and warranties of the Issuer and each other Note Party contained inArticle VI (other than Section 6.07(b) to the extent it relates to the absence of the occurrence of any Default) or any other Note Document, or which are contained in any document furnished at any time under or in connection herewith or therewith (including the Equity Issuance Documents), shall be true and correct in all material respects (and in all respects if any such representation or warranty is already qualified by materiality or reference to Material Adverse Effect) on and as of the Seventh Amendment Effective Date after giving effect to this Amendment, except to the extent that such representations and warranties specifically refer to an earlier date, in which case they shall be true and correct as of such earlier date.

(m) No Event of Default. No Event of Default shall exist, or would result from the transactions to occur on the Seventh Amendment Effective Date after giving effect to this Amendment.

(n) Combination. The Combination shall have been, or substantially concurrently with the execution of this Amendment shall be, consummated in all material respects in accordance with the Merger Agreement without giving effect to any waivers, consents, amendments, supplements or modifications that are materially adverse to the Purchasers without the consent of the Required Purchasers (such consent not to be unreasonably withheld, delayed or conditioned); provided that any change to the definition of Material Adverse Effect (as defined in the Merger Agreement) or waiver of the condition set forth in Section 9.02(a)(ii) (*Additional Conditions to Obligations of Acquiror Parties—Representations and Warranties*) of the Merger Agreement shall be deemed materially adverse to the Purchasers (in their respective capacities as such) and shall require the consent of the Required Purchasers (not to be unreasonably withheld, delayed or conditioned).

(o) Subscription Agreements. The provisions of each Subscription Agreement shall not have been waived, amended or modified in any manner that is materially adverse to Purchasers without written approval of the Required Purchasers (such approval not to be unreasonably withheld, delayed or conditioned).

(p) FP Note Purchase Agreement. The Amendment No. 2 to FP Note Purchase Agreement providing for the issuance of an aggregate principal amount of $65,000,000 of "Additional Delayed Draw Senior Secured Notes" (as defined in the FP Note Purchase Agreement) on the Seventh Amendment Effective Date or within one (1) Business Day thereafter shall have been duly executed and delivered by all parties thereto and become effective, and each of the conditions precedent set forth in Section 5.03 of the FP Note Purchase Agreement shall have been satisfied in full.

(q) Corporate Structure and Capitalization. Receipt by the Purchasers of a satisfactory capitalization table reflecting the capital and ownership structure and the equity holder arrangements of Acquiror on the date hereof, on a pro forma basis after giving effect to the transactions contemplated by the Note Documents and Equity Issuance Documents to be consummated on the date hereof or otherwise in connection with the consummation of the Combination.

(r) Costs; Expenses. The Issuer shall have paid all expenses, fees and charges of the Authorized Representative and BPC Lending II LLC in accordance with Section 13 below.

(s) Other Documents.

(i) Receipt by the Purchasers of a copy of the BP Subordination Agreement, duly executed and delivered by the parties thereto.

(ii) The provisions of the Merger Agreement, each Subscription Agreement (as defined in the Merger Agreement) and the Strategic Cooperation Agreement shall not have been waived, amended or modified in any manner that is materially adverse to Purchasers without written approval of the Required Purchasers (such approval not to be unreasonably withheld, delayed or conditioned) and none of such agreements shall have been terminated.

(iii) Receipt by the Purchasers of copies of the Acquiror Charter and the Certificate of Merger (as such terms are defined in the Merger Agreement), each in form for filing with the Secretary of State of the State of Delaware.

(t) Trust Account. After accounting for amounts payable pursuant to the Acquiror Shareholder Redemption (as defined in the Merger Agreement), at least $28,000,000 shall be distributable from the Trust Account (as defined in the Merger Agreement).

6. Representations and Warranties. Each of Issuer and the Guarantors hereby represents and warrants to the Authorized Representative and the Purchasers as follows:

(a) The execution, delivery and performance of this Amendment and such Note Party's obligations hereunder have been duly authorized by all necessary corporate action. This Amendment has been duly executed and delivered by each Note Party that is party thereto. This Amendment constitutes a legal, valid and binding obligation of each Note Party that is party thereto, enforceable against each such Note Party, subject to applicable Debtor Relief Laws or other Laws affecting creditors' rights generally and subject to general principles of equity.

(b) No Default or Event of Default has occurred and is continuing as of the date of the effectiveness of this Amendment, and no condition exists which constitutes a Default or an Event of Default, in each case, after giving effect to this Amendment.

(c) After giving effect to this Amendment, the representations and warranties of the Note Parties contained in the Note Purchase Agreement and any other Note Documents, in each case, after giving effect to this Amendment, are true and correct in all material respects on and as of the date hereof, except that (x) any such representation and warranty that is qualified by materiality or a reference to Material Adverse Effect is true and correct in all respects on and as of the date hereof and (y) to the extent that any such representations and warranties specifically refer to an earlier date, in which case they are true and correct in all material respects as of such earlier date (except that any such representation and warranty that is qualified by materiality or by reference to Material Adverse Effect is true and correct in all respects as of such earlier date).

7. GOVERNING LAW; JURISDICTION; ETC.; WAIVER OF RIGHT TO JURY TRIAL; AND JUDGMENT CURRENCY. THIS AMENDMENT SHALL BE SUBJECT TO THE PROVISIONS REGARDING GOVERNING LAW; JURISDICTION; ETC.; WAIVER OF RIGHT TO JURY TRIAL; AND JUDGMENT CURRENCY SET FORTH IN SECTIONS 12.13, 12.14 AND 12.15 OF THE NOTE PURCHASE AGREEMENT, AND SUCH PROVISIONS ARE INCORPORATED HEREIN BY THIS REFERENCE, *MUTATIS MUTANDIS*.

8. Counterpart Execution. This Amendment may be executed in any number of counterparts and by different parties on separate counterparts, each of which, when executed and delivered, shall be deemed to be an original, and all of which, when taken together, shall constitute but one and the same Amendment. Delivery of an executed counterpart of this Amendment by telefacsimile or other electronic method of transmission shall be equally as effective as delivery of an original executed counterpart of this Amendment. Any party delivering an executed counterpart of this Amendment by telefacsimile or other electronic method of transmission also shall deliver an original executed counterpart of this Amendment, but the failure to deliver an original executed counterpart shall not affect the validity, enforceability, and binding effect of this Amendment. The words "execution," "execute", "signed," "signature," and words of like import in or related to any document to be signed in connection with this Amendment shall be deemed to include electronic signatures, the electronic matching of assignment terms and contract formations on electronic platforms approved by the Authorized Representative, or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act.

9. Release. Each of the Note Parties hereby releases and forever discharges the Authorized Representative, the Purchasers, the Collateral Agent and their respective predecessors, successors, assigns, officers, managers, directors, employees, agents, attorneys, representatives, and affiliates (hereinafter all of the above collectively referred to as, the "Lender Group"), from any and all claims, counterclaims, demands, damages, debts, suits, liabilities, actions and causes of action of any nature whatsoever, in each case to the extent arising in connection with the Note Documents or any of the negotiations, activities, events or circumstances arising out of or related to the Note Documents on or prior to the date of this Amendment, whether arising at law or in equity, whether known or unknown, whether liability be direct or indirect, liquidated or unliquidated, whether absolute or contingent, foreseen or unforeseen, and whether or not heretofore asserted, which any of the Note Parties may have or claim to have against any entity within the Lender Group.

10. Acknowledgment and Reaffirmation. By its execution hereof, each of the Note Parties hereby expressly (a) acknowledges and agrees to the terms and conditions of this Amendment, (b) except as otherwise amended hereby, reaffirms all of its respective covenants and other obligations set forth in the Note Purchase Agreement and the other Note Documents to which it is a party, (c) ratifies and confirms all security interests previously granted by it to the Collateral Agent for the benefit of the Secured Parties under the Note Documents, as amended hereby, and (d) acknowledges that its respective covenants and other obligations set forth in the Note Purchase Agreement and the other Note Documents to which it is a party remain in full force and effect as amended hereby.

11. Entire Agreement. This Amendment, and the terms and provisions hereof, the Note Purchase Agreement and the other Note Documents constitute the entire understanding and agreement between the parties hereto with respect to the subject matter hereof and supersede any and all prior or contemporaneous amendments or understandings with respect to the subject matter hereof, whether express or implied, oral or written.

12. Integration. This Amendment, together with the other Note Documents, incorporates all negotiations of the parties hereto with respect to the subject matter hereof and is the final expression and agreement of the parties hereto with respect to the subject matter hereof.

13. Severability. In case any provision in this Amendment shall be invalid, illegal or unenforceable, such provision shall be severable from the remainder of this Amendment and the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

14. Costs and Expenses. As an inducement to the Authorized Representative and the Purchasers entering into this Amendment and as otherwise required under the Note Documents, Issuer hereby agrees to pay, following execution and delivery of this Amendment, all cost and expenses of the Authorized Representative and BPC Lending II LLC incurred in connection with this Amendment, the Warrants and the matters contemplated herein, including all reasonable attorney's fees.

15. Note Document. This Amendment shall constitute a Note Document for all purposes of the Note Purchase Agreement and the other Note Documents. Each reference in the Note Purchase Agreement to "this Agreement", "hereunder", "hereof", "herein", or words of like import, and each reference to the Note Purchase Agreement in any other Note Document shall be deemed a reference to the Note Purchase Agreement as amended hereby.

[Signature pages follow]

IN WITNESS WHEREOF, the parties have entered into this Amendment as of the date first above written.

ISSUER:

TERRAN ORBITAL OPERATING CORPORATION (F/K/A TERRAN ORBITAL CORPORATION)

By: /s/ Gary Hobart
Name: Gary Hobart
Title: Chief Financial Officer

GUARANTORS:

TYVAK NANO-SATELLITE SYSTEMS, INC.

By: /s/ Gary Hobart
Name: Gary Hobart
Title: Treasurer

PREDASAR CORPORATION

By: /s/ Gary Hobart
Name: Gary Hobart
Title: Treasurer

[Signature Page to Seventh Amendment to Note Purchase Agreement]

AUTHORIZED REPRESENTATIVE:

LOCKHEED MARTIN CORPORATION, as Authorized Representative

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

[Signature Page to Seventh Amendment to Note Purchase Agreement]

PURCHASERS:

LOCKHEED MARTIN CORPORATION, as a Purchaser

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

[Signature Page to Seventh Amendment to Note Purchase Agreement]

BPC LENDING II LLC, as a Purchaser

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

[Signature Page to Seventh Amendment to Note Purchase Agreement]

Accepted to and Agreed:

The undersigned is executing this signature page solely as an Exiting Purchaser in its acceptance of the termination of its obligations under the Existing Note Purchase Agreement as a "Purchaser" thereunder and not as a Purchaser party hereto. The undersigned hereby acknowledges that the Existing Note Purchase Agreement shall be amended by this Amendment to which this signature page is attached and the undersigned shall not constitute a party thereto as a Purchaser other than for purposes of effectuating the amendment of the Existing Note Purchase Agreement.

ASTROLINK INTERNATIONAL, LLC, as an Exiting Purchaser

By: /s/ JC Moran
Name: JC Moran
Title: VP / GM LM Ventures

Accepted to and Agreed:

The undersigned is executing this signature page solely as an Exiting Purchaser in its acceptance of the termination of its obligations under the Existing Note Purchase Agreement as a "Purchaser" thereunder and not as a Purchaser party hereto. The undersigned hereby acknowledges that the Existing Note Purchase Agreement shall be amended by this Amendment to which this signature page is attached and the undersigned shall not constitute a party thereto as a Purchaser other than for purposes of effectuating the amendment of the Existing Note Purchase Agreement.

BROAD STREET PRINCIPAL INVESTMENTS, L.L.C.,
as an Exiting Purchaser

By: /s/ Dominick Totino
Name: Dominick Totino
Title: Vice President

Schedule I

Outstanding Notes on Seventh Amendment Effective Date

Number	Issuer	Purchaser / Exiting Purchaser	Principal Amount of Note Immediately Prior to this Amendment	Outstanding Principal Amount of Note After Giving Effect to the Transactions Contemplated by this Amendment
N-1	Terran Orbital Corporation	Lockheed Martin Corporation	$55,799,488.16	$25,000,000.00
N-2	Terran Orbital Corporation	BPC Lending II LLC	$36,252,474.92	$31,256,675.00
N-3	Terran Orbital Corporation	Astrolink International, LLC	$3,674,492.82	$0 – Cancelled
N-4	Terran Orbital Corporation	Broad Street Principal Investments, L.L.C.	$1,207,419.47	$0 – Cancelled
				Total: $56,256,675.00

ANNEX A

AMENDED NOTE PURCHASE AGREEMENT

[See Attached]

Note Purchase Agreement, dated as of March 8, 2021, as amended by
the First Amendment to Note Purchase Agreement, dated as of April 30, 2021,
the Second Amendment to Note Purchase Agreement, dated as of May 21, 2021,
the Third Amendment to Note Purchase Agreement, dated as of June 7, 2021,
the Fourth Amendment to Note Purchase Agreement, dated as of October 28, 2021,
the Fifth Amendment to Note Purchase Agreement, dated as of November 24, 2021,
~~and~~ the Sixth Amendment to Note Purchase Agreement, datedas of March 9, 2022,
and the Seventh Amendment to Note Purchase Agreement, dated as of March 25, 2022

NEITHER THIS NOTE PURCHASE AGREEMENT NOR THE NOTES ISSUED HEREUNDER HAVE BEEN REGISTERED PURSUANT TO THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR QUALIFIED PURSUANT TO ANY APPLICABLE STATE SECURITIES LAW. THE NOTES ISSUED UNDER THIS NOTE PURCHASE AGREEMENT MAY BE RESOLD ONLY IF REGISTERED PURSUANT TO THE PROVISIONS OF THE SECURITIES ACT AND QUALIFIED PURSUANT TO APPLICABLE STATE SECURITIES LAWS OR IF AN EXEMPTION FROM SUCH REGISTRATION AND QUALIFICATION IS AVAILABLE, EXCEPT UNDER CIRCUMSTANCES WHERE NEITHER SUCH REGISTRATION, QUALIFICATION OR EXEMPTION IS REQUIRED BY LAW.

THE NOTES HEREUNDER AND THE INDUCEMENT WARRANTS UNDER THE INDUCEMENT WARRANT PURCHASE AGREEMENT HAVE BEEN ISSUED WITH ORIGINAL ISSUE DISCOUNT ("OID") FOR U.S. FEDERAL INCOME TAX PURPOSES. THE ISSUE PRICE, AMOUNT OF OID, ISSUE DATE AND YIELD TO MATURITY OF THE NOTES AND THE INDUCEMENT WARRANTS MAY BE OBTAINED FROM THE ISSUER BY CONTACTING: INVESTOR RELATIONS, EMAIL: IR@terranorbital.com.

NOTE PURCHASE AGREEMENT

Dated as of March 8, 2021

among

TERRAN ORBITAL CORPORATION,
which on the Combination Closing Date shall be merged with and into Titan Merger Sub, Inc. and
expected to be renamed TERRAN ORBITAL OPERATING CORPORATION, as the Issuer,

The Guarantors from time to time party hereto,

The Purchasers from time to time party hereto

and

LOCKHEED MARTIN CORPORATION,
as Authorized Representative

$86,859,108 Senior Secured Notes Due 2026

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NOTE PURCHASE AGREEMENT

This NOTE PURCHASE AGREEMENT is entered into as of March 8, 2021 (this "Agreement") among TERRAN ORBITAL CORPORATION, a Delaware corporation, which on the Combination Closing Date shall be merged with and into TITAN MERGER SUB, INC., a Delaware corporation ("Merger Sub") and expected to be named TERRAN ORBITAL OPERATING CORPORATION (the "Issuer"), the Guarantors (defined herein) from time to time party hereto, the Purchasers (defined herein) from time to time party hereto and Lockheed Martin Corporation, a Maryland corporation ("Lockheed Martin"), as authorized representative (in such capacity, the "Authorized Representative") for the Purchasers.

The Issuer has proposed to issue and sell, on the Closing Date, to the Purchasers and the Purchasers have agreed to purchase, Senior Secured Notes due 2026, in an aggregate original principal amount of $86,859,108, in the amounts and for the consideration set forth on Schedule II and upon the terms and conditions hereinafter provided.

In consideration of the mutual covenants and agreements herein contained, the parties hereto covenant and agree as follows:

DEFINITIONS AND ACCOUNTING TERMS

Defined Terms.

As used in this Agreement, the following terms shall have the meanings set forth below:

"Acquiror" means Tailwind Two Acquisition Corp., a Cayman Islands exempted company (which, on the Combination Closing Date, will domesticate as a Delaware corporation and be renamed TERRAN ORBITAL CORPORATION).

"Acquisition" means, with respect to any Person, the acquisition by such Person, in a single transaction or in a series of related transactions, of (i) assets of another person which constitute all or substantially all of the assets of such Person, or of any division, line of business or other business unit of such Person or (ii) at least a majority of the Voting Stock of another Person, whether or not involving a merger, amalgamation or consolidation with such other Person and whether for cash, property, services, assumption of Indebtedness, securities or otherwise.

"Affected Financial Institution" means (a) any EEA Financial Institution or (b) UK Financial Institution.

"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 and the Collateral Agent, any manager, officer or director of such Person.

"Agreement" has the meaning assigned to such term in the preamble hereto.

"Anniversary Date" has the meaning specified in Section 2.09(a).

"Approved Fund" means any Fund that is administered or managed by (a) a Purchaser, (b) an Affiliate of a Purchaser or (c) an entity or an Affiliate of an entity that administers or manages a Purchaser.

"Assignment and Assumption" means an assignment and assumption agreement entered into by a Purchaser and a Person to which Notes are being transferred, in substantially the form of Exhibit B hereto.

"Attributable Indebtedness" means, on any date, (a) in respect of any Capital Lease of any Person, the capitalized amount thereof that would appear on a balance sheet of such Person prepared as of such date in accordance with GAAP, (b) in respect of any Synthetic Lease of any Person, the capitalized amount of the remaining lease payments under the relevant lease that would appear on a balance sheet of such Person prepared as of such date in accordance with GAAP if such lease were accounted for as a Capital Lease and (c) in respect of any Securitization Transaction of any Person, the outstanding principal amount of such financing, after taking into account reserve accounts and making appropriate adjustments, determined by the Required Purchasers in their reasonable judgment.

"Audited Financial Statements" means the audited consolidated balance sheet of the Issuer and its Subsidiaries for the fiscal year ended December 31, 2019, and the related consolidated statements of income or operations, shareholders' equity and cash flows for such fiscal year of the Issuer and its Subsidiaries, including the notes thereto, audited by independent public accountants of recognized national standing and prepared in conformity with GAAP.

"Authorized Representative" has the meaning assigned to such term in the preamble hereto.

"Bail-In Action" means the exercise of any Write-Down and Conversion Powers by the applicable Resolution Authority in respect of any liability of an Affected Financial Institution.

"Bail-In Legislation" means, with respect to any EEA Member Country implementing Article 55 of Directive 2014/59/EU of the European Parliament and of the Council of the European Union, the implementing law, rule, regulation or requirement for such EEA Member Country from time to time which is described in the EU Bail-In Legislation Schedule, and (b) with respect to the United Kingdom, Part I of the United Kingdom Banking Act 2009 (as amended from time to time) and any other law, regulation or rule applicable in the United Kingdom relating to the resolution of unsound or failing banks, investment firms or other financial institutions or their affiliates (other than through liquidation, administration or insolvency proceedings).

"Bid" means each outstanding bid, quotation or proposal by the Issuer or any of its Subsidiaries that (i) with respect to Government Contracts, if accepted or awarded could lead to a Government Contract and (ii) with respect to Government Subcontracts, if accepted or awarded could lead to a Government Subcontract.

"Board of Directors" means (a) with respect to a corporation, the board of directors of the corporation or any committee thereof duly authorized to act on behalf of such board, (b) with respect to a partnership, the Board of Directors of the general partner of the partnership, (c) with respect to a limited liability company, the managing member or members or any controlling committee of managing members thereof, and (d) with respect to any other Person, the board or committee of such Person serving a similar function.

"BP Notes" means the Notes held by BPC Lending II LLC on the Seventh Amendment Effective Date and thereafter held by BPC Lending II LLC and its successors and assigns.

"BP Subordination Agreement" means that certain Subordination Agreement, dated as of March 25, 2022, by and between BPC Lending II LLC, as subordinated creditor, and Wilmington Savings Fund Society, FSB, as the senior party.

"BP Transaction Support Agreement" means that certain Transaction Support Agreement, dated as of October 28, 2021, by and among ~~Tailwind Two Acquisition Corp.~~ Acquiror, the Issuer and BPC Lending II~~,~~ LLC, as amended by that certain Amendment to Transaction Support Agreement, dated as of March 25, 2022.

"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.

"Businesses" means, at any time, a collective reference to the businesses operated by the Issuer and its Subsidiaries at such time.

"Call Premium" means "Call Premium" as such term is defined in the FP Note Purchase Agreement as in effect on the ~~date hereof~~ Seventh Amendment Effective Date.

"Capital Lease" means, as applied to any Person, any lease of any property by that Person as lessee which, in accordance with GAAP, is required to be accounted for as a capital lease on the balance sheet of that Person.

"Cash Equivalents" means, as at any date, (a) securities issued or directly and fully guaranteed or insured by the United States or any agency or instrumentality thereof (provided, that, the full faith and credit of the United States is pledged in support thereof) having maturities of not more than twelve months from the date of acquisition, (b) Dollar denominated time deposits and certificates of deposit of (i) any United States commercial bank of recognized standing having capital and surplus in excess of $500,000,000 or (ii) any bank whose short-term commercial paper rating from S&P is at least A-1 or the equivalent thereof or from Moody's is at least P-1 or the equivalent thereof (any such bank being an "Approved Bank"), in each case with maturities of not more than 270 days from the date of acquisition, (c) commercial paper and variable or fixed rate notes issued by any Approved Bank (or by the parent company thereof) or any variable rate notes issued by, or guaranteed by, any domestic corporation rated A-1 (or the equivalent thereof) or better by S&P or P-1 (or the equivalent thereof) or better by Moody's and maturing within six months of the date of acquisition, (d) repurchase agreements entered into by any Person with a bank or trust company (including any of the Purchasers) or recognized securities dealer having capital and surplus in excess of $500,000,000 for direct obligations issued by or fully guaranteed by the United States in which such Person shall have a perfected first priority security interest (subject to no other Liens) and having, on the date of purchase thereof, a fair market value of at least 100% of the amount of the repurchase obligations, and (e) Investments, classified in accordance with GAAP as current assets, in money market investment programs registered under the Investment Company Act of 1940, which are administered by reputable financial institutions having capital of at least $500,000,000 and the portfolios of which are limited to Investments of the character described in the foregoing subdivisions (a) through (d).

"Cashless Exercise" has the meaning specified in Section 1.04(c).

"Change in Law" means the occurrence, after the date of this Agreement, of any of the following: (i) the adoption or taking effect of any law, rule, regulation or treaty, (ii) any change in any law, rule, regulation or treaty or in the administration, interpretation, implementation or application thereof by any Governmental Authority or (iii) the making or issuance of any request, rule, guideline or directive (whether or not having the force of law) by any Governmental Authority; provided that, notwithstanding anything herein to the contrary, (x) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines or directives thereunder or issued in connection therewith and (y) all requests, rules, guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, in each case pursuant to Basel III, shall in each case be deemed to be a "Change in Law", regardless of the date enacted, adopted or issued.

"Change of Control" means the occurrence of any of the following events:

a liquidation, dissolution, winding-up of the affairs of the Issuer or, except as permitted under Section 8.04, the Issuer effecting any merger or consolidation (other than the Combination); or

~~a "Deemed Liquidation Event" (as defined in the Fourth Amended and Restated Certificate of Incorporation of the Issuer as in effect on the Closing Date); or~~ at any time prior to the consummation of a Qualified Public Company Event, any Person or "group" (within the meaning of Rules 13d-3 and 13d-5 under the Exchange Act), other than Lockheed Martin, shall have (i) acquired beneficial ownership or control of 50% or more on a fully diluted basis of the voting and/or economic interest in the Equity Interests of the Issuer, or (ii) obtained the power (whether or not exercised) to elect a majority of the members of the Board of Directors (or similar governing body) of the Issuer; or

~~a "Sale of the Company" (as defined in the Voting Agreement as in effect on the Closing Date); o~~at any time on or after the consummation of a Qualified Public Company Event, any Person or "group" (within the meaning of Rules 13d-3 and 13d-5 under the Exchange Act), (i) other than Lockheed Martin, Marc Bell, Anthony Previte or Daniel Staton shall have (x) acquired beneficial ownership or control of 35% or more on a fully diluted basis of the voting interest in the Equity Interests of the Acquiror or (y) obtained the power (whether or not exercised) to elect a majority of the members of the Board of Directors (or similar governing body) of the Acquiror or (ii) other than Lockheed Martin, shall have acquired beneficial ownership or control of 50% or more on a fully diluted basis of the voting in the Equity Interests of the Issuer; or

the Issuer shall cease to directly or indirectly own, beneficially and of record (other than director's qualifying shares of investments by foreign nationals to the extent mandated by applicable Laws), the issued and outstanding Equity Interests of each Subsidiary of the Issuer, except as permitted under Section 8.04; or

after the Combination Closing Date, the Acquiror shall cease to directly or indirectly own, beneficially and of record, the issued and outstanding Equity Interests of the Issuer; or

any "change of control" or similar event (however denominated) shall occur under the FP Note Purchase Agreement, any indenture or other agreement with respect to Material Indebtedness of any Note Party or any of its Subsidiaries~~.~~;

provided, that the Combination shall not constitute a Change of Control.

"Closing Date" means the date hereof.

"Collateral" means a collective reference to all real and personal property with respect to which Liens in favor of the Collateral Agent, for the benefit of the Secured Parties, are purported to be granted pursuant to and in accordance with the terms of the Collateral Documents; provided, that for the avoidance of doubt, Collateral shall not include any Excluded Property.

"Collateral Access Agreement" means an agreement in form and substance reasonably satisfactory to the Authorized Representative and the Collateral Agent pursuant to which a lessor of real property on which Collateral is stored or otherwise located, or a warehouseman, processor or other bailee of inventory or other property owned by any Note Party, acknowledges the Liens of the Collateral Agent and waives (or, if approved by the Authorized Representative, subordinates) any Liens held by such Person on such property, and permits the Collateral Agent reasonable access to any Collateral stored or otherwise located thereon.

"Collateral Agency and Intercreditor Agreement" means the Amended and Restated Collateral Agency and Intercreditor Agreement dated as of June 3, 2021, by and among the Collateral Agent, the Authorized Representative and the Purchasers.

"Collateral Agent" means U.S. Bank National Association, in its capacity as collateral agent for the Secured Parties pursuant to the Collateral Agency and Intercreditor Agreement, or any successor collateral agent appointed in accordance with the Collateral Agency and Intercreditor Agreement.

"Collateral Documents" means a collective reference to the Security Agreement, the Pledge Agreement, the Deposit Account Control Agreements, the Perfection and Due Diligence Certificate, the Collateral Access Agreements, the Real Estate Security Documents, the IP Security Agreements and other security documents as may be executed and delivered by the Note Parties pursuant to the terms of Sections 7.12 or 7.14 or pursuant to the terms of any Collateral Document.

~~"Common Stock" has the meaning specified in the definition of Qualified Public Company Event~~

"Combination" means the direct or indirect acquisition of all of the outstanding Equity Interests of the Issuer, as contemplated by the Merger Agreement.

"Combination Closing Date" means the date on which the conditions specified in Section 5 of the Seventh Amendment are satisfied (or waived in accordance with Section 12.01 of this Agreement).

"Compliance Certificate" means a certificate substantially in the form of Exhibit C.

"Confidential Information Agreement" has the meaning specified in Section 6.25(a).

"Consenting Party" has the meaning specified in Section 12.22.

"Consolidated Adjusted EBITDA" means, for any period, an amount equal to (a) Consolidated Net Income for such period, plus to the extent reducing Consolidated Net Income, the sum, without duplication, of (i) Consolidated Interest Expense, (ii) consolidated income tax expense for such period, (iii) all amounts attributable to depreciation and amortization for such period, and (iv) other non-cash charges reducing Consolidated Net Income (excluding any such non-cash charge to the extent that it represents an accrual or reserve for a potential cash charge in any future period or amortization of a

prepaid cash charge that was paid in a prior period), minus (b) non-cash gains increasing Consolidated Net Income for such period (excluding any such non-cash gain to the extent it represents the reversal of an accrual or reserve for a potential cash gain in any prior period).

"Consolidated Interest Expense" shall mean, with respect to any period, total consolidated interest expense (including interest attributable to Capital Leases in accordance with GAAP) of the Note Parties and their Subsidiaries for such period, determined on a consolidated basis in accordance with GAAP, with respect to all outstanding Indebtedness of the Note Parties and their Subsidiaries (including, without limitation, all commissions, discounts and other fees and charges owed by the Note Parties and their Subsidiaries with respect to letters of credit and bankers' acceptance financing net of interest income of the Note Parties and their Subsidiaries.

"Consolidated Net Income" shall mean, for any period, the consolidated net income (or loss) of the Note Parties and their Subsidiaries for such period, determined on a consolidated basis in accordance with GAAP; provided, however, that there shall be excluded, without duplication: (a) the income (or loss) of any Person accrued prior to the date it becomes a Subsidiary or is merged into or consolidated with a Note Party or any of its Subsidiaries or that Person's assets are acquired by a Note Party or any of its Subsidiaries; (b) the income (or loss) of any Person that is not a Subsidiary of a Note Party or that is accounted for by the equity method of accounting; provided that Consolidated Net Income shall be increased by the amount of dividends or distributions or other payments that are actually paid in cash or Cash Equivalents (or to the extent subsequently converted into cash or Cash Equivalents) to a Note Party or any of its Subsidiaries by such Person in such period; (c) the undistributed earnings of any Subsidiary of the Note Parties (other than a Note Party) to the extent that the declaration or payment of dividends or similar distributions by such Subsidiary is not at the time permitted by any Contractual Obligation (other than under any Note Document) or Requirement of Law applicable to such Subsidiary; (d) any after-tax effect of any extraordinary, non-recurring or unusual items (including gains or losses and all fees and expenses relating thereto) for such period; (e) all non-cash expenses realized in connection with or resulting from equity or equity-linked compensation plans, employee benefit plans or agreements or post-employment benefit plans or agreements, or grants or sales of stock, stock appreciation, awards under any successor plans of a Note Party or its Subsidiaries' option or equity plans or similar rights, stock options, restricted stock, preferred stock, stock appreciation or other similar rights; (f) any impairment charge or asset write-off or write-down related to intangible assets (including goodwill), long-lived assets, and investments in debt and equity securities recorded using the equity method, in each case, (i) including as a result of a Change in Law and (ii) pursuant to GAAP; and (g) the cumulative effect of a change in accounting principles and changes as a result of the adoption or modification of accounting policies during such period to the extent included in Consolidated Net Income.

"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 10% or more of the securities having ordinary voting power for the election of directors, managing general partners or the equivalent.

"~~Covered Party~~De Minimis Disposition Proceeds" has the meaning specified in Section ~~12.20~~2.07(b)(i).

"Debt Issuance" means the issuance by any Note Party or any Subsidiary of any Indebtedness other than Indebtedness permitted under Section 8.03.

"Debtor Relief Laws" means the Bankruptcy Code of the United States, and all other liquidation, conservatorship, bankruptcy, assignment for the benefit of creditors, moratorium, rearrangement, receivership, insolvency, reorganization, or similar debtor relief Laws of the United States or other applicable jurisdictions from time to time in effect.

"Default" means any event or condition that constitutes an Event of Default or that, with the giving of any notice, the passage of time, or both, would be an Event of Default.

"Default Rate" means an interest rate equal to the sum of (a) the otherwise applicable interest rate at any time pursuant to Section 2.09(a) plus (b) three percent (3.00%) per annum, to the fullest extent permitted by applicable Laws.

"Delayed Draw Warrants" means the warrants to purchase shares of common stock of Acquiror issued pursuant to that certain Stock and Warrant Purchase Agreement among Acquiror and the purchasers party thereto on the Combination Closing Date.

"Deposit Account" means a "deposit account" (as defined in Article 9 of the Uniform Commercial Code), investment account, securities account or other account in which funds are held or invested to or for the credit or account of any Note Party.

"Deposit Account Control Agreement" means any account control agreement by and among a Note Party, the applicable depository bank and the Collateral Agent, in each case in form and substance reasonably satisfactory to the Collateral Agent and the Authorized Representative.

"Designated Jurisdiction" means any country or territory to the extent that such country or territory is the subject of any Sanction.

"De-SPAC Closing Deadline" has the meaning specified in Section 2.09(a).

"De-SPAC Transaction" means the acquisition, merger or other business combination (including the Combination) between the Issuer or ~~an Affiliate thereof (but, for purposes of this definition, "Affiliate" shall exclude any members of the Issuer and their respective Affiliates, but shall include~~ any direct or indirect parent company of the Issuer that may be formed ~~from time to time~~) and a "special purpose acquisition company" or similar entity whose shares are registered under Section 12(b) of the Exchange Act and listed on ~~a Principal Market~~ the New York Stock Exchange, the Nasdaq Global Select Market or the Nasdaq Global Market, in each case, the terms of which are substantially similar to the Combination.

"Disclosing Party" has the meaning specified in Section 12.22.

"Disposition" or "Dispose" means the sale, transfer, license, lease or other disposition (including any Sale and Leaseback Transaction or any issuance by any Subsidiary of its Equity Interests) of any property by any Note Party or any Subsidiary, including any sale, assignment, transfer or other disposal, with or without recourse, of any notes or accounts receivable or any rights and claims associated therewith, but excluding the following: (a) the sale, lease, license, transfer or other disposition of inventory in the ordinary course of business, (b) the sale, lease, license, transfer or other disposition in the ordinary course of business of surplus, obsolete or worn out equipment no longer used or useful in the conduct of business of any Note Party and its Subsidiaries, (c) any sale, lease, license, transfer or other disposition of property to any Note Party or any Subsidiary; provided, that, if the transferor of such property is a Note

Party, (i) the transferee thereof must be a Note Party or (ii) to the extent such transaction constitutes an Investment, such transaction is permitted under Section 8.02, (d) the abandonment or other disposition of Intellectual Property that are not material and are no longer used or useful in any material respect in the business of the Issuer and its Subsidiaries, (e) licenses, sublicenses, leases or subleases (other than any exclusive license or sublicense relating to Intellectual Property) granted to third parties in the ordinary course of business and not interfering with the Businesses, (f) any Involuntary Disposition, (g) dispositions of cash and Cash Equivalents in the ordinary course of business pursuant to transactions permitted hereunder, (h) dispositions consisting of the sale, transfer, assignment or other disposition of unpaid and overdue accounts receivable in connection with the collection, compromise or settlement thereof in the ordinary course of business and not as part of a financing transaction and (i) non-exclusive licenses of over-the-counter software that is commercially available to the public. For the avoidance of doubt, construction, repair, operation and procurement with respect to the Space Florida Project and the receipt of reimbursement from Space Florida in respect thereof shall not constitute a Disposition.

"Disqualification Event" has the meaning specified in Section 6.23(c).

"Disqualified Capital Stock" means any Equity Interest which, by its terms (or by the terms of any security into which it is convertible or for which it is exchangeable), or upon the happening of any event, (a) matures (excluding any maturity as the result of an optional redemption by the issuer thereof) or is mandatorily redeemable, pursuant to a sinking fund obligation or otherwise, or is redeemable at the option of the holder thereof, in whole or in part, prior to the one hundred and eighty-first (181st) day after the Maturity Date, (b) requires the payment of any cash dividends at any time prior to the one hundred and eighty-first (181st) day after the Maturity Date, (c) contains any repurchase obligation which may come into effect prior to payment in full of all Obligations, or (d) is convertible into or exchangeable (unless at the sole option of the issuer thereof) for (i) debt securities or (ii) any Equity Interests referred to in clause (a), (b) or (c) above, in each case at any time prior to the one hundred and eighty-first (181st) day after the Maturity Date; provided that the Delayed Draw Warrants and the Series A Preferred Stock shall not constitute Disqualified Capital Stock.

"Dollar" and "$" mean lawful money of the United States.

"Earn Out Obligations" means, with respect to an Acquisition, all obligations of the ~~Issuer~~Note Parties or any Subsidiary to make earn out or other contingency payments (including purchase price adjustments, non-competition and consulting agreements, other indemnity obligations, royalty payments and sale, development and other milestone payments) pursuant to the documentation relating to such Acquisition. For purposes of determining the aggregate consideration paid for an Acquisition at the time of such Acquisition, the amount of any Earn Out Obligations shall be deemed to be the maximum amount of the earn-out payments in respect thereof as specified in the documents relating to such Acquisition.

"EEA Financial Institution" means (a) any credit institution or investment firm established in any EEA Member Country which is subject to the supervision of an EEA Resolution Authority, (b) any entity established in an EEA Member Country which is a parent of an institution described in clause (a) of this definition, or (c) any financial institution established in an EEA Member Country which is a subsidiary of an institution described in clauses (a) or (b) of this definition and is subject to consolidated supervision with its parent.

"EEA Member Country" means any of the member states of the European Union, Iceland, Liechtenstein, and Norway.

"EEA Resolution Authority" means any public administrative authority or any person entrusted with public administrative authority of any EEA Member Country (including any delegee) having responsibility for the resolution of any EEA Financial Institution.

"Eligible Assets" means long-term assets that are used or useful in the same or a similar line of business as the Issuer and its Subsidiaries were engaged in on the Closing Date (or any reasonable extension or expansions thereof).

"Enhanced Protection Event" means, (i) at any time prior to the Combination Closing Date ~~(as defined in the FP Note Purchase Agreement in effect on the Sixth Amendment Effective Date)~~, the Merger Agreement has been terminated pursuant to Section 10.01 of the Merger Agreement or (ii) the Combination ~~(as defined in the FP Note Purchase Agreement in effect on the Sixth Amendment Effective Date)~~ fails to occur by the later of (x) April 28, 2022 and (y) to the extent extended pursuant to the Merger Agreement to a date no later than May 16, 2022, the Termination Date (as defined in the Merger Agreement as so amended); provided that for purposes of this clause (ii), the parties agree that if the Delayed Draw Purchasers (as defined in the FP Note Purchase Agreement in effect on the ~~Sixth~~Seventh Amendment Effective Date) purchase the Additional Delayed Draw Secured Notes (as defined in the FP Note Purchase Agreement as in effect on the ~~Sixth~~Seventh Amendment Effective Date) even though the Combination has not occurred, then an Enhanced Protection Event has not occurred.

"Environmental Laws" means any and all federal, state, local, foreign and other applicable statutes, laws, regulations, ordinances, rules, judgments, orders, decrees, permits, concessions, grants, franchises, licenses, agreements or governmental restrictions relating to pollution and the protection of the environment or the release of any materials into the environment, including those related to hazardous substances or wastes, air emissions and discharges to waste or public systems.

"Environmental Liability" means any liability, contingent or otherwise (including any liability for damages, costs of environmental remediation, fines, penalties or indemnities), of the Issuer, any other Note Party or any of their respective Subsidiaries directly or indirectly resulting from or based upon (a) violation of any Environmental Law, (b) the generation, use, handling, transportation, storage, treatment or disposal of any Hazardous Materials, (c) exposure to any Hazardous Materials, (d) the release or threatened release of any Hazardous Materials into the environment or (e) any contract, agreement or other consensual arrangement pursuant to which liability is assumed or imposed with respect to any of the foregoing.

"Equity Incentive Plan" means the Issuer's Amended and Restated 2014 Equity Incentive Plan, as may be amended, amended and restated, supplemented or otherwise modified from time to time.

"Equity Interests" means, with respect to any Person, all of the shares of capital stock of (or other ownership or profit interests in) such Person, all of the warrants, options or other rights for the purchase or acquisition from such Person of shares of capital stock of (or other ownership or profit interests in) such Person, all of the securities convertible into or exchangeable for shares of capital stock of (or other ownership or profit interests in) such Person or warrants, rights or options for the purchase or acquisition from such Person of such shares (or such other interests), and all of the other ownership or profit interests in such Person (including partnership, member, membership or trust interests therein), whether voting or nonvoting, and whether or not such shares, warrants, options, rights or other interests are outstanding on any date of determination.~~,~~

"Equity Issuance Documents" means the Inducement Warrant Documents, the penny warrants issued onthe Fifth Amendment Effective Date, the Acquiror Closing Warrants (as defined in the Merger Agreement), the Stock and Warrant Purchase Agreement in respect of the Acquiror Closing Warrants and the Acquiror Shares, and all other agreements or instruments in connection with the foregoing.

"Equity Raise Milestone I" means after the Combination Closing Date but prior to March 31, 2023, the Acquiror shall have sold and issued its Qualified Capital Stock for net cash proceeds to the Acquiror of at least $25,000,000, which for the avoidance of doubt, shall not be subject to any redemption, escrow, holdback or other similar provisions and shall exclude any sales of Qualified Capital Stock pursuant to arrangements existing on or before the Combination Closing Date.

"Equity Raise Milestone II" means after the Combination Closing Date but prior to March 31, 2023, the Acquiror shall have sold and issued its Qualified Capital Stock for net cash proceeds to the Acquiror of at least $50,000,000, which for the avoidance of doubt, shall not be subject to any redemption, escrow, holdback or other similar provisions and shall exclude any sales of Qualified Capital Stock pursuant to arrangements existing on or before the Combination Closing Date.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended.

"ERISA Affiliate" means any trade or business (whether or not incorporated) under common control with the Issuer within the meaning of Section 414(b) or (c) of the Internal Revenue Code (and Sections 414(m) and (o) of the Internal Revenue Code for purposes of provisions relating to Section 412 of the Internal Revenue Code).

"ERISA Event" means (a) a Reportable Event with respect to a Pension Plan, (b) the withdrawal of the Issuer or any ERISA Affiliate from a Multiple Employer Plan subject to Section 4063 of ERISA during a plan year in which such entity was a "substantial employer" as defined in Section 4001(a)(2) of ERISA or a cessation of operations that is treated as such a withdrawal under Section 4062(e) of ERISA, (c) a complete or partial withdrawal by the Issuer or any ERISA Affiliate from a Multiemployer Plan, (d) the filing of a notice of intent to terminate, the treatment of a Pension Plan amendment as a termination under Sections 4041 or 4041A of ERISA, (e) the institution by the PBGC of proceedings to terminate a Pension Plan, (f) any event or condition which constitutes grounds under Section 4042 of ERISA for the termination of, or the appointment of a trustee to administer, any Pension Plan, (g) the determination that any Pension Plan is considered an at-risk plan or a plan in endangered or critical status within the meaning of Sections 430, 431 and 432 of the Internal Revenue Code or Sections 303, 304 and 305 of ERISA, or (h) the imposition of any liability under Title IV of ERISA, other than for PBGC premiums due but not delinquent under Section 4007 of ERISA, upon the Issuer or any ERISA Affiliate.

"EU Bail-In Legislation Schedule" means the EU Bail-In Legislation Schedule published by the Loan Market Association (or any successor person), as in effect from time to time.

"Event of Default" has the meaning set forth in Section 9.01.

"Exchange" has the meaning set forth in Section 1.04.

"Exchange Act" ~~has the meaning specified in the definition of Qualified Public Company Event~~means the Securities Exchange Act of 1934, as amended.

"Exchange Notes" means the $34,040,000 original aggregate principal amount of Convertible Promissory Notes issued pursuant to that certain Convertible Note Purchase Agreement dated as of July 23, 2018 by and among the Issuer and the Existing Noteholders.

"Exchange Warrants" has the meaning specified in Section 1.04.

"Excluded Accounts" means (a) deposit accounts established solely for payroll purposes in such amounts as are required to be paid to employees of the Note Parties or any of their Subsidiaries within the immediately succeeding two payroll cycles and (b) deposit accounts the aggregate daily balance in which does not at any time exceed (i) prior to the Combination Closing Date, (A)$10,000 individually and (~~i~~B) $50,000 in the aggregate and (ii) on or after the Combination Closing Date, (A) $100,000 individually and (B) $1,000,000 in the aggregate.

"Excluded Equity Interests" means (i) any Equity Interests with respect to which, in the reasonable judgment of the Authorized Representative and the Issuer (as agreed to in writing), the cost or other consequences (including material adverse tax consequences) of pledging such Equity Interests in favor of the Secured Parties shall be excessive in view of the benefits to be obtained by the ~~Lenders~~Purchasers therefrom, (ii) in the case of any issuer organized under the laws of a jurisdiction other than the laws of any state of the United States or the District of Columbia, any Equity Interests of such issuer to the extent the pledge thereof would violate any applicable Requirements of Law (including any legally effective requirement to obtain the consent of any Governmental Authority unless such consent has been obtained) after giving effect to the applicable anti-assignment provisions of the Uniform Commercial Code of any applicable jurisdiction and other applicable law and (iii) any Equity Interests in any Person that is not a Wholly-Owned Subsidiary, in each case of this clause (iii), to the extent that and only for so long as a pledge thereof to secure the Obligations is prohibited by any applicable Contractual ~~Requirement~~Obligation (and other than proceeds thereof the assignment of which is expressly deemed effective under the Uniform Commercial Code or other applicable law notwithstanding such prohibition or restriction) then in effect permitted by this Agreement and binding on such Equity Interests, requires the consent of any other party to any such Contractual ~~Requirement~~Obligation (other than a Note Party or an Affiliate of a Note Party) that has not been obtained (it being understood that the foregoing shall not be deemed to obligate any Note Party or any Subsidiary to obtain any such consent) or would give any other party to any such Contractual ~~Requirement~~Obligation (other than a Note Party or an Affiliate of a Note Party) the right to terminate its obligations thereunder, except, in each case of this clause (iii) to the extent any such prohibition, restriction, requirement or other limitation on the pledge of such Equity Interests is rendered ineffective by Section 9-406 or 9-408 of the Uniform Commercial Code or other applicable law and, in any event, excluding the proceeds of any such Equity Interests or Cash Equivalents the assignment of which is expressly deemed effective under the Uniform Commercial Code or other applicable law notwithstanding such prohibition, restriction, requirement or other limitation that do not themselves constitute Excluded Equity Interests; provided, however, that Excluded Equity Interests shall not include any Proceeds, substitutions or replacements of any assets referred to in the foregoing (unless such Proceeds, substitutions or replacements would constitute assets referred to in clauses (i) through (iii) above).

"Excluded Property" means, with respect to any Note Party, including any Person that becomes a Note Party after the Closing Date as contemplated by Section 7.12, (a) any property which, subject to the terms of Section 8.09, is subject to a Lien of the type described in Section 8.01(i) pursuant to documents which prohibit such Note Party from granting any other Liens in such property, (b) any United States intent-to-use trademark applications to the extent that, and solely during the period in which, the grant of a security interest therein would impair the validity or enforceability of such intent-to-use trademark applications under applicable federal law; provided, that, upon submission and acceptance by the United States Patent and Trademark Office of an amendment to allege use pursuant to 15 U.S.C. Section 1060(a) (or any successor provision), such intent-to-use trademark application shall no longer constitute "Excluded Property" and shall be considered Collateral, (c) any general intangible, permit, lease, license, contract or other instrument of a Note Party if the grant of a security interest in such general intangible, permit, lease, license, contract or other instrument in the manner contemplated by the Collateral Documents, under the terms thereof or under applicable Law, is prohibited and would result in the

termination thereof or give the other parties thereto the right to terminate, accelerate or otherwise alter such Note Party's rights, titles and interests thereunder (including upon the giving of notice or lapse of time or both); provided, that, (x) any such limitation described in this clause (c) on the security interests granted under the Collateral Documents shall only apply to the extent that any such prohibition would not be rendered ineffective pursuant to the Uniform Commercial Code or any other applicable Law or principles of equity and (y) in the event of the termination or elimination of any such prohibition or the requirement for any consent contained in any applicable Law, general intangible, permit, lease, license, contract or other instrument, to the extent sufficient to permit any such item to become Collateral, a security interest in such general intangible, permit, lease, license, contract or other instrument shall be automatically and simultaneously granted under the applicable Collateral Document and such general intangible, permit, lease, license, contract or other instrument shall no longer constitute "Excluded Property" and shall be considered Collateral, (d) any vehicles, aircraft, aircraft engines and other assets subject to certificates of title, except to the extent perfected by filing a financing statement in the appropriate form in the applicable jurisdiction under the Uniform Commercial Code or without any perfection steps, (e) any asset with respect to which the Authorized Representative has confirmed in writing to the Issuer its determination that the costs or other consequences (including adverse tax consequences) of providing a security interest in is excessive in view of the benefits to be obtained by the Purchasers, (f) any asset or property to the extent and for so long as the grant of a security interest in such asset or property in favor of the Collateral Agent would be prohibited by applicable requirement of Law or regulation or would require the consent of any Governmental Authority after giving effect to the anti-assignment provisions of the Uniform Commercial Code of any relevant jurisdiction and other applicable law, and (g) all Excluded Equity Interests.

"Existing Indebtedness" means all Indebtedness for borrowed money of the Note Parties in existence immediately prior to the Closing Date.

"Existing Noteholders" means BPC Lending II~~,~~ LLC, Astrolink International, LLC and Broad Street Principal Investments, L.L.C.

"Extraordinary Receipts" means any cash or Cash Equivalents actually received by or paid to or for the account of any Person not in the ordinary course of business, including tax refunds, pension plan reversions, proceeds of insurance, condemnation awards (and payments in lieu thereof) (other than Net Cash Proceeds of any Involuntary Disposition) and indemnity payments; provided that (i) payments received from Space Florida (including the State of Florida and any agency thereof) to reimburse the Note Parties for equipment previously purchased by such Note Parties with respect to the Space Florida Project, (ii) any purchase price adjustments with respect to such equipment, or (iii) any grant received ~~with respect to~~ by any Note Party from the Florida Department of Transportation Spaceport Infrastructure Matching Grant Funding or any other Governmental Authority or government programs in connection with the Space Florida Project shall not constitute Extraordinary Receipts.

"FATCA" means Sections 1471 through 1474 of the Internal Revenue Code as of the Closing Date (or any amended or successor version that is substantively comparable and not materially more onerous to comply with) and any current or future regulations thereunder, official interpretations thereof, any agreement entered into pursuant to Section 1471(b)(1) of the Internal Revenue Code and any treaty, law, regulation or intergovernmental agreements entered into (which facilitates the implementation of any law or regulation) thereunder.

"Fifth Amendment Effective Date" means November 24, 2021.

"First Lien Intercreditor Agreement" means that certain First Lien Intercreditor Agreement dated as of November 24, 2021, among the Issuer, the other Note Parties, the Collateral Agent, Wilmington Savings Fund Society, FSB, as FP Notes Collateral Agent for the FP Notes Secured Parties (each as defined therein), and each additional agent from time to time party thereto, as amended, restated, supplemented or otherwise modified from time to time.

"Flood Hazard Property" has the meaning specified in the definition of Real Estate Security Documents.

"FP" means FP Credit Partners, L.P., and certain of its managed funds, affiliates, financing parties or investment vehicles.

"FP Notes" means~~, collectively,~~ (i) the initial senior secured notes in an aggregate original principal amount of $30,000,000 issued pursuant to the FP Note Purchase Agreement on the Fifth Amendment Effective Date ~~and~~, (ii) the delayed draw senior secured notes in an aggregate original principal amount of $24,000,000 issued pursuant to the FP Note Purchase Agreement on the Sixth Amendment Effective Date, and (iii) the additional delayed draw senior secured notes in an aggregate original principal amount of $65,000,000 issued pursuant to the FP Note Purchase Agreement on the Combination Closing Date.

"FP Note Documents" means the FP Note Purchase Agreement and all other Note Documents (as such term is defined in the FP Note Purchase Agreement), in each case, as amended, restated, amended and restated, supplemented or otherwise modified from time to time.

"FP Note Purchase Agreement" means that certain Note Purchase Agreement, dated as of November 24, 2021, by and among the Issuer, the other Note Parties, Wilmington Savings Fund Society, FSB, as administrative agent and collateral agent, and FP and the other purchasers from time to time party thereto, as amended by that certain Amendment No. 1 to Note Purchase Agreement, dated as of March 9, 2022 and that certain Amendment No. 2 to Purchase Agreement, dated as of March 25, 2022.

"FRB" means the Board of Governors of the Federal Reserve System of the United States.

"Fund" means any Person (other than a natural Person) that is (or will be) engaged in making, purchasing, holding or otherwise investing in notes, loans and/or similar extensions of credit in the ordinary course of its activities.

"Funded Indebtedness" means, as of any date, all Indebtedness of such Person of the types described in clauses (a) through (c), (e), (f) and (k) and, solely with respect to letters of credit, bankers' acceptances and similar instruments that have been drawn but not yet reimbursed, clause (d) of the definition of "Indebtedness", to the extent reflected as a liability on the balance sheet of such Person in accordance with GAAP; provided that Funded Indebtedness shall be deemed not to include the Staton Payment Obligations, the Notes or the FP Notes (including, with respect to the Notes and the FP Notes, any interest paid-in-kind in respect thereof).

"GAAP" means generally accepted accounting principles in the United States set forth in the opinions and pronouncements of the Accounting Principles Board and the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board, consistently applied and as in effect from time to time.

"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).

"Government Contract" means each contract between the Issuer or any of its Subsidiaries and any governmental entity and each Bid with respect to Government Contracts.

"Government Subcontract" means each contract between the Issuer or any of its Subsidiaries and any prime contractor or upper-tier subcontractor relating to a contract between such Person and any governmental entity, and each Bid with respect to Government Subcontracts.

"Guarantee" means, as to any Person, (a) any obligation, contingent or otherwise, of such Person guaranteeing or having the economic effect of guaranteeing any Indebtedness or other obligation payable or performable by another Person (the "primary obligor") in any manner, whether directly or indirectly, and including any obligation of such Person, direct or indirect, (i) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness or other obligation, (ii) to purchase or lease property, securities or services for the purpose of assuring the obligee in respect of such Indebtedness or other obligation of the payment or performance of such Indebtedness or other obligation, (iii) to maintain working capital, equity capital or any other financial statement condition or liquidity or level of income or cash flow of the primary obligor so as to enable the primary obligor to pay such Indebtedness or other obligation, or (iv) entered into for the purpose of assuring in any other manner the obligee in respect of such Indebtedness or other obligation of the payment or performance thereof or to protect such obligee against loss in respect thereof (in whole or in part), or (b) any Lien on any assets of such Person securing any Indebtedness or other obligation of any other Person, whether or not such Indebtedness or other obligation is assumed by such Person (or any right, contingent or otherwise, of any holder of such Indebtedness to obtain any such Lien). The amount of any Guarantee shall be deemed to be an amount equal to the stated or determinable amount of the related primary obligation, or portion thereof, in respect of which such Guarantee is made or, if not stated or determinable, the maximum reasonably anticipated liability in respect thereof as determined by the guaranteeing Person in good faith. The term "Guarantee" as a verb has a corresponding meaning.

"Guarantors" means (a) each Subsidiary of the Issuer identified as a "Guarantor" on the signature pages hereto and (b) each other Person that joins as a Guarantor pursuant to Section 7.12 or Section 7.20(b) of this Agreement (and "Guarantor" shall mean, as the context may require, each of them individually), together with their successors and permitted assigns. As of the Closing Date, the Guarantors are Tyvak Nano-Satellite Systems, Inc. and PredaSAR Corporation.

"Guaranty" means the Guaranty made by the Guarantors in favor of the Secured Parties pursuant toArticle IV.

"Hazardous Materials" means all explosive or radioactive substances or wastes and all hazardous or toxic substances, wastes or other pollutants, including petroleum or petroleum distillates, asbestos or asbestos-containing materials, polychlorinated biphenyls, radon gas, infectious or medical wastes and all other substances or wastes of any nature regulated pursuant to any Environmental Law.

"Increase Date" has the meaning specified in Section 2.09(a).

"Indebtedness" means, as to any Person at a particular time, without duplication, all of the following, whether or not included as indebtedness or liabilities in accordance with GAAP:

all obligations, whether current or long-term, for borrowed money (including the Obligations) and all obligations of such Person evidenced by bonds, debentures, notes, loan agreements or other similar instruments;

all purchase money Indebtedness;

the principal portion of all obligations under conditional sale or other title retention agreements relating to property purchased by such Person or any Subsidiary thereof (other than customary reservations or retentions of title under agreements with suppliers entered into in the ordinary course of business);

all obligations arising under letters of credit (including standby and commercial), bankers' acceptances, bank guaranties, surety bonds and similar instruments;

all obligations in respect of the deferred purchase price of property or services (other than trade accounts payable in the ordinary course of business and, in each case, to the extent such obligation (~~x~~i) has not been delinquent for more than (x) prior to the Combination Closing Date, 120 days after its due date or (y) on or after the Combination Closing Date, 180 days after its due date or (ii) is being contested in good faith by appropriate proceedings diligently conducted), including, without limitation, any Earn Out Obligations that have become a liability on the balance sheet in accordance with GAAP;

the Attributable Indebtedness of Capital Leases, Securitization Transactions and Synthetic Leases;

all obligations of such Person to purchase, redeem, retire, defease or otherwise make any payment in respect of any Disqualified Capital Stock in such Person or any other Person, valued, in the case of a redeemable preferred interest, at the greater of its voluntary or involuntary liquidation preference plus accrued and unpaid dividends;

all Indebtedness of others secured by (or for which the holder of such Indebtedness has an existing right, contingent or otherwise, to be secured by) any Lien on, or payable out of the proceeds of production from, property owned or acquired by such Person, whether or not the obligations secured thereby have been assumed;

the Swap Termination Value of any Swap Contract;

all Guarantees with respect to outstanding Indebtedness of the types specified in clauses (a) and (i) above of any other Person; and

all Indebtedness of the types referred to in clauses (a) through (j) above of any partnership or joint venture (other than a joint venture that is itself a corporation or limited liability company) in which such Person or a Subsidiary thereof is a general partner or joint venturer, unless such Indebtedness is expressly made non-recourse to such Person or such Subsidiary;

provided that notwithstanding the foregoing, Indebtedness shall be deemed not to include (1) prepaid or deferred revenue arising in the ordinary course of business, (2) purchase price holdbacks arising in the ordinary course of business in respect of a portion of the purchase price of an asset to satisfy warrants or other unperformed obligations of the seller of such asset (excluding, for the avoidance of doubt, Earn Out Obligations), (3) any obligations attributable to the exercise of appraisal rights and the

settlement of any claims or actions (whether actual, contingent or potential) with respect thereto, or (4) asset retirement obligations and obligations in respect of workers' compensation (including pensions and retiree medical care) that are not overdue by more than sixty (60) days.

For purposes hereof, the amount of any direct obligation arising under letters of credit (including standby and commercial), bankers' acceptances, bank guaranties, surety bonds and similar instruments shall be the maximum amount available to be drawn thereunder.

"Indemnitee" has the meaning set forth in Section 12.04(b).

"Inducement Warrants" means the "Warrants" as defined in the Inducement Warrant Documents.

"Inducement Warrant Documents" means that certain Warrant Purchase Agreement, dated as of the Closing Date, among the Issuer and the purchasers party thereto, the Inducement Warrants issued pursuant thereto and all other agreements in connection therewith.

"Information" has the meaning set forth in Section 12.07.

"Intellectual Property" means all right, title and interests throughout the world in and to: (i) all rights relating to the protection of inventions, including patents and patent applications; (ii) works of authorship, copyrightable works, registered and unregistered copyrights, authors' rights, moral rights, and registrations and applications for registration thereof; (iii) all rights in registered and unregistered trademarks, service marks, trade names, corporate names, logos, trade dress, designs, packaging, domain names, and registrations and applications for registration thereof ("Trademarks"), together with all goodwill associated with any of the foregoing; (iv) mask works and registrations and applications for registration thereof; (v) computer software, including source code, object code, firmware, algorithms and databases; (vi) trade secrets, know-how and proprietary information, including, without limitation, technical data, customer lists, formulae, methods, processes, research and development information, inventions, discoveries, designs, drawings, databases, specifications, and all derivatives and improvements thereof; (vii) all actions and rights to sue at law or in equity for past, present or future infringement or other impairment of any of the foregoing, including the right to receive all proceeds and damages therefrom; (viii) all rights to obtain renewals, reissues, reexaminations, continuations, continuations-in-part, divisions or other extensions of legal protections pertaining thereto; and (ix) any right, in any jurisdiction, analogous to those set forth herein.

"Intellectual Property Licenses" has the meaning specified in Section 6.17(c).

"Intended Tax Treatment (Cashless Exercise)" has the meaning specified in Section 1.04(c).

"Intended Tax Treatment (Exchange)" has the meaning specified in Section 1.04(b).

"Interest Payment Date" has the meaning specified in Section 2.09(c)(i).

"Interim Financial Statements" means the unaudited consolidated financial statements of the Issuer and its Subsidiaries for the fiscal quarters ended March 31, 2020, June 30, 2020 and September 30, 2020, including balance sheets and statements of income or operations, shareholders' equity and cash flows.

"Internal Revenue Code" means the United States Internal Revenue Code of 1986.

"Internal Revenue Service" means the United States Internal Revenue Service.

"Investment" means, as to any Person, any direct or indirect acquisition or investment by such Person, whether by means of (a) the purchase or other acquisition of Equity Interests of another Person, (b) a loan, advance or capital contribution to, Guarantee or assumption of debt of, or purchase or other acquisition of any other debt or equity participation or interest in, another Person, including any partnership or joint venture interest in such other Person and any arrangement pursuant to which the investor Guarantees Indebtedness of such other Person, or (c) an Acquisition. For purposes of covenant compliance, the amount of any Investment shall be the amount actually invested, without adjustment for subsequent increases or decreases in the value of such Investment.

"Involuntary Disposition" means any loss of, damage to or destruction of, or any condemnation or other taking for public use of, any property of any Note Party or any of their Subsidiaries.

"IP Security Agreement" means notices of grant of security interest in the form required by the Security Agreement executed and delivered by a Note Party.

"Issuer" has the meaning assigned to such term in the preamble hereto.

"Issuer Covered Person" means, with respect to the Issuer as an "issuer" for purposes of Rule 506 promulgated under the Securities Act, any Person listed in the first paragraph of Rule 506(d)(1) and, after the Combination Closing Date, the Acquiror.

"Joinder Agreement" means a joinder agreement substantially in the form of Exhibit D executed and delivered by a Subsidiary in accordance with the provisions of Section 7.12.

"Junior Debt Restricted Payment" has the meaning specified in Section 8.11.

"Key Employee" means any executive-level employee (including, division director and vice president-level positions) as well as any employee who, either alone or in concert with others, develops, invents, programs, or designs any material Note Party Intellectual Property.

"Laws" means, collectively, all international, foreign, federal, state and local statutes, treaties, rules, binding guidelines, regulations, ordinances, codes and binding administrative or judicial precedents or authorities, including any binding interpretation or administration thereof by any Governmental Authority charged with the enforcement, interpretation or administration thereof, and all applicable administrative orders, directed duties, 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).

~~"Listed Securities" has the meaning specified in the definition of Qualified Public Company Event.~~

"LM Notes" means the Notes held by Lockheed Martin on the Seventh Amendment Effective Date and thereafter held by Lockheed Martin and its successors and assigns.

"LM Transaction Support Agreement" means that certain Transaction Support Agreement, dated as of October 28, 2021, by and among ~~Tailwind Two Acquisition Corp.~~ Acquiror, the Issuer and Lockheed Martin, as amended by that certain Amendment to Transaction Support Agreement, dated as of March 25, 2022.

"Master Agreement" has the meaning specified in the definition of Swap Contract.

"Material Adverse Effect" means (a) a material adverse change in, or a material adverse effect upon, the business, assets, properties, liabilities (actual or contingent), or condition (financial or otherwise) of the ~~Issuer and its~~ Note Parties and their Subsidiaries taken as a whole, (b) a material impairment of the rights and remedies of the Collateral Agent or any Purchaser under any Note Document to which it is a party or a material impairment in the perfection, value or priority of the Collateral Agent's security interests in the Collateral, (c) a material impairment of the ability of the Note Parties, taken as a whole, to perform their obligations under any Note Document to which it is a party, or (d) a material adverse effect upon the legality, validity, binding effect or enforceability against any Note Party of any Note Document to which it is a party.

"Material Contracts" means (i) those agreements listed on Schedule 6.24(a), (ii) after the Closing Date, any contract, agreement, license or other Contractual Obligation that, at any time of determination, is anticipated to contribute more than (x) prior to the Combination Closing Date, $1,000,000 of revenue on an annual basis or require payment of more than $1,000,000 in any year and (y) on or after the Combination Closing Date, $5,000,000 of revenue on an annual basis or require payment of more than $5,000,000 in any year and (iii) any other agreements, instruments, license or other Contractual Obligation to which ~~the Issuer~~ any Note Party or any Subsidiary is a party, and the breach, nonperformance or cancellation of which, or the failure of which to renew, could reasonably be expected to have a Material Adverse Effect. The Strategic Cooperation Agreement shall not constitute a "Material Contract".

"Material Indebtedness" means Indebtedness having an aggregate principal amount (including undrawn committed or available amounts and including amounts owing to all creditors under any combined or syndicated credit arrangement) of more than the Threshold Amount.

"Maturity Date" means (a) April 1, 2026, or (b) if earlier, such earlier date on which the Notes are accelerated in whole pursuant to Section 9.02 hereof; provided, that, if such date is not a Business Day, the Maturity Date shall be the first Business Day immediately succeeding such date.

"Maximum Rate" has the meaning set forth in Section 12.09.

"Merger Agreement" means that certain Agreement and Plan of Merger dated as of October 28, 2021 among ~~Tailwind Two Acquisition Corp., Titan~~ Acquiror, Merger Sub~~, Inc.~~ and the Issuer, as in effect on the date hereof.

"Merger Sub" has the meaning assigned to such term in the preamble hereto.

"Moody's" means Moody's Investors Service, Inc. and any successor thereto.

"Mortgages" means the mortgages, deeds of trust or deeds to secure debt that purport to grant to the Collateral Agent, for the benefit of the Purchasers, a security interest in the fee interest of any Note Party in real property located in the U.S. (other than Excluded Property).

"Multiemployer Plan" means any employee benefit plan of the type described in Section 4001(a)(3) of ERISA, to which the Issuer or any ERISA Affiliate makes or is obligated to make contributions, or during the preceding five plan years, has made or been obligated to make contributions.

"Multiple Employer Plan" means a Pension Plan which has two or more contributing sponsors (including the Issuer or any ERISA Affiliate) at least two of whom are not under common control, as such a plan is described in Section 4064 of ERISA.

"Net Cash Proceeds" means the aggregate cash or Cash Equivalents actually received by any Note Party or any Subsidiary in respect of any Disposition, Debt Issuance, Involuntary Disposition or Extraordinary Receipts, net of (a) reasonable direct costs incurred in connection therewith (including, without limitation, legal, accounting and investment banking fees, and sales commissions), (b) taxes (including in connection with a repatriation of funds) paid or payable as a result thereof, (c) in the case of any Disposition or Involuntary Disposition, the amount necessary to retire any Indebtedness secured by a Permitted Lien (ranking senior to any Lien of the Collateral Agent) on the related property, (d) in the case of any Extraordinary Receipt, (i) reasonable direct costs incurred in connection with the collection of such proceeds, awards or other payments and (ii) so long as no Default or Event of Default exists, insurance and condemnation proceeds that are applied to the repair or replacement of the applicable property within 90 days after receipt thereof; it being understood that "Net Cash Proceeds" shall include, without limitation, any cash or Cash Equivalents received upon the sale or other disposition of any non-cash consideration received by any Note Party or any Subsidiary in any Disposition, Debt Issuance, Involuntary Disposition or Extraordinary Receipt, (e) the amount of any reasonable reserve established in accordance with GAAP against any liabilities (other than any taxes deducted pursuant to clause (b) above) (1) associated with the assets that are the subject of such prepayment event and (2) retained by ~~Issuer~~Note Parties or any of ~~its~~their Subsidiaries; provided that the amount of any subsequent reduction of such reserve (other than in connection with a payment in respect of any such liability) shall be deemed to be Net Cash Proceeds of such a prepayment event occurring on the date of such reduction, (f) in the case of any Disposition, Debt Issuance, Involuntary Disposition or Extraordinary Receipts, by a non-Wholly-Owned Subsidiary, the pro rata portion of the Net Cash Proceeds thereof (calculated without regard to this clause (f)) attributable to non-controlling interests and not available for distribution to or for the account of ~~Issuer~~a Note Party or a Wholly-Owned Subsidiary as a result thereof and (g) in the case of any Disposition, any funded escrow established pursuant to the documents evidencing any such sale or disposition to secure any indemnification obligations or adjustments to the purchase price associated with any such sale or disposition; provided that the amount of any subsequent reduction of such escrow (other than in connection with a payment in respect of any such liability) shall be deemed to be Net Cash Proceeds of such a Disposition occurring on the date of such reduction solely to the extent that ~~Issuer~~any Note Party or any of its Subsidiaries receives cash in an amount equal to the amount of such reduction.

"Non-U.S. Subsidiary" means any Subsidiary that is not a U.S. Subsidiary.

"Note" or "Notes" has the meaning set forth in Section 2.01.

"Note Documents" means this Agreement, the First Amendment to Note Purchase Agreement dated as of April 30, 2021, the Second Amendment to Note Purchase Agreement dated as of May 21, 2021, the Third Amendment to Note Purchase Agreement dated as of June 7, 2021, the Fourth Amendment to Note Purchase Agreement dated as of October 28, 2021, the Fifth Amendment to Note Purchase Agreement dated as of November 24, 2021, the Sixth Amendment to Note Purchase Agreement dated as of March 9, 2022, the Seventh Amendment, each Note, each Joinder Agreement, the Collateral Documents, the Collateral Agency and Intercreditor Agreement and the First Lien Intercreditor Agreement.

"Note Parties" means, collectively, the Issuer and each Guarantor.

"Note Party Intellectual Property" means all Intellectual Property (including Registered Intellectual Property) owned, controlled, used or held for use by any Note Party or Subsidiary in connection with the operation of the business of the Note Parties and their Subsidiaries as now conducted and as currently proposed to be conducted.

"OFAC" means the Office of Foreign Assets Control of the United States Department of the Treasury.

"Obligations" means (a) all advances to, and debts, liabilities, obligations, covenants and duties of, any Note Party arising under any Note Document or otherwise with respect to any Note (including any PIK Interest and any PIK Interest - BP) and (b) all costs and expenses incurred in connection with enforcement and collection of the foregoing, including the fees, charges and disbursements of counsel, in each case, whether direct or indirect (including those acquired by assumption), absolute or contingent, due or to become due, now existing or hereafter arising and including interest and fees that accrue after the commencement by or against any Note Party or any Affiliate thereof of any proceeding under any Debtor Relief Laws naming such Person as the debtor in such proceeding, regardless of whether such interest and fees are allowed claims in such proceeding.

"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.

"Participant" has the meaning set forth in Section 12.06(h).

"Participant Register" has the meaning specified in Section 12.06(h).

"PATRIOT Act" means the USA PATRIOT Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)).

"PBGC" means the Pension Benefit Guaranty Corporation or any successor thereto.

"Pension Funding Rules" means the rules of the Internal Revenue Code and ERISA regarding minimum required contributions (including any installment payment thereof) to Pension Plans and set forth in Section 412, 430, 431, 432 and 436 of the Internal Revenue Code and Sections 302, 303, 304 and 305 of ERISA.

"Pension Plan" means any employee pension benefit plan (including a Multiple Employer Plan or a Multiemployer Plan) that is maintained or is contributed to by the Issuer or any ERISA Affiliate and that is either covered by Title IV of ERISA or is subject to minimum funding standards under Section 412 of the Internal Revenue Code.

"Perfection and Due Diligence Certificate" means that certain Perfection and Due Diligence Certificate dated as of the Closing Date and, in respect of the Acquiror, on the date required pursuant to Section 7.20(b), executed by the applicable Note Parties and certified to the Secured Parties, as amended or modified from time to time in accordance with the terms hereof.

"Permitted Acquisition" means any acquisition by the Acquiror or any Subsidiary, whether by purchase, merger, amalgamating, consolidation or otherwise, of all or substantially all of the assets of, or any business line, unit or division of, any Person or of a majority of the outstanding Equity Interests of any Person, and all Investments undertaken to consummate such acquisition transaction; provided that:

(a) such acquisition is not a hostile or contested acquisition;

(b) such assets, business line, unit, division or Person, as applicable shall be in a business permitted by Section 8.07 hereof;

(c) after giving pro forma effect to such Acquisition, the Issuer shall be in compliance with the financial covenants set forth in Section 8.17 as of the last day of the most recently ended fiscal quarter as if such transaction had occurred on such day;

(d) (1) such Person becomes a Subsidiary; or (2) such Person, assets, line of business, unit or division, in each case, in one transaction or a series of related transactions, is merged, consolidated, or amalgamated with or into, or transfers or conveys substantially all of its assets to (or is acquired by) or is liquidated into a Subsidiary;

(e) the total consideration, including maximum potential total amount of all deferred payment obligations (including earn-outs and consideration paid in Qualified Capital Stock of the Acquiror) and Indebtedness permitted by Section 8.03 assumed or incurred for all Permitted Acquisitions during the term of this Agreement shall not exceed $50,000,000 (the "Permitted Acquisition Cap"); provided that the total consideration paid in cash or Indebtedness assumed for all such Permitted Acquisitions during the term of this Agreement shall not exceed $25,000,000; provided further, that no Equity Interests constituting all or a portion of such acquisition consideration shall require any payments or other distributions of cash or property in respect thereof, or any purchases, redemptions or other acquisitions thereof for cash or property, in each case prior to the 91st day following the date that all Obligations (other than contingent indemnification obligations for which no claim has been asserted) have been paid in full;

(f) all actions required to be taken with respect to any such newly created or acquired Person or assets, in each case as applicable in order to satisfy the requirements of Sections 7.12 and 7.14, to the extent required, shall have been taken (or arrangements for the taking of such actions after the consummation of the Permitted Acquisition shall have been made);

(g) the aggregate amount of Investments made by Note Parties in Persons that do not become (or that are not amalgamated, merged or consolidated with or into, or substantially all of the assets or assets constituting a business unit, a line of business or a division of which are not transferred or conveyed to, or are not liquidated into) Note Parties pursuant to Permitted Acquisitions shall not exceed $5,000,000;

(h) no Default or Event of Default shall have occurred and be continuing or would result from the execution of such agreement and the consummation of such acquisition;

(i) at least five Business Days prior to the proposed date of the consummation of such acquisition (or such shorter period as is acceptable to the Authorized Representative in its sole discretion), the Issuer shall have delivered to the Authorized Representative and the Purchasers a certificate of a Responsible Officer of the Issuer certifying that such acquisition complies with this definition (which certificate shall have attached thereto reasonably detailed backup data and calculations demonstrating such compliance);

(j) all transactions in connection therewith shall be consummated, in all material respects, in accordance with all applicable Requirements of Law; and

(k) no Note Party or any of its Subsidiaries shall, in connection with any such transaction, assume or remain liable with respect to any Indebtedness or contingent obligation (including any material tax or ERISA liability) of the related seller or the assets, business line, unit, division or Person acquired, except to the extent permitted to be incurred under Section 8.03.

"Permitted Acquisition Cap" has the meaning specified in the definition of Permitted Acquisition.

"Permitted Liens" means, at any time, Liens in respect of property of any Note Party or any of its Subsidiaries permitted to exist at such time pursuant to the terms of Section 8.01.

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

"Personal Information" has the meaning specified in Section 6.25(b).

"PIK Election" has the meaning specified in Section 2.09(c)(i).

"PIK Interest" means, as of any date of determination, the interest that has been paid in kind and added to the principal balance of the Notes in accordance with Section 2.09(c)(i) on or prior to such date of determination.

"PIK Interest - BP" means, as of any date of determination, the interest that has been paid in kind and added to the principal balance of the BP Notes in accordance with Section 2.09(c)(ii) on or prior to such date of determination.

"Plan" means any employee benefit plan within the meaning of Section 3(3) of ERISA, maintained for employees of the Issuer or any of its Subsidiaries or any such Plan to which the Issuer or any of its Subsidiaries is required to contribute on behalf of any of its employees or otherwise has any liability.

"Pledge Agreement" means the pledge agreement dated as of the Closing Date executed in favor of the Collateral Agent, for the benefit of the Secured Parties, by each of the Note Parties, as amended or modified from time to time in accordance with the terms hereof.

"~~Principal Market~~Post-Combination Interest Payment Date" has the meaning specified in ~~the definition of Qualified Public Company Event~~Section 2.09(c)(ii).

"Purchaser" or "Purchasers" means each Person that has executed and delivered this Agreement as a "Purchaser" and such Person's successors and assigns

"Qualified Capital Stock" of any Person means any Equity Interests of such Person that are not Disqualified Capital Stock.

~~"QFC Credit Support" has the meaning specified in Section 12.20.~~

"Qualified Public Company Event" means: (1) ~~any transaction (including an underwritten initial public offering or a "direct listing") pursuant to which the common stock of the Issuer (the "Common Stock") becomes registered under Section 12(b) of the Securities Exchange Act of 1934, as amended (the "Exchange Act", and such securities, the "Listed Securities") which results in the Listed Securities being listed on the New York Stock Exchange, the Nasdaq Global Select Market or the Nasdaq Global Market (each, a "Principal Market")~~the issuance and sale by the Issuer or any direct or indirect parent company of the Issuer of its common Equity Interests (and the contribution of any proceeds of such issuance to the Issuer) in an underwritten primary public offering (other than a public offering pursuant to a registration statement on Form S-8) pursuant to an effective registration statement (whether alone or in connection with a secondary public offering) filed with the U.S. Securities and Exchange Commission (or any Governmental Authority succeeding to any of its principal functions) in accordance with the Securities Act and such Equity Interests are listed on a nationally-recognized stock exchange in the United States of America pursuant to which net proceeds of at least $150,000,000 are received by the Issuer or such parent company and contributed to the Issuer; or (2) any De-SPAC Transaction.

"Real Estate Security Documents" means with respect to the fee interest of any Note Party in any real property located in the U.S.:

a fully executed and notarized Mortgage encumbering the fee interest of such Note Party in such real property;

if requested by the Authorized Representative in its sole discretion, maps or plats of an as-built survey of the sites of such real property certified to the Collateral Agent and the title insurance company issuing the policies referred to in clause (c) of this definition in a manner reasonably satisfactory to each of the Collateral Agent, the Authorized Representative and such title insurance company, dated a date satisfactory to each of the Collateral Agent, the Authorized Representative and such title insurance company by an independent professional licensed land surveyor, which maps or plats and the surveys on which they are based shall be sufficient to delete any standard printed survey exception contained in the applicable title policy and be made in accordance with the Minimum Standard Detail Requirements for Land Title Surveys jointly established and adopted by the American Land Title Association and the National Society of Professional Surveyors, Inc. in 2016 with items 2, 3, 4, 6(b), 7(a), 7(b)(1), 7(c), 8, 9, 10, 11(a), 13, 14, 16,17, 18 and 19 on Table A thereof completed;

ALTA mortgagee title insurance policies issued by a nationally recognized title insurance company selected by the Issuer and reasonably acceptable to the Authorized Representative with respect to such real property, insuring that the Mortgage covering such real property creates a valid and enforceable first priority mortgage lien on such real property, free and clear of all defects and encumbrances except Permitted Liens, which title insurance policies shall otherwise be in form and substance reasonably satisfactory to the Authorized Representative and shall include such customary endorsements as are reasonably requested by the Authorized Representative and are available in the applicable jurisdiction;

evidence as to (i) whether such real property is in an area designated by the Federal Emergency Management Agency as having special flood or mud slide hazards (a "Flood Hazard Property") and (ii) if such real property contains improvements situated in a Flood Hazard Property, (A) whether the community in which such real property is located is participating in the National Flood Insurance Program, (B) the applicable Note Party's written acknowledgment of receipt of written notification from the Authorized Representative (1) as to the fact that such real property is a Flood Hazard Property and (2) as to whether the community

in which each such Flood Hazard Property is located is participating in the National Flood Insurance Program and (C) copies of insurance policies or certificates of insurance of the Issuer and its Subsidiaries (as applicable) evidencing flood insurance reasonably satisfactory to the Authorized Representative and naming the Collateral Agent and its successors and/or assigns as additional loss payee;

if requested by the Authorized Representative in its sole discretion, a Phase I environmental assessment report, as to such real property, in form and substance and from professional firms reasonably acceptable to the Authorized Representative;

if requested by the Authorized Representative in its sole discretion, evidence reasonably satisfactory to the Authorized Representative that such real property, and the uses of such real property, are in compliance in all material respects with all applicable zoning laws (the evidence submitted as to which should include the zoning designation made for such real property, the permitted uses of such real property under such zoning designation and, if available, zoning requirements as to parking, lot size, ingress, egress and building setbacks); and

if requested by the Authorized Representative in its sole discretion, a customary opinion of legal counsel to the Note Party granting the Mortgage on such real property, addressed to the Collateral Agent and each Purchaser, in form and substance reasonably acceptable to the Authorized Representative.

"Recipient" means any Purchaser and any other recipient of any payment by or on account of any obligation of any Note Party under any Note Document.

"Registered Intellectual Property" has the meaning specified in Section 6.17(b).

"Related Parties" means, with respect to any Person, such Person's Affiliates and the partners, directors, officers, employees, agents, trustees, administrators, managers, advisors, sub-advisors and representatives of such Person and of such Person's Affiliates.

"Reportable Event" means any of the events set forth in Section 4043(c) of ERISA, other than events for which the thirty-day notice period has been waived.

"Required Majority Purchasers" means, as of any date, the Purchasers holding a majority of the aggregate principal amount of the Notes outstanding on such date; provided, that any Notes held by the Issuer or any of its Subsidiaries shall be excluded; provided, further, that at any time when there are two (2) or more unaffiliated Purchasers, Required Majority Purchasers must include at least two (2) unaffiliated Purchasers; provided, further, if pursuant to the BP Subordination Agreement BPC Lending II LLC is prohibited from exercising any rights or remedies available to it, or from agreeing or consenting to any action requiring its approval, in each case, under the Note Documents or applicable law, after the occurrence and during the continuation of any Event of Default, Lockheed Martin's consent shall constitute Required Majority Purchasers for purposes of exercising rights and remedies or agreeing or consenting to any action, in each case, under the Note Documents or applicable law. For purposes of determining the number of unaffiliated Purchasers under this definition, a Purchaser and any other Purchasers that are Affiliates or Approved Funds of such Purchaser shall be counted as a single Purchaser.

"Required Purchasers" means, as of any date, the Purchasers holding at least 70% of the aggregate principal amount of the Notes outstanding on such date; provided, that any Notes held by the

Issuer or any of its Subsidiaries shall be excluded~~.~~; provided, further, that at any time when there are two (2) or more unaffiliated Purchasers, Required Purchasers must include at least two (2) unaffiliated Purchasers; provided, further, if pursuant to the BP Subordination Agreement BPC Lending II LLC is prohibited from exercising any rights or remedies available to it, or from agreeing or consenting to any action requiring its approval, in each case, under the Note Documents or applicable law, after the occurrence and during the continuation of any Event of Default, Lockheed Martin's consent shall constitute Required Purchasers for purposes of exercising rights and remedies or agreeing or consenting to any action, in each case, under the Note Documents or applicable law. For purposes of determining the number of unaffiliated Purchasers under this definition, a Purchaser and any other Purchasers that are Affiliates or Approved Funds of such Purchaser shall be counted as a single Purchaser.

"Requirement of Law" shall mean, as to any Person, such Person's Organization Documents, and any law, treaty, rule or regulation or determination of an arbitrator or a court or other Governmental Authority, in each case applicable to or binding upon such Person or any of its property or to which such Person or any of its property is subject.

"Resolution Authority" means an EEA Resolution Authority or, with respect to any UK Financial Institution, a UK Resolution Authority.

"Responsible Officer" means the chief executive officer, president, chief financial officer, chief operating officer, chief legal officer, general counsel, treasurer, assistant treasurer, secretary, executive chairman or vice president of finance of a Note Party and, solely for purposes of the delivery of certificates pursuant to Sections 5.01 or 7.12(b), the secretary or any assistant secretary of a Note Party. Any document delivered hereunder that is signed by a Responsible Officer of a Note Party shall be conclusively presumed to have been authorized by all necessary corporate, partnership and/or other action on the part of such Note Party and such Responsible Officer shall be conclusively presumed to have acted on behalf of such Note Party.

"Restricted Payment" means (a) any dividend or other distribution, direct or indirect, on account of any shares (or equivalent) of any class of Equity Interests of any Note Party or any of its Subsidiaries, now or hereafter outstanding, (b) any redemption, retirement, sinking fund or similar payment, purchase or other acquisition for value, direct or indirect, of any shares (or equivalent) of any class of Equity Interests of any Note Party or any of its Subsidiaries, now or hereafter outstanding, (c) any payment made to retire, or to obtain the surrender of, any outstanding warrants, options or other rights to acquire shares of any class of Equity Interests of any Note Party or any of its Subsidiaries, now or hereafter outstanding, and (d) any payment made in respect of management, consulting, transaction or similar advisory fees to or for the account of any holder (or any Affiliate of any holder) of the Equity Interests of any Note Party or any of its Subsidiaries other than customary consulting fees paid to any consultant of any Note Party or any of its Subsidiaries that (i) prior to the Combination Closing Date, solely holds stock options or restricted stock units issued under the Equity Incentive Plan or (ii) on and after the Combination Closing Date holds no more than 5% of the Equity Interests of the Acquiror.

"S&P" means Standard & Poor's Ratings Services or any successor by merger or consolidation to its business.

"Sale and Leaseback Transaction" means, with respect to any Note Party or any Subsidiary, any arrangement, directly or indirectly, with any Person whereby the Note Party or such Subsidiary shall sell or transfer any property used or useful in its business, whether now owned or hereafter acquired, and thereafter rent or lease such property or other property that it intends to use for substantially the same purpose or purposes as the property being sold or transferred.

"Sale Documentation" means a sale, purchase, merger or similar agreement entered into in anticipation of a potential De-SPAC Transaction.

"Sanction(s)" means any sanction administered or enforced by the United States government (including, without limitation, OFAC), the United Nations Security Council, the European Union, Her Majesty's Treasury ("HMT") or other relevant sanctions authority of the United States, United Nations, European Union or United Kingdom.

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

"Secured Parties" means (a) each Purchaser, (b) the Authorized Representative and (c) the permitted successors and assigns of each of the foregoing.

"Securities Act" means the Securities Act of 1933.

"Securitization Transaction" means, with respect to any Person, any financing transaction or series of financing transactions (including factoring arrangements) pursuant to which such Person or any Subsidiary of such Person may sell, convey or otherwise transfer, or grant a security interest in, accounts, payments, receivables, rights to future lease payments or residuals or similar rights to payment to a special purpose subsidiary or affiliate of such Person.

"Security Agreement" means the security agreement dated as of the Closing Date executed in favor of the Collateral Agent, for the benefit of the Secured Parties, by each of the Note Parties, as amended or modified from time to time in accordance with the terms thereof.

"Seventh Amendment " means that certain Seventh Amendment to Note Purchase Agreement, dated as of March 25, 2022, by and among the Issuer, the Guarantors, the Authorized Representative, the Purchasers party thereto and the Exiting Purchasers (as defined therein).

"Series A Preferred Stock" means the Issuer's Series A Preferred Stock. $0.0001 par value per share.

"Services Agreement" means that certain Services Agreement, dated as of February 25, 2021, by and between Beach Point Capital Management LP and the Issuer.

"Seventh Amendment Effective Date" means March 25, 2022.

"Sixth Amendment Effective Date" means March 9, 2022.

"Solvent" or "Solvency" means, with respect to any Person as of a particular date, that on such date (a) such Person is able to pay its debts and other liabilities, contingent obligations and other commitments as they mature in the ordinary course of business, (b) such Person does not intend to, and does not believe that it will, incur debts or liabilities beyond such Person's ability to pay as such debts and liabilities mature in their ordinary course, (c) such Person is not engaged in a business or a transaction, and is not about to engage in a business or a transaction, for which such Person's property would constitute unreasonably small capital after giving due consideration to the prevailing practice in the industry in which such Person is engaged or is to engage, (d) the fair value of the property of such Person is greater than the total amount of liabilities, including, without limitation, contingent liabilities, of such Person and (e) the present fair salable value of the assets of such Person is not less than the amount that will be required to pay the probable liability of such Person on its debts as they become absolute and

matured. In computing the amount of contingent liabilities at any time, it is intended that such liabilities will be computed at the amount which, in light of all the facts and circumstances existing at such time, represents the amount that can reasonably be expected to become an actual or matured liability.

"Space Florida" means the Governmental Authority known as "Space Florida", which was created pursuant to Chapter 331, Part II, Florida Statutes, as an independent special district and a subdivision of the State of Florida.

"Space Florida Project" means the production facility expected to be leased, developed, constructed, equipped and operated by the Issuer or the Space Florida Subsidiary, and the business operations thereon, on one or more sites of Space Florida or a related party with respect to spacecraft and constellation development and manufacturing.

"Space Florida Subsidiary" means a ~~subsidiary~~Subsidiary of the Issuer to be formed after the Closing Date solely for purposes of leasing, equipping, construction, developing and operating of the Space Florida Project.

"Staton" means Staton Orbital Family Limited Partnership and its Affiliates.

"Staton Cash Obligations" has the meaning specified in Section 8.11.

"Staton Payment Obligations" has the meaning specified in Section 8.11.

"Staton Subscription Agreement" means the Subscription Agreement dated as of October 28, 2021 between Staton and the Acquiror.

"Strategic Cooperation Agreement" means the Second Amended and Restated Strategic Cooperation Agreement dated as of October 28, 2021 between the Issuer and Lockheed Martin and the other parties thereto.

"Subscription Agreement" has the meaning given to such term in the Merger Agreement.

"Subsidiary" of a Person means a corporation, partnership, joint venture, limited liability company or other business entity of which a majority of the shares of Voting Stock is at the time beneficially owned, or the management of which is otherwise controlled, directly, or indirectly through one or more intermediaries, or both, by such Person. Unless otherwise specified, all references herein to a "Subsidiary" or to "Subsidiaries" shall refer, prior to the Combination Closing Date, to a Subsidiary or Subsidiaries of the Issuer and, after the Combination Closing Date, a Subsidiary or Subsidiaries of the Acquiror.

~~"Supported QFC" has the meaning specified in Section 12.20.~~

"Swap Contract" means (a) any and all rate swap transactions, basis swaps, credit derivative transactions, forward rate transactions, commodity swaps, commodity options, forward commodity contracts, equity or equity index swaps or options, bond or bond price or bond index swaps or options or forward bond or forward bond price or forward bond index transactions, interest rate options, forward foreign exchange transactions, cap transactions, floor transactions, collar transactions, currency swap transactions, cross-currency rate swap transactions, currency options, spot contracts, or any other similar transactions or any combination of any of the foregoing (including any options to enter into any of the foregoing), whether or not any such transaction is governed by or subject to any master agreement, and (b) any and all transactions of any kind, and the related confirmations, which are subject to the terms and

conditions of, or governed by, any form of master agreement published by the International Swaps and Derivatives Association, Inc., any International Foreign Exchange Master Agreement, or any other master agreement (any such master agreement, together with any related schedules, a "Master Agreement"), including any such obligations or liabilities under any Master Agreement.

"Swap Termination Value" means, in respect of any one or more Swap Contracts, after taking into account the effect of any legally enforceable netting agreement relating to such Swap Contracts, (a) for any date on or after the date such Swap Contracts have been closed out and termination value(s) determined in accordance therewith, such termination value(s) and (b) for any date prior to the date referenced in clause (a), the amount(s) determined as the mark-to-market value(s) for such Swap Contracts, as determined based upon one or more mid-market or other readily available quotations provided by any recognized dealer in such Swap Contracts (which may include a Purchaser or any Affiliate of a Purchaser).

"Synthetic Lease" means any synthetic lease, tax retention operating lease, off-balance sheet loan or similar off-balance sheet financing arrangement whereby the arrangement is considered borrowed money indebtedness for tax purposes but is classified as an operating lease or does not otherwise appear on a balance sheet under GAAP.

"Taxes" has the meaning set forth in Section 3.01(a).

"Test Period" shall mean, as of any date of determination, the period of four consecutive fiscal quarters of (a) prior to the Combination Closing Date, the Issuer (taken as one accounting period) and (b) on and after the Combination Closing Date, the Acquiror (taken as one accounting period) (i) most recently ended on or prior to such date for which financial statements have been or are required to be delivered pursuant to Section 7.01(a) or Section 7.01(b) or (ii) in the case of any calculation pursuant to Section 8.17(b), ended on the last date of the fiscal quarter in question.

"Third Party" means any entity other than the Issuer, any Subsidiary thereof or any Affiliate thereof.

"Threshold Amount" means (x) prior to the Combination Closing Date, $1,000,000 and (y) on and after the Combination Closing Date, $10,000,000.

"Trademarks" has the meaning specified in the definition of Intellectual Property.

"Transactions" shall mean, collectively, the transactions constituting or contemplated by this Agreement and the other Note Documents and any prepayment, repayment, repurchase, prepayment, or defeasance of Indebtedness of the Issuer in connection therewith, the Combination and the consummation of any other transactions in connection with the foregoing (including in connection with the Merger Agreement, the FP Note Purchase Agreement and the payment of the fees, costs and expenses incurred in connection with any of the foregoing (including the Transaction Expenses)).

"Treasury Regulations" means the regulations, including temporary regulations, promulgated by the United States Treasury Department under the Internal Revenue Code, as such regulations may be amended from time to time (including the corresponding provisions of any future regulations).

"UK Financial Institution" means any BRRD Undertaking (as such term is defined under the PRA Rulebook (as amended from time to time) promulgated by the United Kingdom Prudential Regulation Authority) or any person subject to IFPRU 11.6 of the FCA Handbook (as amended from time to time) promulgated by the United Kingdom Financial Conduct Authority, which includes certain credit institutions and investment firms, and certain affiliates of such credit institutions or investment firms.

"UK Resolution Authority" means the Bank of England or any other public administrative authority having responsibility for the resolution of any UK Financial Institution.

"Uniform Commercial Code" or "UCC" means the Uniform Commercial Code as in effect in the State of New York; provided, that, if perfection or the effect of perfection or non-perfection or the priority of any security interest in any Collateral is governed by the Uniform Commercial Code as in effect in a jurisdiction other than the State of New York, "Uniform Commercial Code" means the Uniform Commercial Code as in effect from time to time in such other jurisdiction for purposes of the provisions hereof or of the other Note Documents relating to such perfection, effect of perfection or non-perfection or priority.

"United States" and "U.S." mean the United States of America.

~~"U.S. Special Resolution Regimes" has the meaning specified in Section 12.20.~~

"U.S. Subsidiary" means any Subsidiary that is organized under the laws of any state of the United States or the District of Columbia.

~~"Voting Agreement" means that certain Amended and Restated Voting Agreement, dated as of July 23, 2018, by and among the Issuer, each holder of the Issuer's Series A Preferred Stock listed on Schedule A thereto, those certain stockholders of the Issuer listed on Schedule B thereto, and those certain noteholders listed on Schedule C thereto, together with any other Person that became a party thereto pursuant to Section 7.2 thereof.~~

"Voting Stock" means, with respect to any Person, Equity Interests issued by such Person the holders of which are ordinarily, in the absence of contingencies, entitled to vote for the election of directors (or persons performing similar functions) of such Person, even though the right so to vote has been suspended by the happening of such a contingency.

"WC Intercreditor Agreement" has the meaning specified in Section 8.01(q).

"Wholly Owned Subsidiary" means any Person 100% of whose Equity Interests are at the time owned by the Issuer (or, after the Combination Closing Date, the Acquiror) directly or indirectly through other Persons 100% of whose Equity Interests are at the time owned, directly or indirectly, by the Issuer (or, after the Combination Closing Date, the Acquiror).

"Withholding Agent" means any Note Party, and any other Person required by applicable Law to withhold or deduct amounts from a payment made by or on account of any obligation of any Note Party under any Note Document.

"Working Capital Facility" has the meaning specified in Section 8.03(g).

"Working Capital Lender" has the meaning specified in Section 8.01(q).

"Working Capital Priority Collateral" has the meaning specified in Section 8.01(q).

"Write-Down and Conversion Powers" means, with respect to any EEA Resolution Authority, the write-down and conversion powers of such EEA Resolution Authority from time to time under the Bail-In Legislation for the applicable EEA Member Country, which write-down and conversion powers are described in the EU Bail-In Legislation Schedule.

Other Interpretive Provisions.

With reference to this Agreement and each other Note Document, unless otherwise specified herein or in such other Note Document:

The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words "include," "includes" and "including" shall be deemed to be followed by the phrase "without limitation." The word "will" shall be construed to have the same meaning and effect as the word "shall." Unless the context requires otherwise, (i) any definition of or reference to any agreement, instrument or other document (including the Note Documents and any Organization Document) shall be construed as referring to such agreement, instrument or other document as from time to time amended, modified, extended, restated, replaced or supplemented from time to time (subject to any restrictions set forth herein or in any other Note Document), (ii) any reference herein to any Person shall be construed to include such Person's successors and assigns, (iii) the words "hereto", "herein," "hereof" and "hereunder," and words of similar import when used in any Note Document, shall be construed to refer to such Note Document in its entirety and not to any particular provision thereof, (iv) all references in an Note Document to Articles, Sections, Preliminary Statements, Exhibits and Schedules shall be construed to refer to Articles and Sections of, and Preliminary Statements, Exhibits and Schedules to, the Note Document in which such references appear, (v) any reference to any law shall include all statutory and regulatory provisions consolidating, amending, replacing or interpreting such law and any reference to any law or regulation shall, unless otherwise specified, refer to such law or regulation as amended, modified, extended, restated, replaced or supplemented from time to time, and (vi) the words "asset" and "property" shall be construed to have the same meaning and effect and to refer to any and all real and personal property and tangible and intangible assets and properties, including cash, securities, accounts, contract rights and Intellectual Property.

In the computation of periods of time from a specified date to a later specified date, the word "from" means "from and including;" the words "to" and "until" each mean "to but excluding;" and the word "through" means "to and including."

Section headings herein and in the other Note Documents are included for convenience of reference only and shall not affect the interpretation of this Agreement or any other Note Document.

Any reference herein to a merger, transfer, amalgamation, consolidation, assignment, sale, disposition or transfer, or similar term, shall be deemed to apply to a division of or by a limited liability company, or an allocation of assets to a series of a limited liability company (or the unwinding of such a division or allocation), as if it were a merger, transfer, amalgamation, consolidation, assignment, sale, disposition or transfer, or similar term, as applicable, to, of or with a separate Person. Any division of a limited liability company shall constitute a separate Person hereunder (and each division of any limited liability company that is a Subsidiary, joint venture or any other like term shall also constitute such a Person or entity).

Accounting Terms.

Generally. Except as otherwise specifically prescribed herein, all accounting terms not specifically or completely defined herein shall be construed in conformity with, and all financial data (including financial ratios and other financial calculations) required to be submitted pursuant to this Agreement shall be prepared in conformity with, GAAP applied on a consistent basis, as in effect from time to time, applied in a manner consistent with that used in preparing the financial statements delivered pursuant to Section 7.01(a) and (b), except as otherwise specifically prescribed herein; provided, however, that, calculations of Attributable Indebtedness under any Synthetic Lease or the implied interest component of any Synthetic Lease shall be made by the Issuer in accordance with accepted financial practice and consistent with the terms of such Synthetic Lease. Notwithstanding the foregoing, for purposes of determining compliance with any covenant contained herein, Indebtedness of the Issuer and its Subsidiaries shall be deemed to be carried at 100% of the outstanding principal amount thereof, and the effects of FASB ASC 825 and FASB ASC 470-20, on financial liabilities shall be disregarded.

Changes in GAAP. Issuer will provide a written summary of material changes in GAAP and in the consistent application thereof with each annual and quarterly financial statement delivered in accordance with Section 7.01. If at any time any change in GAAP would affect the computation of any financial requirement set forth in any Note Document, and either the Issuer or the Required Purchasers shall so request, the Purchasers and Issuer shall negotiate in good faith to amend such requirement to preserve the original intent thereof in light of such change in GAAP (subject to the approval of the Required Purchasers); provided, that, until so amended, (i) such requirement shall continue to be computed in accordance with GAAP prior to such change therein and (ii) the Issuer shall provide to the Purchasers financial statements and other documents required under this Agreement or as requested hereunder setting forth a reconciliation between calculations of such requirement made before and after giving effect to such change in GAAP. Notwithstanding any other provision contained in this Agreement, all terms of an accounting or financial nature used herein shall be construed, and all computations of amounts and ratios referred to herein shall be made, without giving effect to any change to GAAP occurring before or after the Closing Date as a result of ASU 2016-02, Leases (Topic 842) issued by the Financial Accounting Standards Board or any other proposals issued by the Financial Accounting Standards Board in connection therewith, in each case if such change would require treating any lease (or similar arrangement conveying the right to use) as a capital lease where such lease (or similar arrangement) was not required to be so treated under GAAP as in effect prior to such change.

Consolidation of Variable Interest Rate Entities. All references herein to consolidated financial statements of the ~~Borrower~~Issuer and its Subsidiaries or the Acquiror and its Subsidiaries or to the determination of any amount for the ~~Borrower and its~~Issuer and its Subsidiaries or the Acquiror and its Subsidiaries on a consolidated basis or any similar reference shall, in each case, be deemed to include each variable interest entity that the Borrower is required to consolidate pursuant to FASB ASC 810 as if such variable interest entity was a Subsidiary as defined herein.

Exchange Notes.

The Exchange. Each Purchaser that is an Existing Noteholder, severally and not jointly, agrees to exchange on the Closing Date (the "Exchange") all of the principal amount of the Exchange Notes owned by it and the accrued and unpaid interest thereon as set forth opposite such Purchaser's name on Schedule II attached hereto under the column "Consideration" in consideration for (i) an equivalent principal amount of Notes as set forth opposite such Purchaser's name on Schedule II attached hereto under the column "Principal Amount of Note" and deemed issued hereunder, (ii) a warrant to acquire the number of shares of common stock of the Issuer par value $0.0001 per share, into which the Exchange Notes owned by such Existing Noteholder would have converted on the date of the Exchange upon consummation of a Subsequent Financing in accordance with Section 3(b) of the

Exchange Notes (the "Exchange Warrants") and (iii) the Inducement Warrants issued to such Existing Noteholder pursuant to the Inducement Warrant Documents. The Exchange Notes exchanged pursuant to this Agreement shall be delivered by the Existing Noteholders to the Issuer on the Closing Date and cancelled. In addition, the Exchange shall be deemed to be a "Subsequent Financing" as defined in Section 3(b) of the Exchange Notes. Upon the consummation of the Exchange, all Exchange Notes (or interests therein) exchanged pursuant to this Agreement shall cease to be transferable and there shall be no further registration of any transfer of any such notes or interests. From and after the Exchange, the Existing Noteholders shall cease to have any rights with respect to the Exchange Notes, including any payments of accrued and unpaid interest, except as otherwise provided herein or by applicable Laws. The Notes and the Inducement Warrants issued to the Existing Noteholders hereunder and under the Inducement Warrant Documents and the Exchange Warrants issued to the Existing Noteholders are in substitution for all rights and obligations of the Issuer and the Existing Noteholders pursuant to the Exchange Notes except as provided therein.

Tax Matters (Exchange). The parties to this Agreement intend that, for U.S. federal (and applicable state and local) income tax purposes, (i) this Agreement, as it relates to the Exchange, is a "plan of reorganization" adopted by the Issuer within the meaning of Treasury Regulations Sections 1.368-2(g) and 1.368-3(a), (ii) the Exchange qualifies as a reorganization within the meaning of Section 368(a)(1)(E) of the Code (or any corresponding provision of state or local income tax law) and that the Issuer is a party to such reorganization within the meaning of Section 368(b) of the Code (or any corresponding provision of state or local income tax law) and (iii) pursuant to the last sentence of Treasury Regulation Section 1.1273-2(h)(1), the "issue price" of the Notes issued pursuant to the Exchange shall be determined under Section 1274 of the Code (the "Intended Tax Treatment (Exchange)"). The parties to this Agreement agree to report (and cause their Affiliates to report) the Exchange on each applicable Tax return in a manner that is consistent with the Intended Tax Treatment (Exchange) and to take no position (and cause their Affiliates to take no position) in the course of any Tax audit, Tax review or Tax litigation relating thereto that is inconsistent with the Intended Tax Treatment (Exchange), in each case unless otherwise required pursuant to a "determination" within the meaning of Section 1313(a) of the Code. No party shall take or fail to take any action required hereby that could reasonably be expected to prevent or impede the Exchange from qualifying as a reorganization within the meaning of Section 368(a)(1)(E) of the Code.

Tax Matters (Cashless Exercise). The parties to this Agreement intend that, for U.S. federal (and applicable state and local) income tax purposes, any cashless exercise of the Exchange Warrants or the Inducement Warrants (a "Cashless Exercise") will (i) be treated as pursuant to a "plan of reorganization" adopted by the Issuer within the meaning of Treasury Regulations Sections 1.368-2(g) and 1.368-3(a), and (ii) qualify as a reorganization within the meaning of Section 368(a)(1)(E) of the Code (or any corresponding provision of state or local income tax law) and that the Issuer will be a party to such reorganization within the meaning of Section 368(b) of the Code (or any corresponding provision of state or local income tax law) (the "Intended Tax Treatment (Cashless Exercise)"). The parties to this Agreement agree to report (and cause their Affiliates to report) each Cashless Exercise (if any) on each applicable Tax return in a manner that is consistent with the Intended Tax Treatment (Cashless Exercise) and to take no position (and cause their Affiliates to take no position) in the course of any Tax audit, Tax review or Tax litigation relating thereto that is inconsistent with the Intended Tax Treatment (Cashless Exercise), in each case unless otherwise required pursuant to a "determination" within the meaning of Section 1313(a) of the Code. No party shall take or fail to take any action required hereby that could reasonably be expected to prevent or impede the Cashless Exercise from qualifying as a reorganization within the meaning of Section 368(a)(1)(E) of the Code.

Times of Day.

Unless otherwise specified, all references herein to times of day shall be references to United States Eastern time (daylight or standard, as applicable).

THE NOTES

Authorization and Issuance of Notes. The Issuer has duly authorized the issuance, sale and delivery of its Senior Secured Notes due 2026 in the aggregate principal amount of $86,859,108, to be dated the Closing Date, to mature on the Maturity Date, and to be substantially in the form of Exhibit A hereto. All such notes originally issued pursuant to this paragraph (a), or delivered in substitution or exchange for any thereof, being collectively called the "Notes" and individually a "Note". Notwithstanding anything to the contrary set forth herein, the Notes will, upon the occurrence of the Closing Date, be immediately separable and transferable.

Reserved.

Issuance and Sale of Securities; Original Issue Discount.

Subject to the terms and conditions set forth in this Agreement, on the Closing Date the Issuer will issue and sell the Notes to each of the Purchasers, severally and not jointly, and each of the Purchasers, severally and not jointly, shall purchase from the Issuer the Notes to be purchased by each of them (which, in the case of any Purchaser that is an Existing Noteholder, shall be deemed to have occurred upon the consummation of the Exchange pursuant to Section 1.04), in each case in amounts equal, with respect to each Purchaser, to the respective amounts set forth opposite such Purchaser's name on Schedule II attached hereto under the column "Principal Amount of Note", and in each case for the consideration set forth opposite such Purchaser's name on Schedule II attached hereto under the column "Consideration".

The Issuer and Lockheed Martin, as a Purchaser, hereby acknowledge and agree that, for United States income tax purposes, the Notes and the Inducement Warrants purchased by Lockheed Martin constitute an "investment unit" for purposes of Section 1273(c)(2) of the Code. Lockheed Martin and the Issuer mutually agree that the allocation of the issue price of such investment unit between the Notes and the Inducement Warrants in accordance with Section 1273(c)(2) of the Code and Treasury Regulation Section 1.1273-2(h) shall be (i) in the case of the Notes, $48,693,047.00 and (ii) in the case of the Inducement Warrants, $1,306,953.00. Lockheed Martin and the Issuer agree to report all income tax matters with respect to such Notes and Inducement Warrants consistent with the provisions of this Section 2.03(b) unless otherwise required due to a change in applicable Law. Notwithstanding anything to the contrary set forth herein, this clause (b) shall not apply to the Notes, Exchange Warrants and Inducement Warrants issued to the Existing Noteholders in the Exchange.

The Issuer and Lockheed Martin hereby acknowledge and agree that, for United States income tax purposes, the Notes issued to Lockheed Martin will be issued with original issue discount equal to the difference between (i) the issue price of the Notes issued to Lockheed Martin as determined in paragraph (b) above and (ii) the sum of the stated principal amount of the Notes issued to Lockheed Martin and the aggregate interest to be paid on the Notes issued to Lockheed Martin. Notwithstanding anything to the contrary set forth herein, this clause (c) shall not apply to the Notes, Exchange Warrants and Inducement Warrants issued to the Existing Noteholders in the Exchange.

Notes. The Notes issued pursuant hereto shall evidence the principal amounts of all Notes sold hereunder, and the date and principal amount of each purchase and the sale of the Notes to the Purchasers by the Issuer, as well as each payment or prepayment made on account of the principal thereof, and, in each case, the resulting aggregate unpaid principal balance thereof, shall be recorded by each Purchaser on its books; *provided*, that failure by any Purchaser to make any such recordation shall not affect the obligations of the Issuer hereunder or under any Note. Each such recordation by a Purchaser shall be conclusive and binding for all purposes in the absence of manifest error.

The Closing Date. The sale and delivery of the Notes to be issued pursuant to Section 2.01 shall take place remotely via the electronic exchange of documents and signatures on the Closing Date (or such other time and place as the parties shall agree). On the Closing Date, subject to satisfaction of the conditions set forth herein, the Issuer will deliver to each Purchaser a Note or Notes registered in such Purchaser's name or in the name of its nominee, such Notes to be duly executed and dated the Closing Date, in the aggregate principal amount of the Notes allocated to such Purchaser as set forth opposite such Purchaser's name on Schedule II attached hereto under the column "Principal Amount of Note", such Notes to be in such denominations as such Purchaser may specify by two Business Days' prior written notice to the Issuer (or, in the absence of such notice, one Note registered in such Purchaser's name in such aggregate principal amount), against such Purchaser's delivery to the Issuer of immediately available funds in the amount set forth opposite such Purchaser's name on Schedule II attached hereto under the column "Consideration" (or in the case of any Purchaser that is an Existing Noteholder, delivery of the Exchange Note set forth opposite such Purchaser's name on Schedule II attached hereto under the column "Consideration" pursuant to Section 1.04).

Reserved.

Prepayments/Commitment Reductions.

Voluntary Prepayments.

~~Voluntary Prepayments. The~~If an Enhanced Protection Event has not occurred, the Issuer may, upon written notice from the Issuer to the Purchasers, voluntarily prepay the Notes, in whole or in part; provided, that, (~~i~~A) such notice must be received not later than 11:00 a.m. five (5) Business Days prior to the date of prepayment, and (~~ii~~B) any such prepayment shall be in a principal amount of $1,000,000 or a whole multiple of $500,000 in excess thereof (or, if less, the entire principal amount thereof then outstanding). ~~Each such notice~~

If an Enhanced Protection Event has occurred, the Issuer may, upon written notice from the Issuer to the Purchasers, voluntarily prepay the Notes, in whole but not in part; provided, that, (A) such notice must be received not later than 11:00 a.m. five (5) Business Days prior to the date of prepayment, and (B) any such prepayment shall be in the entire principal amount thereof then outstanding.

Each notice delivered pursuant to clauses (i) and (ii) above shall specify the date and amount of such prepayment. The Issuer shall make such prepayment and the payment amount specified in such notice shall be due and payable on the date specified therein (but may be conditioned upon the prepayment of indebtedness or the consummation of a specified transaction, in each case, to the extent specified in such notice). Any prepayment pursuant to this Section 2.07(a) shall be accompanied by (x) all accrued interest on the principal amount of the Notes prepaid and (y) all fees, costs, expenses, indemnities and other amounts due and payable hereunder at the time of prepayment. Each such prepayment shall be applied first to all costs,

expenses, indemnities and other amounts due and payable hereunder, then to payment of default interest, if any, then to payment of accrued interest and thereafter to the payment of principal. Each such prepayment shall be applied to the Notes of the Purchasers in accordance with their respective pro rata share in respect of each of the Notes.

Mandatory Prepayments of Notes.

(i) Dispositions and Involuntary Dispositions. The Issuer shall promptly (and, in any event, within three (3) Business Days~~of~~upon the receipt ~~thereof~~)by any Note Party or any Subsidiary apply 100% of the Net Cash Proceeds of~~all Dispositions and~~any Disposition or Involuntary ~~Dispositions~~Disposition (other than, so long as no Default or Event of Default exists at the time prepayment would otherwise be required pursuant to this Section 2.07(b)(i), where such Net Cash Proceeds of Dispositions and Involuntary Dispositions do not exceed (x) prior to the Combination Closing Date, $1,000,000 and (y) on or after the Combination Closing Date, $3,000,000, in each case, in the aggregate in any fiscal year ((x) or (y), as applicable, the "De Minimis Disposition Proceeds")) to prepay the Notes and the accrued but unpaid interest thereon, to the extent such Net Cash Proceeds are not reinvested in Eligible Assets (1) prior to the Combination Closing Date, within 90 days of the date of such Disposition or Involuntary Disposition and (2) on or after the Combination Closing Date, (I) within twelve months following receipt of such Net Cash Proceeds or (II) if the Issuer or any Subsidiary enters into a legally binding commitment to reinvest such Net Cash Proceeds within twelve months following receipt thereof, within the later of (A) twelve months following receipt of such Net Cash Proceeds and (B) 180 days of the date of such legally binding commitment; provided, that if at the time that any such prepayment ~~is~~would be required, the Issuer is also required to offer to purchase any Indebtedness outstanding under the FP Note Purchase Agreement as a result of any such Disposition or Involuntary Disposition pursuant to the terms thereof, then the Issuer, at its election, may apply such Net Cash Proceeds not in excess of a pro rata basis (as determined in accordance with Section 2.12 of the First Lien Intercreditor Agreement) to the prepayment of such outstanding amounts, plus the accrued but unpaid interest thereon, plus, subject to Section 2.12 of the First Lien Intercreditor Agreement, any applicable Call Premium, if any, under the FP Note Purchase Agreement; provided, further that if any holder of such Indebtedness declines (or is deemed to have declined) all or any portion of such offer to purchase, such declined amount shall promptly (and, in any event, within three (3) Business Days after such holder has declined (or is deemed to have declined) such offer to purchase) be applied to prepay the Notes in accordance with the this clause (i). Notwithstanding the foregoing, the Note Parties and their Subsidiaries may not exercise the reinvestment rights set forth in the preceding sentence with respect to the Net Cash Proceeds (other than the De Minimis Disposition Proceeds) in excess of $10,000,000 in the aggregate. Any prepayment pursuant to this clause (i) shall be applied as set forth in clause (iv) below.

(ii) Extraordinary Receipts. The Issuer shall promptly (and, in any event, within three (3) Business Days) upon the receipt by any Note Party or any Subsidiary of the Net Cash Proceeds of any Extraordinary Receipts (other than so long as no Default or Event of Default exists at the time prepayment would otherwise be required pursuant to this Section 2.07(b)(ii), where such Net Cash Proceeds of Extraordinary Receipts do not exceed (x) prior to the Combination Closing Date, $1,000,000 and (y) on or after the Combination Closing Date, $3,000,000, in each case, in the aggregate in any fiscal year), apply 100% of such Net Cash Proceeds to prepay the Notes and the accrued but unpaid

interest thereon; provided, that if at the time such prepayment is required, the Issuer is required to offer to purchase any Indebtedness outstanding under the FP Note Purchase Agreement with the Net Cash Proceeds of such Extraordinary Receipts pursuant to the terms thereof, then the Issuer, at its election, may apply such Net Cash Proceeds not in excess of a pro rata basis (as determined on the basis of the aggregate outstanding principal amount of the Notes and the aggregate principal amount of the FP Notes outstanding) to the prepayment of such outstanding amounts plus the accrued but unpaid interest thereon under the FP Note Purchase Agreement; provided, further that if any holder of such Indebtedness declines (or is deemed to have declined) all or any portion of such offer to purchase, such declined amount shall promptly (and, in any event, within three (3) Business Days after such holder has declined (or is deemed to have declined) such offer to purchase) be applied to prepay the Notes in accordance with the this clause (ii). Any prepayment pursuant to this clause (ii) shall be applied as set forth in clause (iv) below.

(iii) Debt Issuance. The Issuer shall promptly (and, in any event, within one (1) Business Day) upon the receipt by any Note Party or any Subsidiary of the Net Cash Proceeds of any Debt Issuance, prepay the Notes in an aggregate amount equal to 100% of such Net Cash Proceeds (it being understood and agreed that the payment pursuant to this clause (iii) shall be in addition to any other right and remedy that any Secured Party has as a result of an Event of Default arising from such Debt Issuance). Any prepayment pursuant to this clause (iii) shall be applied as set forth in clause (iv) below.

(iv) Application of Mandatory Prepayments. The Issuer shall provide the Authorized Representative and each Purchaser with written notice of any payment to be made under this Section 2.07(b) at least two (2) Business Days prior to the date such payment is required to be under this Section 2.07(b). Subject to Section 2.12 of the First Lien Intercreditor Agreement, all prepayments under this Section 2.07(b) shall be applied (i) first to all fees, costs, expenses, indemnities and other amounts due and payable hereunder (other than as contemplated by the immediately following clause (ii)), and (ii), then proportionately (based on the relation of such amounts to the total amount of the relevant payment under this Section 2.07(b)) to the payment or prepayment (as applicable) of the following amounts: default interest, if any, and accrued and unpaid interest and principal. Each such prepayment shall be applied to the Notes of the Purchasers in accordance with their respective pro rata share in respect of the Notes.

Change of Control. Upon the occurrence of a Change of Control, the Issuer shall, unless otherwise directed by the Required Purchasers, immediately prepay all of the Notes together with all accrued and unpaid interest thereon plus all other Obligations (it being understood and agreed that the payment pursuant to this clause (c) shall be in addition to, but without duplication of, any other right and remedy that any Secured Party under the Note Documents has as a result of an Event of Default arising from the occurrence of such Change of Control). In connection with any prepayment pursuant to this Section 2.07(c), the Issuer shall comply with the requirements of Rule 14e-1 under the Exchange Act and any other securities laws and regulations to the extent such laws and regulations are applicable in connection with such prepayment.

~~Qualified Public Company Event. Upon the consummation of a Qualified Public Company Event, the Issuer shall, unless otherwise directed by the Required Purchasers, use the proceeds of such Qualified Public Company Event to immediately prepay all of the Notes together with all accrued and unpaid interest thereon plus all other Obligations (it being understood and agreed that the payment~~

~~pursuant to this clause (d) shall be in addition to, but without duplication of, any other right and remedy that any Secured Party has under the Note Documents as a result of an Event of Default arising from the occurrence of such Qualified Public Company Event). In connection with any prepayment pursuant to this Section 2.07(d), the Issuer shall comply with the requirements of Rule 14e-1 under the Exchange Act and any other securities laws and regulations to the extent such laws and regulations are applicable in connection with such prepayment.~~ Reserved.

Termination or Material Breach of Strategic Cooperation Agreement. In the event of (a) a termination of the Strategic Cooperation Agreement other than by the Issuer due to an uncured breach by Lockheed Martin or (b) a breach in any material respect by the Issuer of the Strategic Cooperation Agreement (it being understood that, among other things, any breach of Sections 2.2, 2.6 or 15 of the Strategic Cooperation Agreement shall constitute a material breach) that is not cured (to the extent capable of being cured) within 90 days after the earlier to occur of (x) knowledge of such breach by the Issuer or (y) written notice thereof to the Issuer from Lockheed Martin, so long as Lockheed Martin or any of its Affiliates holds any portion of the Notes, the Issuer shall, unless otherwise directed by Lockheed Martin, immediately prepay all of the Notes together with all accrued and unpaid interest thereon plus all other Obligations (it being understood and agreed that the payment pursuant to this clause (e) shall be in addition to, but without duplication of, any other right and remedy that any Secured Party has under the Note Documents (which, for the avoidance of doubt, shall not include the rights and remedies under the Strategic Cooperation Agreement, the exercise of which are governed by the Strategic Cooperation Agreement) as a result of an Event of Default arising from the occurrence of any such event). In connection with any prepayment pursuant to this Section 2.07(e), the Issuer shall comply with the requirements of Rule 14e-1 under the Exchange Act and any other securities laws and regulations to the extent such laws and regulations are applicable in connection with such prepayment.

Repayment of Notes.

The Issuer shall repay the outstanding principal amount of the Notes, together with all accrued and unpaid interest and all other Obligations, on the Maturity Date. Notes repaid or prepaid may not be reborrowed.

Interest; Other Amounts.

Pre-Default Rate. Subject to the provisions of subsection (b) below, the Notes shall bear interest on the outstanding principal amount thereof at a rate per annum of:

prior to the Combination Closing Date, eleven percent (11.00%); provided, that unless the Issuer has entered into Sale Documentation (other than Sale Documentation that has been terminated or is no longer in effect) on or prior to the 12-month anniversary of the Closing Date (the "Anniversary Date"), such interest rate shall automatically increase by one quarter of a percent (0.25%) on the Anniversary Date and every 90 days from and after the Anniversary Date (each such date, an "Increase Date"); provided, further, that (1) if the Issuer has not entered into Sale Documentation as of the Anniversary Date but has delivered evidence reasonably acceptable to the Authorized Representative that the Issuer is diligently in good faith pursuing a De-SPAC Transaction as of such date, the interest rate shall not be increased on the Anniversary Date, and (2) if the Issuer subsequently enters into Sale Documentation with respect to such De-SPAC Transaction on or prior to the next Increase Date following the Anniversary Date and the Issuer has delivered evidence reasonably acceptable to the Authorized Representative the De-SPAC Transaction with respect to such Sale Documentation is expected to close within the next 120 days following such Increase Date (the "De-SPAC Closing Deadline"), the interest rate shall not

be increased on such Increase Date; provided, further, that if at any time following the Anniversary Date any Sale Documentation is terminated at any time or any De-SPAC Transaction with respect to any Sale Documentation entered into by the Issuer is not consummated by the De-SPAC Closing Deadline, then the increased interest commencing on the Anniversary Date that would otherwise have accrued pursuant to the first proviso of this Section as if the Issuer had never entered into any Sale Documentation shall be deemed to have accrued and be owing under the Notes and capitalized to the principal balance of the Notes on each Interest Payment Date following the Anniversary Date, in each case, in accordance with Section 2.09(c)(i) below~~.~~; and

from and after the Combination Closing Date, (x) in respect of the LM Notes, nine and a quarter percent (9.25%) and (y) in respect of the BP Notes, eleven and a quarter percent (11.25%), of which in the case of this clause (y) two percent (2.00%) shall be payable in kind in accordance with Section 2.09(c)(ii) below; provided, that upon the occurrence of an Enhanced Protection Event, each such interest rate shall automatically increase by one and a half of a percent (1.50%) on the 24-month anniversary of the Fifth Amendment Effective Date and on every 1-year anniversary of the Fifth Amendment Effective Date thereafter.

Default Rate. (i) (x) Upon the occurrence of and during the continuance of any Event of Default, all outstanding Obligations shall bear interest during the continuance of such Event of Default at an interest rate per annum at all times equal to the Default Rate to the fullest extent permitted by applicable Laws and (ii) accrued and unpaid interest (including interest on past due interest) shall be due and payable in cash on demand.

Interest Generally. Interest on the Notes shall be due and payable in arrears on

~~Interest Generally. Interest on the Notes shall be due and payable in arrears on~~prior to the Combination Closing Date, the Anniversary Date, the last Business Day of each calendar quarter thereafter (the Anniversary Date and each such date an "Interest Payment Date"), the Combination Closing Date and at such other times as may be specified herein;provided, that in lieu of making a payment in cash of all or any portion of the interest amount due on any Interest Payment Date (other than the Combination Closing Date), the Issuer may elect to pay such interest amount in kind (the "PIK Election"), in which case such unpaid interest amount shall be added to the principal balance of the Notes on such Interest Payment Date. The PIK Election shall be deemed to have been made automatically and without further action by the Issuer on any Interest Payment Date to the extent the Issuer does not pay the interest amount due on such date in cash. Notwithstanding the foregoing, the PIK Election shall not be available (i) on any Interest Payment Date that (x) is the Maturity Date or (y) occurs after March 8, 2024, (ii) at any time that an Event of Default shall have occurred and be continuing or (iii) if the Issuer has made at any time on or before such Interest Payment Date cash payments of interest to the holders of the FP Notes; provided, that (A) if the Issuer is required to make cash payments of interest to the Purchasers prior to March 8, 2024 for the reason described in the foregoing clause (iii), for purposes of cash payments of interest made before March 8, 2024, the Notes shall bear interest on the outstanding principal amount thereof at a rate per annum equal to the greater of (I) nine and one quarter percent (9.25%) and (II) the then-current interest rate of the FP Notes and (B) on March 8, 2024 and thereafter, the interest rate shall be determined in accordance with Section 2.09(a)~~.~~; and

from and after the Combination Closing Date, May 15th, August 15th, November 15th and February 15th of each calendar year (or, if such date is not a Business Day, on the

immediately succeeding Business Day) (each such date a "Post-Combination Interest Payment Date"), on the Maturity Date and at such other times as may be specified herein; provided, that the portion of the unpaid interest amount due on any Post-Combination Interest Payment Date that is payable in kind pursuant to Section 2.09(a)(ii) above on the BP Notes shall be added to the principal balance of the BP Notes on such Post-Combination Interest Payment Date.

Interest hereunder shall be due and payable in accordance with the terms hereof before and after judgment, and before and after the commencement of any proceeding under any Debtor Relief Law.

Reserved.

Computation of Interest.

All computations of interest shall be made on the basis of a 365/366-day year and actual days elapsed. Interest shall accrue on the Notes for the day on which the Notes are issued, and shall not accrue on the Notes, or any portion thereof, for the day on which the Notes or such portion is paid.

Payments Generally.

General. All payments to be made by the Issuer shall be made free and clear of and without condition or deduction for any counterclaim, defense, recoupment or setoff. Subject to Section 9.03, all payments of principal, interest, prepayment and repayment premiums and fees on the Notes and all other Obligations payable by any Note Party under the Note Documents shall be due, without any presentment thereof, directly to the Purchasers, at such office or bank account as may be specified by each Purchaser from time to time by written notice to the Issuer. The Note Parties will make such payments in Dollars, in immediately available funds not later than 2:00 p.m. on the date due, marked for attention as indicated, or in such other manner or to such other account in any United States bank as the Purchasers may from time to time direct in writing. All payments received by the Purchasers after 2:00 p.m. shall be deemed received on the next succeeding Business Day and any applicable interest or fee shall continue to accrue in respect of such succeeding Business Day. If any payment to be made by the Issuer shall come due on a day other than a Business Day, payment shall be made on the next following Business Day, and such extension of time shall be reflected in computing interest.

Obligations of Purchasers are Several. The obligations of the Purchasers hereunder to purchase the Notes and to make payments pursuant to Section 12.04(d) are several and not joint. The failure of any Purchaser to purchase the aggregate principal amount of the Notes to be purchased by it or to make any payment under Section 12.04(d) on any date required hereunder shall not relieve any other Purchaser of its corresponding obligation to do so on such date, and no Purchaser shall be responsible for the failure of any other Purchaser to purchase the aggregate principal amount of the Notes to be purchased by it or to make its payment under Section 12.04(d).

Funding Source. Nothing herein shall be deemed to obligate any Purchaser to obtain the funds to purchase any Note in any particular place or manner or to constitute a representation by any Purchaser that it has obtained or will obtain the funds to purchase any Note in any particular place or manner.

No Purchase of Notes. No Note Party or any of their respective Affiliates may acquire directly or indirectly any of the outstanding Notes, without the prior written consent of the Required Purchasers.

Sharing of Payments by Purchasers.

If any Purchaser shall, by exercising any right of setoff or otherwise, obtain payment in respect of any principal of or interest on its portion of any Note resulting in such Purchaser's receiving payment of a proportion of the aggregate amount of the Note and accrued interest thereon greater than its *pro rata share* thereof as provided herein, then such Purchaser shall (a) notify the other Purchasers of such fact and (b) purchase for cash at face value, but without recourse, ratably from each of the other Purchasers such amount of the Notes held by each such other Purchaser (or interest therein), so that the benefit of all such payments shall be shared by the Purchasers ratably in accordance with the aggregate amount of principal of and accrued interest on their respective portions of the Notes and other amounts owing them; provided, that:

(i) if any such purchase is made by any Purchaser, and if such excess payment or part thereof is thereafter recovered from such purchasing Purchaser, the related purchases from the other Purchasers shall be rescinded ratably and the purchase price restored as to the portion of such excess payment so recovered, but without interest; and

(ii) the provisions of this Section 2.14 shall not be construed to apply to (~~w~~A) any payment made by or on behalf of the Issuer pursuant to and in accordance with the express terms of this Agreement, (~~x~~B) any payment obtained by a Purchaser as consideration for the assignment of any of its portion of the Notes to any assignee, other than an assignment to the Issuer or any Subsidiary (as to which the provisions of this Section shall apply), (~~y~~C) the Debt Rollover (as defined in the LM Transaction Support Agreement)~~or~~, (~~z~~D) the Debt Rollover (as defined in the BP Transaction Support Agreement)~~.~~ or (E) any payment made by or on behalf of the Note Parties, the holders of the BP Notes, the Authorized Representative or the Collateral Agent pursuant to and in accordance with the terms of the BP Subordination Agreement or any letter of direction issued thereunder.

AHYDO. Notwithstanding anything to the contrary contained in this Agreement, if (1) the Notes remain outstanding after the fifth anniversary of the Closing Date and (2) the aggregate amount of the accrued but unpaid interest on the Notes (including any amounts treated as interest for federal income tax purposes, such as "original issue discount") as of any Testing Date (as defined below) occurring after such fifth anniversary exceeds an amount equal to the Maximum Accrual (as defined below), then all such accrued but unpaid interest on the Notes (including any amounts treated as interest for federal income tax purposes, such as "original issue discount") as of such time in excess of an amount equal to the Maximum Accrual shall be paid in cash by the Issuer to the Purchasers on such Testing Date, it being the intent of the parties hereto that the Notes will not be treated as an "applicable high yield debt obligation" under Sections 163(e)(5) and Section 163(i) of the Internal Revenue Code and shall be interpreted consistently with such intent. For these purposes, the "Maximum Accrual" is an amount equal to the product of the Notes' issue price (as defined in Internal Revenue Code Sections 1273(b) and 1274(a)) and their yield to maturity, and a "Testing Date" is any regularly scheduled date on which interest is required to be paid hereunder and the date on which any "accrual period" (within the meaning of Section 1272(a)(5) of the Internal Revenue Code) closes. Any accrued interest which for any reason has not theretofore been paid shall be paid in full on the date on which the final principal payment on the Notes is made.

Taxes.

All payments of principal and interest on the Notes and all other amounts payable hereunder to any Recipient shall be made free and clear of and without deduction or withholding for or on account of any present or future income, excise, stamp, documentary, property or franchise taxes and other taxes, fees, duties, levies, assessments, withholding taxes or other charges of any nature whatsoever (including interest and penalties thereon) imposed by any taxing authority, excluding (x) taxes imposed on or measured by net income, branch profits taxes and franchise taxes, in each case imposed by the jurisdiction under which a Recipient is organized or conducts business (other than solely as the result of entering into any of the Note Documents or ~~Inducement Warrant~~Equity Issuance Documents or taking any action thereunder), (y) U.S. back-up and withholding and withholding taxes imposed on amounts payable to or for the account of a Recipient with respect to an applicable interest in any Note pursuant to a Law in effect on the date on which such Recipient acquires such interest in the Note, except in each case to the extent that, pursuant to this Section 3.01, amounts with respect to such taxes were payable by such Recipient's assignor immediately before such Recipient became a party hereto and (z) U.S. federal withholding tax imposed under FATCA (all non-excluded items being called "Taxes"). If any withholding or deduction of any Taxes from any payment by or on account of any obligation of any Note Party hereunder is required in respect of any Taxes pursuant to any applicable Law, then (i) the applicable Withholding Agent shall be entitled to make such withholding or deduction and shall pay directly to the relevant Governmental Authority the full amount required to be so withheld or deducted within the time allowed and in the minimum amount required by applicable law, (ii) the applicable Withholding Agent shall promptly forward to the Purchasers an official receipt or other documentation satisfactory to the Required Purchasers evidencing such payment to such Governmental Authority and (iii) the sum payable by the applicable Note Party shall be increased by such additional amount or amounts as is necessary to ensure that the net amount actually received by the applicable Recipient will equal the full amount such Recipient would have received had no such withholding or deduction been required.

The Issuer shall indemnify each Recipient, within ten (10) days after demand therefor, for the full amount of any Taxes with respect to any Note Document or any payment thereunder (including Taxes imposed on or attributable to amounts payable under this Section 3.01) payable or paid by such Recipient or required to be withheld or deducted from a payment by such Recipient and any reasonable expenses arising therefrom or with respect thereto, whether or not such taxes were correctly or legally imposed or asserted by the relevant Governmental Authority.

Each Purchaser that purports to become an assignee of an interest pursuant toSection 12.06 after the Closing Date shall execute and deliver to the Issuer on or prior to the date that such Purchaser becomes a party hereto (and from time to time thereafter upon the reasonable request of the Issuer), one or more (as the Issuer may reasonably request) duly completed and executed copies of any forms, certificates or documents reasonably requested by the Issuer certifying as to such Purchaser's entitlement to any available exemption from or reduction of withholding or deduction of taxes. The Issuer shall not be required to pay additional amounts to any Purchaser pursuant to this Section 3.01 with respect to taxes attributable to the failure of such Purchaser to comply with this paragraph.

Each Purchaser agrees that if any form or certification it previously delivered pursuant to thisSection 3.01 expires or becomes obsolete or inaccurate in any respect, it shall promptly update such form or certification or promptly notify the Issuer of its inability to do so.

Each of the parties to the Agreement shall, within ten (10) days of a reasonable request by another party to the Agreement, supply to that other party:

such forms, documentation and other information relating to its status under FATCA as that other party reasonably requests for the purposes of that other Party's compliance with FATCA, and

such forms, documentation and other information relating to its status as that other Party reasonably requests for the purposes of that other Party's compliance with any other law, regulation, or exchange of information regime, such as the Common Reporting Standard.

If a Purchaser determines, in its sole discretion exercised in good faith, that it has received a refund of any Taxes as to which it has been indemnified pursuant to this Section 3.01 (including by the payment of additional amounts pursuant to this Section 3.01), it shall pay to the indemnifying party an amount equal to such refund (but only to the extent of indemnity payments made under this Section 3.01 with respect to the Taxes giving rise to such refund), net of all reasonable and documented out-of-pocket expenses (including Taxes) of such indemnified party and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund). Such indemnifying party, upon the request of such indemnified party, shall repay to such indemnified party the amount paid over pursuant to this Section 3.01(f) (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) in the event that such indemnified party is required to repay such refund to such Governmental Authority. Notwithstanding anything to the contrary in this Section 3.01(f), in no event will the indemnified party be required to pay any amount to an indemnifying party pursuant to this Section 3.01(f) the payment of which would place the indemnified party in a less favorable net after-Tax position than the indemnified party would have been in if the Tax subject to indemnification and giving rise to such refund had not been deducted, withheld or otherwise imposed and the indemnification payments or additional amounts with respect to such Tax had never been paid. This Section 3.01(f) shall not be construed to require any indemnified party to make available its Tax returns (or any other information relating to its Taxes that it deems confidential) to the indemnifying party or any other Person.

Survival.

All of the Note Parties' obligations under this Article III shall survive any transfer of the Notes, the repayment, satisfaction or discharge of the Obligations hereunder and the resignation or replacement of the Collateral Agent or the Authorized Representative.

Mitigation of Obligations.

If the Issuer is required to pay any Taxes or additional amounts to any Purchaser or any Governmental Authority for the account of any Purchaser pursuant to Section 3.01, then at the request of the Issuer, such Purchaser shall use commercially reasonable efforts to designate a different lending office for purchasing its Notes hereunder or to assign its rights and obligations hereunder to another of its offices, branches or Affiliates, if, in the judgment of such Purchaser such designation or assignment (i) would eliminate or reduce amounts payable pursuant to Section 3.01 as the case may be, in the future, and (ii) in each case, would not subject such Purchaser to any unreimbursed cost or expense and would not otherwise be disadvantageous to such Purchaser. The Issuer hereby agrees to pay all reasonable and documented out-of-pocket costs and expenses (including all reasonable and documented out-of-pocket fees, charges and disbursements of counsel) incurred by any Purchaser in connection with any such designation or assignment.

The Guaranty.

Each of the Guarantors hereby jointly and severally guarantees to each Secured Party as hereinafter provided, as primary obligor and not as surety, the prompt payment of the Obligations of the Issuer and any other Guarantors in full when due (whether at stated maturity, as a mandatory prepayment, by acceleration or otherwise) strictly in accordance with the terms thereof. The Guarantors hereby further agree that if any of the Obligations are not paid in full when due (whether at stated maturity, as a mandatory prepayment, by acceleration or otherwise), the Guarantors will, jointly and severally, promptly pay the same, without any demand or notice whatsoever, and that in the case of any extension of time of payment or renewal of any of the Obligations, the same will be promptly paid in full when due (whether at extended maturity, as a mandatory prepayment, by acceleration or otherwise) in accordance with the terms of such extension or renewal.

Notwithstanding any provision to the contrary contained herein or in any other of the Note Documents, the obligations of each Guarantor under this Agreement and the other Note Documents shall be limited to an aggregate amount equal to the largest amount that would not render such obligations subject to avoidance under the Debtor Relief Laws or any comparable provisions of any applicable state or federal law.

Obligations Unconditional.

The obligations of the Guarantors under Section 4.01 are joint and several, absolute and unconditional, irrespective of the value, genuineness, validity, regularity or enforceability of any of the Note Documents, or any other agreement or instrument referred to therein, or any substitution, release, impairment or exchange of any other guarantee of or security for any of the Obligations, and, to the fullest extent permitted by applicable law, irrespective of any law or regulation or other circumstance whatsoever which might otherwise constitute a legal or equitable discharge or defense of a surety or guarantor, it being the intent of this Section 4.02 that the obligations of the Guarantors hereunder shall be absolute and unconditional under any and all circumstances. Each Guarantor agrees that such Guarantor shall have no right of subrogation, indemnity, reimbursement or contribution against the Issuer or any other Guarantor for amounts paid under this Article IV until such time as the Obligations (other than contingent indemnification obligations for which no claim has been asserted) have been paid in full. Without limiting the generality of the foregoing, it is agreed that, to the fullest extent permitted by law, the occurrence of any one or more of the following shall not alter or impair the liability of any Guarantor hereunder, which shall remain absolute and unconditional as described above:

at any time or from time to time, without notice to any Guarantor, the time for any performance of or compliance with any of the Obligations shall be extended, or such performance or compliance shall be waived;

any of the acts mentioned in any of the provisions of any of the Note Documents, or any other agreement or instrument referred to in the Note Documents shall be done or omitted;

the maturity of any of the Obligations shall be accelerated, or any of the Obligations shall be modified, supplemented or amended in any respect, or any right under any of the Note Documents, or any other agreement or instrument referred to in the Note Documents shall be waived or any other guarantee of any of the Obligations or any security therefor shall be released, impaired or exchanged in whole or in part or otherwise dealt with;

any Lien granted to, or in favor of, the Collateral Agent or any Purchaser as security for any of the Obligations shall fail to attach or be perfected; or

any of the Obligations shall be determined to be void or voidable (including, without limitation, for the benefit of any creditor of any Guarantor) or shall be subordinated to the claims of any Person (including, without limitation, any creditor of any Guarantor).

With respect to its obligations hereunder, each Guarantor hereby expressly waives diligence, presentment, demand of payment, protest and all notices whatsoever, and any requirement that the Collateral Agent or any Purchaser exhaust any right, power or remedy or proceed against any Person under any of the Note Documents, or any other agreement or instrument referred to in the Note Documents, or against any other Person under any other guarantee of, or security for, any of the Obligations.

Reinstatement.

The obligations of the Guarantors under this Article IV shall be automatically reinstated if and to the extent that for any reason any payment by or on behalf of any Person in respect of the Obligations is rescinded or must be otherwise restored by any holder of any of the Obligations, whether as a result of any proceedings in bankruptcy or reorganization or otherwise, and each Guarantor agrees that it will indemnify each Secured Party on demand for all reasonable and documented out-of-pocket costs and expenses incurred by such Secured Party in connection with such rescission or restoration, including any such costs and expenses incurred in defending against any claim alleging that such payment constituted a preference, fraudulent transfer or similar payment under any bankruptcy, insolvency or similar law.

Certain Additional Waivers.

Each Guarantor agrees that such Guarantor shall have no right of recourse to security for the Obligations, except through the exercise of rights of subrogation pursuant to Section 4.02 and through the exercise of rights of contribution pursuant to Section 4.06.

Remedies.

The Guarantors agree that, to the fullest extent permitted by law, as between the Guarantors, on the one hand, and the Collateral Agent and the Secured Parties, on the other hand, the Obligations may be declared to be forthwith due and payable as provided in Section 9.02 (and shall be deemed to have become automatically due and payable in the circumstances provided in said Section 9.02) for purposes of Section 4.01 notwithstanding any stay, injunction or other prohibition preventing such declaration (or preventing the Obligations from becoming automatically due and payable) as against any other Person and that, in the event of such declaration (or the Obligations being deemed to have become automatically due and payable), the Obligations (whether or not due and payable by any other Person) shall forthwith become due and payable by the Guarantors for purposes of Section 4.01. The Guarantors acknowledge and agree that their obligations hereunder are secured in accordance with the terms of the Collateral Documents and that the Purchasers may exercise their remedies thereunder in accordance with the terms thereof.

Rights of Contribution.

The Guarantors agree among themselves that, in connection with payments made hereunder, each Guarantor shall have contribution rights against the other Guarantors as permitted under applicable law. Such contribution rights shall be subordinate and subject in right of payment to the obligations of such

Guarantors under the Note Documents and no Guarantor shall exercise such rights of contribution until all Obligations (other than contingent indemnification obligations for which no claim has been asserted) have been paid in full and the ~~Additional Note Commitments and Delayed Draw Note~~ Commitments have been terminated.

Guarantee of Payment; Continuing Guarantee.

The guarantee in this Article IV is a guaranty of payment and not of collection, is a continuing guarantee, and shall apply to all Obligations whenever arising.

CONDITIONS PRECEDENT

Conditions to Effectiveness of Agreement and Purchase of Notes.

This Agreement shall become effective upon, and the obligation of each Purchaser to purchase the Notes is subject to, satisfaction of the following conditions precedent:

Note Documents. Receipt by the Purchasers of executed counterparts of this Agreement and the other Note Documents, each properly executed by a Responsible Officer of the signing Note Party and each other party to such Note Documents, in each case in form and substance satisfactory to the Purchasers.

Opinions of Counsel. Receipt by the Purchasers of favorable opinions of legal counsel to the Note Parties, addressed to the Purchasers, dated as of the Closing Date, and in form and substance satisfactory to the Purchasers and their counsel.

Financial Statements; Due Diligence. The Purchasers shall have received the Audited Financial Statements, the Interim Financial Statements and such other reports, statements and due diligence items as any Purchaser shall request.

No Material Adverse Effect. There shall not have occurred any event or condition that has had or could reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect.

Litigation. There shall not exist any action, suit, investigation or proceeding pending or threatened in any court or before an arbitrator or Governmental Authority that could reasonably be expected, either individually or in the aggregate, to have a Material Adverse Effect.

Organization Documents, Resolutions, Etc. Receipt by the Purchasers of the following, each of which shall be pdf scans (with originals of the certificate and incumbency to promptly follow), in form and substance satisfactory to the Purchasers and their legal counsel:

copies of the Organization Documents of each Note Party certified to be true and complete as of a recent date by the appropriate Governmental Authority of the state or other jurisdiction of its incorporation or organization, where applicable, and certified by a secretary or assistant secretary of such Note Party to be true and correct as of the Closing Date;

such certificates of resolutions, shareholder resolutions or other action, incumbency certificates and/or other certificates of Responsible Officers of each Note Party as

the Purchasers may require evidencing the identity, authority and capacity of each Responsible Officer thereof authorized to act as a Responsible Officer in connection with this Agreement and the other Note Documents to which such Note Party is a party; and

such documents and certifications as the Purchasers may require to evidence that each Note Party is duly organized or formed, and is validly existing, in good standing and qualified to engage in business in its state of organization or formation, including certificates of good standing or status in all applicable jurisdictions.

Perfection and Priority of Liens. Receipt by the Purchasers of the following, subject to Section 7.20:

searches of Uniform Commercial Code filings in the jurisdiction of formation of each Note Party or where a filing would need to be made in order to perfect the Collateral Agent's security interest in the Collateral, copies of the financing statements on file in such jurisdictions and evidence that no Liens exist other than Permitted Liens;

UCC financing statements for each appropriate jurisdiction as is necessary, in the Authorized Representative's sole discretion, to perfect the Collateral Agent's security interest in the Collateral;

searches of ownership of, and Liens on, the Intellectual Property owned by each Note Party in the appropriate governmental offices;

duly executed IP Security Agreements as are necessary, in the Authorized Representative's reasonable discretion, to perfect the Collateral Agent's security interest in the Intellectual Property of the Note Parties;

all certificates evidencing any certificated Equity Interests pledged to the Collateral Agent pursuant to the Pledge Agreement, together with duly executed in blank and undated stock powers attached thereto; and

perfection actions, including, without limitation, searches, certifications, notices and any other items required pursuant to or reasonably requested in connection with the Collateral Documents to be executed on the Closing Date.

Evidence of Insurance. Receipt by the Collateral Agent of copies of insurance policies or certificates of insurance of the Note Parties, together with endorsements, evidencing liability and casualty insurance meeting the requirements set forth in the Note Documents, including, but not limited to, naming the Collateral Agent as additional insured (in the case of liability insurance) or lender loss payee (in the case of property insurance) on behalf of the Secured Parties.

Closing Certificate. Receipt by the Purchasers of a certificate signed by a Responsible Officer of the Issuer certifying, as of the Closing Date, (i) that the conditions specified in Sections 5.01(d), (e), (k), (p) and (q) have been satisfied, (ii) that the Issuer and its Subsidiaries (after giving effect to the transactions contemplated hereby and the incurrence of Indebtedness related thereto) are Solvent on a consolidated basis, (iii) that the Issuer and its Subsidiaries have no Indebtedness for borrowed money, other than Indebtedness permitted by Section 8.03, (iv) that neither the Issuer nor any Subsidiary has outstanding any Disqualified Capital Stock and (v) as true and complete an attached description of all intercompany Indebtedness of the Issuer and its Subsidiaries (both before and after giving effect to the application of the proceeds of the Notes).

Existing Indebtedness. All of the existing Indebtedness for the borrowed money of the Note Parties and their respective Subsidiaries (other than Indebtedness permitted to exist under Section 8.03 and the Exchange Notes) shall be repaid in full and all security interests related thereto shall be terminated on or prior to the Closing Date, in each case, evidenced by payoff letters and lien releases reasonably satisfactory to the Authorized Representative.

Governmental and Third Party Approvals. The Issuer and its Subsidiaries shall have received all material governmental, shareholder and third-party consents and approvals necessary in connection with the transactions contemplated by this Agreement and the other Note Documents and Inducement Warrant Documents and the other transactions contemplated hereby and all applicable waiting periods shall have expired without any action being taken by any Person that could reasonably be expected to restrain, prevent or impose any material adverse conditions on the Issuer or any of its Subsidiaries or such other transactions or that could seek to threaten any of the foregoing, and no law or regulation shall be applicable which could reasonably be expected to have such effect.

Corporate Structure and Capitalization. Receipt by the Purchasers of a satisfactory capitalization table reflecting the capital and ownership structure and the equity holder arrangements of the Issuer on the Closing Date, on a pro forma basis after giving effect to the transactions contemplated by the Note Documents and Inducement Warrant Documents.

Letter of Direction. Receipt by the Purchasers of a satisfactory letter of direction containing funds flow information with respect to the proceeds of the Notes (net of any fees, costs or expenses detailed therein) to be distributed on the Closing Date.

Fees. Receipt by the Authorized Representative and its Affiliates of any fees required to be paid hereunder or under the other Note Documents and Inducement Warrant Documents on or before the Closing Date.

Costs; Expenses. Subject to Section 12.04, the Issuer shall have paid all reasonable and documented out-of-pocket expenses, fees and charges of the Authorized Representative and its Affiliates, BPC Lending II, LLC and its Affiliates and the Collateral Agent incurred in connection with the Note Documents and Inducement Warrant Documents, including all documented expenses, fees, charges and disbursements of counsel to the Authorized Representative, its Affiliates and Collateral Agent and all due diligence expenses of the Authorized Representative and its Affiliates, in each case, incurred on or prior to the Closing Date, plus such additional amounts of such fees, charges and disbursements as shall constitute their reasonable estimate of such fees, charges and disbursements incurred or to be incurred by it through the closing proceedings (provided, that, such estimate shall not thereafter preclude a final settling of accounts between the Issuer, the Collateral Agent and the Authorized Representative).

Representations and Warranties. The representations and warranties of the Issuer and each other Note Party contained in Article VI or any other Note Document, or which are contained in any document furnished at any time under or in connection herewith or therewith, shall be true and correct in all material respects (and in all respects if any such representation or warranty is already qualified by materiality or reference to Material Adverse Effect) on and as of the Closing Date, except to the extent that such representations and warranties specifically refer to an earlier date, in which case they shall be true and correct as of such earlier date.

No Default. No Default or Event of Default shall exist, or would result from such proposed issuance of the Notes or from the application of the proceeds thereof.

Strategic Cooperation Agreement; Inducement Warrant Documents. The Strategic Cooperation Agreement and the Inducement Warrant Documents shall have been executed and delivered and the transactions thereunder to be consummated on the Closing shall be fully consummated substantially concurrently with the execution and delivery of this Agreement.

By issuing and delivering the Notes, the Issuer shall be deemed to represent and warrant that the conditions specified in Sections 5.01(d), (p) and (q) have been satisfied on and as of the Closing Date. Without limiting the generality of the provisions of the last paragraph of Section 11.03, for purposes of determining compliance with the conditions specified in this Section 5.01, each Purchaser that has signed this Agreement shall be deemed to have consented to, approved or accepted or to be satisfied with, each document or other matter required thereunder to be consented to or approved by or acceptable or satisfactory to a Purchaser unless the Authorized Representative shall have received notice from such Purchaser prior to the proposed Closing Date specifying its objection thereto.

REPRESENTATIONS AND WARRANTIES

Each Note Party represents and warrants to the Secured Parties that:

Existence, Qualification and Power.

Each Note Party and each of its Subsidiaries (a) is duly organized, incorporated 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 under the Note Documents to which it is a party, and (c) is duly qualified and is licensed and in good standing under the Laws of each jurisdiction where its ownership, lease or operation of properties or the conduct of its business requires such qualification or license; except in each case referred to in clause (b)(i) or (c), to the extent that failure to do so could not reasonably be expected to have a Material Adverse Effect.

Authorization; No Contravention.

The execution, delivery and performance by each Note Party of each Note Document to which such Person is party have been duly authorized by all necessary corporate or other organizational action, and do 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 material 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, in each case, in any material respect or (c) violate any applicable Law (including, without limitation, Regulation U or Regulation X issued by the FRB) in any material respect.

Governmental Authorization; Other Consents.

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, any Note Party of this Agreement or any other Note Document other than (a) those that have already been obtained and are in full force and effect, (b) filings to perfect the Liens created by the Collateral Documents and (c) the filing of any applicable reports under securities laws.

Binding Effect.

Each Note Document has been duly executed and delivered by each Note Party that is party thereto. Each Note Document constitutes a legal, valid and binding obligation of each Note Party that is party thereto, enforceable against each such Note Party in accordance with its terms, subject to applicable Debtor Relief Laws or other Laws affecting creditors' rights generally and subject to general principles of equity.

Financial Statements; No Material Adverse Effect.

(a) The Audited Financial Statements (i) were prepared in accordance with GAAP consistently applied throughout the period covered thereby, except as otherwise expressly noted therein, (ii) fairly present in all material respects the financial condition of the Issuer and its Subsidiaries as of the date thereof and their results of operations for the period covered thereby in accordance with GAAP consistently applied throughout the period covered thereby, except as otherwise expressly noted therein, and (iii) show all material indebtedness and other liabilities, direct or contingent, of the Issuer and its Subsidiaries as of the date thereof, including material liabilities for taxes, commitments and Indebtedness.

(b) The Interim Financial Statements (i) were prepared in accordance with GAAP consistently applied throughout the period covered thereby, except as otherwise expressly noted therein, (ii) fairly present in all material respects the financial condition of the Issuer and its Subsidiaries as of the date thereof and their results of operations for the period covered thereby, subject, in the case of clauses (i) and (ii), to the absence of footnotes and to normal year-end audit adjustments, and (iii) show all material indebtedness and other liabilities, direct or contingent, of the Issuer and its Subsidiaries as of the date thereof, including material liabilities for taxes, material commitments and Indebtedness.

(c) From the date of the Audited Financial Statements to and including the Closing Date and the Combination Closing Date, there has been no Disposition by any Note Party or any Subsidiary, or any Involuntary Disposition, of any material part of the business or property of any Note Party or any Subsidiary, and no purchase or other acquisition by any of them of any business or property (including any Equity Interests of any other Person) material to any Note Party or any Subsidiary, in each case, which is not reflected in the foregoing financial statements or in the notes thereto and has not otherwise been disclosed in writing to the Purchasers on or prior to the Closing Date or the Combination Closing Date, as applicable.

(d) The financial statements delivered pursuant to Section 7.01(a) and (b) have been prepared in accordance with GAAP (except as may otherwise be permitted under Section 7.01(a) or (b), as applicable) and present fairly in all material respects (on the basis disclosed in the footnotes to such financial statements) the consolidated financial condition, results of operations and cash flows of the ~~Issuer and its~~ Note Parties and their Subsidiaries as of the dates thereof and for the periods covered thereby.

(e) Since the date of the Audited Financial Statements, there has been no event or circumstance, either individually or in the aggregate, that has had or could reasonably be expected to have a Material Adverse Effect.

Litigation.

There are no actions, suits, proceedings, claims or disputes pending or, to the knowledge of the Note Parties, threatened or contemplated, at law, in equity, in arbitration or before any Governmental Authority, by or against any Note Party or any of its Subsidiaries or against any of their properties or revenues that (a) purport to affect or pertain to this Agreement or any other Note Document, or any of the transactions contemplated hereby or (b) either individually or in the aggregate, could reasonably be expected to result in any material liability of a Note Party or any of its Subsidiaries. The judgment related to the litigation involving Raymond James & Associates, Inc. described in Schedule 8.01 hereto has been paid in full.

No Default.

Neither any Note Party nor any Subsidiary is (i) in default under or with respect to any Material Contract that, individually or in the aggregate, could reasonably be expected to result in (A) a loss of more than 10% of the consolidated revenue of the ~~Issuer and its~~Note Parties and their Subsidiaries on a consolidated basis (as measured against the consolidated revenue of the ~~Issuer and its~~Note Parties and their Subsidiaries reflected in the most recently delivered financial statements delivered pursuant to Sections 5.01(c) or 7.01 or (B) liability to ~~the Issuer~~any Note Party or any Subsidiary in excess of $5,000,000 or (ii) in default under or with respect to any other Contractual Obligation that, in the case of this clause (ii), could reasonably be expected to have a Material Adverse Effect.

No Default or Event of Default has occurred and is continuing.

Ownership of Property; Liens.

Each Note Party and its Subsidiaries has good and marketable title in fee simple to, or valid leasehold interests in, all real property necessary or used in the ordinary conduct of its business. The property of each Note Party and its Subsidiaries is subject to no Liens, other than Permitted Liens.

Environmental and Safety Laws. Each Note Party and its Subsidiaries is and has been in compliance in all material respects with all Environmental Laws and there has been no release or, to such Person's knowledge, threatened release of any Hazardous Material, on, upon, into or from any site currently or previously owned, leased or otherwise used by the Note Parties and their Subsidiaries. There have been no Hazardous Materials generated by any Note Party or any of its Subsidiaries that have been disposed of or come to rest at any site that has been included in any published U.S. federal, state or local "superfund" site list or any other similar list of hazardous or toxic waste sites published by any governmental authority in the United States. There are no underground storage tanks located on, no polychlorinated biphenyls ("PCBs") or PCB-containing equipment used or stored on, and no hazardous waste as defined by the Resource Conservation and Recovery Act, as amended, stored on, any site owned or operated by any Note Party or any of its Subsidiaries, except for the storage of hazardous waste in compliance with Environmental Laws. The Note Parties have made available to the Purchasers true and complete copies of all material environmental records, reports, notifications, certificates of need, permits, pending permit applications, correspondence, engineering studies and environmental studies or assessments.

Insurance.

The properties of the ~~Issuer and its~~Note Parties and their Subsidiaries are insured with financially sound and reputable insurance companies that are not Affiliates of such Persons, in such amounts, with such deductibles and covering such risks as are customarily carried by companies engaged in similar businesses and owning similar properties in localities where ~~the Issuer or its applicable~~any Note Party or any Subsidiary operates. The insurance coverage of the ~~Issuer and its~~Note Parties and their Subsidiaries as in effect on the Fifth Amendment Effective Date is outlined as to carrier, policy number, expiration date, type and coverage amounts on Schedule 6.10, which Schedule 6.10 shall be updated to include information regarding the deductibles for such insurance coverage and delivered to the Purchasers by the date required by Section 7.20, and the representation set forth in this Section 6.10(a) with respect to such deductibles shall be deemed to have been made upon delivery of such information.

The ~~Issuer and its~~Note Parties and their Subsidiaries maintain, if available, fully paid flood hazard insurance on all real property that is located in a special flood hazard area in the United States and that constitutes Collateral on such terms and in such amounts as required by The National Flood Insurance Reform Act of 1994 or as otherwise required by the Collateral Agent, the Authorized Representative or the Required Purchasers.

Tax Returns and Payments. The Note Parties and their Subsidiaries have filed all federal, state and other material tax returns and reports required to be filed, and have paid all federal, state and other material taxes, assessments, fees and other governmental charges levied or imposed upon them or their properties, income or assets otherwise due and payable, except those which are being contested in good faith by appropriate proceedings diligently conducted and for which adequate reserves have been provided in accordance with GAAP. There is no proposed tax assessment against any Note Party or any Subsidiary that could reasonably be expected to result in a material liability of such Note Party or Subsidiary. Neither any Note Party nor any Subsidiary thereof is party to any tax sharing agreement with any Person that is not a Note Party.

ERISA Compliance.

Except to the extent that any of the following has not or could not reasonably be expected to result in a Material Adverse Effect, (i) each Plan and Pension Plan is in compliance, in both form and operation with the applicable provisions of ERISA, the Internal Revenue Code and other federal or state laws and (ii) each Pension Plan that is intended to be a qualified plan under Section 401(a) of the Internal Revenue Code has received a current favorable determination letter from the Internal Revenue Service to the effect that the form of such Pension Plan is qualified under Section 401(a) of the Internal Revenue Code and the trust related thereto has been determined by the Internal Revenue Service to be exempt from federal income tax under Section 501(a) of the Internal Revenue Code or an application for such a letter is currently pending with the Internal Revenue Service and nothing has occurred that would prevent, or cause the loss of, such tax-qualified status.

There are no pending or, to the knowledge of the Note Parties, threatened claims, actions or lawsuits, or action by any Governmental Authority, with respect to any Plan or any Pension Plan that could reasonably be expected to have a Material Adverse Effect. There has been no prohibited transaction or violation of the fiduciary responsibility rules with respect to any Plan or Pension Plan that has resulted or could reasonably be expected to result in a Material Adverse Effect.

Except to the extent that any of the following has not or could not reasonably be expected to result in a Material Adverse Effect, (i) no ERISA Event has occurred and none of the Issuer and any ERISA Affiliate is aware of any fact, event or circumstance that could reasonably be expected to constitute or result in an ERISA Event with respect to any Pension Plan, (ii) the Issuer and each ERISA

Affiliate has met all material and applicable requirements under the Pension Funding Rules in respect of each Pension Plan, and no waiver of the minimum funding standards under the Pension Funding Rules has been applied for or obtained, (iii) as of the most recent valuation date for any Pension Plan, the funding target attainment percentage (as defined in Section 430(d)(2) of the Internal Revenue Code) is sixty percent (60%) or higher and none of the Issuer and any ERISA Affiliate knows of any facts or circumstances that could reasonably be expected to cause the funding target attainment percentage for any such plan to drop below sixty percent (60%) as of the next valuation date, (iv) none of the Issuer and any ERISA Affiliate has incurred any liability to the PBGC other than for the payment of premiums, and there are no premium payments which have become due that are unpaid, (v) none of the Issuer and any ERISA Affiliate has engaged in a transaction that could be subject to Section 4069 or Section 4212(c) of ERISA, and (vi) no Pension Plan has been terminated by the plan administrator thereof nor by the PBGC, and no event or circumstance has occurred or exists that could reasonably be expected to cause the PBGC to institute proceedings under Title IV of ERISA to terminate any Pension Plan.

Except to the extent that any of the following has not or could not reasonably be expected to result in a Material Adverse Effect, none of the Issuer and any of its Subsidiaries has established or otherwise has any liability with respect to a "welfare plan", as such term is defined in Section 3(1) of ERISA, that either provides post-employment welfare benefits other than as required by Section 4980B of the Internal Revenue Code (or similar state law) or is a health or life insurance plan that is not fully insured by a third party insurance company.

Subsidiaries and Capitalization; Management Fees.

Set forth on Schedule 6.13(a) is a complete and accurate list as of the Closing Date of each Subsidiary of any Note Party, together with the (i) jurisdiction of organization, (ii) percentage of outstanding shares of each class owned (directly or indirectly) by any Note Party or any Subsidiary, (iii) number and effect, if exercised, of all outstanding options, warrants, rights of conversion or purchase and all other similar rights with respect thereto and (iv) number of shares of each class of Equity Interests outstanding and the number of shares of each class owned (directly or indirectly) by any Note Party or any Subsidiary, which in the case of the information described in this clause (iv), shall be provided in an updated Schedule 6.13(a) delivered to the Purchasers by the date required by Section 7.20, and the representation set forth in this Section 6.10(a)(iv) shall be deemed to have been made upon the delivery of such information in lieu of the Closing Date.

Set forth on Schedule 6.13(b) is a true and complete table showing the authorized and issued capitalization of the Issuer as of the Closing Date. Schedule 6.13(b) sets forth all options or restricted stock units granted and outstanding pursuant to the Equity Incentive Plan (or any other equity incentive plan of the Issuer) and all shares reserved for future issuance pursuant to such plan (or any other equity incentive plan of the Issuer) as of the Closing Date. All issued and outstanding Equity Interests of the ~~Issuer~~Note Parties and each of ~~its~~their Subsidiaries is duly authorized and validly issued, fully paid, non-assessable, free and clear of all Liens and such Equity Interests were issued in compliance with all applicable Laws. As of the Closing Date, except as described on Schedule 6.13(b) or as contained in the Issuer's ~~Organizational~~Organization Documents and the Inducement Warrant Documents, there are no outstanding commitments or other obligations of the Issuer or any Subsidiary to issue, and no rights of any Person to acquire, any shares of any Equity Interests of the Issuer or any of its Subsidiaries. There are no agreements (voting or otherwise) among the Issuer's equity holders with respect to any other aspect of the Issuer's or any Subsidiary's affairs, except as set forth on Schedule 6.13(b) or as contained the Issuer's ~~Organizational~~Organization Documents.

As of the Closing Date, the Seventh Amendment Effective Date or the Combination Closing Date, as applicable, no Note Party, nor any of their respective Subsidiaries, directly or indirectly, are obligated to pay any management, consulting, transaction or similar advisory fees (other than normal and reasonable compensation (including in the form of Equity Interests) and reimbursement of expenses, in each case, of officers and directors in the ordinary course of business) to or for the account of any holder (or any Affiliate of any holder) of at least 5% of the Equity Interests of such Person.

Margin Regulations; Investment Company Act.

No Note Party is engaged and no Note Party will engage, principally or as one of its important activities, in the business of purchasing or carrying margin stock (within the meaning of Regulation U issued by the FRB), or extending credit for the purpose of purchasing or carrying margin stock. Following the application of the proceeds of each issuance and purchase of Notes, not more than 25% of the value of the assets (either of the Issuer only or of the ~~Issuer and its~~Note Parties and their Subsidiaries on a consolidated basis) will be margin stock.

No Note Party, any Person Controlling any Note Party, or any Subsidiary is or is required to be registered as an "investment company" under the Investment Company Act of 1940.

Disclosure.

Each Note Party has disclosed to the Purchasers all agreements, instruments and corporate or other restrictions to which it or any of its Subsidiaries is subject, and all other matters known to it, that, either individually or in the aggregate, could reasonably be expected to result in a Material Adverse Effect. No report, financial statement, certificate or other information furnished (whether written or oral) (other than forward-looking information and projections and information of a general economic nature and general information about the Note Parties' industry) by or on behalf of any Note Party to any Purchaser in connection with the transactions contemplated hereby and the negotiation of this Agreement or delivered hereunder or under any other Note Document (in each case, as modified or supplemented by other information so furnished) contains any material misstatement of fact or omits to state any fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading in any material respect. Each Note Party represents, with respect to projections, estimates, budgets and other forward-looking information, only that such information was prepared in good faith based on assumptions believed to be reasonable at the time such projections were prepared, it being understood that such projections are not to be viewed as facts or as a guarantee of performance or achievement of any particular results and that actual results may vary from projected results (many of which factors are beyond the control of the Issuer and its Subsidiaries and their respective officers, representatives and advisors) and that such variances may be material and that no assurance can be given that the projected results will be realized.

Compliance with Laws.

Each Note Party and each Subsidiary is in compliance with the requirements of all Laws and all judgments, orders, writs, injunctions and decrees applicable to it or to its properties, except in such instances in which (a) such requirement of Law or judgment, order, writ, injunction or decree is being contested in good faith by appropriate proceedings diligently conducted or (b) the failure to comply therewith could not reasonably be expected to be material in any respect.

Intellectual Property; Licenses, Etc.

Except as set forth in Schedule 6.17 Part (a), each Note Party and Subsidiary of a Note Party is the sole and exclusive owner of or has a valid right to use all of its Note Party Intellectual Property, and the Note Party Intellectual Property owned by such Note Party or Subsidiary is free and clear of any liens, security interests, joint or co-ownership rights, restrictions on use or other encumbrances (other than non-exclusive licenses granted in the ordinary course of business by such Note Party or Subsidiary). The Note Party Intellectual Property constitutes all of the Intellectual Property necessary to operate the business of the Note Parties and their Subsidiaries as now conducted. No Note Party has abandoned any rights in or to any material Note Party Intellectual Property. Each Note Party or Subsidiary has taken commercially reasonable steps to maintain and protect the Note Party Intellectual Property owned by such Note Party or Subsidiary. Each Note Party and its Subsidiaries has entered into commercially reasonable confidentiality and nondisclosure agreements with all employees and third Persons to which such Note Party or Subsidiary has provided access to any material Note Party Intellectual Property, which agreements impose commercially reasonable confidentiality restrictions on such employees and third Persons.

Schedule 6.17 Part (b) sets forth a true, complete and accurate list of all domain names owned or controlled by each Note Party or Subsidiary, all patents and patent applications owned or controlled by such Note Party or Subsidiary, and all other Intellectual Property owned or controlled by such Note Party or Subsidiary that has been registered, or for which an application for registration has been filed with, the United States Patent and Trademark Office, the United States Copyright Office or any foreign governmental agency or authority (collectively, the "Registered Intellectual Property"). Each item of Registered Intellectual Property (excluding any pending application) is valid, enforceable, subsisting, unexpired and has not been abandoned or canceled.

Schedule 6.17 Part (c) sets forth a true, complete and correct list of (i) all material options, licenses, sublicenses, and other agreements or arrangements to which any Note Party or Subsidiary is a party, or by which such Note Party or Subsidiary is bound, and pursuant to which any other Person is authorized to use of, Intellectual Property owned by such Note Party or Subsidiary, or to exercise any other use or licensing right with regard thereto (other than non-disclosure agreements that permit the review or evaluation of the Note Party Intellectual Property without providing any rights to use such Intellectual Property or non-exclusive licenses granted to customers in the ordinary course of business), and (ii) all options, licenses, sublicenses, and other agreements or arrangements pursuant to which any Note Party or Subsidiary has been granted a license (other than licenses of "off the shelf" commercially available standard end-user, object code, internal use software) to or the right to use any Intellectual Property of a third party (together with the options, licenses, sublicenses, agreements and other arrangements set forth in clause (i), "Intellectual Property Licenses"). Each of the Intellectual Property Licenses is a legal, valid, binding and enforceable obligation of each Note Party party thereto, and to each Note Party's knowledge, each other party thereto. No Note Party or Subsidiary, nor to such Note Party's knowledge any other party to any Intellectual Property License, is in material breach or default under such Intellectual Property License, and no event has occurred that with notice or lapse of time would constitute a material breach or default by such Note Party or Subsidiary (or to such Note Party's knowledge any other party thereto) or permit termination, thereunder. No notice of default with respect to any such Intellectual Property License has been sent or received by any Note Party or Subsidiary.

Except as set forth on Schedule 6.17 Part (d), each Note Party and Subsidiary has obtained and possesses licenses, which to such Note Party's knowledge are valid, to use all of the software programs present on the computers and other software enabled electronic devices that it owns or leases or that it has otherwise provided to its employees for their use in connection with such Note Party's or Subsidiary's business.

No Note Party or nor any Subsidiary is obligated to pay any royalties or other payments to third parties with respect to the marketing, sale, distribution, manufacture, license or use of any Note Party Intellectual Property (other than license and maintenance fees for licenses of "off the shelf" commercially available standard end-user, object code, internal use software).

To the knowledge of the Note Parties, neither the conduct of the each Note Party's and Subsidiary's business as now conducted (including, without limitation, such Note Party's or Subsidiary's marketing and sale of products and services), nor such Note Party's or Subsidiary's use of the Note Party Intellectual Property owned by such Note Party or Subsidiary infringes upon, violates or misappropriates the Intellectual Property of any third party, and there are no pending or, to the knowledge of any Note Party or Subsidiary, threatened, proceedings or litigation or other adverse claims or communications by any Person alleging any such infringement, violation or misappropriation. None of the Note Party Intellectual Property is subject to any outstanding order, action, suit, proceeding, hearing, investigation, charge, complaint, claim or demand to which any Note Party or Subsidiary is a party or of which any Note Party or Subsidiary has knowledge (for purposes of this Section 6.17(f), "Claim"), nor to the any Note Party's or Subsidiary's knowledge has any been threatened, which challenges the validity, enforceability, use or ownership of such Note Party Intellectual Property, and, to such Note Party's or Subsidiary's knowledge, there is no valid basis for such a Claim. To the knowledge of each Note Party and Subsidiary, no Person is infringing upon or otherwise violating any of such Note Party's or Subsidiary's rights in the Note Party Intellectual Property. Neither the execution nor delivery of this Agreement and the other Note Documents, nor the performance and consummation of each Note Party's obligations hereunder and thereunder, shall cause the diminution, termination or forfeiture of such Note Party's or Subsidiary's rights in, or require the consent of any third party in respect of, any Note Party Intellectual Property owned or, to each Note Party's and Subsidiary's knowledge, licensed by a Note Party or a Subsidiary.

To each Note Party's and Subsidiary's knowledge, it shall not be necessary to utilize any inventions of any of its employees, consultants or contractors (or persons it intends to hire) made prior to or outside the scope of their employment by, or performance of services for, such Note Party or Subsidiary for such Note Party's or Subsidiary's business as now conducted or as currently proposed to be conducted. Each Note Party and Subsidiary has secured from all employees, consultants and contractors of such Note Party or Subsidiary who have contributed to the creation or development of any Note Party Intellectual Property owned or purported to be owned by such Note Party or Subsidiary valid and binding written assignments of all rights, including all Intellectual Property rights, to such contributions. No Note Party or Subsidiary has granted to any Person an exclusive license or equivalent right with respect to any of the Note Party Intellectual Property, or assigned or conveyed to any Person any ownership interest (including joint ownership rights) therein, and no third party owns or holds any such right, license or interest.

All personally identifiable information used by or in the possession of any Note Party or Subsidiary has been collected, stored, maintained and used by such Note Party or Subsidiary in accordance with all applicable legal requirements including such Note Party's or Subsidiary's (and its users') applicable privacy policies.

To the knowledge of the Note Parties, no Note Party nor any Subsidiary has embedded any open source, copyleft or community source code in any of its products generally available or in development, including but not limited to any libraries or code licensed under any General Public License, Lesser General Public License or similar license arrangement that, as a condition of modification or distribution of the third party software subject to such open source license: (i) requires the disclosure and/or distribution in source code form of any of such Note Party's or Subsidiary's proprietary software

or other Note Party Intellectual Property, derivative works thereof and/or other software incorporated into, derived from or distributed with such proprietary software or other Note Party Intellectual Property; (ii) prohibits or limits such Note Party or Subsidiary from charging a fee or receiving consideration in connection with distributing any of such Note Party's or Subsidiary's proprietary software or other Note Party Intellectual Property and/or derivative works thereof; or (iii) requires the licensing to third parties of any of such Note Party's or Subsidiary's proprietary software or other Note Party Intellectual Property, derivative works thereof and/or other software incorporated into, derived from or distributed with such proprietary software or other Note Party Intellectual Property.

Solvency.

The Issuer is Solvent on an individual basis, and the Issuer and its Subsidiaries are Solvent on a consolidated basis.

Perfection of Security Interests in the Collateral

The Collateral Documents create valid security interests in, and Liens on, the Collateral purported to be covered thereby, which security interests and Liens will be, upon the timely and proper filings, deliveries, notations and other actions contemplated in the Collateral Documents, perfected security interests and Liens (to the extent that such security interests and Liens can be perfected by such filings, deliveries, notations and other actions contemplated in the Collateral Documents), prior to all other Liens other than Permitted Liens.

Business Locations.

Set forth on Schedule 6.20(a) is a list of all real property that is owned or leased by the Note Parties as of the Closing Date (with (x) the address of each real property, (y) a designation of whether such real property is owned or leased and (z) if any Note Party maintains books and records at such real property). Set forth on Schedule 6.20(b) is the tax payer identification number and organizational identification number of each Note Party as of the Closing Date. The exact legal name and jurisdiction of organization of (a) the Issuer is as set forth on Schedule 6.20(b) and (b) each Guarantor is (i) as set forth on Schedule 6.20(b), (ii) as set forth in the Joinder Agreement pursuant to which such Guarantor became a party hereto. Except as set forth on Schedule 6.20(c), no Note Party has during the five years preceding the Fifth Amendment Effective Date (i) changed its legal name, (ii) changed its jurisdiction of organization, or (iii) been party to a merger, amalgamation, consolidation or such other structural change.

Sanctions Concerns; Anti-Corruption Laws; PATRIOT Act.

Sanctions Concerns. No Note Party, nor any Subsidiary, nor, to the knowledge of the Note Parties and their Subsidiaries, any director, officer, employee, agent, Affiliate or representative thereof, is an individual or entity that is, or is owned or controlled by, any individual or entity that is (i) currently the subject or target of any Sanctions, (ii) included on OFAC's List of Specially Designated Nationals, HMT's Consolidated List of Financial Sanctions Targets and the Investment Ban List, or any similar list enforced by any other relevant sanctions authority of the United States, United Nations, European Union or United Kingdom or (iii) located, organized or resident in a Designated Jurisdiction.

Anti-Corruption Laws. The Note Parties and their Subsidiaries have conducted their business in compliance with the United States Foreign Corrupt Practices Act of 1977, the UK Bribery Act 2010 and other similar anti-corruption legislation in other applicable jurisdictions, and have instituted and maintained policies and procedures designed to promote and achieve compliance with such Laws.

PATRIOT Act. To the extent applicable, each Note Party and each Subsidiary is in compliance, in all material respects, with (i) the Trading with the Enemy Act, as amended, and each of the foreign assets control regulations of the United States Treasury Department (31 CFR, Subtitle B, Chapter V, as amended) and any other enabling legislation or executive order relating thereto and (ii) the PATRIOT Act.

Limited Offering of Notes.

None of the Note Parties nor anyone acting on their behalf has offered or will offer to sell the Notes or any similar securities to, or solicit offers with respect thereto from, or enter into any preliminary conversations or negotiations relating thereto with, any Person, so as to require the issuance and sale of the Notes to be registered under the Securities Act or applicable securities laws of any other jurisdiction. None of the Note Parties nor anyone acting on their behalf has engaged, directly or indirectly, in any form of general solicitation or general advertising with respect to the offering of the Notes (as those terms are used in Regulation D) or otherwise in any manner involving a public offering within the meaning of Section 4(a)(2) of the Securities Act. Assuming the accuracy and completeness of the representations and warranties of the Purchasers set forth in Article VI-A below, the offer and sale of the Notes are exempt from registration under the Securities Act and any applicable securities laws of any other jurisdiction.

Registration Rights; Issuance Taxes.

The Issuer is not under any requirement to register under the Securities Act, or the Trust Indenture Act of 1939, as amended, any of its presently outstanding securities or any of its securities that may subsequently be issued.

All taxes imposed on the Issuer in connection with the issuance, sale and delivery of the Notes have been or will be fully paid, and all Laws imposing such taxes have been or will be fully satisfied by the Issuer.

No "bad actor" disqualifying event described in Rule 506(d)(1)(i)-(viii) of the Securities Act (a "Disqualification Event") is applicable to the Issuer or, to the Issuer's knowledge, any Issuer Covered Person, except for a Disqualification Event as to which Rule 506(d)(2)(ii)-(iv) or (d)(3) is applicable.

Material Contracts; Government Contracts.

Except for the contracts, agreements, licenses and other Contractual Obligations set forth onSchedule 6.24(a) as of the Fifth Amendment Effective Date, none of the ~~Issuer and its~~Note Parties and their Subsidiaries is party to, or any of its property is bound by, (x) any contract, agreement, license or other Contractual Obligation that is anticipated to contribute more than $1,000,000 of revenue on an annual basis or require payment of more than $1,000,000 in any year or (y) any contract, agreement, license or other Contractual Obligation to which ~~the Issuer~~any Note Party or any Subsidiary is a party, or any of its property is bound by, and the breach, nonperformance or cancellation of which, or the failure of which to renew, could reasonably be expected to have a Material Adverse Effect. Except as set forth on Schedule 6.24(b), none of the ~~Issuer or its~~Note Parties or their Subsidiaries is party to, or any of its property bound by, any contract, agreement, license or other Contractual Obligation (1) providing for the grant of rights to manufacture, produce, assemble, license, market, or sell its products to any other

Person that limits ~~the Issuer~~any Note Party or any Subsidiary's exclusive right to develop, manufacture, assemble, distribute, market or sell its products, (2) containing limitations on ~~the Issuer~~any Note Party's or any Subsidiary's ability to compete in any business or activity or with any Person or in any geographic area or during any period of time, or that limits the ability of ~~the Issuer~~any Note Party or any Subsidiary to own, operate, sell, transfer, pledge or otherwise dispose of or encumber any asset, (3) containing a "most favored nation" or "most favored customer" clause or (4) containing any sole source or exclusive supplier obligations for goods or services supplied to ~~the Issuer~~any Note Party or any Subsidiary. The consummation of the transactions contemplated by the Note Documents will not give rise to a right of termination in favor of any party to any Material Contract. Each Material Contract (a) is in full force and effect and is binding upon and enforceable against the ~~Issuer and its~~Note Parties and their Subsidiaries party thereto and, to the knowledge of any Note Party, all other parties thereto in accordance with its terms, and (b) is not currently subject to any material breach or default by ~~the Issuer~~any Note Party or any Subsidiary or, to the knowledge of any Note Party, any other party thereto. ~~None of the Issuer~~No Note Party nor any of its Subsidiaries has taken or failed to take any action that would permit any other Person party to any Material Contract to have, and, to the knowledge of any Note Party, no such Person otherwise has, any defenses, counterclaims or rights of setoff thereunder.

No Note Party or Subsidiary is currently in, and the execution and delivery of the Note Documents and the consummation of the transactions contemplated thereby will not result in, any material violation, breach or default of any term or provision of any Government Contract or Government Subcontract. All representations and certifications with respect to any Government Contract or Government Subcontract made by any Note Party or Subsidiary were current, accurate and complete in all material respects when made, and each Note Party and Subsidiary has complied in all material respects with all such representations and certifications.

Each Note Party and Subsidiary has complied in all material respects with all requirements of the Government Contracts or Government Subcontracts and any law relating to the safeguarding of, and access to, classified information and sensitive but unclassified information. No Note Party nor Subsidiary has been suspended or debarred from bidding on contracts or subcontracts with any governmental entity in connection with the conduct of its business; no such suspension or debarment has been initiated or, to the knowledge of such Note Party or Subsidiary, threatened.

To the knowledge of the Note Parties and their Subsidiaries, there is no ongoing proceeding by any governmental entity relating to any Government Contract or Government Subcontract or the violation of any law relating to any Government Contract or Government Subcontract. There are no outstanding written claims between any Note Party or Subsidiary and any prime contractor, subcontractor, vendor or other third party arising under or relating to any Government Contract or Government Subcontract.

Each of the Note Parties and their Subsidiaries has complied with proprietary marking requirements of governmental entities for proposal submissions in response to solicitations and deliverable submissions under Government Contracts and Government Subcontracts.

Employee Agreements; Data Privacy.

Each current employee, consultant and officer of each of the Note Parties and their Subsidiaries and each former Key Employee has executed an agreement with such Person regarding confidentiality and proprietary information substantially in the form or forms delivered to the Purchasers (the "Confidential Information Agreements"). No current or former Key Employee has excluded works or inventions from his or her assignment of inventions pursuant to such Key Employee's Confidential

Information Agreement. Each current and former Key Employee has executed a non-solicitation agreement substantially in the form or forms delivered to counsel for the Purchasers. None of the Note Parties is aware that any of its Key Employees is in violation of any agreement covered by this Section 6.25(a).

In connection with its collection, storage, transfer (including, without limitation, any transfer across national borders) and/or use of any personally identifiable information from any individuals, including, without limitation, any customers, prospective customers, employees and/or other third parties (collectively "Personal Information"), each of the Note Parties and their Subsidiaries is and has been in compliance in all material respects with all applicable laws in all relevant jurisdictions. Each of the Note Parties and their Subsidiaries has commercially reasonable physical, technical, organizational and administrative security measures and policies in place designed to protect all Personal Information collected by it or on its behalf from and against unauthorized access, use and/or disclosure. Each of the Note Parties and their Subsidiaries is and has been in compliance in all material respects with all laws relating to data loss, theft and breach of security notification obligations.

Labor Matters.

There are no existing or, to the knowledge of the Note Parties, threatened strikes, lockouts or other labor disputes involving~~the Issuer~~any Note Party or any Subsidiary that singly or in the aggregate could reasonably be expected to have a Material Adverse Effect. Hours worked by and payment made to employees of the ~~Issuer and its~~Note Parties and their Subsidiaries are not in violation in any material respect of the Fair Labor Standards Act or any other applicable law, rule or regulation dealing with such matters.

Affected Financial Institution.

No Note Party or any of their Subsidiaries is an Affected Financial Institution.

Ranking of Notes.

The Indebtedness represented by the Notes and the other Obligations under the applicable Note Documents of each Note Party is intended to constitute senior secured Indebtedness, and accordingly is, and shall be, at all times while the Notes and the other Obligations remain outstanding, *pari passu* or senior in right of payment with all Indebtedness (if any) of such Note Party, including the Indebtedness incurred under the FP Note Documents provided, that the BP Notes shall be subordinated in right of payment to the FP Notes pursuant to and in accordance with the BP Subordination Agreement.

Regulation H.

No real property subject to a Mortgage is a Flood Hazard Property unless the Authorized Representative and the Collateral Agent shall have received the following: (a) the applicable Note Party's written acknowledgment of receipt of written notification from the Authorized Representative (i) as to the fact that such real property is a Flood Hazard Property and (ii) as to whether the community in which each such Flood Hazard Property is located is participating in the National Flood Insurance Program, (b) copies of insurance policies or certificates of insurance of the applicable Note Party evidencing flood insurance reasonably satisfactory to the Secured Parties and naming the Collateral Agent as additional loss payee on behalf of the Secured Parties and (c) such other flood hazard determination forms, notices and confirmations thereof as requested by the Authorized Representative and the Collateral Agent. All flood hazard insurance policies required hereunder have been obtained and remain in full force and effect, and the premiums thereon have been paid in full.

Strategic Cooperation Agreement.

The Strategic Cooperation Agreement (a) is in full force and effect and is binding upon and enforceable against ~~the Issuer~~any Note Party and any Subsidiary bound thereby in accordance with its terms, and (b) ~~neither the Issuer nor any~~no Note Party or Subsidiary is currently in material breach or default thereunder.

ARTICLE VI-A.
REPRESENTATIONS OF THE PURCHASERS.

Each Purchaser represents and warrants to (and solely for the benefit of) the Note Parties as of the Closing Date that:

such Purchaser is an "accredited investor" within the meaning of Rule 501(a) of Regulation D under the Securities Act and the Notes to be acquired by it pursuant to this Agreement are being acquired for its own account and not with a view to any distribution thereof or with any present intention of offering or selling any of the Notes in a transaction that would violate the Securities Act or the securities laws of any state of the United States or any other applicable jurisdiction;

such Purchaser has such knowledge and experience in financial and business matters so as to be capable of evaluating the merits and risks of its investment in the Notes and such Purchaser is capable of bearing the economic risks of such investment and acknowledges that the Notes as of the date hereof, have not been registered under the Securities Act or the securities laws of any state or other jurisdiction;

such Purchaser acknowledges that the Note Parties and, for purposes of the opinions to be delivered to the Purchasers pursuant hereto, counsel to the Note Parties and their Affiliates will rely upon the accuracy and truth of the foregoing representations and in this Article VI-A and hereby consents to such reliance; and

such 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.

AFFIRMATIVE COVENANTS

So long as any Purchaser shall have any Note or other Obligation hereunder shall remain unpaid or unsatisfied (other than contingent indemnification obligations for which no claim has been asserted), each Note Party shall and shall cause each Subsidiary to:

Financial Statements; Purchaser Calls.

Deliver to each Purchaser, in form and detail satisfactory to the Required Purchasers, within (i) one hundred and twenty (120) days after the end of the fiscal years ending December 31, 2021 and December 31, 2022 and (y) one hundred and five (105) days after the fiscal year ending December 31, 2023 and the end of each fiscal year thereafter of ~~the Issuer (or with respect to the~~

fiscal year ended December 31, 2020, on or prior to May 15, 2021) ((1) prior to the Combination Closing Date, the Issuer or (2) on and after the Combination Closing Date, the Acquiror (or, in each case of clauses (i) and (ii), if earlier, when filed with a Governmental Authority), a consolidated balance sheet of (A) prior to the Combination Closing Date, the Issuer and its Subsidiaries or (B) on and after the Combination Closing Date, the Acquiror and its Subsidiaries as at the end of such fiscal year, and the related consolidated statements of income or operations, changes in shareholders' equity and cash flows for such fiscal year, setting forth in each case in comparative form the figures for the previous fiscal year, all in reasonable detail and prepared in accordance with GAAP, audited and accompanied by an unqualified report and opinion of an independent certified public accountant of nationally recognized standing acceptable to the Required Purchasers, which report and opinion shall be prepared in accordance with generally accepted auditing standards and shall not be subject to any "going concern" or like qualification or exception or any qualification or exception as to the scope of such audit (except (i) prior to the Combination Closing Date, as may be required as a result of the impending maturity of the Notes and solely in the case of the audit delivered with respect to the fiscal year immediately prior to the fiscal year during which such maturity or expiration is scheduled hereunder to occur); and and (ii) on and after the Combination Closing Date, from (i) an impending maturity date under the Notes or the FP Notes solely in the case of the audit delivered with respect to the fiscal year immediately prior to the fiscal year during which such maturity or expiration is scheduled or (ii) any actual or prospective financial covenant default under Section 8.17 or any financial covenant under the FP Note Purchase Agreement); and

Deliver to each Purchaser, in form and detail satisfactory to the Required Purchasers, within (i) sixty (60) days (and, with respect to the fiscal quarter of the Issuer ending September 30, 2021, by December 15, 2021) after the end of the fiscal quarters ending March 31, 2021, June 30, 2021, September 30, 2021, March 31, 2022, June 30, 2022, September 30, 2022 and March 31, 2023 and (ii) forty-five (45) days after the fiscal quarters ending June 30, 2023 and September 30, 2023 and the end of each of the first three fiscal quarters of each fiscal year ending thereafter of (1) prior to the Combination Closing Date, the Issuer or (2) on and after the Combination Closing Date, the Acquiror (or, in each case of clauses (i) and (ii), if earlier, when filed with a Governmental Authority), a consolidated balance sheet of (A) prior to the Combination Closing Date, the Issuer and its Subsidiaries or (B) on and after the Combination Closing Date, the Acquiror and its Subsidiaries as at the end of such fiscal quarter, and the related consolidated statements of income or operations, changes in shareholders' equity and cash flows for such fiscal quarter and for the portion of the Issuer's Issuer or Acquiror's, as applicable, fiscal year then ended, setting forth in each case in comparative form the figures for the corresponding fiscal quarter of the previous fiscal year and the corresponding portion of the previous fiscal year, all in reasonable detail and certified by a Responsible Officer of the Issuer as fairly presenting in all material respects the financial condition, results of operations, shareholders' equity and cash flows of (x) prior to the Combination Closing Date, the Issuer and its Subsidiaries or (y) on and after the Combination Closing Date, the Acquiror and its Subsidiaries in accordance with GAAP, subject only to normal year-end audit adjustments and the absence of footnotes; provided that with respect to the fiscal quarter of the Issuer ending September 30, 2021, the Issuer shall deliver to each Purchaser the preliminary (flash) unaudited consolidated balance sheet of the Issuer and its Subsidiaries and the related consolidated statements of income or operations, changes in shareholders' equity and cash flows by November 15, 2021.

Reserved.

Upon the request of the Authorized Representative, the Issuer shall conduct quarterly conference calls that the Purchasers may attend to discuss the financial condition and results of operations of Issuer(x) prior to the Combination Closing Date, the Issuer and its Subsidiaries or (y) on and after the Combination Closing Date, the Acquiror and its Subsidiaries for the most recently ended measurement period for which financial statements have been delivered pursuant to Section 7.01(a) and Section 7.01(b), at a date and time to be determined by the Authorized Representative, in consultation with the Issuer, and with reasonable advance notice to the Issuer and Purchasers.

Certificates; Other Information.

Deliver to each Purchaser, in form and detail satisfactory to the Required Purchasers:

concurrently with the delivery of the financial statements referred to in Sections 7.01(a) and (b) (i) a duly completed Compliance Certificate signed by a Responsible Officer of the Issuer, certifying ~~as to~~(x) on and after the Combination Closing Date, as to compliance with the financial covenants contained in Section 8.17 and (y) whether a Default has occurred and is continuing as of the date thereof and, if a Default has occurred and is continuing as of the date thereof, specifying the details thereof and any action taken or proposed to be taken with respect thereto, and (ii) a written summary, such as the summary included within the financial statements delivered pursuant to Section 7.01(a), describing how any changes in GAAP during such period directly and materially impacted such financial statements;

as soon as practicable, and in any event not later than (i) prior to the Fifth Amendment Effective Date, thirty (30) prior to the commencement of each fiscal year of the Issuer and (ii) after the Fifth Amendment Effective Date, (I) for the budget for the fiscal year of the Issuer ending December 31, 2022, the earlier to occur of (x) thirty (30) days after the Combination Closing Date ~~(as defined in the Merger Agreement)~~or (y) thirty (30) days after the occurrence of an Enhanced Protection Event, and (II) for the budget for the fiscal year of the Issuer ending December 31, 2023 and for each fiscal year thereafter, thirty (30) days after the beginning of such fiscal year, an annual business plan and budget of the ~~Issuer and its~~Note Parties and their Subsidiaries for such fiscal year containing, among other things, projections for each quarter of such fiscal year, in form and substance reasonably satisfactory to the Required Purchasers;

promptly after the same are available, copies of each annual report, proxy or financial statement or other report or communication sent to the equity holders of any Note Party, and copies of any annual, regular, periodic and special reports and registration statements which a Note Party may file or be required to file with the SEC under Section 13 or 15(d) of the ~~Securities~~ Exchange Act ~~of 1934~~, and not otherwise required to be delivered to the Purchasers pursuant hereto;

concurrently with the delivery of the financial statements referred to in Sections 7.01(a) and (b), a certificate of a Responsible Officer of the Issuer containing information regarding (x) the amount of all Dispositions, Involuntary Dispositions, Debt Issuances, Extraordinary Receipts and Acquisitions that occurred and (y) a list of any Material Contracts entered into (and, if requested by the Authorized Representative and subject to the confidentiality obligations of the Issuer and any of its Subsidiaries owing to the counterparty to such Material Contract and subject to applicable regulations limiting the disclosure of such Material Contracts, copies of such Material Contracts to be provided to and reviewed by counsel to the Authorized Representative), in each case, during the period covered by such financial statements;

promptly after any request by any Purchaser, copies of any detailed audit reports, management letters or recommendations submitted to the Board of Directors (or the audit committee of the Board of Directors) of ~~the Issuer~~any Note Party by independent accountants in connection with the accounts or books of ~~the Issuer~~a Note Party or any Subsidiary, or any audit of any of them;

promptly after the furnishing thereof, copies of any statement or report furnished to any holder of debt securities of any Note Party or any Subsidiary pursuant to the terms of any indenture, loan or credit or similar agreement, including under the Working Capital Facility, and not otherwise required to be furnished to the Purchasers pursuant to Section 7.01 or any other clause of this Section 7.02;

promptly, and in any event within five (5) Business Days after receipt thereof by any Note Party or any Subsidiary thereof, copies of each notice or other correspondence received from the SEC (or comparable agency in any applicable non-U.S. jurisdiction) concerning any investigation or possible investigation or other inquiry by such agency regarding financial or other operational results of any Note Party or any Subsidiary thereof;

[reserved];

promptly, such additional information regarding the business, financial or corporate affairs of any Note Party or any Subsidiary, or compliance with the terms of the Note Documents, as the Authorized Representative or any Purchaser may from time to time reasonably request;

[reserved];

concurrently with the delivery of the financial statements referred to in Sections 7.01(a) and (b), a certificate of a Responsible Officer of the Issuer (i) listing (A) all applications by any Note Party, if any, for Registered Intellectual Property made since the date of the prior certificate (or, in the case of the first such certificate, the Closing Date), (B) all issuances of registrations or letters on existing applications by any Note Party for Registered Intellectual Property received since the date of the prior certificate (or, in the case of the first such certificate, the Closing Date), (C) all Intellectual Property Licenses entered into by any Note Party since the date of the prior certificate (or, in the case of the first such certificate, the Closing Date), and (D) such supplements to Schedule 6.17 as are necessary to cause such schedule to be true and complete as of the date of such certificate and (ii) with respect to any insurance coverage of any Note Party or any Subsidiary that was renewed, replaced or modified during the period covered by such financial statements, such updated information with respect to such insurance coverage as is required to be included on Schedule 6.10; and

concurrently with the delivery thereof to the Collateral Agent, copies of all documents, notices, agreements, schedules and possessory collateral delivered to the Collateral Agent pursuant to any Collateral Document.

Documents required to be delivered pursuant to Section 7.01(a) or (b) or Section 7.02 may be delivered electronically and if so delivered, shall be deemed to have been delivered on the date (i) on which the Issuer posts such documents, or provides a link thereto on the Issuer's website on the Internet at the website address listed on Schedule 12.02, or (ii) on which such documents are posted on the Issuer's behalf on an Internet or intranet website, if any, to which each Purchaser and the Authorized Representative have access (whether a commercial or third-party website); provided, that: (x) the Issuer shall deliver paper copies of such documents to the Authorized Representative or any Purchaser upon its request to the Issuer, and shall continue to deliver such paper copies until a written request to cease delivering paper copies is given by the Authorized Representative or such Purchaser and (y) the Issuer shall notify the Authorized Representative and each Purchaser (by facsimile or electronic mail) of the posting of any such documents and provide to each Purchaser by electronic mail electronic versions (i.e., soft copies) of such documents. The Authorized Representative shall have no obligation to request the delivery of or to maintain paper copies of the documents referred to above, and in any event shall have no responsibility to monitor compliance by the Issuer with any such request for delivery by a Purchaser, and each Purchaser shall be solely responsible for requesting delivery to it or maintaining its copies of such documents.

Notices.

Promptly (and in any event, within two (2) Business Days) notify the Authorized Representative and each Purchaser of the occurrence of any Default.

Promptly (and in any event, within five (5) Business Days) notify the Authorized Representative and each Purchaser of any matter that has resulted or could reasonably be expected to result in a Material Adverse Effect.

Promptly (and in any event, within five (5) Business Days) notify the Authorized Representative and each Purchaser of the occurrence of any ERISA Event that could reasonably be expected to result in liability in an amount greater than the Threshold Amount.

Promptly (and in any event, within five (5) Business Days) notify the Authorized Representative and each Purchaser of any material change in accounting policies or financial reporting practices by ~~the Issuer~~any Note Party or any Subsidiary.

Promptly (and in any event, within three (3) Business Days) notify the Authorized Representative Agent and each Purchaser of any litigation, arbitration or governmental investigation or proceeding not previously disclosed by a Note Party which has been instituted or, to the knowledge of the Note Parties, is threatened against ~~the Issuer~~a Note Party or any of its Subsidiaries or to which any of the properties of any thereof is subject which could reasonably be expected to result in losses and/or expenses in excess of the Threshold Amount.

Promptly (and in any event, within five (5) Business Days following receipt by, or delivery by, a Note Party or Subsidiary, as the case may be), provide the Authorized Representative and each Purchaser with information relating to (i) any material written notice alleging any breach of any Material Contract by any party thereto where such breach could result in the loss of more than (x) prior to the Combination Closing Date, $1,000,000 and (y) on or after the Combination Closing Date, $5,000,000, in each case, of revenue or liability of greater than(x) prior to the Combination Closing Date, $1,000,000~~, or~~ and (y) on or after the Combination Closing Date, $5,000,000, in each case, (ii) any amendment or termination of (or notice of such termination with respect to) any Material Contract (and, in each case, if requested by the Authorized Representative or any Purchaser, copies of such notice, amendments ~~or~~ terminations to be provided to and reviewed by counsel to the Authorized Representative only);~~provided~~, however, the scope and level of detail with respect to the disclosure pursuant to the foregoing shall be subject to the confidentiality obligations of the Issuer and any of its Subsidiaries owing to the counterparty to such Material Contract and subject to applicable regulations limiting the disclosure thereof.

Promptly (and in any event, within five (5) Business Days following receipt by, or delivery by, a Note Party or Subsidiary, as the case may be), provide the Authorized Representative and each Purchaser with a copy of any material written notice alleging any breach of the Staton Subscription Agreement or any other documents relating to the Staton Payment Obligations, or any amendment, waiver or termination of (or notice of such termination with respect to) the Staton Subscription Agreement or any other documents relating to the Staton Payment Obligations.

Each notice pursuant to this Section 7.03 shall be accompanied by a statement of a Responsible Officer of the Issuer setting forth details of the occurrence referred to therein and stating what action the applicable Note Party has taken and proposes to take with respect thereto. Each notice pursuant to Section 7.03(a) shall describe with particularity any and all provisions of this Agreement and any other Note Document that have been breached.

Payment of Obligations.

Pay and discharge, as the same shall become due and payable (a) all federal, state and other material tax liabilities, assessments and governmental charges or levies upon it or its properties or assets, unless the same are being contested in good faith by appropriate proceedings diligently conducted and adequate reserves in accordance with GAAP are being maintained by the applicable Note Party or Subsidiary and such payment can be lawfully withheld and the failure to make payment pending such contest could not reasonably be expected to result in a Material Adverse Effect, (b) all lawful claims which has by law become a Lien upon its property as a result of non-payment (other than a Permitted Lien), and (c) all Material Indebtedness, as and when due and payable, but subject to any subordination provisions contained in any instrument or agreement evidencing such Indebtedness.

Preservation of Existence, Etc.

Preserve, renew and maintain in full force and effect its legal existence under the Laws of the jurisdiction of its organization except in a transaction permitted by Section 8.04 or Section 8.05.

Preserve, renew and maintain in full force and effect its good standing under the Laws of the jurisdiction of its organization and, except to the extent the failure to do so could not reasonably be expected to have a Material Adverse Effect, each other jurisdiction where it conducts its Business (in each case where such concept exists in such jurisdiction in the case of Non-U.S. Subsidiaries).

Take all reasonable action to maintain all rights, privileges, permits, licenses and franchises the failure of which to maintain could reasonably be expected to result in a Material Adverse Effect.

Preserve or renew all of its material Registered Intellectual Property or Intellectual Property in respect of which an application for registration has been filed or recorded with the United States Copyright Office or the United States Patent and Trademark Office (or comparable agencies in any applicable non-U.S. jurisdiction), in each case to the extent necessary to conduct its Business.

Maintenance of Properties.

Maintain, preserve and protect all of its material properties and equipment necessary in the operation of its business in good working order and condition, ordinary wear and tear, casualty and condemnation excepted.

Make all necessary repairs thereto and renewals and replacements thereof.

Maintenance of Insurance.

Maintain with financially sound and reputable insurance companies not Affiliates of the Issuer, insurance with respect to its properties and business against loss or damage of the kinds customarily insured against by Persons engaged in the same or similar business, of such types and in such amounts as are customarily carried under similar circumstances by such other Persons.

Without limiting the foregoing, (i) maintain, if available, fully paid flood hazard insurance on all real property that is located in a special flood hazard area and that constitutes Collateral, on such terms and in such amounts as required by The National Flood Insurance Reform Act of 1994 or as otherwise required by the Required Purchasers, (ii) furnish to each Purchaser evidence of the renewal (and payment of renewal premiums therefor) of all such policies prior to the expiration or lapse thereof, and (iii) furnish to each Purchaser prompt written notice of any redesignation of any such improved real property into or out of a special flood hazard area.

Cause the Collateral Agent and its successors and/or assigns to be named as Purchaser's loss payee or mortgagee as its interest may appear, and/or additional insured with respect to any such insurance providing liability coverage or coverage in respect of any Collateral, and cause each provider of any such insurance to agree, by endorsement upon the policy or policies issued by it or by independent instruments furnished to the Collateral Agent, that it will give the Collateral Agent thirty (30) days (or ten (10) days for non-payment or such lesser amount as the Required Purchasers may agree to in their sole discretion) prior written notice before any such policy or policies shall be altered or canceled.

Promptly notify the Authorized Representative and the Collateral Agent of any real property subject to a Mortgage that is, or becomes, a Flood Hazard Property.

Compliance with Laws.

Comply in all material respects with the requirements of all material Laws and all material orders, writs, injunctions and decrees applicable to it or to its business or property, except in such instances in which such requirement of Law or order, writ, injunction or decree is being contested in good faith by appropriate proceedings diligently conducted.

Books and Records.

Maintain proper books of record and account, in which full, true and correct entries in conformity with GAAP consistently applied shall be made of all financial transactions and matters involving the assets and business of such Note Party or such Subsidiary, as the case may be.

Maintain such books of record and account in material conformity with all applicable requirements of any Governmental Authority having regulatory jurisdiction over such Note Party or such Subsidiary, as the case may be.

Inspection Rights.

Subject to a Note Party's security clearance requirements or policies and any applicable regulation with respect thereto, permit representatives and independent contractors of the Authorized Representative and each Purchaser to visit and inspect any of its properties, to examine its corporate, financial and operating records, and make copies thereof or abstracts therefrom, and to discuss its affairs, finances and accounts with its directors, officers, and independent public accountants, all at the expense of the Issuer and at such reasonable times during normal business hours and as often as may be desired, upon reasonable advance notice to the Issuer; provided, however, so long as no Event of Default exists, the Issuer shall only be required to reimburse the Authorized Representative (but not any Purchaser) for two such visits and inspections in any fiscal year; provided, further, however, when an Event of Default exists, the Authorized Representative or any Purchaser (or any of their respective representatives or independent contractors) may do any of the foregoing at the expense of the Issuer at any time during normal business hours, as often as desired and without advance notice.

Use of Proceeds.

Use the proceeds of the Notes (i) to fund the construction of the Leviathan facility at the Shuttle Landing Facility on Merritt Island, Florida substantially as set forth on Schedule 7.11 and (ii) for general working capital purposes; provided, that, in no event shall the proceeds of the Notes be used (x) for the repayment or redemption of any Indebtedness of the Note Parties or any of their Subsidiaries (other than the Exchange Notes), (y) to make Restricted Payments or (z) in contravention of any Law or of any Note Document; provided, further, that no proceeds of the Notes shall be used to make any Investments in PredaSAR Corporation.

Additional Subsidiaries.

It is the intent of the parties that each U.S. Subsidiary of the ~~Issuer~~Acquiror that is a Wholly-Owned Subsidiary and established, created or acquired by the ~~Issuer~~Acquiror after the Closing Date (including, for the avoidance of doubt, the Space Florida Subsidiary) and each Subsidiary that Guarantees the obligations of the Issuer under the FP Note Documents become a Guarantor hereunder. Prior to or upon the acquisition or formation of any Subsidiary or the Guarantee by such Subsidiary of the obligations under the FP Note Documents:

notify the Purchasers thereof in writing, together with the (i) jurisdiction of organization, (ii) number of shares of each class of Equity Interests outstanding, (iii) number and percentage of outstanding shares of each class owned (directly or indirectly) by ~~the Issuer~~any Note Party or any Subsidiary and (iv) number and effect, if exercised, of all outstanding options, warrants, rights of conversion or purchase and all other similar rights with respect thereto; and

if such U.S. Subsidiary is a (A) is a Wholly-Owned Subsidiary or (B) a Subsidiary that Guarantees or is otherwise obligated in respect of any other Indebtedness for borrowed money of any Note Party, including the FP Notes, cause (x) prior to the Combination Closing Date, concurrently therewith and (y) on and after the Combination Closing Date, within 45 days (or such longer period of time as agreed to by the Required Purchasers in their sole discretion) (i) such Subsidiary to become a Guarantor by executing and delivering to the Purchasers a Joinder Agreement or such other documents as the Required Purchasers shall reasonably request for such purpose, and (ii) deliver to the Collateral Agent and the Authorized Representative documents of the types referred to in Sections 5.01(f)-(h) in order to grant Liens to the Collateral Agent for the benefit of the Secured Parties in all assets of such Subsidiary constituting Collateral and favorable opinions of counsel to such Persons (which shall cover, among other things, the legality, validity, binding effect and enforceability of the documentation referred to in clause (i) or (ii), as applicable), all in form, content and scope reasonably satisfactory to the Required Purchasers.

ERISA Compliance. Do, and make commercially reasonable efforts to cause each of its ERISA Affiliates to do, each of the following, as applicable: (a) maintain each Plan or Pension Plan, as applicable, both in form and operation, in compliance in all material respects with the applicable provisions of ERISA, the Internal Revenue Code and other federal or state law, (b) cause each Plan or Pension Plan, as applicable, that is qualified under Section 401(a) of the Internal Revenue Code to maintain such qualification, and (c) make all required contributions to any Plan or Pension Plan, as applicable, that is subject to Section 412, Section 430 or Section 431 of the Internal Revenue Code.

Pledged Assets.

Equity Interests. To secure the Obligations, cause 100% of the issued and outstanding Equity Interests of each Subsidiary directly owned by any Note Party (other than any Excluded Equity Interests) (including, after the Combination Closing Date, the Issuer) to be subject at all times to a first priority, perfected Lien in favor of the Collateral Agent (subject to Liens permitted pursuant to Sections 8.01(c) and 8.01(h)), for the benefit of the Secured Parties, pursuant to the terms and conditions of the Collateral Documents; provided, that the Equity Interests in any Foreign Subsidiary shall not be required to be perfected under foreign law. In connection with the foregoing, the Issuer shall cause to be delivered to the Collateral Agent, the Authorized Representative and the Purchasers opinions of counsel requested by the Authorized Representative and any filings and deliveries necessary to perfect the security interests in such Equity Interests, all in form and substance satisfactory to the Authorized Representative and the Required Purchasers.

(b) Other Property. Cause all property (other than Excluded Property) of the Issuer and each Guarantor to be subject at all times to first priority, perfected and, in the case of fee-owned real property, title insured Liens in favor of the Collateral Agent to secure the Obligations pursuant to the Collateral Documents or, with respect to any such property acquired subsequent to the Closing Date, such other additional security documents, including Real Estate Security Documents, as the Authorized Representative or Required Purchasers shall request (subject to Permitted Liens), and in connection with the foregoing, deliver to the Collateral Agent and the Authorized Representative such other documentation as the Authorized Representative may reasonably request, including filings and deliveries necessary to perfect such Liens, Organization Documents, resolutions, Real Estate Security Documents, and favorable opinions of counsel to such Persons and the Purchasers, all in form, content and scope reasonably satisfactory to the Authorized Representative and the Required Purchasers.

Compliance with Material Contracts.

~~Comply~~Prior to the Combination Closing Date, comply with each Material Contract of such Person, except where the failure to do so, individually or in the aggregate, could not reasonably be expected to result in (A) a loss of more than 10% of the consolidated revenue of the Issuer and its Subsidiaries on a consolidated basis (as measured against the consolidated revenue of the Issuer and its Subsidiaries reflected in the most recently delivered financial statements delivered pursuant to Sections 5.01(c) or 7.01 or (B) liability to ~~the Issuer~~any Note Party or any Subsidiary in excess of $5,000,000.

Deposit Accounts.

Prior to or upon the acquisition or establishment of any Deposit Account by any Note Party, provide written notice thereof to the Authorized Representative and the Collateral Agent.

Subject to Section 7.20, cause all Deposit Accounts of the Note Parties (other than Excluded Accounts) at all times to be subject to Deposit Account Control Agreements in each case in form and substance satisfactory to the Required Purchasers.

Reserved.

Intellectual Property; Consent of Licensors.

(i) Maintain in full force and effect or pursue the prosecution of, as the case may be, and pay all costs and expenses relating to, all material Intellectual Property owned or exclusively licensed by such Note Party or its respective Subsidiaries, excluding the maintenance of Intellectual

Property that in the commercially reasonable business judgment of the Issuer are not necessary or material for the conduct of the business of any Note Party or its Subsidiaries; (ii) notify the Purchasers, promptly after learning thereof, of any material infringement or other violation by any Person of its material Intellectual Property; (iii) use commercially reasonable efforts, consistent with past practices, to pursue, enforce, and maintain in full force and effect legal protection for all material Intellectual Property developed or controlled by such Note Party or any of its respective Subsidiaries; and (iv) notify the Purchasers, promptly after learning thereof, of any written claim by any Person that the conduct of the Businesses infringes any Intellectual Property of that Person and take such reasonable steps to address such matter.

Promptly after entering into or becoming bound by any Material Contract, the Note Parties shall, subject to the confidentiality obligations of the Issuer and any of its Subsidiaries owing to the counterparty to such Material Contract and subject to applicable regulations limiting the disclosure thereof, to the extent permitted by applicable Law (i) provide written notice to the Purchasers of the material terms of such license or similar agreement or Material Contract with a description of its likely impact on the Note Parties' business or financial condition and (ii) in good faith take such commercially reasonable actions as the Authorized Representative or Required Purchasers may reasonably request to obtain the consent of, or waiver by, any Person whose consent or waiver is necessary for (A) the applicable Note Party's interest in such licenses, contract rights or Material Contracts to be deemed Collateral and for the Collateral Agent to have a security interest in it that might otherwise be restricted by the terms of the applicable license or agreement, whether now existing or entered into in the future and (B) the Collateral Agent to have the ability in the event of a liquidation of any of the Collateral to dispose of such Collateral in accordance with the Collateral Agent's rights and remedies under this Agreement and the other Note Documents; provided, that, the failure to obtain any such consent or waiver shall not by itself constitute a Default.

Anti-Corruption Laws. Conduct its business in compliance with the United States Foreign Corrupt Practices Act of 1977, the UK Bribery Act 2010 and other similar anti-corruption legislation in other jurisdictions and maintain policies and procedures designed to promote and achieve compliance with such Laws.

Post-Closing Obligations.

. Within the time periods set forth therefor onSchedule 7.20 (or such longer periods of time as may be agreed to by the Required Purchasers in their sole discretion), deliver to the Purchasers such other documents, instruments, certificates or agreements as are listed on Schedule 7.20 or take such other actions as are described on Schedule 7.20, in each case in form and substance reasonably satisfactory to the Required Purchasers.

Within 10 days after the Combination Closing Date (or such longer period of time as may be agreed to by the Required Purchasers in their sole discretion), the Issuer shall ensure that the Acquiror (i) becomes a Guarantor by executing and delivering to the Purchasers a Joinder Agreement or such other documents as the Required Purchasers shall reasonably request for such purpose, and (ii) delivers to the Authorized Representative a Perfection and Due Diligence Certificate in respect of the Acquiror and documents of the types referred to in Sections 5.01(f)-(h) in order to grant Liens to the Collateral Agent for the benefit of the Secured Parties in all assets of the Acquiror constituting Collateral and favorable opinions of counsel to the Acquiror (which shall cover, among other things, the legality, validity, binding effect and enforceability of the documentation referred to in clause (i) or (ii), as applicable), all in form, content and scope reasonably satisfactory to the Authorized Representative and the Required Purchasers.

Within 14 days after the Combination Closing Date (or such longer period as may be agreed to by the Required Purchasers in their sole discretion), the Note Parties shall deliver that certain Blocked Account Control Agreement, to be entered into by and among the Note Parties, the Collateral Agent, Wilmington Savings Fund Society, FSB, as collateral agent under the FP Note Documents and JPMorgan Chase Bank, N.A., in form and substance reasonably satisfactory to the Required Purchasers.

Within 60 days after the Combination Closing Date (or such longer period of time as may be agreed to by the Required Purchasers in their sole discretion), the Note Parties shall deliver to the Authorized Representative and the Purchasers insurance certificates and endorsements meeting the requirements set forth in Section 6.07(c) of this Agreement in form and substance reasonably satisfactory to the Authorized Representative and the Purchasers.

Within 2 Business Days after the Combination Closing Date (or such longer period of time as may be agreed to by the Required Purchasers in their sole discretion), the Note Parties shall deliver to the Authorized Representative and the Purchasers copies of the Acquiror Charter and the Certificate of Merger (as such terms are defined in the Merger Agreement), each certified by the Secretary of State of the State of Delaware.

Collateral Agent. The Issuer hereby agrees that U.S. Bank National Association or any other Person (which shall be either (x) a bank with an office in the United States, or an Affiliate of any such bank with an office in the United States or (y) a nationally recognized collateral agency provider) selected by the Authorized Representative (and, so long as no Default or Event of Default exists, reasonably acceptable to the Issuer) may assume the obligations of, and otherwise succeed to and become vested with all rights, powers, privileges and duties of, Lockheed Martin in its capacity as Collateral Agent under the Note Documents. On or prior to June 1, 2021 (or such later date as the Required Purchasers, or counsel to the applicable Required Purchasers acting on their behalf, may agree to in writing (including by email) in their sole discretion), the Issuer shall deliver to the Authorized Representative any assignment, amendment or other document to effect such replacement, including favorable opinions of counsel to the Issuer (which shall cover, among other things, the legality, validity, binding effect, enforceability and security interest creation and perfection with respect to the documentation referred to in this sentence), all in form, content and scope reasonably satisfactory to the Authorized Representative (it being understood that the Authorized Representative has selected U.S. Bank National Association to assume the obligations of Lockheed Martin in its capacity as Collateral Agent under the Note Documents).

7.22 Board Observation Rights. The Authorized Representative shall be entitled to designate one observer (the "Board Observer") to attend any regular meeting (a "BOD Meeting") of the Board of Directors of the Acquiror (or, in each case, any relevant committees thereof), except that the Board Observer shall not be entitled to vote on matters presented to or discussed by the Board of Directors (or any relevant committee thereof) of the Acquiror at any such meetings. The Board Observer shall be timely notified of the time and place of any BOD Meetings and will be given written notice of all proposed actions to be taken by the Board of Directors (or any relevant committee thereof) of the Acquiror as if the Board Observer were a member thereof. Such notice shall describe in reasonable detail the nature and substance of the matters to be discussed and/or voted upon at such meeting (or the proposed actions to be taken by written consent without a meeting). The Board Observer shall have the right to receive all information provided to the members of the Board of Directors or any similar group performing an executive oversight or similar function (or any relevant committee thereof) of the Acquiror in anticipation of or at such meeting (regular or special and whether telephonic or otherwise), in addition to copies of the records of the proceedings or minutes of such meeting, when provided to the members.

and the Board Observer shall keep such materials and information confidential in accordance with Section 12.07. The Issuer shall reimburse the Board Observer for all reasonable out-of-pocket costs and expenses incurred in connection with its participation in any such BOD Meeting. Notwithstanding the foregoing, the Issuer may exclude Board Observer from access to any material or meeting or portion thereof if: (i) the Board of Directors concludes in good faith, upon advice of the Acquiror's counsel, that such exclusion is necessary to preserve the attorney-client or work product privilege between the Acquiror or any of its Affiliates and its counsel; or (ii) such portion of a meeting is an executive session limited solely to independent director members of the Board or Directors, independent auditors and/or legal counsel, as the Board of Directors may designate and such limitation is reasonably necessary with respect to the applicable matters, or (iii) such exclusion is necessary to avoid a conflict of interest between the Acquiror on the one hand and the Authorized Representative on the other.

Collateral Access Agreements. In the case of a leasehold interest of any Note Party in real property that is located in the U.S. and on which Collateral in excess of $500,000 (or, after the Combination Closing Date, $5,000,000) is stored or otherwise located, the Issuer shall use commercially reasonable efforts to obtain Collateral Access Agreements within ~~60 days after the Fifth Amendment Effective Date or after such interest if acquired~~30 days (or, after the Combination Closing Date, 60 days) thereafter (or such longer period as the Authorized Representative may agree in its sole discretion).

NEGATIVE COVENANTS

So long as any Purchaser shall have any Note or other Obligation hereunder that shall remain unpaid or unsatisfied (other than contingent indemnification obligations for which no claim has been asserted), each Note Party shall not, nor shall it permit any Subsidiary to, directly or indirectly:

Liens.

Create, incur, assume or suffer to exist any Lien upon any of its property, assets or revenues, whether now owned or hereafter acquired, other than the following:

Liens pursuant to any Note Document;

Liens existing on the date hereof and listed on Schedule 8.01;

Liens (other than Liens imposed under ERISA) for taxes, assessments or governmental charges or levies not yet due or which are being contested in good faith and by appropriate proceedings diligently conducted, if adequate reserves with respect thereto are maintained on the books of the applicable Person in accordance with GAAP;

statutory Liens of landlords and Liens of carriers, warehousemen, mechanics, materialmen and suppliers and other Liens imposed by law or pursuant to customary reservations or retentions of title arising in the ordinary course of business, provided, that, such Liens secure only amounts not yet due and payable or, if due and payable, are unfiled and no other action has been taken to enforce the same or are being contested in good faith by appropriate proceedings for which adequate reserves determined in accordance with GAAP have been established;

pledges or deposits in the ordinary course of business in connection with workers' compensation, unemployment insurance, the payment or provision of compensation or benefits and other social security legislation, other than any Lien imposed by ERISA;

deposits to secure the performance of bids, trade contracts and leases (other than Indebtedness), statutory obligations, surety and appeal bonds, indemnity and performance bonds and other obligations of a like nature incurred in the ordinary course of business;

easements, encroachments, rights-of-way, covenants and restrictions and other similar encumbrances affecting real property which are not substantial in amount, and which do not in any case materially detract from the value of the property subject thereto or materially interfere with the ordinary conduct of the business of the applicable Person conducted thereon;

Liens securing judgments for the payment of money (or appeal or other surety bonds relating to such judgments) not constituting an Event of Default under Section 9.01(h);

Liens securing Indebtedness permitted under Section 8.03(e); provided, that: (i) such Liens do not at any time encumber any property other than the property financed by such Indebtedness, (ii) the Indebtedness secured thereby does not exceed the cost (negotiated on an arm's length basis) of the property being acquired on the date of acquisition and (iii) such Liens attach to such property concurrently with or within ninety (90) days after the acquisition thereof;

licenses, sublicenses, leases or subleases (other than any exclusive license or sublicense relating to intellectual property) granted to others in the ordinary course of business not interfering in any material respect with the business of any Note Party or any of its Subsidiaries;

any interest of title of a lessor under, and Liens arising from UCC financing statements (or equivalent filings, registrations or agreements in foreign jurisdictions) relating to, leases permitted by this Agreement;

normal and customary bankers' liens and rights of setoff upon deposits of cash in favor of banks or other depository institutions;

Liens of a collection bank arising under Section 4-210 of the Uniform Commercial Code on items in the course of collection;

Liens of sellers of goods to the Issuer and any of its Subsidiaries arising under Article 2 of the Uniform Commercial Code or similar provisions of applicable law in the ordinary course of business, covering only the goods sold and securing only the unpaid purchase price for such goods and related expenses;

non-exclusive licenses of over-the-counter software that is commercially available to the public and other non-exclusive licenses granted in the ordinary course of business by a Note Party or Subsidiary;

deposits made or other security provided to secure liabilities to insurance carriers under insurance or self-insurance arrangements in the ordinary course of business;

Subject to Section 12.24 and so long as an Enhanced Protection Event has not occurred, Liens solely on accounts receivable, inventory, cash and any deposit account established and maintained with the lender under a Working Capital Facility to hold such cash and all proceeds of the

foregoing (other than proceeds of (i) the Notes, (ii) Intellectual Property, and (iii) Collateral that does not secure such Working Capital Facility) (the "Working Capital Priority Collateral") securing the Indebtedness under any Working Capital Facility permitted by Section 8.03(g), which Liens may rank higher in lien priority to the Liens of the Collateral Agent on the Working Capital Priority Collateral securing the Obligations of the Secured Parties; provided, that such Indebtedness is subject to a customary intercreditor and lien subordination agreement (a "WC Intercreditor Agreement") in form and substance reasonably satisfactory to the Authorized Representative and the Collateral Agent with the applicable financial institution providing such Working Capital Facility ("Working Capital Facility Lender") pursuant to which (A) the security interest in the Working Capital Priority Collateral securing the Working Capital Facilities are senior and prior to the security interest of the Collateral Agent in the Working Capital Priority Collateral securing the Obligations, (B) the Collateral Agent, on behalf of the Secured Parties, shall retain a second priority security interest in such Working Capital Priority Collateral, and (C) the Collateral Agent, on behalf of the Secured Parties, shall maintain its first priority security interest in all other Collateral of the Note Parties; and

Liens in respect of the FP Notes; provided that such Liens are subject to the First Lien Intercreditor Agreement.

after the Combination Closing Date, Liens (i) solely on any cash (or Cash Equivalent) earnest money deposits (including as part of any escrow arrangement) made by a Note Party or any Subsidiaries in connection with any letter of intent or purchase agreement with respect to any Investment permitted hereunder, or (ii) on advances of cash or Cash Equivalents in favor of the seller of any property to be acquired in an Investment permitted pursuant to Section 8.02 to be applied against the purchase price for such Investment;

after the Combination Closing Date, Liens to secure obligations in respect of letters of credit incurred pursuant to Section 8.03(l); and

after the Combination Closing Date, other Liens securing obligations which do not exceed $5,000,000.

Investments.

Make any Investments, except:

Investments held by a Note Party or a Subsidiary in the form of cash or Cash Equivalents;

Investments existing on date hereof and set forth in Schedule 8.02;

Investments in any Person that is a Note Party (other than the ~~Issuer~~ purchase or other acquisition of Equity Interests of the Acquiror) prior to giving effect to such Investment; provided, that (x) prior to the Combination Closing Date, Investments made in PredaSAR Corporation pursuant to this clause (c) shall be made only with the proceeds of internally generated cash or Indebtedness permitted under Section 8.03(g) and shall not exceed $10,000,000 in the aggregate and (y) Investments made in the Space Florida Subsidiary pursuant to this clause (c), when aggregated with all other Investments in the Space Florida Subsidiary pursuant to any other clause of this Section 8.03, shall not exceed (1) prior to the Combination Closing Date, $5,000,000 in the aggregate and (2) on and after the Combination Closing Date, $50,000,000 in the aggregate less the amount of Investments made prior to the Combination Closing Date pursuant to the foregoing clause (1);

Investments by any Subsidiary of the Issuer that is not a Note Party in any other Subsidiary of the Issuer that is not a Note Party;

Investments (i) consisting of extensions of credit in the nature of accounts receivable or notes receivable arising from the grant of trade credit in the ordinary course of business, and Investments received in satisfaction or partial satisfaction thereof from financially troubled account debtors to the extent reasonably necessary in order to prevent or limit loss, (ii) consisting of extensions of credit to (including as evidenced by one or more promissory notes), or receipt of investments in convertible or equity instruments issued by, GeoOptics, Inc. or its Affiliates in exchange for sale of products by any Note Party or Subsidiary to such customer in an original aggregate amount not to exceed $6,000,000 and (iii) consisting of extensions of credit to (including as evidenced by one or more promissory notes), or receipt of investments in convertible or equity instruments issued by, customers or their related parties, in each case, in exchange for sale of products to such customer provided by any Note Party in an aggregate amount not to exceed $5,000,000; provided that, in the case of clauses (ii) and (iii), such promissory notes, convertible instruments and/or equity instruments are subject to Liens in favor of the Collateral Agent, for the benefit of the Secured Parties, to the extent such promissory notes, convertible instruments and/or equity instruments are held by a Note Party and do not constitute Excluded Property; provided, further, that to the extent any such promissory note, convertible instrument or equity instrument is held by a Note Party and constitutes Excluded Property, the Note Parties shall use commercially reasonable efforts to request the issuer of such note or instrument to seek consent of any relevant third party or amend the applicable Contractual Obligation to permit such pledge so that the promissory note or instrument no longer constitutes Excluded Property;

Investments in any Subsidiary that is not a Note Party not exceeding (x) prior to the Combination Closing Date, $100,000 ~~in an~~or (y) on and after the Combination Closing Date, $5,000,000, in each case, in the aggregate at any one time outstanding;

other Investments by a Note Party (prior to the Combination Closing Date, other than PredaSAR Corporation) (x) prior to the Combination Closing Date, (i) in any Person (other than PredaSAR Corporation) that is organized under the laws of any state of the United States or the District of Columbia or (ii) to the extent acquired by such Note Party, in assets located in the United States not exceeding prior to the Combination Closing Date, $5,000,000 ~~in~~or (y) not exceeding, on and after the Combination Closing Date, $10,000,000, in each case, in the aggregate at any one time outstanding for all such Investments made pursuant to this clause (g); provided, that, no Investment otherwise permitted by this clause (g) shall be permitted to be made if any Default has occurred and is continuing or would result therefrom;

Investments consisting of the endorsement of negotiable instruments for deposit or collection or similar transactions in the ordinary course of any Note Party;

Investments consisting of purchases and acquisitions of inventory, supplies, material, equipment, or other similar assets in the ordinary course of business and, in each case, not constituting an Acquisition;

advances of payroll payments to employees in the ordinary course of business;

loans or advances (x) prior to the Combination Closing Date, from Non-U.S. Subsidiaries to any employee, officer, director or member of management of any Non-U.S. Subsidiary, the proceeds of which are used to satisfy tax liabilities of such employee, officer, director or member of management incurred in connection with the exercise of stock options in the Issuer held by such Person

and (y) on or after the Combination Closing Date, to any employee, officer, director or member of management of the Acquiror and its Subsidiaries, the proceeds of which are used to satisfy tax liabilities of such employee, officer, director or member of management incurred in connection with the exercise of stock options in the Issuer held by such Person; provided that the aggregate amount of all loans and advances made pursuant to this clause (k) does not exceed (x) prior to the Combination Closing Date, $150,000 or (y) on and after the Combination Closing Date, $2,500,000, in each case, at any time outstanding; ~~and~~

after the Combination Closing Date, loans and advances to officers, directors, managers, and employees for business related travel expenses, moving expenses, and other similar expenses, in each case incurred in the ordinary course of business; provided that the aggregate amount of all loans and advances made pursuant to this clause (l) does not exceed (x) prior to the Combination Closing Date, $150,000 or (y) on and after the Combination Closing Date, $2,500,000, in each case, at any time outstanding;

after the Combination Closing Date, Permitted Acquisitions;

[reserved];

Investments in Tyvak International S.R.L. in an aggregate amount not to exceed $3,000,000;

~~Notwithstanding any other provisions of this Agreement to the contrary, the amount of Investments made in Tyvak Australia PTY LTD and Tyvak Orbital Networks LTD from and after the Closing Date shall not exceed, individually or in the aggregate, $25,000.~~

[reserved];

after the Combination Closing Date, any Investment received in connection with any Disposition pursuant to Section 8.05;

after the Combination Closing Date, Investments the payment for which consists of Equity Interests of the Acquiror (other than Disqualified Capital Stock);

after the Combination Closing Date, Investments (including debt obligations and Equity Interests) received in the ordinary course of business in connection with the bankruptcy or reorganization of suppliers and customers and in settlement of delinquent obligations of, and other disputes with, suppliers and customers arising out of the ordinary course of business or upon the foreclosure with respect to any secured Investment or other transfer of title with respect to any secured Investment; and

after the Combination Closing Date, to the extent constituting Investments, purchases and acquisitions of inventory, supplies, materials and equipment or purchases of contract rights or licenses or leases of intellectual property, in each case in the ordinary course of business.

Indebtedness.

Create, incur, assume or suffer to exist any Indebtedness, except:

Indebtedness under the Note Documents;

Indebtedness of the Issuer and its Subsidiaries existing on the date hereof and described on Schedule 8.03 and renewals, refinancings and extensions thereof (other than renewals, refinancings and extensions under the FP Note Documents) provided that (x) no such Indebtedness shall be refinanced or renewed for a principal amount in excess of the principal balance outstanding thereon at the time of such refinancing except by an amount equal to unpaid accrued interest and premium thereon and fees, commissions and expenses (including upfront fees and original issue discount) reasonably incurred, in connection with such refinancing and (y) no such renewed, refinanced or extended Indebtedness shall have a scheduled maturity date earlier than the date that is 180 days after the Maturity Date;

intercompany Indebtedness permitted under Section 8.02 (other than by reference to this Section 8.03 (or any sub-clause hereof));

obligations (contingent or otherwise) of the Issuer or any Subsidiary existing or arising under any Swap Contract, provided, that, (i) such obligations are (or were) entered into by such Person in the ordinary course of business for the purpose of directly mitigating risks associated with liabilities, commitments, investments, assets, or property held or reasonably anticipated by such Person, or changes in the value of securities issued by such Person, and not for purposes of speculation or taking a "market view;" and (ii) such Swap Contract does not contain any provision exonerating the non-defaulting party from its obligation to make payments on outstanding transactions to the defaulting party;

purchase money Indebtedness (including obligations in respect of Capital Leases or Synthetic Leases) hereafter incurred by the Issuer or any of its Subsidiaries to finance the purchase of fixed assets, and renewals, refinancings and extensions thereof, provided, that, (i) no Default or Event of Default has occurred and is continuing both immediately prior to and after giving effect thereto, (ii) the total of all such Indebtedness for all such Persons taken together shall not exceed an aggregate principal amount of (x) prior to the Combination Closing Date, $10,000,000 or (y) on and after the Combination Closing Date, $25,000,000, in each case, at any one time outstanding, (iii) such Indebtedness when incurred shall not exceed the purchase price of the asset(s) financed, (iv) no such Indebtedness shall be refinanced for a principal amount in excess of the principal balance outstanding thereon at the time of such refinancing except by an amount equal to unpaid accrued interest and premium thereon plus other amounts owing or paid related to such Indebtedness, and fees, commissions and expenses (including upfront fees and original issue discount) reasonably incurred, in connection with such refinancing and (v) any such Indebtedness that is refinanced, renewed or extended shall not have a scheduled maturity date earlier than the date that is 180 days after the Maturity Date;

other unsecured Indebtedness hereafter incurred by the Issuer or any of its Subsidiaries in an aggregate amount not to exceed (x) prior to the Combination Closing Date, $5,000,000 or (y) on and after the Combination Closing Date, $10,000,000, in each case, at any one time outstanding; provided, that (i) the aggregate amount of unsecured Indebtedness incurred by Subsidiaries that are not Note Parties under this clause (f) shall not exceed (x) prior to the Combination Closing Date, $1,000,000 or (y) on and after the Combination Closing Date, $3,000,000 and (ii) prior to the Combination Closing Date, unsecured Indebtedness incurred by the Issuer or another Note Party under this clause (f) shall be subordinated to the Obligations pursuant to a subordination agreement in form and substance reasonably satisfactory to the Authorized Representative; provided, further that the Issuer and the Note Parties may incur unsecured Indebtedness pursuant to this clause (f) without subordinating such Indebtedness to the Obligations so long as the aggregate principal amount of such unsecured Indebtedness not subject to a subordination agreement does not exceed $2,000,000 ~~at any time outstanding~~;

Subject to Section 12.24 and so long as an Enhanced Protection Event has not occurred, Indebtedness of the Issuer or another Note Party in the form of one or more revolving credit or other working capital facilities with a maximum credit line of no more than (x) prior to the Combination Closing Date, $5,000,000 ~~in~~or (y) on and after the Combination Closing Date, in an aggregate amount not to exceed, together with the aggregate amount incurred pursuant to Section 8.03(l), $25,000,000, in each case, in the aggregate (each, a "Working Capital Facility"); provided, that (i) no Subsidiary shall Guarantee, or provide a Lien to secure, the obligations under any such Working Capital Facility if such Subsidiary is not a Guarantor (and does not pledge its assets in support thereof) in accordance with the terms of the Note Documents and (ii) no Default or Event of Default shall exist at the time the definitive credit, loan or similar agreement in respect of such Working Capital Facility is executed and delivered; ~~and~~

Indebtedness in respect of the FP Notes; provided that (i) such Indebtedness is subject to the First Lien Intercreditor Agreement and (ii) the aggregate outstanding principal balance of such Indebtedness does not exceed (x) prior to the Combination Closing Date, $54,000,000 (other than any interest paid-in-kind in accordance with the FP Note Purchase Agreement as in effect on the ~~Sixth~~Seventh Amendment Effective Date)~~.~~ and (y) on and after the Combination Closing Date, $119,000,000 (other than any interest paid-in-kind in accordance with the FP Note Purchase Agreement as in effect on the Seventh Amendment Effective Date);

after the Combination Closing Date, Indebtedness incurred by any Note Party or any Subsidiary created or issued in the ordinary course of business (including obligations with respect to letters of credit, bank guarantees, surety bonds, performance bonds or similar instruments) in respect of workers' compensation claims (or in respect of reimbursement type obligations regarding workers' compensation claims), performance or surety bonds, health, disability or other employee benefits or property (including unemployment insurance and premiums related thereto), other types of social security, pension obligations, vacation pay, health, disability or other benefits, casualty or liability insurance or self-insurance or other Indebtedness with respect to reimbursement or indemnification type obligations regarding workers' compensation claims, performance or surety bonds, health, disability or other employee benefits or property, casualty or liability insurance or self-insurance;

after the Combination Closing Date, Indebtedness of any Note Party or any Subsidiary assumed or acquired in connection with any Permitted Acquisition; provided that (i) the amount of such Indebtedness shall be included in the calculation of the Permitted Acquisition Cap, (ii) such Indebtedness exists at the time such Permitted Acquisition is consummated and is not created or incurred in connection therewith or in contemplation thereof, (iii) no Note Party (other than such Person so acquired in such Permitted Acquisition or any other Person that such Person merges with or that acquires the assets of such Person in connection with such Permitted Acquisition) shall have any liability or other obligation with respect to such Indebtedness and (iv) if such Indebtedness is secured, no Lien thereon shall extend to or cover any other assets other than the assets acquired in such Permitted Acquisition (other than the proceeds or products thereof, accessions or additions thereto and improvements thereon) or attach to any other property of any Note Party.

after the Combination Closing Date, obligations in respect of tenders, statutory obligations (including health, safety and environmental obligations), bids, governmental contracts, trade contracts, surety, indemnity, stay, customs, judgment, appeal, performance, completion and/or return of money bonds or guaranties or other similar obligations incurred in the ordinary course of business, or obligations in respect of letters of credit, bank guarantees, surety bonds or similar instruments related thereto;

after the Combination Closing Date, Indebtedness of any Note Party or any Subsidiary in respect of any letter of credit or letter of credit facility in an aggregate amount not to exceed, together with the aggregate amount incurred pursuant to Section 8.03(g), $25,000,000;

after the Combination Closing Date, Indebtedness in respect of the Staton Payment Obligations;

after the Combination Closing Date, Indebtedness representing deferred compensation or similar arrangements made in the ordinary course of business to any future, present or former employees, directors, officers, managers, members, partners, independent contractors or consultants of the any Note Party or any Subsidiary;

after the Combination Closing Date, endorsement of instruments or other payment items for collection or deposit in the ordinary course of business and Indebtedness arising from the honoring by a bank or other financial institution of a check, draft or similar instrument drawn against insufficient funds in the ordinary course of business; and

after the Combination Closing Date, Indebtedness of a Note Party or any Subsidiary owing to any insurance company in connection with the financing of any insurance premiums permitted by such insurance company in the ordinary course of business.

Fundamental Changes.

Merge, dissolve, divide, liquidate, consolidate, with or into another Person, or Dispose of (whether in one transaction or in a series of transactions) all or substantially all of its assets (whether now owned or hereafter acquired) to or in favor of any Person, or consummate a Change of Control (other than the Combination) or Qualified Public Company Event (other than the Combination); provided, that, notwithstanding the foregoing provisions of this Section 8.04 but subject to the terms of Sections 7.12 and 7.14, (a) the Issuer may merge or consolidate with any of its direct Subsidiaries, provided that the Issuer shall be the continuing or surviving entity, (b) any Note Party (other than the Issuer) may merge or consolidate with any other Note Party ~~that is its direct Subsidiary~~ or any other Person who becomes a Note Party as a result of such merger or consolidation(c) any Subsidiary that is not a Note Party may be merged or consolidated with or into any Note Party ~~that is its direct parent company~~, provided that such Note Party shall be the continuing or surviving entity, (d) any Subsidiary that is not a Note Party may be merged or consolidated with or into any other direct Subsidiary of it that is not a Note Party ~~and~~or any other Person in order to effect an Investment permitted pursuant to Section 8.02,(e) any Subsidiary that is not a Note Party may dissolve, liquidate or wind up its affairs at any time provided that such dissolution, liquidation or winding up could not reasonably be expected to have a Material Adverse Effect and all of its assets and business are transferred to a Note Party prior to or concurrently with such dissolution, liquidation or winding up and (f) so long as no Default or Event of Default exists or would result therefrom, after the Combination Closing Date, any Note Party (other than the Acquiror or the Issuer) or Subsidiary (other than the Issuer) may effect a merger, dissolution, liquidation, consolidation or Disposition, the purpose of which is to effect a Disposition permitted pursuant to Section 8.05; provided, that, in the case of (a) through (d) above, the merging parties are organized in the same jurisdiction (it being understood that for this purpose, States of the United States shall be deemed to be the same jurisdiction as each other).

Dispositions.

Make any Disposition, unless (a) the consideration paid in connection therewith shall be cash or Cash Equivalents paid contemporaneous with consummation of the transaction and shall be in an amount

not less than the fair market value of the property disposed of, (b) no Default or Event of Default shall have occurred and be continuing both immediately prior to and after giving effect to such Disposition, (c) such transaction does not involve the sale or other disposition of any Equity Interests in any Subsidiary, (d) the Issuer shall use the Net Cash Proceeds of such Disposition to prepay the Notes to the extent required by Section 2.07(b) and (e) the aggregate fair market value of all of the assets sold or otherwise disposed of in such Disposition together with the aggregate fair market value of all assets sold or otherwise disposed of by the ~~Issuer and its~~Note Parties and their Subsidiaries in all such transactions occurring during the term of this Agreement does not exceed (x) prior to the Combination Closing Date, $1,000,000~~.~~ or (y) on and after the Combination Closing Date, $2,000,000; provided that after the Combination Closing Date, the Note Parties and their Subsidiaries may make Dispositions of property in an amount not to exceed $25,000,000 in the aggregate so long as (i) at the time of such Disposition (other than any such Disposition made pursuant to a legally binding commitment entered into at a time when, after giving effect to such Disposition, no Default or Event of Default has occurred and is continuing), no Default or Event of Default shall have occurred and is continuing or would result from such Disposition, and (ii) with respect to any Disposition (or series of related Dispositions), the Note Party or relevant Subsidiary shall receive not less than 75% of such consideration in the form of cash or Cash Equivalents and the consideration shall be not less than the fair market value of the property disposed of (in each case, free and clear of all Liens at the time received, other than Liens permitted by Section 7.01).

Restricted Payments.

Declare or make, directly or indirectly, any Restricted Payment, or incur any obligation (contingent or otherwise) to do so, except that:

each Subsidiary may make Restricted Payments to any Note Party;

any Subsidiary that is not a Wholly Owned Subsidiary may declare and make dividend payments or other distributions to each owner of its Equity Interests pro rata based on their relative ownership interests of the relevant class of Equity Interests of such Subsidiary;

~~the Issuer~~each Note Party and each ~~Subsidiary~~of their Subsidiaries may declare and make dividend payments or other distributions payable solely in the Qualified Capital Stock of such Person;

~~[reserved];~~ after the Combination Closing Date, the payment of any dividend or distribution or the consummation of any irrevocable redemption within 60 days after the date of declaration thereof or the giving of such irrevocable notice, as applicable, if at the date of declaration or the giving of such notice such payment would have been permitted by another clause of this Section 8.06 and complied with the provisions of this Agreement;

(i) prior to the Combination Closing Date, the Issuer or, on and after the Combination Closing Date, the Acquiror may make cashless repurchases of its Equity Interests deemed to occur upon exercise of stock options or warrants of such Equity Interests to represent a portion of the exercise price of such options or warrants and (ii) to the extent constituting a Restricted Payment, prior to the Combination Closing Date, the Issuer or, on and after the Combination Closing Date, the Acquiror may acquire (or withhold) its Equity Interests pursuant to any employee stock option or similar plan in satisfaction of withholding or similar taxes payable by any present or former officer, employee, director or member of management and the Issuer or the Acquiror, as the case may be, may make deemed repurchases in connection with the exercise of stock options; and

prior to the Combination Closing Date, the Issuer or, on and after the Combination Closing Date, the Acquiror may pay for the repurchase, retirement or other acquisition or retirement for value of its Equity Interests from any future, present or former employee, officer, director, manager, member, partner, independent contractor or consultant (or their respective Affiliates or immediate family members) of the Issuer or ~~any of its Subsidiary~~Acquiror, as applicable, or any of their respective Subsidiaries upon the death, disability, retirement or termination of employment of any such Person or pursuant to any Plan, including any employee or director equity plan, employee, manager, officer, member partner, independent contractor or director stock option plan or any other employee, manager, officer, member, partner, independent contractor or director benefit plan, or any agreement (including any stock subscription or shareholder agreement) with any employee, manager, director, officer, member, partner, independent contractor or consultant of the Issuer or ~~any of its~~Acquiror, as applicable, or any of their respective Subsidiaries; provided that the aggregate amount of Restricted Payments made pursuant to this clause (f) shall not exceed (x) prior to the Combination Closing Date, $1,000,000 in any calendar year~~.~~ or (y) on and after the Combination Closing Date, $2,000,000 in any calendar year (provided that the amount of Restricted Payments permitted to be, but not, paid in any calendar year pursuant to this clause (f) after the Combination Closing Date shall increase the amount of Restricted Payments permitted to be paid in any succeeding fiscal years pursuant to this clause (f)); provided, further that no Default or Event of Default shall exist at the time of such payment;

after the Combination Closing Date, the repurchase, redemption or other acquisition for value of Equity Interests of the Acquiror in connection with paying cash in lieu of fractional shares of such Equity Interests in connection with a share dividend, distribution, share split, reverse share split, merger, consolidation, amalgamation or other business combination of the Acquiror, or in connection with the exercise of warrants, options or other securities that are convertible or exchangeable, or in connection with the conversion of any convertible Indebtedness, in each case, in a manner otherwise permitted under this Agreement;

after the Combination Closing Date, additional Restricted Payments in an amount not to exceed, together with the aggregate amount of Junior Debt Restricted Payments made pursuant to clause (c) of Section 8.11, $5,000,000; and

after the Combination Closing Date, provided that (i) no Event of Default shall exist at the time of such Restricted Payment or would result therefrom, (ii) after giving effect to such Restricted Payment, the Note Parties are in compliance with Section 8.17 on a pro forma basis and (iii) the Staton Cash Payment Obligations are subordinated to all Obligations pursuant to a subordination agreement in form and substance reasonably satisfactory to the Purchasers, the Staton Payment Obligations, in an amount equal to $30,000,000 to be paid in sixteen quarterly installments, in which the first four quarterly installments of $1,875,000 during the first twelve months following the Combination Closing Date shall be paid in cash and the remaining quarterly installments thereafter shall be paid, at the Acquiror's election, (x) in the common stock of the Acquiror or (y) in cash.

Change in Nature of Business.

Engage in any material line of business substantially different from those lines of business conducted by the Issuer and its Subsidiaries on the Closing Date or any business substantially related or incidental thereto, or change the location of its manufacturing facilities.

Transactions with Affiliates and Insiders.

Enter into or permit to exist any transaction or series of transactions, with any officer, director or Affiliate of a Note Party or a Subsidiary other than (a) advances of working capital to any Note Party, (b) transfers of cash and assets to any Note Party, (c) intercompany transactions expressly permitted by Section 8.02, Section 8.03, Section 8.04, Section 8.05 or Section 8.06 (in each case, other than by reference to thisSection 8.08 (or any sub-clause hereof)), (d) normal and reasonable compensation, benefits and reimbursement of expenses of officers and directors in the ordinary course of business, (e) the Services Agreement and (f) except as otherwise specifically limited in this Agreement, other transactions which are entered into in the ordinary course of such Person's business on terms and conditions substantially as favorable to such Person as would be obtainable by it in a comparable arms-length transaction with a Person other than an officer, director or Affiliate.

Burdensome Agreements.

Enter into, or permit to exist, any Contractual Obligation that (a) encumbers or restricts the ability of any such Person to (i) make Restricted Payments to any Note Party or Subsidiary, (ii) pay any Indebtedness or other obligations owed to any Note Party or Subsidiary, (iii) make loans or advances to any Note Party or Subsidiary, (iv) transfer any of its property to any Note Party or Subsidiary, (v) pledge its property pursuant to the Note Documents or any renewals, refinancings, exchanges, refundings or extension thereof or (vi) act as a Note Party pursuant to the Note Documents or any renewals, refinancings, exchanges, refundings or extension thereof, except (in respect of any of the matters referred to in clauses (i) through (v) above) for (1) this Agreement and the other Note Documents, (2) the FP Note Documents; provided, that the restrictions set forth therein are no more restrictive to the Note Parties than the restrictions set forth in the Note Documents, (3) so long as an Enhanced Protection Event has not occurred, any Working Capital Facility and related documents; provided, that the restrictions set forth therein, taken as a whole, are no more restrictive to the Note Parties than the restrictions set forth in the Note Documents (other than any restrictions unique to a Working Capital Facility or revolving facility), (4) any document or instrument governing Indebtedness incurred pursuant to Sections 8.03(e), provided, that, any such restriction contained therein relates only to the asset or assets constructed or acquired in connection therewith, (5) customary provisions restricting assignment of any agreement entered into by the ~~Borrower~~Issuer or any Subsidiary in the ordinary course of business, or (6) customary restrictions and conditions contained in any agreement relating to the sale of any property permitted under Section 8.05 pending the consummation of such sale or (b) requires the grant of any security for any obligation if such property is given as security for the Obligations other than the FP Note Documents and any Working Capital Facility (in the case of any Working Capital Facility, so long as an Enhanced Protection Event has not occurred).

Use of Proceeds.

Use the proceeds of any Note, whether directly or indirectly, and whether immediately, incidentally or ultimately, to purchase or carry margin stock (within the meaning of Regulation U of the FRB) or to extend credit to others for the purpose of purchasing or carrying margin stock or to refund indebtedness originally incurred for such purpose.

Prepayment of Other Indebtedness,

Make (or give any notice with respect thereto) any voluntary or optional payment or prepayment or voluntary or optional redemption or acquisition for value of (including without limitation, by way of depositing money or securities with the trustee with respect thereto before due for the purpose of paying when due), refund, refinance or exchange of any Indebtedness of any Note Party or any Subsidiary (each of the foregoing, a "Junior Debt Restricted Payment"), other than (a) Indebtedness arising under the Note

Documents, (b) Indebtedness arising under the FP Note Documents so long as the Notes are concurrently prepaid (i) if an Enhanced Protection Event has occurred, in full and (ii) if an Enhanced Protection Event has not occurred, on a pro rata basis (as determined in accordance with Section 2.12 of the First Lien Intercreditor Agreement), (c) Indebtedness permitted by Section 8.03(e) (solely to the extent made with the proceeds of additional issuances of Indebtedness permitted under Section 8.03(e)), (d) other Indebtedness (other than Indebtedness arising under the FP Note Documents) so long as the aggregate principal amount of Junior Debt ~~Restrict~~Restricted Payments pursuant to this clause (d) does not exceed (x) prior to the Combination Closing Date, $500,000 in the aggregate ~~or~~and (y) on and after the Combination Closing Date, $5,000,000 in the aggregate together with Restricted Payments made pursuant to Section 8.06(h), (e) provided that no Default or Event of Default shall exist at the time of such payment, Indebtedness with respect to Working Capital Facilities~~.~~ or (f) after the Combination Closing Date, provided that (i) no Event of Default shall exist at the time of such payment or would result therefrom and (ii) the Staton Cash Payment Obligations shall be subordinated to all Obligations pursuant to a subordination agreement in form and substance reasonably satisfactory to the Purchasers, payment by the Acquiror of its obligations (the "Staton Payment Obligations" and any such obligations payable in cash, the "Staton Cash Payment Obligations") to Staton in connection with any PIPE investment made by such entities as set forth in the Staton Subscription Agreement (as in effect on the Fifth Amendment Effective Date and without giving effect to any amendments or modifications thereto in any manner adverse to the interests of the Purchasers) between the Acquiror and Staton, in an amount equal to $30,000,000 to be paid in sixteen quarterly installments, in which the first four quarterly installments of $1,875,000 during the first twelve months following the Combination Closing Date shall be paid in cash and the remaining quarterly installments thereafter shall be paid, at the Acquiror's election, (x) in the common stock of the Acquiror or (y) in cash.

Organization Documents; Fiscal Year; Legal Name, Jurisdiction of Formation and Form of Entity; Certain Amendments

Amend, modify or change its Organization Documents in a manner materially adverse to the Purchasers.

Change its fiscal year.

Without providing ten (10) days prior written notice to the Authorized Representative and the Purchasers, in the case of any Note Party change its name, jurisdiction of organization or form of organization.

~~Amend~~(x) Prior to the Combination Closing Date, amend, supplement, waive or otherwise modify (or permit the amendment, supplement, waiver or modification), or enter into any forbearance from exercising any rights with respect to, (i) any Material Contract if such amendment, supplement, waiver, modification or forbearance could, individually or in the aggregate, reasonably be expected to result in (A) a loss of more than 10% of the consolidated revenue of the ~~Issuer and its~~Note Parties and their Subsidiaries on a consolidated basis (as measured against the consolidated revenue of the ~~Issuer and its~~Note Parties and their Subsidiaries reflected in the most recently delivered financial statements delivered pursuant toSections 5.01(c) or 7.01 or (B) liability to the ~~Issuer~~Note Parties or any Subsidiary in excess of $5,000,000, (ii) any agreement entered into in connection with a Working Capital Facility unless such amendment, supplement, waiver, modification or forbearance is not prohibited by the WC Intercreditor Agreement or (iii) any other document or other agreement evidencing Indebtedness permitted under Section 8.03(f) unless such amendment, supplement, waiver or modification is not prohibited by the applicable subordination agreement, if any~~.~~ or (y) on or after the Combination Closing Date, amend, supplement, waive or otherwise modify (or permit the amendment, supplement, waiver or

modification), or enter into any forbearance from exercising any rights with respect to, (i)any Material Contract in a manner that would be reasonably expected to cause a material change to the validity, enforceability or perfection of the Purchasers' security interest in such Material Contract or would otherwise be reasonably likely to have a Material Adverse Effect, (ii) any agreement entered into in connection with a Working Capital Facility unless such amendment, supplement, waiver, modification or forbearance is not prohibited by the WC Intercreditor Agreement or (iii) any other document or other agreement evidencing Indebtedness permitted under Section 8.03(f) unless such amendment, supplement, waiver or modification is not prohibited by the applicable subordination agreement, if any.

Amend, modify or change any term or condition of the FP Note Documents in any manner materially adverse to the interests of the Purchasers.

~~Each Note Party shall, prior to entering into any~~amendment , supplement, waiver or ~~other modification of any Material Contract to the extent such amendment , supplement, waiver or modification is not permitted by this Section 8.12, subject to the confidentiality obligations of the Issuer and any of its Subsidiaries owing to the counterparty to such Material Contract and subject to applicable regulations restricting the disclosure thereof deliver to each Purchaser (or if required due to confidentiality obligations, counsel to the Authorized Representative) reasonably in advance of the execution thereof, any final or execution form copy of amendments, supplements, waivers or other modifications to such documents, and, if approval of the Required Purchasers is required by the terms of this Section 8.12 prior to the taking of any such action, the Note Parties agree not to take, nor permit any of its Subsidiaries to take, any such action with respect to any such documents without obtaining such approval from the Required Purchasers.~~

Amend, modify or change any term or condition of the Staton Subscription Agreement in any manner adverse to the interests of the Purchasers.

Ownership of Subsidiaries.

Notwithstanding any other provisions of this Agreement to the contrary, (a) permit any Person (other than any Note Party or any Wholly-Owned Subsidiary of the Issuer) to own any Equity Interests of any Subsidiary of any Note Party, except (i) to qualify directors where required by applicable law or to satisfy other requirements of applicable law with respect to the ownership of Equity Interests of Non-U.S. Subsidiaries and (ii) Subsidiaries that are not Wholly-Owned Subsidiaries formed or acquired pursuant to Section 8.03(g), (b) permit any Note Party or any Subsidiary to issue or have outstanding any shares of Disqualified Capital Stock or (c) create, incur, assume or suffer to exist any Lien (other than Liens permitted under Section 8.01(a) and (r)) on any Equity Interests of any Subsidiary of any Note Party.

Sale Leasebacks.

Enter into any Sale and Leaseback Transaction.

Sanctions; Anti-Corruption Laws.

Directly or indirectly, use the proceeds of any Note, or lend, contribute or otherwise make available such proceeds of any Note to any Person, to fund any activities of or business with any Person, or in any Designated Jurisdiction, that, at the time of such funding, is the subject of Sanctions, or in any other manner that will result in a violation by any Person (including any Person participating in the transactions hereunder, whether as a Purchaser, Collateral Agent or otherwise) of Sanctions.

Directly or indirectly, use the proceeds of any Note for any purpose which would breach the United States Foreign Corrupt Practices Act of 1977, the UK Bribery Act 2010 and other similar anti-corruption legislation in other jurisdictions.

Limitations on Activities of Acquiror. On and after the Combination Closing Date, in the case of the Acquiror, notwithstanding anything contrary to this Agreement or any other Note Document:

conduct, transact or otherwise engage in, or commit to conduct, transact or otherwise engage in, any business or operations or own any assets other than (i) its ownership of the Equity Interests of the Issuer and its Subsidiaries and activities incidental thereto and Investments by or in the Acquiror permitted hereunder and activities incidental thereto, (ii) activities incidental to the maintenance of its existence and compliance with applicable laws and legal, tax and accounting matters related thereto and activities relating to its employees, (iii) activities relating to the performance of obligations under the Note Documents, the FP Note Documents and any Working Capital Facility, (iv) the making of Restricted Payments permitted to be made by Acquiror pursuant to Section 8.06, (v) the receipt of Restricted Payments permitted to be made to Acquiror under Section 8.06, (vi) the holding of any cash and Cash Equivalents, (vii) the entry into and the exercising of its rights and performing of its obligations with respect to contracts and other arrangements with officers, managers, directors, employees, consultants and independent contractors (including the providing of indemnification to such Persons), (viii) any public offering of its common equity or any other issuance or sale of its Equity Interests, (ix) transactions with the Issuer or any Subsidiary to the extent expressly permitted under this Article VIII, (x) activities related to the Transactions and in connection with the Acquisition Agreement, the Subscription Agreements and other documents related thereto to which it is a party and (xi) any activities incidental or reasonably related to the foregoing.

incur, create, assume or suffer to exist any Indebtedness or other liabilities or financial obligations, except (i) the Obligations, (ii) Guarantees in respect of the Obligations and other Indebtedness permitted by Section 8.03, (iii) obligations with respect to its Equity Interests, (iv) non-consensual obligations imposed by operation of law and (v) liabilities or obligations with respect to any expenses incurred in connection with activities permitted under Section 8.16(a).

Financial Covenants.

(a) (i) With respect to the fiscal quarters ending March 31, 2022, June 30, 2022 and September 30, 2022, the Issuer shall not permit the aggregate amount of unrestricted cash and Cash Equivalents of (A) the Note Parties that is subject to a Deposit Account Control Agreement and (B) Subsidiaries that are not Note Parties (provided that the amount of unrestricted cash and Cash Equivalents taken into account for purposes of clause (B) shall not exceed $5,000,000), to be less than, as of the last date of each such fiscal quarter, $20,000,000.

(ii) With respect to the fiscal quarter ending December 31, 2022, the Issuer shall not permit the aggregate amount of unrestricted cash and Cash Equivalents of (A) the Note Parties that is subject to a Deposit Account Control Agreement and (B) Subsidiaries that are not Note Parties (provided that the amount of unrestricted cash and Cash Equivalents taken into account for purposes of clause (B) shall not exceed $5,000,000), to be less than, as of the last date of each such fiscal quarter, $10,000,000.

(iii) With respect to each fiscal quarter ending after December 31, 2022, the Issuer shall not permit the aggregate amount of unrestricted cash and Cash Equivalents of (A) the Note Parties that is subject to a Deposit Account Control Agreement and (B) Subsidiaries that are not Note Parties (provided that the amount of unrestricted cash and Cash Equivalents taken into account for purposes of clause (B) shall not exceed $5,000,000) to be less than, as of the last date of each such fiscal quarter, the greater of (x) $20,000,000 and (y) an amount equal to 15% of the total Funded Indebtedness of the Note Parties and their Subsidiaries.

(b) The Issuer shall not permit Consolidated Adjusted EBITDA, as of the last day of any Test Period, commencing with the fiscal quarter ending December 31, 2023 and each fiscal quarter thereafter, to be less than $0.00; provided that (i) if the Issuer has delivered a written notice on or before March 31, 2023 certifying that Equity Raise Milestone I has been achieved, the foregoing covenant test will commence with the fiscal quarter ending March 31, 2024 and (ii) if the Issuer has delivered a written notice on or before March 31, 2023 certifying that Equity Raise Milestone II has been achieved, the foregoing covenant test will commence with the fiscal quarter ending June 30, 2024.

EVENTS OF DEFAULT AND REMEDIES

Events of Default.

Any of the following shall constitute an Event of Default:

Non-Payment. The Issuer or any other Note Party fails to pay(i) any principal of any Note when and as required to be paid herein,~~any amount of principal of any Note~~whether at the due date thereof or at a fixed date for payment thereof or by acceleration thereof or otherwise or (ii) any interest on any Note or any other amount payable hereunder or under any other Note Document (other than an amount referred to in clause (i)) within five days after any such interest or other amount becomes due in accordance with the terms hereof or thereof; or

Specific Covenants. Any Note Party fails to perform or observe any term, covenant or agreement contained in~~any of Section~~(x) prior to the Combination Closing Date, any of Sections 7.01, 7.02, 7.03, 7.05, 7.07, 7.10, 7.11, 7.12, 7.14, 7.16, 7.19 ~~or~~, 7.20 or 7.22 or Article VIII; and (y) on or after the Combination Closing Date, Sections 7.01, 7.02, 7.03, 7.05(a) (with respect to the Issuer), 7.10, 7.11, 7.12, 7.19, 7.20 or 7.22 or Article VIII ~~or Section 12.24~~; or

Other Defaults. Any Note Party fails to perform or observe any other covenant or agreement (not specified in~~a~~subsection (a) or (b) above) contained in any Note Document on its part to be performed or observed and such failure continues for thirty (30) days after the earlier to occur of (i) any Note Party becomes aware of such failure or (ii) written notice thereof shall have been given to any Note Party by the Authorized Representative or any Purchaser; or

Representations and Warranties. Any representation, warranty, certification or statement of fact made or deemed made by or on behalf of the Issuer or any other Note Party herein, in any other Note Document, or in any document delivered in connection herewith or therewith shall be incorrect or misleading in any material respect (and in all respects if any such representation or warranty is already qualified by materiality or reference to Material Adverse Effect) when made or deemed made; or

Cross-Default. (i) Any Note Party or any Subsidiary (A) fails to make any payment when due (whether by scheduled maturity, required prepayment, acceleration, demand, or otherwise) in respect of any Indebtedness or Guarantee (other than Indebtedness hereunder and Indebtedness under Swap Contracts) having an aggregate principal amount (including undrawn

committed or available amounts and including amounts owing to all creditors under any combined or syndicated credit arrangement) of more than the Threshold Amount, or (B) fails to observe or perform any other agreement or condition relating to any such Indebtedness or Guarantee or contained in any instrument or agreement evidencing, securing or relating thereto, or any other event occurs, the effect of which default or other event is to cause, or to permit the holder or holders of such Indebtedness or the beneficiary or beneficiaries of such Guarantee (or a trustee or agent on behalf of such holder or holders or beneficiary or beneficiaries) to cause, with the giving of notice if required, such Indebtedness to be demanded or to become due or to be repurchased, prepaid, defeased or redeemed (automatically or otherwise), or an offer to repurchase, prepay, defease or redeem such Indebtedness to be made, prior to its stated maturity, or such Guarantee to become payable or cash collateral in respect thereof to be demanded; or (ii) there occurs under any Swap Contract an Early Termination Date (as defined in such Swap Contract) resulting from (A) any event of default under such Swap Contract as to which the Issuer or any Subsidiary is the Defaulting Party (as defined in such Swap Contract) or (B) any Termination Event (as so defined) under such Swap Contract as to which the Issuer or any Subsidiary is an Affected Party (as so defined) and, in either event, the Swap Termination Value owed by such Note Party or such Subsidiary as a result thereof is greater than the Threshold Amount; or

Insolvency Proceedings, Etc. Any Note Party or any of its Subsidiaries institutes or consents to the institution of any proceeding under any Debtor Relief Law, or makes an assignment for the benefit of creditors; or applies for or consents to the appointment of any receiver, trustee, custodian, conservator, liquidator, rehabilitator or similar officer for it or for all or any material part of its property; or any receiver, trustee, custodian, conservator, liquidator, rehabilitator or similar officer is appointed without the application or consent of such Person and the appointment continues undischarged or unstayed for sixty (60) calendar days; or any proceeding under any Debtor Relief Law relating to any such Person or to all or any material part of its property is instituted without the consent of such Person and either (x) the propriety of such proceeding is not timely contested by such Person or (y) such proceeding continues undismissed or unstayed for sixty (60) calendar days, or an order for relief is entered in any such proceeding; or

Inability to Pay Debts; Attachment. (i) Any Note Party or any of its Subsidiaries becomes unable or admits in writing its inability or fails generally to pay its debts as they become due, or (ii) any writ or warrant of attachment or execution or similar process is issued or levied against all or any material part of the property of any such Person and is not released, vacated or fully bonded within thirty (30) days after its issue or levy; or

Judgments. There is entered against any Note Party or any Subsidiary one or more final judgments or orders for the payment of money in an aggregate amount exceeding the Threshold Amount (to the extent not covered by independent third-party insurance as to which the insurer does not dispute coverage) or (ii) any one or more non-monetary final judgments that have, or could reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect and, in either case, (A) enforcement proceedings are commenced by any creditor upon such judgment or order or (B) there is a period of (x) prior to the Combination Closing Date, thirty (30) consecutive days and (y) on or after the Combination Closing Date, forty-five (45) consecutive days during which a stay of enforcement of such judgment, by reason of a pending appeal or otherwise, is not in effect; or

ERISA. (i) An ERISA Event occurs with respect to a Pension Plan or Multiemployer Plan which has resulted or could reasonably be expected to result in liability of any Note Party under Title IV of ERISA to the Pension Plan, Multiemployer Plan or the PBGC in an aggregate amount in excess of the Threshold Amount, or (ii) the Issuer or any ERISA Affiliate fails to pay when due, after the expiration of any applicable grace period, any installment payment with respect to its withdrawal liability under Section 4201 of ERISA under a Multiemployer Plan in an aggregate amount in excess of the Threshold Amount; or

Invalidity of Note Documents or ~~Inducement Warrant~~Equity Issuance Documents. Any Note Document or ~~Inducement Warrant~~Equity Issuance Document, at any time after its execution and delivery and for any reason other than as expressly permitted hereunder or thereunder, ceases to be in full force and effect; or any Note Party or any other Person contests in any manner the validity or enforceability of any Note Document or ~~Inducement Warrant~~Equity Issuance Document; or any Note Party denies that it has any or further liability or obligation under any Note Document or ~~Inducement Warrant~~Equity Issuance Document, or purports to revoke, terminate or rescind any Note Document or ~~Inducement Warrant~~Equity Issuance Document; or any Guarantee of the Obligations ceases to be enforceable against any Guarantor; or

Invalidity of Liens. Any Lien purported to be created under any Collateral Document shall cease to be, or shall be asserted by any Note Party not to be, a valid and perfected first priority Lien on any portion of the Collateral, except as a result of the sale or other disposition of the applicable Collateral to a Person that is not a Note Party in a transaction permitted under the Note Documents; or

Change of Control. There occurs any Change of Control; or

~~Qualified Public Company Event. There occurs any Qualified Public Company Event~~[Reserved]; or

Invalidity of Subordination Provisions. Any subordination provision in any document or instrument governing Indebtedness that is purported to be subordinated to the Obligations or any subordination provision in any subordination agreement that relates to any Indebtedness that is to be subordinated to the Obligations, or any subordination provision in any guaranty by any Note Party of any such Indebtedness, shall cease to be in full force and effect, or any Person (including any holder of any such Indebtedness) shall contest in any manner the validity, binding nature or enforceability of any such provision; or

Injunction. Any court order enjoins, restrains, or prevents any Note Party from conducting any material part of its business; or

Strategic Cooperation Agreement. Unless otherwise consented to by the Required Majority Purchasers, (a) the Strategic Cooperation Agreement is terminated other than by the Issuer due to an uncured breach by Lockheed Martin or (b) the Issuer breaches in any material respect the Strategic Cooperation Agreement (it being understood that, among other things, any breach of Sections 2.2, 2.6 or 15 of the Strategic Cooperation Agreement shall constitute a material breach) and such breach is not cured (to the extent capable of being cured) within 90 days after the earlier to occur of (x) knowledge of such breach by the Issuer or (y) written notice thereof to the Issuer from Lockheed Martin; or

Liquidation; Dissolution. The Board of Directors or holders of Equity Interests of (x) prior to the Combination Closing Date, the Issuer ~~or any of its~~ and (y) after the Combination Closing Date, the Acquiror or any Subsidiaries of the foregoing that own assets with a value in excess of the Threshold Amount adopt a resolution for the liquidation, dissolution or winding up of ~~the Issuer or~~ such Subsidiary or (x) prior to the Combination Closing Date, the Issuer and (y) after the Combination Closing Date, the Acquiror; or

FP Note Purchase Agreement Default. Any Event of Default under and as defined in the FP Note Purchase Agreement shall occur;~~or~~

Intercreditor Agreement and BP Subordination Agreement. At any time after the execution and delivery thereof, the Intercreditor Agreement or the BP Subordination Agreement shall cease to be in full force and effect (other than in accordance with its terms) or shall be declared null and void~~.~~; or

FP Additional Delayed Draw Senior Secured Notes. (i) The "Additional Delayed Draw Senior Secured Notes"(as defined in the FP Note Purchase Agreement) shall not have been issued and purchased under and in accordance with the FP Note Purchase Agreement in an aggregate principal amount of $65,000,000 on the Seventh Amendment Effective Date or the Business Day immediately following the Seventh Amendment Effective Date; or (ii) the Issuer fails to receive in immediately available funds on the Seventh Amendment Effective Date or the Business Day immediately following the Seventh Amendment Effective Date the amount provided for in the FP Note Purchase Agreement for the purchase of the "Additional Delayed Draw Senior Secured Notes" (as defined in the FP Note Purchase Agreement).

Remedies Upon Event of Default.

Subject to the Collateral Agency and Intercreditor Agreement, if any Event of Default occurs and is continuing, the Required Majority Purchasers (or following the Non-Controlling Noteholder Enforcement Date (as defined in the Collateral Agency and Intercreditor Agreement), the Directing Noteholder (as defined in the Collateral Agency and Intercreditor Agreement)) may take any or all of the following actions:

declare the unpaid principal amount of all outstanding Notes, all interest accrued and unpaid thereon, prepayment and repayment premiums thereto (if any) and all other amounts owing or payable hereunder or under any other Note Document to be immediately due and payable, without presentment, demand, protest or other notice of any kind, all of which are hereby expressly waived by the Note Parties; and

exercise, or instruct the Collateral Agent and the Authorized Representative to exercise (and the Collateral Agent and the Authorized Representative shall exercise upon such instruction), all rights and remedies available to the Collateral Agent, the Authorized Representative or the Purchasers under the Note Documents and applicable Law;

provided, however, that upon the occurrence of an Event of Default underSection 9.01(f) or (g), the unpaid principal amount of all outstanding Notes and all interest and other amounts as aforesaid shall automatically become due and payable, in each case without further act of the Collateral Agent, the Authorized Representative or any Purchaser; provided, further, that any exercise of rights and remedies under Deposit Account Control Agreements requires the consent of the Required Purchasers.

Upon the acceleration (including automatic acceleration triggered by any insolvency proceeding pursuant to Section 9.01(f)), all outstanding Notes, accrued and unpaid interest and the other Obligations become immediately due and payable. If the Obligations are accelerated for any reason, the PIK Interest paid on the Notes on or prior to the date of such acceleration and the PIK Interest – BP paid on the BPNotes on or prior to the date of such acceleration shall be deemed earned in full and shall constitute part of the Obligations, in view of the impracticability and extreme difficulty of ascertaining actual damages and by mutual agreement of the parties as to a reasonable calculation of each Purchaser's lost profits as a

result thereof. In the event that the Obligations (and/or this Agreement) are satisfied or released by foreclosure (whether by power of judicial proceeding), deed in lieu of foreclosure or by any other means, the PIK Interest paid on the Notes on or prior to the date of such satisfaction or release and the PIK Interest – BP paid on the BP Notes on or prior to the date of such satisfaction or release shall also be earned in full. TO THE EXTENT PERMITTED BY APPLICABLE LAW, THE ISSUER EXPRESSLY WAIVES THE PROVISIONS OF ANY PRESENT OR FUTURE STATUTE OR LAW THAT PROHIBITS OR MAY PROHIBIT THE COLLECTION OF THE FOREGOING PIK INTEREST AND PIK INTEREST - BP IN CONNECTION WITH ANY SUCH ACCELERATION. The Issuer expressly agrees that (i) the PIK Interest on the Notes ~~is~~and the PIK Interest – BP on the BP Notes are reasonable and ~~is~~are the product of an arm's length transaction between sophisticated business people, ably represented by counsel, (ii) the PIK Interest on the Notes and the PIK Interest – BP on the BP Notes shall be payable notwithstanding the then prevailing market rates at the time payment is made, (iii) there has been a course of conduct between the Purchasers and the Issuer giving specific consideration in this transaction for such agreement to pay the PIK Interest on the Notes and the PIK Interest – BP on the BP Notes, and (iv) the Issuer shall be estopped hereafter from claiming differently than as agreed to in this paragraph. The Issuer expressly acknowledge that ~~their~~its agreement to pay the PIK Interest on the Notes and the PIK Interest – BP on the BP Notes is a material inducement to the Purchasers to purchase the Notes hereunder.

Application of Funds.

After the exercise of remedies provided for in Section 9.02 (or after the Notes have automatically become immediately due and payable as set forth in the proviso to Section 9.02), subject to the terms of the First Lien Intercreditor Agreement, any amounts received by any Purchaser, the Authorized Representative or the Collateral Agent on account of the Obligations shall be applied in the following order:

First, to payment of that portion of the Obligations constituting fees, indemnities, expenses and other amounts (including fees, charges and disbursements of counsel, and costs and expenses incurred in connection with any enforcement or realization of the Collateral) payable to the Collateral Agent in its capacity as Collateral Agent under the Note Documents;

Second, to the payment of that portion of the Obligations constituting fees, indemnities, expenses and other amounts (including fees, charge and disbursements of counsel to the Authorized Representative and the Purchasers and amounts payable under Article III) payable to the Authorized Representative in its capacity as such;

Third, to payment of that portion of the Obligations constituting fees, indemnities and other amounts (other than principal and interest) payable to the Purchasers arising under the Note Documents and amounts payable under Article III, ratably among them in proportion to the respective amounts described in this clause Third payable to them;

Fourth, to payment of that portion of the Obligations constituting accrued and unpaid interest on the Notes, ratably among the Purchasers in proportion to the respective amounts described in this clause Fourth held by them;

Fifth, to payment of that portion of the Obligations constituting accrued and unpaid principal of the Notes, ratably among the Purchasers in proportion to the respective amounts described in this clause Fifth held by them; and

Last, the balance, if any, after all of the Obligations have been indefeasibly paid in full, to the Issuer or as otherwise required by Law.

[RESERVED]

AUTHORIZED REPRESENTATIVE

Appointment and Authority.

Each of the Purchasers hereby irrevocably appoints Lockheed Martin to act on its behalf as the Authorized Representative hereunder and under the other Note Documents and authorizes the Authorized Representative to take such actions on its behalf and to exercise such powers as are delegated to the Authorized Representative by the terms hereof or thereof, and to act as the agent of such Purchaser for purposes of acquiring, holding and enforcing (or to direct the Collateral Agent pursuant to the Collateral Agency and Intercreditor Agreement to acquire, hold and enforce) any and all Liens on Collateral granted by any of the Note Parties to secure any of the Obligations, together with such powers and discretion as are incidental thereto. The provisions of this Article are solely for the benefit of the Authorized Representative and the Purchasers, and neither the Issuer nor any other Note Party shall have rights as a third-party beneficiary of any of such provisions. It is understood and agreed that the use of the term "agent" herein or in any other Note Documents (or any other similar term) with reference to the Authorized Representative is not intended to connote any fiduciary or other implied (or express) obligations arising under agency doctrine of any applicable Law. Instead such term is used as a matter of market custom, and is intended to create or reflect only an administrative relationship between contracting parties.

The Authorized Representative and any co-agents, sub-agents and attorneys-in-fact appointed by the Authorized Representative (including the Collateral Agent) pursuant to Section 11.05 for purposes of holding or enforcing any Lien on the Collateral (or any portion thereof) granted under the Collateral Documents, or for exercising any rights and remedies thereunder at the direction of the Authorized Representative, shall be entitled to the benefits of all provisions of this Article XI and Article XII, as though such co-agents, sub-agents and attorneys-in-fact were the "authorized representative" under the Note Documents as if set forth in full herein with respect thereto.

Each Purchaser hereby acknowledges that it has received and reviewed the Collateral Documents, the Collateral Agency and Intercreditor Agreement and the First Lien Intercreditor Agreement and agrees to be bound by the terms thereof. Each Purchaser agrees to enter into the Collateral Agency and Intercreditor Agreement and the First Lien Intercreditor Agreement (and each Person that becomes a Purchaser under this Agreement after the Closing Date agrees to become a party to the Collateral Agency and Intercreditor Agreement and the First Lien Intercreditor Agreement, in each case, pursuant to the joinder agreement in the form attached thereto) and hereby authorizes and directs the Authorized Representative to enter into the Collateral Agency and Intercreditor Agreement and the First Lien Intercreditor Agreement on behalf of such Purchaser and agrees that the Authorized Representative may (i) appoint (x) Lockheed Martin therein as initial Collateral Agent and (y) U.S. Bank National Association or any replacement Collateral Agent chosen by the Authorized Representative in accordance

with Section 7.21 as Collateral Agent, in each case, thereunder and under the Collateral Documents and direct the initial Collateral Agent and the replacement Collateral Agent to enter into the Collateral Documents the Collateral Agency and Intercreditor Agreement and the First Lien Intercreditor Agreement, in each case, on behalf of the Secured Parties and (ii) subject to the Collateral Agency and Intercreditor Agreement and the First Lien Intercreditor Agreement, take (or direct the Collateral Agent to take) such other actions on its behalf as is contemplated by the terms of the Collateral Documents. Each Purchaser agrees to take such actions and enter into such agreements, amendments, assignments and other documents, reasonably requested by the Collateral Agent or the Authorized Representative to effect the replacement of the Collateral Agent pursuant to Section 7.21, including any assignment, amendment or amendment and restatement of any of the Collateral Documents, the Collateral Agency and Intercreditor Agreement or the First Lien Intercreditor Agreement.

Each of the Purchasers and the Authorized Representative acknowledges and agrees that the rights and remedies of the Purchasers, the Collateral Agent and the Authorized Representative hereunder and under the other Note Documents are subject to the Collateral Agency and Intercreditor Agreement and the First Lien Intercreditor Agreement.

(i) The Authorized Representative is hereby authorized to enter into (and/or direct the Collateral Agent to into) any WC Intercreditor Agreement or subordination agreement contemplated by Section 8.03(f), in each case, consistent with the terms of this Agreement, and each Purchaser agrees to be bound by the terms thereof and directs the Authorized Representative and/or Collateral Agent to enter into such WC Intercreditor Agreement on behalf of such Purchaser in connection with a Working Capital Facility or such subordination agreement on behalf of such Purchaser and agrees that the Authorized Representative (or the Collateral Agent at the direction of the Authorized Representative) may take such actions on its behalf as is contemplated by the terms of such WC Intercreditor Agreement or such subordination agreement. In addition, each Purchase and the Authorized Representative acknowledge and agree that (a) the exercise of any rights and remedies of the Collateral Agent, the Authorized Representative and the Purchasers hereunder and under the other Note Documents as a secured creditor solely in respect of any Working Capital Priority Collateral shall be subject to such WC Intercreditor Agreement and (b) in the event of any conflict between the provisions of such WC Intercreditor Agreement and the provisions of this Agreement or the other Note Documents, the provisions of such WC Intercreditor Agreement shall govern.

(ii) The Authorized Representative is hereby authorized to enter into the Staton Subordination Agreement, and each Purchaser agrees to be bound by the terms thereof and directs the Authorized Representative to enter into the Staton Subordination Agreement on behalf of such Purchaser in connection with the Staton Payment Obligations and agrees that the Authorized Representative may take such actions on its behalf as is contemplated by the terms of such Staton Subordination Agreement.

Subject to the Collateral Agency and Intercreditor Agreement and the First Lien Intercreditor Agreement, to the extent a decision or action requires the consent of the Required Majority Purchasers or Required Purchasers, the Authorized Representative shall only act (or refrain from acting) at the direction of the Required Purchasers or Required Majority Purchasers, as the case may. Notwithstanding the foregoing, but subject to the Collateral Agency and Intercreditor Agreement and the First Lien Intercreditor Agreement, the Authorized Representative may exercise any discretionary rights and powers expressly contemplated hereby or by the other Note Documents or otherwise delegated to the Authorized Representative under any Note Document at the direction of the Required Majority Purchasers and without the consent of any other Purchaser.

Rights as a Purchaser.

The Person serving as the Authorized Representative hereunder shall have the same rights and powers in its capacity as a Purchaser as any other Purchaser and may exercise the same as though it were not the Authorized Representative, and the term "Purchaser," "Purchasers," "Required Majority Purchaser" or "Required Purchasers" shall, unless otherwise expressly indicated or unless the context otherwise requires, include the Person serving as the Authorized Representative hereunder in its individual capacity. Such Person and its Affiliates may accept deposits from, lend money to, own securities of, act as the financial advisor or in any other advisory capacity for and generally engage in any kind of business with any Note Party or any Subsidiary or other Affiliate thereof as if such Person were not the Authorized Representative hereunder and without any duty to account therefor to the Purchasers.

Exculpatory Provisions.

The Authorized Representative shall not have any duties or obligations except those expressly set forth herein and in the other Note Documents, and its duties hereunder shall be administrative in nature. Without limiting the generality of the foregoing, the Authorized Representative (and any sub-agent thereof, including the Collateral Agent):

shall not be subject to any fiduciary or other implied duties, regardless of whether a Default has occurred and is continuing;

shall not have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated hereby or by the other Note Documents that the Authorized Representative is required to exercise as directed in writing by the Required Majority Purchasers (or such other number or percentage of the Purchasers as shall be expressly provided for herein or in the other Note Documents), provided, that, the Authorized Representative shall not be required to take any action that, in its opinion or the opinion of its counsel, may expose the Authorized Representative to liability or that is contrary to any Note Document or applicable law, including for the avoidance of doubt any action that may be in violation of the automatic stay under any Debtor Relief Law; and

shall not, except as expressly set forth herein and in the other Note Documents, have any duty to disclose, and shall not be liable for the failure to disclose, any information relating to any Note Party or any of its Affiliates that is communicated to or obtained by the Person serving as the Authorized Representative or any of its Affiliates in any capacity.

The Authorized Representative shall not be liable for any action taken or not taken by it (i) with the consent or at the request of the Required Majority Purchasers (or such other number or percentage of the Purchasers as shall be necessary) or (ii) in the absence of its own gross negligence or willful misconduct as determined by a court of competent jurisdiction by final and non-appealable judgment. The Authorized Representative shall be deemed not to have knowledge of any Default unless and until notice describing such Default is given in writing to the Authorized Representative by the Issuer, or a Purchaser.

The Authorized Representative shall not be responsible for or have any duty to ascertain or inquire into (i) any statement, warranty or representation made in or in connection with this Agreement or any other Note Document, (ii) the contents of any certificate, report or other document delivered hereunder or thereunder or in connection herewith or therewith, (iii) the performance or observance of any of the covenants, agreements or other terms or conditions set forth herein or therein or the occurrence of any Default, (iv) the validity, enforceability, effectiveness or genuineness of this Agreement, any other Note Document or any other agreement, instrument or document or (v) the satisfaction of any condition set forth in Article V or elsewhere herein, other than to confirm receipt of items expressly required to be delivered to the Authorized Representative.

Reliance by Authorized Representative.

The Authorized Representative shall be entitled to rely upon, and shall not incur any liability for relying upon, any notice, request, certificate, consent, statement, instrument, document or other writing (including any electronic message, Internet or intranet website posting or other distribution) believed by it to be genuine and to have been signed, sent or otherwise authenticated by the proper Person. The Authorized Representative also may rely upon any statement made to it orally or by telephone and believed by it to have been made by the proper Person, and shall not incur any liability for relying thereon. In determining compliance with any condition hereunder to the purchase of any Note, that by its terms must be fulfilled to the satisfaction of a Purchaser, the Authorized Representative may presume that such condition is satisfactory to such Purchaser unless the Authorized Representative shall have received notice to the contrary from such Purchaser prior to the purchase of such Note. The Authorized Representative may consult with legal counsel (who may be counsel for the Note Parties), independent accountants and other experts selected by it, and shall not be liable for any action taken or not taken by it in accordance with the advice of any such counsel, accountants or experts.

Delegation of Duties.

The Authorized Representative may perform any and all of its duties and exercise its rights and powers hereunder or under any other Note Document by or through any one or more sub-agents appointed by the Authorized Representative (including the Collateral Agent appointed pursuant to the Collateral Agency and Intercreditor Agreement). The Authorized Representative and any such sub-agent may perform any and all of its duties and exercise its rights and powers by or through their respective Related Parties. The exculpatory provisions of this Article shall apply to any such sub-agent and to the Related Parties of the Authorized Representative and any such sub-agent, and shall apply to their respective activities in connection with the syndication of the credit facilities provided for herein as well as activities as Authorized Representative. The Authorized Representative shall not be responsible for the negligence or misconduct of any sub-agents except to the extent that a court of competent jurisdiction determines in a final and non-appealable judgment that the Authorized Representative acted with gross negligence or willful misconduct in the selection of such sub-agents.

Resignation or Removal of Authorized Representative.

The Authorized Representative may resign (or be removed by the Required Majority Purchasers) as Authorized Representative at any time by giving thirty (30) days advance notice thereof to the Purchasers and the Issuer and, thereafter, the retiring or removed Authorized Representative shall be discharged from its duties and obligations hereunder. Upon any such resignation or removal, the Required Majority Purchasers shall have the right, subject to the approval of the Issuer (so long as no Event of Default has occurred and is continuing; such approval not to be unreasonably withheld), to appoint a successor Authorized Representative. If no successor Authorized Representative shall have been so appointed by the Required Majority Purchasers, been approved (so long as no Event of Default has occurred and is continuing) by the Issuer or have accepted such appointment within thirty (30) days after the Authorized Representative's giving of notice of resignation or the Required Majority Purchasers' giving of notice of removal, as applicable, then the Authorized Representative may, on behalf of the Purchasers, appoint a successor Authorized Representative reasonably acceptable to the Issuer (so long as no Default or Event of Default has occurred and is continuing). Upon the acceptance of any appointment as Authorized Representative hereunder by a successor Authorized Representative, such successor

Authorized Representative shall thereupon succeed to and become vested with all rights, powers, privileges and duties of the retiring or removed Authorized Representative. After any retiring Authorized Representative's resignation or removal hereunder as Authorized Representative, the provisions of this Section 11.06 shall continue in effect for its benefit in respect of any actions taken or omitted to be taken by it while it was acting as Authorized Representative. If no successor has accepted appointment as Authorized Representative by the date which is thirty (30) days following a retiring Authorized Representative's notice of resignation or the Required Majority Purchasers' giving of notice of removal, as applicable, the retiring Authorized Representative's resignation or removal shall nevertheless thereupon become effective and the Required Majority Purchasers shall perform all of the duties of the Authorized Representative hereunder until such time, if any, as the Required Majority Purchasers appoint a successor agent as provided for above. In the event that a new Authorized Representative is appointed and such Authorized Representative is not an Affiliate of the holders of a majority in interest of the Notes, then the Issuer shall agree to pay to such Authorized Representative the fees and expenses (such fees to be payable annually in advance) that such Authorized Representative may reasonably request in connection with its appointment and service.

Non-Reliance on Collateral Agent and Other Purchasers.

Each Purchaser acknowledges that it has, independently and without reliance upon the Authorized Representative or any other Purchaser or any of their Related Parties and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement. Each Purchaser also acknowledges that it will, independently and without reliance upon the Authorized Representative or any other Purchaser or any of their Related Parties and based on such documents and information as it shall from time to time deem appropriate, continue to make its own decisions in taking or not taking action under or based upon this Agreement, any other Note Document or any related agreement or any document furnished hereunder or thereunder.

Authorized Representative May File Proofs of Claim.

In case of the pendency of any receivership, insolvency, liquidation, bankruptcy, reorganization, arrangement, adjustment, composition or other judicial proceeding relative to any Note Party, the Authorized Representative (irrespective of whether the principal of any Note shall then be due and payable as herein expressed or by declaration or otherwise and irrespective of whether the Collateral Agent shall have made any demand on the Issuer) shall be entitled and empowered, by intervention in such proceeding or otherwise:

to file and prove a claim for the whole amount of the principal and interest owing and unpaid in respect of the Notes and all other Obligations that are owing and unpaid and to file such other documents as may be necessary or advisable in order to have the claims of the Purchasers and the Authorized Representative (including any claim for the reasonable compensation, expenses, disbursements and advances of the Purchasers, the Collateral Agent and the Authorized Representative and their respective agents and counsel and all other amounts due the Purchasers, the Collateral Agent and the Authorized Representative under Section 12.04) allowed in such judicial proceeding; and

to collect and receive any monies or other property payable or deliverable on any such claims and to distribute the same;

and any custodian, receiver, assignee, trustee, liquidator, sequestrator or other similar official in any such judicial proceeding is hereby authorized by each Purchaser to make such payments to the Authorized Representative and, in the event that the Authorized Representative shall consent to the making of such

payments directly to the Purchasers, to pay to the Authorized Representative and Collateral Agent any amount due for the reasonable compensation, expenses, disbursements and advances of the Authorized Representative and Collateral Agent and its agents and counsel, and any other amounts due the Authorized Representative and the Collateral Agent under Section 12.04.

Nothing contained herein shall be deemed to authorize the Authorized Representative or the Collateral Agent to authorize or consent to or accept or adopt on behalf of any Purchaser any plan of reorganization, arrangement, adjustment or composition affecting the Obligations or the rights of any Purchaser or to authorize the Authorized Representative or the Collateral Agent to vote in respect of the claim of any Purchaser in any such proceeding.

MISCELLANEOUS

Amendments, Etc.

No amendment or waiver of any provision of this Agreement or any other Note Document, and no consent to any departure by the Issuer or any other Note Party therefrom, shall be effective unless in writing signed by (i) (x) the Required Purchasers (or the Authorized Representative at the written direction of the Required Purchasers) or (y) with respect to any of Sections 2.07(e), 6.30, 7.11(i) and 9.01(p), the Required Majority Purchasers and (ii) the Issuer or the applicable Note Party, as the case may be, and each such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given; provided, further, that:

no such amendment, waiver or consent shall:

[reserved];

postpone any date fixed by this Agreement or any other Note Document for any payment of principal (excluding mandatory prepayments, including any mandatory prepayment pursuant to Section 2.07(e)), interest, fees or other amounts due to the Purchasers (or any of them) hereunder or under any other Note Document without the written consent of each Purchaser entitled to receive such payment;

reduce the principal of, the rate of interest specified herein on any Note, or any fees or other amounts payable hereunder or under any other Note Document without the written consent of each Purchaser entitled to receive such payment of principal, interest, fees or other amounts; provided, however, that, only the consent of the Required Purchasers shall be necessary to amend the definition of "Default Rate" or to waive any obligation of the Issuer to pay interest at the Default Rate;

change any provision of this Section 12.01(a), Section 2.14, Section 12.26, the definition of "Required Purchasers," the definition of "Required Majority Purchasers," change the waterfall set forth in Section 9.03 or otherwise or have the effect of changing the priority or pro rata treatment of any payments (including voluntary and mandatory prepayments), Liens or proceeds of Collateral (including as a result in whole or in part of allowing the issuance or incurrence, pursuant to this Agreement or otherwise, of new loans or other Indebtedness having any priority over any of the Obligations in respect of payments, Liens, Collateral or proceeds of Collateral, in exchange for any Obligations or otherwise), in each case, without the written consent of each Purchaser directly affected thereby;

release all or substantially all of the Collateral without the written consent of each Purchaser directly affected thereby, except to the extent the release of the Collateral is expressly permitted by Section 12.21;

release the Issuer or, except in connection with a merger, amalgamation or consolidation permitted under Section 8.04, all or substantially all of the Guarantors without the written consent of each Purchaser directly affected thereby, except to the extent the release of any Guarantor is permitted pursuant to Section 12.21 (in which case such release may be made by the Required Purchasers);

advance the date fixed for, or increase, any scheduled installment of principal due to any of the Purchasers under any Note Document, in each case, without the written consent of each Purchaser directly affected thereby;

it being agreed that all Purchasers shall be deemed to be directly and adversely affected by an amendment, waiver or supplement described in the preceding clause (iv), (v), (vi) or (vii); and

unless also signed by the Authorized Representative, no amendment, waiver or consent shall affect the rights ~~or~~, duties, obligations or liabilities of the Authorized Representative under this Agreement or any other Note Document;

any amendment or waiver pursuant to Section 12.01(a) shall apply equally to all holders of the Notes and shall be binding upon them, upon each future holder of the Notes and upon the Note Parties, and shall amend the Notes, in each case whether or not a notation thereof shall have been placed on any such Note. Any such waiver shall be effective only in the specific instance and for the purpose for which given;

notwithstanding any other provision contained in this Section 12.01 or elsewhere in this Agreement to the contrary, Notes which at any time are held by the Issuer or by any of its Affiliates, in each case, shall not be deemed outstanding for purposes of any vote, consent, approval, waiver or other action required or permitted to be taken by the holders of Notes or by any of them, under the provisions of this Section 12.01 or Section 9.02 of this Agreement, and none of the Issuer and any of its Affiliates shall be entitled to exercise any right as a Purchaser or holder of Notes with respect to any such vote, consent, approval or waiver or to take or participate in taking any such action at any time.

so long as any Notes remain outstanding, none of the Issuer and any of its Affiliates will solicit or request any proposed consent with respect to, or waiver or amendment of, any of the provisions of this Agreement or the other Note Documents unless each holder of Notes (irrespective of the amount of Notes then owned by it), prior to the deadline for executing and delivering any such consent, waiver or amendment, shall be informed thereof by the Issuer and shall be afforded the opportunity of considering the same and shall be supplied by the Issuer with sufficient time and information to enable it to make an informed decision with respect thereto. None of the Issuer and any of its Affiliates will, directly or indirectly, pay or cause to be paid any remuneration, whether by way of supplemental or additional interest, fee or otherwise, to any Purchaser as consideration for or as an inducement to the entering into by any Purchaser of any amendment, waiver or consent with respect to any of the terms and provisions of this Agreement or the other Note Documents, unless such remuneration is concurrently offered, on the same terms, ratably to all of holders of Notes which agree to such amendment, waiver or consent.

Notices and Other Communications; Facsimile Copies.

Notices Generally. Except in the case of notices and other communications expressly permitted to be given by telephone (and except as provided in subsection (b) below), all notices and other communications provided for herein shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by facsimile as follows, and all notices and other communications expressly permitted hereunder to be given by telephone shall be made to the applicable telephone number, in each case to the address, facsimile number, electronic mail address or telephone number specified for the Issuer, the other Note Parties (as of the Closing Date), and for the Purchasers (as of the Closing Date) and the Authorized Representative, as set forth on Schedule 12.02 (as updated from time to time in accordance with the terms of this Agreement).

Notices and other communications sent by hand or overnight courier service, or mailed by certified or registered mail, shall be deemed to have been given when received; notices and other communications sent by facsimile shall be deemed to have been given when sent (except that, if not given during normal business hours for the recipient, shall be deemed to have been given at the opening of business on the next Business Day for the recipient). Notices and other communications delivered through electronic communications to the extent provided in subsection (b) below, shall be effective as provided in such subsection (b).

Electronic Communications. Each of the Issuer, other Note Parties, the Authorized Representative and the Purchasers may each, in its discretion, agree to accept notices and other communications to it hereunder by electronic communications pursuant to procedures approved by it, provided, that, approval of such procedures may be limited to particular notices or communications.

Unless the applicable recipient otherwise prescribes, (i) notices and other communications sent to an e-mail address shall be deemed received upon the sender's receipt of an acknowledgement from the intended recipient (such as by the "return receipt requested" function, as available, return e-mail or other written acknowledgement), and (ii) notices or communications posted to an Internet or intranet website shall be deemed received upon the deemed receipt by the intended recipient at its e-mail address as described in the foregoing clause (i) of notification that such notice or communication is available and identifying the website address therefor; provided, that, for both clauses (i) and (ii), if such notice, email or other communication is not sent during the normal business hours of the recipient, such notice, email or communication shall be deemed to have been sent at the opening of business on the next business day for the recipient.

Change of Address, Etc. Each of the Issuer, other Note Parties, the Purchasers and the Authorized Representative may change its address, facsimile or telephone number for notices and other communications hereunder by notice to the other parties hereto.

Reliance by Authorized Representative and Purchasers The Authorized Representative and the Purchasers shall be entitled to rely and act upon any notices purportedly given by or on behalf of any Note Party even if (i) such notices were not made in a manner specified herein, were incomplete or were not preceded or followed by any other form of notice specified herein, or (ii) the terms thereof, as understood by the recipient, varied from any confirmation thereof. The Note Parties shall indemnify the Authorized Representative, each Purchaser and the Related Parties of each of them from all losses, costs, expenses and liabilities resulting from the reliance by such Person on each notice purportedly given by or on behalf of a Note Party.

No Waiver; Cumulative Remedies; Enforcement.

No failure by any Purchaser, the Authorized Representative or the Collateral Agent to exercise, and no delay by any such Person in exercising, any right, remedy, power or privilege hereunder or under any other Note Document shall operate 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. The rights, remedies, powers and privileges herein provided, and provided under each other Note Document, are cumulative and not exclusive of any rights, remedies, powers and privileges provided by law. Subject to the Collateral Agency and Intercreditor Agreement, each Purchaser agrees that, except as otherwise provided in any of the Note Documents, it will not take any legal action or institute any action or proceeding against any Note Party with respect to any of the Obligations or Collateral, or accelerate or otherwise enforce its portion of the Obligations.

Subject to the Collateral Agency and Intercreditor Agreement, no Secured Party shall have any right individually to realize upon any of the Collateral or to enforce any Guarantee of the Obligations, it being understood and agreed that all powers, rights and remedies under the Note Documents may be exercised solely by the Required Majority Purchasers (or, at the direction of the Required Majority Purchasers, the Authorized Representative and the Collateral Agent) on behalf of the Secured Parties in accordance with the terms hereby and thereof.

Notwithstanding anything to the contrary contained herein or in any other Note Document, but subject to the Collateral Agency and Intercreditor Agreement, the authority to enforce rights and remedies hereunder and under the other Note Documents against the Note Parties or any of them shall be vested exclusively in, and all actions and proceedings at law in connection with such enforcement shall be instituted and maintained exclusively by, the Required Majority Purchasers (or, at the direction of the Required Majority Purchasers, the Authorized Representative and the Collateral Agent) for the benefit of all the Secured Parties; provided, however, that the foregoing shall not prohibit (a) the Authorized Representative or the Collateral Agent from exercising on its own behalf the rights and remedies that inure to its benefit (solely in its capacity as the Authorized Representative or the Collateral Agent) hereunder and under the other Note Documents, (b) any Purchaser from exercising setoff rights in accordance with Section 12.08 (subject to the terms of Section 2.14), or (c) any Purchaser from filing proofs of claim or appearing and filing pleadings on its own behalf during the pendency of a proceeding relative to any Note Party under any Debtor Relief Law.

Each Purchaser, whether or not a party hereto, will be deemed, by its acceptance of the benefits of the Collateral and of the Guarantees of the Obligations, to have agreed to the provisions of this Section.

Expenses; Indemnity; and Damage Waiver.

Costs and Expenses. The Issuer shall pay (i) all reasonable and documented out-of-pocket fees, charges and disbursements of legal counsel incurred in connection with (A) the preparation, negotiation, execution and delivery of this Agreement and the other Note Documents, the Inducement Warrant Documents and the documents related to the Exchange by (x) the Collateral Agent (other than Lockheed Martin in such capacity), (y) the Authorized Representative and its Affiliates, in an amount not to exceed $400,000 and (z) BPC Lending II, LLC or its Affiliates in an amount not to exceed $135,000, (B) all out-of-pocket expenses incurred by the Authorized Representative, the Collateral Agent or any Purchaser (in the case of legal fees, limited to reasonable and documented out-of-pocket fees,

charges and disbursements of one outside counsel for the Collateral Agent and one primary outside counsel, one regulatory counsel and one local counsel in each relevant jurisdiction, in each case, selected by the Authorized Representative, to the Authorized Representative and the Purchasers, collectively (and, in the case of an actual or perceived conflict of interest where the Authorized Representative or any Purchaser affected by such conflict informs the Issuer of such conflict and thereafter retains its own counsel, another firm of counsel for any such affected Person)) in connection with any amendments, modifications or waivers of the provisions hereof or thereof (whether or not the transactions contemplated hereby or thereby shall be consummated) or the administration of this Agreement and the other Note Documents and (iii) all out-of-pocket expenses incurred by the Authorized Representative, the Collateral Agent or any Purchaser (in the case of legal fees, limited to reasonable and documented out-of-pocket fees, charges and disbursements of one outside counsel for the Collateral Agent and one primary outside counsel, one regulatory counsel and one local counsel in each relevant jurisdiction, in each case, selected by the Authorized Representative, to the Authorized Representative and the Purchasers, collectively (and, in the case of an actual or perceived conflict of interest where the Authorized Representative or any Purchaser affected by such conflict informs the Issuer of such conflict and thereafter retains its own counsel, another firm of counsel for any such affected Person)) in connection with the enforcement or protection of its rights (A) in connection with this Agreement and the other Note Documents, including its rights under this Section, or (B) in connection with the Notes made hereunder, including all such out-of-pocket expenses incurred during any workout, restructuring or negotiations in respect of such Notes.

Indemnification by the Note Parties. The Note Parties shall indemnify the Authorized Representative (and any sub-agent thereof, including the Collateral Agent) and each Purchaser, and each Related Party of any of the foregoing Persons (each such Person being called an "Indemnitee") against, and hold each Indemnitee harmless from, any and all losses, claims, damages, liabilities and related expenses (in the case of legal fees, limited to reasonable and documented out-of-pocket fees, charges and disbursements of one outside counsel for the Collateral Agent and one primary outside counsel, one regulatory counsel and one local counsel in each relevant jurisdiction, in each case, selected by the Authorized Representative, to Indemnitees, collectively (and, in the case of an actual or perceived conflict of interest where any Indemnitee affected by such conflict informs the Issuer of such conflict and thereafter retains its own counsel, another firm of counsel for any such affected Indemnitee))), and shall indemnify and hold harmless each Indemnitee from all fees and time charges and disbursements for attorneys who may be employees of any Indemnitee, incurred by any Indemnitee or asserted against any Indemnitee by any Person (including the Issuer or any other Note Party) arising out of, in connection with, or as a result of (i) the execution or delivery of this Agreement, any other Note Document or any agreement or instrument contemplated hereby or thereby, the performance by the parties hereto of their respective obligations hereunder or thereunder or the consummation of the transactions contemplated hereby or thereby, or, in the case of the Authorized Representative (and any sub-agent thereof, including the Collateral Agent) and its Related Parties only, the administration of this Agreement and the other Note Documents, (ii) any Note or the use or proposed use of the proceeds therefrom, (iii) any actual or alleged presence or release of Hazardous Materials on or from any property owned or operated by a Note Party or any of its Subsidiaries, or any Environmental Liability related in any way to a Note Party or any of its Subsidiaries, or (iv) any actual or prospective claim, litigation, investigation or proceeding relating to any of the foregoing, whether based on contract, tort or any other theory, whether brought by a third party or by the Issuer or any other Note Party, and regardless of whether any Indemnitee is a party thereto, in all cases, whether or not caused by or arising, in whole or in part, out of the comparative, contributory or sole negligence of the Indemnitee; provided, that, such indemnity shall not, as to any Indemnitee, be available to the extent that such losses, claims, damages, liabilities or related expenses are determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted from the gross negligence or willful misconduct of such Indemnitee, if the Issuer or other Note Party has obtained a final and nonappealable judgment in its favor on such claim as determined by a court of competent jurisdiction.

Waiver of Consequential Damages, Etc. To the fullest extent permitted by applicable law, the Issuer shall (and shall cause each ~~Subsidiary~~Note Party and all of their respective Subsidiaries to) not assert, and the Issuer hereby waives, and acknowledges that no other Person shall have, any claim against any Indemnitee, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement, any other Note Document or any agreement or instrument contemplated hereby, the transactions contemplated hereby or thereby, any Note or the use of the proceeds thereof. No Indemnitee referred to in subsection (b) above shall be liable for any damages arising from the use by unintended recipients of any information or other materials distributed by it through telecommunications, electronic or other information transmission systems in connection with this Agreement or the other Note Documents or the transactions contemplated hereby or thereby.

Reimbursement by Purchasers. To the extent that the Note Parties for any reason fail to indefeasibly pay any amount required under subsection (a) or (b) of this Section to be paid by them to the Authorized Representative (or any sub-agent thereof, including the Collateral Agent) or any Related Party thereof, each Purchaser severally agrees to pay to the Authorized Representative (or any such sub-agent, including the Collateral Agent) or such Related Party, as the case may be, such Purchaser's *pro rata* share (determined as of the time that the applicable unreimbursed expense or indemnity payment is sought based on each Purchaser's share of the outstanding principal amount of the Notes at such time) of such unpaid amount (including any such unpaid amount in respect of a claim asserted by such Purchaser), such payment to be made severally among them based on such Purchaser's *pro rata* share (determined as of the time that the applicable unreimbursed expense or indemnity payment is sought based on each Purchaser's share of the outstanding principal amount of the Notes at such time), provided, further, that, the unreimbursed expense or indemnified loss, claim, damage, liability or related expense, as the case may be, was incurred by or asserted against the Authorized Representative (or any such sub-agent, including the Collateral Agent), or against any Related Party thereof acting for the Authorized Representative (or any such sub-agent, including the Collateral Agent) in connection with such capacity. The obligations of the Purchasers under this subsection (d) are subject to the provisions of Section 2.12(b).

Payments. All amounts due under this Section shall be payable not later than five (5) Business Days after demand therefor.

Survival. The agreements in this Section and the indemnity provisions of Section 12.02(d) shall survive the resignation of the Collateral Agent or the Authorized Representative, the transfer of any Note and the repayment, satisfaction or discharge of all the other Obligations.

Marshalling; Payments Set Aside.

None of the Collateral Agent, the Authorized Representative or the Purchasers shall be under any obligation to marshal any assets in favor of any Note Party or any other Person or against or in payment of any or all of the Obligations. To the extent that any payment by or on behalf of any Note Party is made to the Collateral Agent, the Authorized Representative or any Purchaser, or the Collateral Agent, the Authorized Representative or any Purchaser exercises its right of setoff, and such payment or the proceeds of such setoff or any part thereof is subsequently invalidated, declared to be fraudulent or preferential, set aside or required (including pursuant to any settlement entered into by the Collateral Agent, the Authorized Representative or such Purchaser in its discretion) to be repaid to a trustee, receiver

or any other party, in connection with any proceeding under any Debtor Relief Law or otherwise, then to the extent of such recovery, the obligation or part thereof originally intended to be satisfied, and all Liens, rights and remedies therefor or related thereto, shall be revived and continued in full force and effect as if such payment had not been made or such setoff had not occurred.

Successors and Assigns; Transfers.

Successors and Assigns Generally. The provisions of this Agreement and the other Note Documents shall be binding upon and inure to the benefit of the parties hereto and thereto and their respective successors and assigns permitted hereby, except that the Issuer and the other Note Parties may not assign or otherwise transfer any of their respective rights or obligations hereunder or thereunder without the prior written consent of the Purchasers. Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby, Participants to the extent provided in subsection (h) of this Section and, to the extent expressly contemplated hereby, the Related Parties of each of the Authorized Representative and the Purchasers) any legal or equitable right, remedy or claim under or by reason of this Agreement.

Transfers by Purchasers. Each Purchaser shall be entitled to transfer, without restriction (but other than to a natural person (or a holding company, investment vehicle or trust for, or owned and operated for the primary benefit of a natural Person)) and subject to the consent of the Issuer (such consent not to be unreasonably withheld or delayed) unless (1) an Event of Default has occurred and is continuing at the time of such transfer or (2) such transfer is to a Purchaser, an Affiliate of a Purchaser, any Approved Fund or any limited partner or other investor in a fund managed by a Purchaser and through which such Purchaser holds Notes), any Note held by such Purchaser; *provided* that in no event shall any equity holder of the Issuer (other than a Purchaser, its Affiliates, any Approved Fund or any limited partner or other investor in a fund managed by a Purchaser and through which such Purchaser holds Notes) or any Subsidiary or any of their respective Affiliates purchase or be the recipient of a transfer of any Note without the prior written consent of the Required Purchasers.

Transfer in Contravention of this Section Void. Any attempt to transfer any Note or portion thereof not in compliance with this Agreement shall be null and void and neither the Issuer nor any transfer agent shall give any effect in the Issuer's Note register to such attempted transfer.

No Future Liability. Following the sale of any Note or portion thereof by the Purchasers to any subsequent Purchasers pursuant to the terms hereof, the Purchasers shall not be liable or responsible to the Issuer for any losses, damages or liabilities suffered or incurred by the Issuer, including any losses, damages or liabilities under the Securities Act, arising from or relating to any resale or transfer of any security previously sold by the Purchaser in compliance with this Section 12.06.

Securities Register. The Issuer will keep at its principal executive office a register, in which, subject to such reasonable regulations as it may prescribe, but at its expense, and the Issuer will provide for the registration and transfer of Notes. Whenever any Note shall be surrendered either at the principal executive office of the Issuer (or at the place of payment named in the Note), for transfer or exchange, accompanied, if so required by the Issuer, by a written instrument of transfer in form reasonably satisfactory to the Issuer duly executed by the holder thereof or by such holder's attorney duly authorized in writing, the Issuer will execute and deliver in exchange therefor a new Note or Notes, in such denominations as may be requested by such holder, of like tenor and in the same aggregate unpaid principal amount as the aggregate unpaid principal amount of the Note or Notes so surrendered. Any Note issued in exchange for any other Note or upon transfer thereof shall carry the rights to unpaid interest and interest to accrue which were carried by the Note so exchanged or transferred, and neither

gain nor loss of interest shall result from any such transfer or exchange. Any transfer tax or governmental charge relating to such transaction shall be paid by the holder requesting the exchange. The entries in the register shall be conclusive and binding for all purposes, absent manifest error and the Issuer, the Purchasers and any of their respective agents may treat the Person in whose name any Note is registered as the sole and exclusive record and beneficial holder and owner of such Note for all purposes whatsoever. This Section 12.06(e) shall be construed so as to conform with the registration requirements in Treasury Regulations Section 5f.103-1(c) (or any successor provisions thereof) and so that such obligations are at all times maintained in "registered form" within the meaning of Section 163(f), 871(h)(2) and 881(c)(2) of the Internal Revenue Code and any related regulations (and any other relevant or successor provisions of the Internal Revenue Code or such regulations).

Lost, Stolen Damaged or Destroyed Notes. At the request of any holder of any Note, the Issuer will issue and deliver at its expense, in replacement of any Note lost, stolen, damaged or destroyed, upon surrender thereof, if mutilated, a new Note in the same aggregate unpaid principal amount, and otherwise of the same tenor, as the Note so lost, stolen, damaged or destroyed, duly executed by the Issuer. The Issuer may condition the replacement of a Note reported by the holder thereof as lost, stolen, damaged or destroyed, upon the receipt from such holder of an indemnity reasonably satisfactory to the Issuer.

Reserved.

Participations. Any Purchaser may at any time, without the consent of, or notice to, the Issuer or the Authorized Representative, sell participations to any Person (other than (x) a natural Person (or a holding company, investment vehicle or trust for, or owned and operated for the primary benefit of a natural Person) or (y) the Issuer or any of the Issuer's Affiliates or Subsidiaries, except, in the case of this clause (y), if such Person is a Purchaser, an Affiliate of a Purchaser, any Approved Fund or any limited partner or other investor in a fund managed by a Purchaser and through which such Purchaser holds Notes) (each, a "Participant") in all or a portion of such Purchaser's rights and/or obligations under this Agreement (including all or a portion of its Notes); provided, that, (i) such Purchaser's obligations under this Agreement shall remain unchanged, (ii) such Purchaser shall remain solely responsible to the other parties hereto for the performance of such obligations and (iii) the Issuer, the Authorized Representative and the other Purchasers shall continue to deal solely and directly with such Purchaser in connection with such Purchaser's rights and obligations under this Agreement. For the avoidance of doubt, each Purchaser shall be responsible for the indemnity under Section 12.04(d) without regard to the existence of any participation.

Any agreement or instrument pursuant to which a Purchaser sells such a participation shall provide that such Purchaser shall retain the sole right to enforce this Agreement and to approve any amendment, modification or waiver of any provision of this Agreement; provided, that, such agreement or instrument may provide that such Purchaser will not, without the consent of the Participant, agree to any amendment, waiver or other modification described in clauses (i) through (vi) of Section 12.01(a) that affects such Participant. The Issuer agrees that each Participant shall be entitled to the benefits of Section 3.01 (subject to the requirements and limitations therein (it being understood that the documentation required underSection 3.01(c) shall be delivered to the participating Purchaser)) and Sections 10.01 and 10.02 to the same extent as if it were a Purchaser and had acquired its interest by assignment pursuant to paragraph (b) of this Section; provided, that, such Participant shall not be entitled to receive any greater payment under Section 3.01, 10.01 or 10.02, with respect to any participation, than the Purchaser from whom it acquired the applicable participation would have been entitled to receive, except to the extent such entitlement to receive a greater payment results from a Change in Law that occurs after the Participant acquired the applicable participation. To the fullest extent permitted by law, each Participant

also shall be entitled to the benefits of Section 12.08 as though it were a Purchaser; provided, that, such Participant agrees to be subject to Section 2.14 as though it were a Purchaser. Each Purchaser that sells a participation shall, acting solely for this purpose as a non-fiduciary agent of the Issuer, maintain a register on which it enters the name and address of each Participant and the principal amounts (and stated interest) of each Participant's interest in the Notes (the "Participant Register"); provided that no Purchaser shall have any obligation to disclose all or any portion of the Participant Register (including the identity of any Participant or any information relating to a Participant's interest in any Note) to any Person except to the extent that such disclosure is necessary to establish that such commitment, loan, letter of credit or other obligation is in registered form under Treasury Regulations Section 5f.103-1(c). The entries in the Participant Register shall be conclusive absent manifest error, and such Purchaser shall treat each Person whose name is recorded in the Participant Register as the owner of such participation for all purposes of this Agreement notwithstanding any notice to the contrary.

Certain Pledges. Any Purchaser may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement (including under its Note, if any) to secure obligations of such Purchaser, including any pledge or assignment to secure obligations to a Federal Reserve Bank; provided, that, no such pledge or assignment shall release such Purchaser from any of its obligations hereunder or substitute any such pledgee or assignee for such Purchaser as a party hereto.

Treatment of Certain Information; Confidentiality.

Each of the Authorized Representative and the Purchasers agrees to maintain the confidentiality of the Information (as defined below), except that Information may be disclosed (a) to its Affiliates and to its Related Parties (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to keep such Information confidential), (b) to the extent required or requested by any regulatory authority purporting to have jurisdiction over such Person or its Related Parties (including any self-regulatory authority, such as the National Association of Insurance Commissioners), (c) to the extent required by applicable laws or regulations or by any subpoena or similar legal process, (d) to any other party hereto, (e) as may be reasonably necessary in connection with the exercise of any remedies hereunder or under any other Note Document or any action or proceeding relating to this Agreement or any other Note Document or the enforcement of rights hereunder or thereunder, (f) subject to an agreement containing provisions substantially the same as those of this Section, to (i) any Participant, assignee or transferee (or its Related Parties) of, or any prospective Participant, assignee or transferee (or its Related Parties) of, any of its rights and obligations under this Agreement or (ii) any actual or prospective party (or its Related Parties) to any swap, derivative or other transaction under which payments are to be made by reference to a Note Party and its obligations, this Agreement or payments hereunder, (g) on a confidential basis to (i) any rating agency in connection with rating the Issuer or their Subsidiaries or the Notes or (ii) the CUSIP Service Bureau or any similar agency in connection with the issuance and monitoring of CUSIP numbers or other market identifiers with respect to the Notes, (h) with the consent of the Issuer, (i) to the members of its investment committee (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to keep such Information confidential) ~~or~~, (j) to the extent such Information (x) becomes publicly available other than as a result of a breach of this Section or (y) becomes available to the Authorized Representative, any Purchaser or any of their respective Affiliates on a nonconfidential basis from a source other than the Note Parties~~.~~, (k) for purposes of establishing any defense available under securities laws, including, without limitation, establishing a "due diligence" defense or (l) to the extent independently developed by the Authorized Representative, a Purchaser or any of their respective Affiliates without reliance on the Information.

For purposes of this Section, "Information" means all information received from a Note Party or any Subsidiary relating to the Note Parties or any Subsidiary or any of their respective businesses, other than any such information that is available to the Authorized Representative or any Purchaser on a nonconfidential basis, provided, that, in the case of information received from a Note Party or any Subsidiary after the date hereof, such information is clearly identified at the time of delivery as confidential. Any Person required to maintain the confidentiality of Information as provided in this Section shall be considered to have complied with its obligation to do so if such Person has exercised the same degree of care to maintain the confidentiality of such Information as such Person would accord to its own confidential information.

Set-off.

If an Event of Default shall have occurred and be continuing, each Purchaser and each of their respective Affiliates is hereby authorized at any time and from time to time, to the fullest extent permitted by applicable law, to set off and apply any and all deposits (general or special, time or demand, provisional or final, in whatever currency) at any time held and other obligations (in whatever currency) at any time owing by such Purchaser or any such Affiliate to or for the credit or the account of the Issuer or any other Note Party against any and all of the obligations of the Issuer or such Note Party now or hereafter existing under this Agreement or any other Note Document to such Purchaser or its Affiliates, irrespective of whether or not such Purchaser or Affiliate shall have made any demand under this Agreement or any other Note Document and although such obligations of the Issuer or such Note Party may be contingent or unmatured or are owed to a branch office or Affiliate of such Purchaser different from the branch office or Affiliate holding such deposit or obligated on such indebtedness. The rights of each Purchaser and their respective Affiliates under this Section are in addition to other rights and remedies (including other rights of setoff) that such Purchaser or their respective Affiliates may have. Each Purchaser agrees to notify the Issuer promptly after any such setoff and application, provided, that, the failure to give such notice shall not affect the validity of such setoff and application.

Interest Rate Limitation.

Notwithstanding anything to the contrary contained in any Note Document, the interest paid or agreed to be paid under the Note Documents shall not exceed the maximum rate of non-usurious interest permitted by applicable Law (the "Maximum Rate"). If any Purchaser shall receive interest in an amount that exceeds the Maximum Rate, the excess interest shall be applied to the principal of the Notes or, if it exceeds such unpaid principal, refunded to the Issuer. In determining whether the interest contracted for, charged, or received by the Authorized Representative or a Purchaser exceeds the Maximum Rate, such Person may, to the extent permitted by applicable Law, (a) characterize any payment that is not principal as an expense, fee, or premium rather than interest, (b) exclude voluntary prepayments and the effects thereof, and (c) amortize, prorate, allocate, and spread in equal or unequal parts the total amount of interest throughout the contemplated term of the Obligations hereunder.

Counterparts; Integration; Effectiveness.

This Agreement and each of the other Note Documents may be executed in counterparts (and by different parties hereto in different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Agreement, the other Note Documents, the ~~Inducement Warrant~~Equity Issuance Documents and any separate letter agreements with respect to fees payable to the Collateral Agent, constitute the entire contract among the parties relating to the subject matter hereof and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof. Delivery of an executed counterpart of a signature page of this Agreement by

fax transmission or e-mail transmission (e.g., "pdf" or "tif") shall be effective as delivery of a manually executed counterpart of this Agreement or such other Note Documents or certificate. Without limiting the foregoing, to the extent a manually executed counterpart is not specifically required to be delivered under the terms of any Loan Document, upon the request of any party, such fax transmission or e-mail transmission shall be promptly followed by such manually executed counterpart.

Survival of Representations and Warranties.

All representations and warranties made by any Note Party hereunder and in any other Note Document or~~Inducement Warrant~~Equity Issuance Document or other document delivered pursuant hereto or thereto or in connection herewith or therewith shall survive the execution and delivery hereof and thereof and shall continue in full force and effect as long as any Note or other Obligation hereunder shall remain unpaid or unsatisfied. Such representations and warranties have been or will be relied upon by the Authorized Representative, the Collateral Agent and each Purchaser, regardless of any investigation made by the Authorized Representative, the Collateral Agent or any Purchaser or on their behalf and notwithstanding that the Authorized Representative, the Collateral Agent or any Purchaser may have had notice or knowledge of any Default at the time of any purchase of the Notes, and shall continue in full force and effect as long as any Note or any other Obligation hereunder shall remain unpaid or unsatisfied.

Severability.

If any provision of this Agreement or the other Note Documents is held to be illegal, invalid or unenforceable, (a) the legality, validity and enforceability of the remaining provisions of this Agreement and the other Note Documents shall not be affected or impaired thereby and (b) the parties shall endeavor in good faith negotiations to replace the illegal, invalid or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the illegal, invalid or unenforceable provisions. The invalidity of a provision in a particular jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

Governing Law; Jurisdiction; Etc.

GOVERNING LAW. THIS AGREEMENT AND THE OTHER NOTE DOCUMENTS (EXCEPT, AS TO ANY OTHER NOTE DOCUMENT, AS EXPRESSLY SET FORTH THEREIN) AND ANY CLAIMS, CONTROVERSY, DISPUTE OR CAUSE OF ACTION (WHETHER IN CONTRACT OR TORT OR OTHERWISE) BASED UPON, ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER NOTE DOCUMENT (EXCEPT, AS TO ANY OTHER NOTE DOCUMENT, AS EXPRESSLY SET FORTH THEREIN) AND THE TRANSACTIONS CONTEMPLATED HEREBY AND THEREBY SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.

SUBMISSION TO JURISDICTION. EACH NOTE PARTY IRREVOCABLY AND UNCONDITIONALLY AGREES THAT IT WILL NOT (AND IT WILL NOT PERMIT ANY NOTE PARTY TO) 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 COLLATERAL AGENT, THE AUTHORIZED REPRESENTATIVE, ANY PURCHASER OR ANY RELATED PARTY OF THE FOREGOING IN ANY WAY RELATING TO THIS AGREEMENT OR ANY OTHER NOTE DOCUMENT OR THE TRANSACTIONS RELATING HERETO OR THERETO, 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. NOTHING IN THIS AGREEMENT OR IN ANY OTHER NOTE DOCUMENT SHALL AFFECT ANY RIGHT THAT THE COLLATERAL AGENT, THE AUTHORIZED REPRESENTATIVE OR ANY PURCHASER MAY OTHERWISE HAVE TO BRING ANY ACTION OR PROCEEDING RELATING TO THIS AGREEMENT OR ANY OTHER NOTE DOCUMENT AGAINST THE ISSUER OR ANY OTHER NOTE PARTY OR THEIR RESPECTIVE PROPERTIES IN THE COURTS OF ANY JURISDICTION.

WAIVER OF VENUE. EACH NOTE PARTY IRREVOCABLY AND UNCONDITIONALLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY OBJECTION THAT IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE OF ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER NOTE DOCUMENT IN ANY COURT REFERRED TO IN PARAGRAPH (B) OF THIS SECTION. EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, THE DEFENSE OF AN INCONVENIENT FORUM TO THE MAINTENANCE OF SUCH ACTION OR PROCEEDING IN ANY SUCH COURT.

SERVICE OF PROCESS. EACH PARTY HERETO IRREVOCABLY CONSENTS TO SERVICE OF PROCESS IN THE MANNER PROVIDED FOR NOTICES IN SECTION 12.02. NOTHING IN THIS AGREEMENT WILL AFFECT THE RIGHT OF ANY PARTY HERETO TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY APPLICABLE LAW.

Waiver of Right to Trial by Jury. 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 ANY OTHER NOTE DOCUMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY (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 OTHER NOTE DOCUMENTS BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

Judgment Currency.

If, for the purpose of obtaining judgment in any court, it is necessary to convert a sum owing hereunder in one currency into another currency, each party hereto agrees, to the fullest extent that it may effectively do so, that the rate of exchange used shall be that at which in accordance with normal banking procedures in the relevant jurisdiction the first currency could be purchased with such other currency on the Business Day immediately preceding the day on which final judgment is given.

The obligations of the Issuer in respect of any sum due to any party hereto or any holder of the Obligations owing hereunder (the "Applicable Creditor") shall, notwithstanding any judgment in a currency (the "Judgment Currency") other than the currency in which such sum is stated to be due hereunder (the "Agreement Currency"), be discharged only to the extent that, on the Business Day following receipt by the Applicable Creditor of any sum adjudged to be so due in the Judgment Currency, the Applicable Creditor may in accordance with normal banking procedures in the relevant jurisdiction purchase the Agreement Currency with the Judgment Currency; if the amount of the Agreement Currency so purchased is less than the sum originally due to the Applicable Creditor in the Agreement Currency, the Issuer agrees, as a separate obligation and notwithstanding any such judgment, to indemnify the Applicable Creditor against such loss. The obligations of the Issuer contained in this Section 12.15 shall survive the termination of this Agreement and the payment of all other amounts owing hereunder.

Electronic Execution of Assignments and Certain Other Documents.

This Agreement and any document, amendment, approval, consent, information, notice, certificate, request, statement, disclosure or authorization related to this Agreement (each a "Communication"), including Communications required to be in writing, may be in the form of an Electronic Record and may be executed using Electronic Signatures. Each of the Note Parties agrees that any Electronic Signature on or associated with any Communication shall be valid and binding on each of the Note Parties to the same extent as a manual, original signature, and that any Communication entered into by Electronic Signature, will constitute the legal, valid and binding obligation of each of the Note Parties enforceable against such in accordance with the terms thereof to the same extent as if a manually executed original signature was delivered. Any Communication may be executed in as many counterparts as necessary or convenient, including both paper and electronic counterparts, but all such counterparts are one and the same Communication. For the avoidance of doubt, the authorization under this paragraph may include, without limitation, use or acceptance by the Authorized Representative, the Collateral Agent and each of the Purchasers of a manually signed paper Communication which has been converted into electronic form (such as scanned into PDF format), or an electronically signed Communication converted into another format, for transmission, delivery and/or retention. The Authorized Representative, the Collateral Agent and each of the Purchasers may, at its option, create one or more copies of any Communication in the form of an imaged Electronic Record ("Electronic Copy"), which shall be deemed created in the ordinary course of such Person's business, and destroy the original paper document. All Communications in the form of an Electronic Record, including an Electronic Copy, shall be considered an original for all purposes, and shall have the same legal effect, validity and enforceability as a paper record. Notwithstanding anything contained herein to the contrary, the Authorized Representative is under no obligation to accept an Electronic Signature in any form or in any format unless expressly agreed to by the Authorized Representative pursuant to procedures approved by it; provided, further, without limiting the foregoing, (a) to the extent the Authorized Representative has agreed to accept such Electronic Signature, the Authorized Representative, the Collateral Agent and each of the Purchasers shall be entitled to rely on any such Electronic Signature purportedly given by or on behalf of any Note Party without further verification and (b) upon the request of the Authorized Representative, the Collateral Agent or any Purchaser, any Electronic Signature shall be promptly followed by such manually executed counterpart. For purposes hereof, "Electronic Record" and "Electronic Signature" shall have the meanings assigned to them, respectively, by 15 USC §7006, as it may be amended from time to time.

USA PATRIOT Act.

Each Purchaser that is subject to the PATRIOT Act and the Authorized Representative (for itself and not on behalf of any Purchaser) hereby notifies the Issuer that pursuant to the requirements of the PATRIOT Act, it is required to obtain, verify and record information that identifies each Note Party,

which information includes the name and address of each Note Party and other information that will allow such Purchaser or the Authorized Representative, as applicable, to identify each Note Party in accordance with the PATRIOT Act. The Issuer agrees to (and agrees to cause each Note Party to), promptly following a request by the Authorized Representative or any Purchaser, provide all such other documentation and information that the Authorized Representative or such Purchaser requests in order to comply with its ongoing obligations under applicable "know your customer" and anti-money laundering rules and regulations, including the PATRIOT Act.

No Advisory or Fiduciary Relationship.

In connection with all aspects of each transaction contemplated hereby (including in connection with any amendment, waiver or other modification hereof or of any other Note Document), each of the Note Parties acknowledges and agrees, and acknowledges their Affiliates' understanding, that: (a)(i) the arranging and other services regarding this Agreement provided by the Authorized Representative and its Affiliates, and the Purchasers are arm's-length commercial transactions between the Note Parties and their Affiliates, on the one hand, and the Authorized Representative and its Affiliates and the Purchasers on the other hand, (ii) the Note Parties have consulted their own legal, accounting, regulatory and tax advisors to the extent it has deemed appropriate, and (iii) is the Note Parties are capable of evaluating, and understand and accept, the terms, risks and conditions of the transactions contemplated hereby and by the other Note Documents; (b)(i) the Authorized Representative and its Affiliates and each Purchaser is and has been acting solely as a principal and, except as expressly agreed in writing by the relevant parties, has not been, is not and will not be acting as an advisor, agent or fiduciary, for the Note Parties or any of their Affiliates or any other Person and (ii) neither the Authorized Representative nor any Purchaser has any obligation to the Note Parties or any of their Affiliates with respect to the transactions contemplated hereby except those obligations expressly set forth herein and in the other Note Documents; and (c) the Authorized Representative and its Affiliates and the Purchasers and their respective Affiliates may be engaged in a broad range of transactions that involve interests that differ from those of the Issuer and their Affiliates, and neither the Authorized Representative or its Affiliates nor any Purchaser has any obligation to disclose any of such interests to the Issuer or their Affiliates. To the fullest extent permitted by law, the Note Parties hereby waive and release, any claims that they may have against the Authorized Representative or its Affiliates or any Purchaser with respect to any breach or alleged breach of agency or fiduciary duty in connection with any aspect of any transaction contemplated hereby.

Acknowledgement and Consent to Bail-In of EEA Financial Institutions

Notwithstanding anything to the contrary in any Note Document or in any other agreement, arrangement or understanding among any such parties, each party hereto acknowledges that any liability of any Purchaser that is an EEA Financial Institution arising under any Note Document, to the extent such liability is unsecured, may be subject to the write-down and conversion powers of an EEA Resolution Authority and agrees and consents to, and acknowledges and agrees to be bound by (a) the application of any Write-Down and Conversion Powers by an EEA Resolution Authority to any such liabilities arising hereunder which may be payable to it by any Purchaser that is an EEA Financial Institution; and (b) the effects of any Bail-In Action on any such liability, including, if applicable: (i) a reduction in full or in part or cancellation of any such liability; (ii) a conversion of all, or a portion of, such liability into shares or other instruments of ownership in such EEA Financial Institution, its parent undertaking, or a bridge institution that may be issued to it or otherwise conferred on it, and that such shares or other instruments of ownership will be accepted by it in lieu of any rights with respect to any such liability under this Agreement or any other Note Document; or (iii) the variation of the terms of such liability in connection with the exercise of the write-down and conversion powers of any EEA Resolution Authority.

Conflicts.

Notwithstanding anything to the contrary contained herein or in any other Note Document, (a) in the event of any conflict or inconsistency between this Agreement and any other Note Document (other than the Collateral Agency and Intercreditor Agreement and the First Lien Intercreditor Agreement), the terms of this Agreement shall govern and control, (b) in the event of any conflict or inconsistency between the Collateral Agency and Intercreditor Agreement and any other Note Documents (including this Agreement, but excluding the First Lien Intercreditor Agreement), the terms of the Collateral Agency and Intercreditor Agreement shall govern and control and (c) in the event of any conflict or inconsistency between the First Lien Intercreditor Agreement and any other Note Documents (including this Agreement and the Collateral Agency and Intercreditor Agreement), the terms of the First Lien Intercreditor Agreement shall govern and control. Each Note Party expressly acknowledges the terms each of the Collateral Agency and Intercreditor Agreement and the First Lien Intercreditor Agreement and the rights granted to the Collateral Agent, the Authorized Representative and each Purchaser therein.

Collateral and Guaranty Matters.

The Purchasers irrevocably authorize the Authorized Representative, and upon the written request of the Issuer, the Authorized Representative agrees:

To (or direct the Collateral Agent to) release any and all Liens on any Collateral granted to or held by the Collateral Agent under any Note Document (i) upon payment in full of all Obligations (other than contingent indemnification obligations for which no claim has been asserted) under the Note Documents, (ii) that is sold or otherwise disposed of or to be sold or otherwise disposed of as part of or in connection with any sale or other Disposition permitted hereunder or under any other Note Document or any Involuntary Disposition, (iii) as approved in accordance with Section 12.01, or (iv) as otherwise may be expressly provided under the Intercreditor Agreement; and

to release any Guarantor from its obligations under the Guaranty (i) if such Person ceases to be a Subsidiary as a result of a transaction permitted under the Note Documents or (ii) upon payment in full of all Obligations (other than contingent indemnification obligations for which no claim has been asserted) under the Note Documents.

Upon request by the Authorized Representative at any time, the Required Majority Purchasers will confirm in writing the Authorized Representative's authority to release (or instruct the Collateral Agent to release) its interest in particular types or items of property, or any Guarantor from its obligations under the Guaranty, pursuant to this Section 12.21. At any time that a Note Party desires the Authorized Representative to take any action pursuant to this Section 12.21, such Note Party shall deliver a certificate signed by a Responsible Officer of such Note Party stating that the action is permitted pursuant to this Section 12.21 and the terms of this Agreement.

The Authorized Representative (or any sub-agent acting on its behalf, including the Collateral Agent) shall not be responsible for or have a duty to ascertain or inquire into any representation or warranty regarding the existence, value or collectability of the Collateral, the existence, priority or perfection of the Collateral Agent's Lien thereon, or any certificate prepared by any Note Party in connection therewith, nor shall the Authorized Representative (or any sub-agent acting on its behalf, including the Collateral Agent) be responsible or liable to the Purchasers for any failure to monitor or maintain any portion of the Collateral.

Publicity; No Third Party Beneficiary Rights.

Each of the parties to this Agreement (each, a "Disclosing Party") will not directly or indirectly publish, disclose or otherwise use in any public disclosure, advertising material, promotional material, press release or interview, any reference to the name, logo or any trademark of another party to this Agreement (each, a "Consenting Party") or any of its Affiliates or any reference to this Agreement or the financing evidenced hereby, in each case, without the prior written consent of such Consenting Party unless required by applicable Law, subpoena or judicial or similar order, in which case, such Disclosing Party shall endeavor to give such Consenting Party prior written notice of such publication or other disclosure if permitted by such applicable law, subpoena or judicial or similar order.

This Agreement is not intended to and shall not be construed to give any Person that is not a party to this Agreement (other than the Collateral Agent and in the case of Section 12.04(c), any Indemnitee) any interest or rights (including, without limitation any third party beneficiary rights with respect to or in connection with any agreement or provision contained herein or contemplated hereby).

Tax Treatment.

The parties hereto agree (a) that the Notes shall be treated as indebtedness for U.S. federal income and other applicable income tax purposes and the Notes shall not be treated as "contingent payment debt instruments" under Section 1.1275 4 of the Treasury Regulations (or any corresponding provision of state or local income tax law) and (b) to file all U.S. federal income, state income and franchise tax returns in a manner consistent with clause (a).

Working Capital Facility.

If the Issuer proposes to enter into any Working Capital Facility, the Issuer shall first offer such Working Capital Facility to each Purchaser prior to entering into such Working Capital Facility with any other Person; provided that the Issuer may solicit proposals for a Working Capital Facility from Persons other than the Purchasers and their respective Affiliates prior to making such offer, but shall not enter into any binding agreement or commitment with such Person. A Purchaser shall be entitled to apportion the right of first offer hereby granted to it in such proportions as it deems appropriate, among (i) itself and (ii) its Affiliates.

The Issuer shall give written notice (the "Offer Notice") to each Purchaser, stating (i) its bona fide intention to enter into a Working Capital Facility, (ii) the amount of such Working Capital Facility, and (iii) the pricing and other material terms customary for a Working Capital Facility.

By notification to the Issuer within 15 days after the Offer Notice is given, each Purchaser may elect to provide, on the terms specified in the Offer Notice, its pro rata share of such Working Capital Facility based on the principal amount of all Notes then held by such Purchaser. At the expiration of such 15-day period, the Issuer shall promptly notify each Purchaser that elects to provide all or any portion of such Working Capital Facility (each, an "Exercising Holder") of any other Purchaser's (each, a "Declining Holder") failure to do likewise. During the 5-day period commencing after the Issuer has given such notice, in addition to the portion of Working Capital Facility specified above, each Exercising Holder may, by giving notice to the Issuer, elect to provide any Declining Holder's portion of such Working Capital Facility (and if more than one Exercising Holder makes such election, such portion to be allocated among such Exercising Holders pro rata based on the principal amount of all Notes then held by each such Exercising Holder). The closing of any Working Capital Facility pursuant to this Section 12.24 shall occur promptly thereafter on such date as is agreed to by the Issuer and the Exercising Holders pursuant to documentation reasonably acceptable to the Issuer and the Exercising Holders.

If the Purchasers do not elect to provide the full amount of the proposed Working Capital Facility as provided in this Section, the Issuer may enter into a Working Capital Facility with any other Person (other than a Purchaser or its Affiliates), subject to Sections 8.01(q) and 8.03(g) and the other terms of this Agreement.

Notwithstanding anything to the contrary set forth in this Section, the terms of any Working Capital entered into pursuant to this Section shall subject to the limitations set forth in Sections 8.01(q) and 8.03(g).

Third Amended and Restated Certificate of Incorporation of the Issuer.

Each Existing Noteholder hereby consents to the amendment of the Third Amended and Restated Certificated of Incorporation of the Issuer by the Fourth Amended and Restated Certificate of Incorporation of the Issuer in the form attached hereto as Exhibit E and the filing thereof with the Secretary of State of the State of Delaware.

12.26 BP Subordination Agreement. Each of BPC Lending II LLC and any other holder of the BP Notes agrees that it shall not amend, modify or change the BP Subordination Agreement in any manner adverse to the interests of Lockheed Martin or any other holder of the LM Notes without the prior written consent (not to be unreasonably withheld) of Lockheed Martin and any other holder of the LM Notes.

[SIGNATURE PAGES ON FILE WITH THE AUTHORIZED REPRESENATIVE]

Exhibit 14.1

CODE OF BUSINESS ETHICS AND CONDUCT

Terran Orbital Corporation - Proprietary and Confidential

Note: *This code and related policies are current as of March 25, 2022. In adopting and publishing these guidelines, you should note that (1) in some respects our policies may exceed minimum legal requirements or industry practice, and (2) nothing contained in this code should be construed as a binding definition or interpretation of a legal requirement or industry practice.*

To obtain additional copies of this code, you may contact Stephanie McMenamy or access it from the web at http://www.terranorbital.com.

Message from the CEO

Dear Terrans:

At Terran Orbital, we are deeply committed to the highest standards of ethics and compliance. We must always act with ethics, integrity, and respect for others while innovating to anticipate and meet our customers' most pressing needs on earth, in space, and beyond. Our steadfast commitment to doing the right thing is guided by our Code of Business Conduct and Ethics which is attached here.

I expect each one of you to read and understand our Code and live by the important principles it sets forth. The Code will guide you in your conduct with our customers, business partners, and each other. If you have an ethical or compliance concern, please report it immediately to your manager, our Legal Department, our Human Resources Department or our independent, third-party hotline that is available twenty-four hours a day, seven days a week at **bradley.houser@hklaw.com** or anonymously by telephone at **305-789-7538**. Additionally, any concerns you may have regarding accounting, financial or other issues, you may contact our independent third-party Hotline: **1-800-916-7037;** Company Code: **5527**. We are grateful to those of you who raise good faith concerns, and we have a zero-tolerance policy for harassment, discrimination and retaliation for doing so. Please be assured that all reports of suspected violations will be timely and thoroughly investigated as confidentially as possible.

Thank you again for your service to Terran Orbital and for dedicating yourself to maintaining an unwavering commitment to ethics, compliance, and integrity. I am excited about all the amazing things we will accomplish together as one team, guided by our Code, today and every day, well into the future.

Marc Bell
Chairman and Chief Executive Officer

Introduction

Terran Orbital Corporation and its affiliates and subsidiaries (together, the "Company"), is committed to conducting business in accordance with uncompromising ethical standards and in full compliance with all laws and regulations. We have an obligation to our employees, shareholders, customers, suppliers and all others with whom we deal with to be honest, fair and forthright in all business activities.

Accordingly, this Code of Business Conduct and Ethics ("Code") applies to all officers, directors and employees of the Company, its subcontractors including all other suppliers, and all of its business activities. This Code shall be incorporated in all contracts with individual consultants whom the Company engages to perform services for its customers, and they shall be expected to comply with this Code. As used in this Code, "employees" shall include such individual consultants and the Company's outside directors.

It is the responsibility of every one of us to comply with all applicable laws and regulations and all provisions of this Code and the related policies and procedures. Each of us must report any violations of the law or this Code. Failure to report such violations, and failure to follow the provisions of this Code may have serious legal consequences and will be disciplined by the company. Discipline may include termination of your employment.

This Code summarizes certain laws and the ethical policies that apply to all of our employees, officers and directors. Several provisions in this Code refer to more detailed policies that either (1) concern more complex company policies or legal provisions or (2) apply to select groups of individuals within our company. If these detailed policies are applicable to you, it is important that you read, understand, and be able to comply with them. If you have questions as to whether any detailed policies apply to you, contact your immediate supervisor, or the Legal Department or Human Resources

Situations that involve ethics, values and violations of certain laws are often very complex. No single code of conduct can cover every business situation that you will encounter. Consequently, we have implemented the compliance procedures outlined in the sections of this Code entitled "Administration of the Code" and "Asking for Help and Reporting Concerns." The thrust of our procedures is ***when in doubt, ask***. If you do not understand a provision of this Code, are confused as to what actions you should take in a given situation, or wish to report a violation of the law or this Code, you should follow those compliance procedures. Those procedures will generally direct you to talk to either your immediate supervisor or our Legal Department/General Counsel. There are few situations that cannot be resolved if you discuss them with your *immediate* supervisor or our Legal Department/General Counsel in an open and honest manner.

After reading this Code, you should:

- Have a thorough knowledge of the Code's terms and provisions.

- Be able to recognize situations that present legal or ethical dilemmas.
- Be able to deal effectively with questionable situations in conformity with this Code.

In order to be able to accomplish these goals, we recommend that you take the following steps:

- Read the entire Code thoroughly.
- If there are references to more detailed policies that are not contained in this Code, obtain and read those policies if they apply to you.
- Think about how the provisions of this Code apply to your job, and consider how you might handle situations to avoid illegal, improper, or unethical actions.
- If you have questions, ask your *immediate* supervisor or our Legal Department/ General Counsel.

When you are faced with a situation and you are not clear as to what action you should take, ask yourself the following questions:

- Is the action legal?
- Does the action comply with this Code?
- How will your decision affect others, including our customers, shareholders, employees and the community?
- How will your decision look to others? If your action is legal but can result in the appearance of wrongdoing, consider taking alternative steps.
- How would you feel if your decision were made public? Could the decision be honestly explained and defended?
- Have you contacted your *immediate* supervisor our Legal Department/ General Counsel regarding the action?

To reiterate, ***when in doubt, ask***.

Please note that this Code is not an employment contract and does not modify the employment relationship between us and you. We do not create any contractual or legal rights or guarantees by issuing these policies, and we reserve the right to amend, alter and terminate policies at any time and for any reason.

Responsibility & Accountability

Responsibility for the Company's commitment to integrity rests with each employee. All employees are expected to:

- Adhere to the highest standards of ethical business conduct,
- Know and comply with this Code and our corporate policies and procedures,
- Maintain a work environment that encourages open and honest communication regarding ethics and business conduct issues and concerns,
- Avoid placing, or seeming to place, pressure on employees that could cause them to deviate from acceptable ethical behavior,
- Seek advice and guidance when unsure of a specific action, and
- Report suspected violations of this Code.

Employees who violate this Code will be subject to disciplinary action up to and including termination of employment. Violations also may result in civil or criminal penalties. An employee who witnesses a violation and fails to report it may be subject to discipline, and a manager may be subject to discipline to the extent that a violation reflects inadequate oversight.

Retaliation against employees who report what they believe in good faith to be a violation of this Code or any law or regulation applicable to the Company, who assist another in making such a report or who cooperate with an investigation of any such violation is strictly prohibited and will result in disciplinary action up to and including termination of employment.

Ethical Conduct

The Company aspires to conduct its business in accordance with uncompromising ethical standards and in full compliance with all laws and regulations. As a government contractor, the Company has a special role as a steward of public resources. In the course of conducting Company business, integrity must underlie all Company relationships. The Company expects every employee to adhere to high ethical standards, promote ethical behavior and be honest and forthright in dealings with one another as well as with customers, business partners and the public. Employees must not engage in conduct or activity that may raise questions as to the Company's honesty, impartiality, or reputation or otherwise cause embarrassment to the Company. Every action should be judged by considering whether it is legal, fair to all concerned, in the best interests of our stockholders, employees and customers and able to withstand public scrutiny.

Compliance with Laws

The Company and its employees must obey all applicable laws and regulations that affect the Company's business. Some of the more common laws and regulations are discussed in this Code. Although the Company does not expect its employees to be experts in legal matters, it holds each employee responsible for being familiar with the laws governing his or her areas of responsibility. If you have a question concerning the application of any law or regulation to a contemplated action, it is your responsibility to seek guidance from our Legal Department/ General Counsel. It is also your responsibility to report any violations of the law or this Code. You may report such violations by following the compliance procedures contained in the section of the Code entitled "Asking for Help and Reporting Concerns."

This discussion is not comprehensive and you are expected to familiarize yourself with all laws and regulations relevant to your position with us, as well as all our related written policies on these laws and regulations. To this end, our Legal Department/ General Counsel or Human Resources is available to answer your calls and questions. If you have any questions concerning any possible reporting or compliance obligations, or with respect to your own duties under the law, you should not hesitate to call and seek guidance from our Legal Department/General Counsel.

Equal Employment Opportunity and Anti-Harassment

The Company's policy on equal employment opportunity prohibits discrimination based on race, color, religion, national origin, sex, age, physical or mental disability or veteran or any other status or classification protected by applicable federal, state or local law. We will not tolerate discrimination or harassment by anyone – managers, supervisors, co-workers, vendors or our customers. This policy extends to every phase of the employment process, including: recruiting, hiring, training, promotion, compensation, benefits, transfers, discipline and termination, layoffs, recalls, and company-sponsored educational, social and recreational programs, as applicable. If you observe conduct that you believe is discriminatory or harassing, or if you feel you have been the victim of discrimination or harassment, you should notify Human Resources immediately.

Not only do we forbid unlawful discrimination, we take affirmative action to ensure that applicants are employed, and employees are treated during employment, without regard to their race, color, religion, sex (including pregnancy, childbirth or related medical conditions), national origin, age, physical or mental disability, veteran status or any characteristic protected by law.

The Human Resources Department has been assigned specific responsibilities for implementing and monitoring affirmative action and other equal opportunity programs. One of the tenants of this Code, however, is that all employees are accountable for promoting equal opportunity practices within our company. We must do this not just because it is the law, but because it is the right thing to do. We are committed to maintaining a work environment free from all forms of discrimination and harassment.

For more information concerning our anti-discrimination and anti-harassment policies, you should refer to our policies on these topics located on our intranet. We will not retaliate against any employee for filing a good faith complaint under our anti-discrimination and anti-harassment policies or for cooperating in an investigation and will not tolerate or permit retaliation by management, employees or co-workers. To the fullest extent possible, the Company will keep complaints and the terms of their resolution confidential. If an investigation confirms harassment or discrimination has occurred, the Company will take corrective action against the offending individual, including such discipline up to and including immediate termination of employment, as appropriate.

Drug-Free Work Place

Our policy is to provide a working environment free of the problems associated with the use and abuse of controlled substances or alcohol. The distribution, dispensing, possession or use of illegal drugs or other controlled substances, except for approved medical purposes, at any Company office or site where Company employees are engaged in work-related activities is strictly prohibited. In no event should any employee be under the influence of alcohol, illegal drugs or controlled substances (other than controlled substances approved for medical purposes) while present at any such office or site. Alcohol shall not be consumed on Company premises except as authorized during Company-sponsored events.

Timekeeping Policy

Each employee must record accurately his or her time on a daily basis in accordance with the Company's established timekeeping policies and procedures. Each employee is expected to read, fully understand, and follow those policies and procedures. In reporting your time electronically, you are certifying that your time is being charged in accordance with those policies and procedures. Improperly shifting cost from one contract to another, improperly charging labor or materials and falsifying timecards are strictly prohibited. If you have questions or doubts regarding how to charge time or record costs, it is your responsibility to seek guidance from our Legal Department/General Counsel or Human Resources.

Truth in Negotiations Act (TINA)

The Company must comply fully with TINA in the conduct of its U.S. Government business. The purpose of TINA is to give the Government an effective means of negotiating a fair and reasonable price. TINA requires disclosure of cost or pricing data and certification that such data are accurate, complete, and current. Employees involved in negotiating Government contracts and subcontracts must ensure that all cost and pricing data, communications and representations of fact are accurate, complete, current and truthful.

Protection & Use of Company Assets

All employees are responsible for the protection and appropriate use of Company assets (including preventing unauthorized access), which include physical assets as well as intellectual property and confidential information, to include network systems and secure facility areas. Although Company assets are intended to be used only for legitimate business purposes, it is recognized that occasional personal use by employees may occur without adversely affecting the Company's interests. For example, employees may occasionally use Company computers to send and receive personal e-mail and Company telephones to make or receive personal, local telephone calls - so long as such activity does not interfere with the Company's business and adheres to the Company's policies for appropriate communication. The Company reserves the right to access, review, delete, disclose or use any employee personal communications and other material stored in Company computers or telephones, and thus you should not have any expectation of privacy with respect to such communications and material. If you become aware of theft, waste or misuse of our assets or funds or have any questions about your proper use of them, you should speak immediately with your *immediate* supervisor.

Government Furnished Property

Government-furnished property shall be used, maintained, accounted for and disposed of in accordance with the applicable contract requirements and government regulations.

Accuracy of Company Records

All information you record or report on our behalf, whether for our purposes or for third parties, must be done accurately and honestly. All of our records (including accounts and financial statements) must be maintained in reasonable and appropriate detail, must be kept in a timely fashion, and must appropriately reflect our transactions. Falsifying records or keeping unrecorded funds and assets is a severe offense and may result in prosecution or loss of employment. When a payment is made, it can only be used for the purpose spelled out in the supporting document.

Information derived from our records is provided to our shareholders and investors as well as government agencies. Thus, our accounting records must conform not only to our internal control and disclosure procedures but also to generally accepted accounting principles and other laws and regulations, such as those of the Internal Revenue Service and the Securities and Exchange Commission. Our public communications and the reports we file with the Securities and Exchange Commission and other government agencies should contain information that is full, fair, accurate, timely and understandable in light of the circumstances surrounding disclosure.

Our internal and external auditing functions help ensure that our financial books, records and accounts are accurate. Therefore, you should provide our accounting department, internal auditing staff, audit committee and independent public accountants with all pertinent information

that they may request. We encourage open lines of communication with our audit committee, accountants and auditors and require that all our personnel cooperate with them to the maximum extent possible. It is unlawful for you to fraudulently influence, induce, coerce, manipulate or mislead our independent public accountants for the purpose of making our financial statements misleading.

If you are unsure about the accounting treatment of a transaction or believe that a transaction has been improperly recorded or you otherwise have a concern or complaint regarding an accounting matter, our internal accounting controls, or an audit matter, you should confer with *your immediate supervisor, the controller associated with your business unit or our Chief Financial Officer*, or you may submit your concern, on an anonymous basis, to the audit committee of our Board of Directors by calling the toll free number **1-800-916-7037**; Company Code: **5527**.

Use of Software

Employees shall use all software only in accordance with the terms of the Company's license agreements or other contracts under which the software is supplied. Company licensed software may not be copied or provided to any third party unless authorized under the applicable license agreement.

Protection of Intellectual Property & Confidential Information

It is essential for all employees to safeguard the Company's trade secrets and confidential information and to refuse any improper access to trade secrets and confidential information of any other company or entity, including our competitors. Confidential or proprietary information includes all information that is not generally known to the public and is helpful to the company, or would be helpful to competitors. Proprietary information should be marked accordingly, kept secure and access limited to those who have a need to know in order to do their jobs. For the purposes hereof, "confidential information" also includes information relating to Company employees and other persons or entities that the Company is obligated by law or agreement to maintain in confidence. Company proprietary information must not be discussed with others within the Company, except on a strict need-to-know basis.

If there is a need to disclose Company trade secrets or confidential information to any person outside the Company, such disclosure must be done only in conjunction with an enforceable non-disclosure agreement. Similarly, the Company's rights in its technology and products must be protected by use of appropriate agreements whenever such technology and/or products are used, transferred or disclosed.

We must all be sensitive to the impact of comments made over the Internet through public forums such as chat rooms and bulletin boards. In such forums, you may not post any information about the company including comments about our products, stock performance, operational strategies, financial results, customers or competitors, even in response to a false statement or question. This applies whether you are at work or away from the office. Our

company owns all e-mail messages that are sent from or received through the company's systems. We may monitor your messages and may be required to disclose them in the case of litigation or governmental inquiry.

Conflicts of Interest

Each employee has the legal duty to carry out his or her responsibilities with the utmost good faith and loyalty to the Company. A "personal conflict of interest" occurs when your own interests (for example, financial gain, career development, or reputation advantage), or those of your immediate family, interfere in any way or even appear to interfere with the Company's legitimate business interests or your ability to make objective and fair decisions when performing your job. Immediate family members include your spouse or former spouse; parents, step- parents, and grandparents (of both you and your spouse); children, stepchildren, and grandchildren (of you and your spouse) and their spouses; siblings and their spouses; and any others living in your household. In order to avoid potential conflicts of interest, employees should avoid any activity that could reasonably be expected to put them in a conflict situation.

Although not every situation contrary to this policy can be listed here, the following are prohibited:

- Competing against the Company.
- Serving as a consultant to or as a director, trustee, officer or employee of a company, organization or government agency that competes or deals with or is a supplier or vendor to or customer of the Company.
- Holding a significant financial interest (other than ownership of stock of a publicly held company where the amount owned is both less than 1% of the stock outstanding and worth less than $50,000) in a company doing business with or competing with the Company if you are in a position to influence the Company's business transactions with that company.

- Accepting gifts, gratuities or entertainment from any customer, competitor or supplier or vendor of goods or services to the Company, except to the extent they are lawful, consistent with marketplace practices, not solicited, infrequent and nominal in amount (less than $50) and are not in cash or offered in consideration for an improper action or in a manner that could hurt the Company's reputation for impartiality and fair dealing.[1]
- Using for personal gain any business opportunities that are identified through your position with the Company.
- Using Company property, information or position for personal gain.
- Having a personal interest or potential for gain in any Company transaction (excluding commissions or bonuses payable in accordance with a Company-approved compensation plan or agreement).
- Maintaining employment or any other relationship with another organization, or engaging in any other business or activity, that adversely affects your job performance at the Company.
- Accepting any gift of any value or giving a such gift to a government official[2]. * Please check with the General Counsel if you have any questions about this provision.
- Placing Company business or recommending that Company business is placed with a firm owned or controlled by a Company employee or his or her immediate family.

Any time you believe a conflict of interest may exist, you must disclose the potential conflict of interest to your immediate supervisor or our Legal Department/General Counsel. Any activity that is approved, despite the actual or apparent conflict, must be documented. A potential conflict of interest that involves an executive officer must be approved by our Board of Directors. A potential conflict of interest involving an officer with the title of Vice President and above must be approved by our Legal Department/General Counsel.

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[1] You may accept an occasional invitation to a sporting activity, entertainment or meal if

- there is a valid business purpose involved,
- this happens only occasionally, and
- the activity is of reasonable value and not lavish.

A representative of the giver's company must be present at the event. If you are asked to attend an overnight event, you must obtain prior approval from your immediate supervisor or our Legal Department/General Counsel.

[2] Please check with the Legal Department/General Counsel if you have any questions about this provision.

Recognize Organizational Conflicts of Interest

An "organizational conflict of interest" occurs when, because of the Company's other activities or relationships with other persons, the Company is unable or potentially unable to render impartial assistance or advice to the Government, the Company's objectivity in performing the contract work is or might be otherwise impaired, or the Company has an unfair competitive advantage.

For example, an organizational conflict of interest may result when the nature of work performed by the Company on one contract (such as developing a specification) creates an actual or potential conflict of interest on a future procurement or contract opportunity. It is the responsibility of each employee to recognize and report to their supervisors any activities or relationships that might create an organizational conflict of interest so that the Company can take appropriate actions to avoid any such organizational conflict.

Commissions and Other Contingent Fees

The Company shall not employ or retain any person or agency to solicit or obtain any U.S. or Foreign Government contract for the Company upon an agreement or understanding for a commission or other contingent fee, except for employees or established commercial agencies that neither exert nor propose to exert improper influence to solicit or obtain Government contracts nor hold themselves out as being able to obtain any Government contract through improper influence. No employee shall enter into an agreement to pay a commission or other fee contingent upon award of a Government contract without first obtaining the Chief Executive Officer's permission to do so.

Providing Gifts and Other Gratuities

Business courtesies such as gifts, entertainment, services or favors should not be offered to any government employee or representative. When dealing with non-government personnel in connection with government contracts or subcontracts, similar restrictions apply. It is a crime to offer, provide, solicit or accept anything of value either in return for favorable consideration on a government contract or subcontract or because of an official act performed or to be performed. Business courtesies offered to commercial, nongovernment customers must demonstrate good business judgment, must be consistent with marketplace practices, infrequent, nominal in amount (less than $50) and legal, and must not be in cash or offered in a manner that could hurt the Company's reputation for impartiality and fair dealing. If you are not sure whether a specific gift or entertainment is permissible, contact your immediate supervisor or our General Counsel/Legal Dept.

Under no circumstances can any bribe, kickback or illegal payment or gift of cash or cash equivalents be made. Also, special rules apply when dealing with government employees. These are discussed in this Code under "Foreign Corrupt Practices Act (FCPA)."

False Claims and False Statements

Knowingly making a false claim or false statement to the government is a violation of law and can subject both the Company and individual employees to civil and criminal sanctions including fines, suspension, debarment and prison sentences. It is the responsibility of each employee to ensure that all claims and statements submitted to the government are truthful and not misleading. In addition, the highest standard of honorable and ethical conduct shall be observed in all relationships with the Company's competitors. The advancement of the Company's business interests through the dissemination of unverified information or other unfair actions intended to damage competitors is prohibited, as are any other dishonorable activities.

Dealings with Suppliers, Vendors and Business Partners

Integrity and fair dealing are core components of our business practices. All suppliers, vendors and other business partners should be treated fairly and uniformly in accordance with the Company's established purchasing policies and procedures. Employees must not engage in any activity prohibited under anti-trust laws, including boycotting, price-fixing, refusal to deal, price discrimination or disparate treatment of suppliers and vendors. Paying bribes, accepting kickbacks, and obtaining or using third-party insider information in dealings with suppliers, vendors and business partners are expressly prohibited and will not be tolerated.

Avoidance of Restrictions on Trade

Employees are expected to conduct themselves and the Company's business in such a manner as to be in compliance with federal and state antitrust laws that prohibit monopolies and agreements that unreasonably restrain trade. The Company will not enter into a subcontract or teaming agreement that unreasonably restricts sales by the other party directly to the U.S. government of items made or supplied by the other party and will not otherwise act to restrict unreasonably the ability of any other party to sell directly to the U.S. government. Conversely, the Company will not enter into agreements where, as a subcontractor or teaming partner, we are subject to any un- reasonable restriction to sell our products or services directly to the U.S. government.

Finally, the Company must independently develop its pricing on all bids and proposals for government contracts and subcontracts without any consultation, communication, or agreement with any other competing offeror, and the Company shall not disclose its prices to any other competitor before bid opening or contract award.

Lobbying Activities

The Company is prohibited from using federal funds to pay persons, such as lobbyists or consultants, to influence or attempt to influence executive or legislative decision-making in connection with the award or modification of any Government contract. No employee may hire such a lobbyist or consultant without the Chief Executive Officer's prior written authorization.

Political Contributions

Corporations are prohibited from making contributions of money or other resources to candidates, officeholders and political parties at the federal level. The Company respects the right of employees to be involved in political activity and to contribute their own time and resources. Such activity, however, must not take place on Company time or property nor involve the Company's name, and the Company will not reimburse employees for any contributions they may make. Laws and regulations governing contributions to state and local candidates vary from state to state, and all employees shall act in accordance with all such laws and regulations.

Classified Information and Controlled Unclassified Information

All national security classified information and controlled unclassified information must be handled and safeguarded in strict compliance with U.S. Government-mandated procedures.

Procurement Integrity

During the conduct of any procurement, the Company must not solicit or accept from any source any proprietary or source selection information regarding that procurement. This prohibition begins with the development, preparation, and issuance of a solicitation and concludes with award of a contract, a contract modification or extension. As used herein, proprietary information includes information contained in a bid or proposal, cost or pricing data, and any information submitted to the Government by a contractor and properly designated as proprietary. Source selection information includes such information as listings of offerors and prices, listings of bidders prior to bid opening, source selection plans, technical evaluations of proposals, competitive range determinations, rankings (except for sealed bidding), source selection board reports and evaluations, source selection advisory board recommendations, and other information determined by the head of the agency or contracting officer to be information that could jeopardize the integrity or successful completion of the procurement if disclosed. If you receive any information that might be construed as violating that law, contact our Legal Department.

Hiring of Government & Former Government Employees

Special concerns apply to hiring or retaining a government or former government employee as an employee or consultant of the Company. In addition, there are special constraints regarding any communication concerning possible employment of government employees who are designated as "procurement officials." Company employees shall not conduct any discussions regarding, or make any offer of, future employment to any government employee without first clearing such action with the Company's Chief Executive Officer and General Counsel.

Combating Trafficking in Persons

The federal Government has adopted a zero tolerance policy regarding its contractors and their employees who engage in or support severe forms of trafficking in persons, procurement of any sex act on account of which anything of value is given or received by any person or use of forced labor. No Company employee shall violate this policy.

International Business

It is always important that employees conducting international business know and abide by the laws of the United States and the countries that are involved in such business activities or transactions. These laws govern the conduct of Company employees throughout the world. If you participate in these business activities, you should know, understand and strictly comply with these laws and regulations, including those relating to export controls, anti-bribery and anti-boycotts discussed below. If you are not familiar with these laws and regulations, seek guidance from our Legal Department/General Counsel prior to negotiating any transaction involving a foreign country or entity.

Export Controls

These are specific laws and regulations to be followed when exporting materials, equipment, weapons, (International Traffic in Arms Regulations, ITAR) technology, data, software, information, and services ("items"). These laws and regulations apply not only to exports of such items outside the United States but also to "deemed exports" within the United States when export controlled items are disclosed to foreign nationals in the United States, including to employees of the Company or its teammates who are not U.S. nationals. Prior to transferring any item outside of the United States or to a foreign company or national within the United States, it is the responsibility of each employee to ensure that all relevant export laws and regulations are followed. This responsibility includes verifying (according to the Company's export procedures) that the correct license is used on any export declaration or any other document required for export. If you have any doubt about exports, it is your responsibility to seek guidance from our Legal Department/General Counsel.

Foreign Corrupt Practices Act (FCPA)

The FCPA is intended to prevent bribery of foreign officials by representatives of U.S. companies for the purpose of securing a business advantage. It prohibits the payment or offering of anything of value directly or indirectly to a foreign government official, political party, party official or candidate for the purpose of influencing an official act of the person or the government in order to obtain such an advantage.

It is the responsibility of each employee involved in international business activities to become familiar with the requirements of the FCPA and to seek guidance from our Legal Department/General Counsel prior to engaging the services of any foreign consultant or marketing representative or making any offer or payments that might be in violation of the FCPA. You must have approval from our Legal Department before making any payment or gift to a foreign government official.

Restrictive Trades/Boycotts

A request to participate in any activity that could have the effect of promoting a boycott or restrictive trade practice fostered by a foreign country against customers or suppliers located in a country friendly to the United States or against a U.S. person, firm or corporation may be a violation of law and must be reported promptly to your immediate supervisor. *For more detailed guidance on these laws and the countries to which they pertain, you should refer to our "Policy on International Business Practices," which is available from our Legal Department/General Counsel.*

Securities Laws and Insider Trading

Because we are a public company, we are subject to a number of laws concerning the purchase and sale of our stock and other publicly traded securities. Regardless of your position with us, if you are aware of what is known as "material inside information" regarding our company, business, affairs or prospects, you may not disclose that information to anyone outside our company, and you are not allowed to buy or sell our stock or other publicly-traded securities until the material inside information is known not only by individuals within our company, but also by the general public. The improper use of material inside information is known as insider trading. Insider trading is a criminal offense and is strictly prohibited.

"Material inside information" is any information concerning us that is not available to the general public and which an investor would likely consider to be important in making a decision whether to buy, sell or hold our stock or other securities. A good rule of thumb to determine whether information about us is material inside information is whether or not the release of that information to the public would have an effect on the price of our stock. Examples of material

inside information include information concerning earnings estimates, changes in previously released earnings estimates, a pending stock split, dividend changes, significant merger, acquisition or disposition proposals, major litigation, the loss or acquisition of a major contract and major changes in our management. Material inside information is no longer deemed "inside" information once it is publicly disclosed and the market has had sufficient time to absorb the information. Examples of effective public disclosure are the filing of such inside information with the Securities and Exchange Commission, or the printing of such information in *The Wall Street Journal* or other publications of general circulation, in each case giving the investing public a fair amount of time to absorb and understand our disclosures.

In addition to being prohibited from buying or selling our stock or other publicly-traded securities when you are in possession of material inside information, you are also prohibited from disclosing such information to anyone else (including friends and family members) in order to enable them to trade on the information. In addition, if you acquire material inside information about another company due to your relationship with us, you may not buy or sell that other company's stock or other securities until such information is publicly disclosed and sufficiently disseminated into the marketplace.

The following are general guidelines to help you comply with our insider trading policy:

- Do not share material inside information with people within our company whose jobs do not require them to have the information.
- Do not disclose any non-public information, material or otherwise, concerning our company to anyone outside our company unless required as part of your duties and the person receiving the information has a reason to know the information for company business purposes.
- If you have material inside information regarding us, or regarding any other publicly traded company that you obtained from your employment or relationship with us, you must not buy or sell, or advise anyone else to buy or sell, our securities or that other company's securities, until such information is publicly disclosed and sufficiently disseminated into the marketplace.

Penalties for trading on or communicating material inside information are severe. If you are found guilty of an insider trading violation, you can be subject to civil and even criminal liability. In addition to being illegal, we believe that insider trading is unethical and will be dealt with firmly, which may include terminating your employment with us and reporting violations to appropriate authorities.

For more information about our policies concerning the securities laws, you should refer to our more detailed Policy Prohibiting Insider Trading and Unauthorized Disclosure of Information to Others. Our directors, executive officers and certain other designated employees are also subject to a Supplemental Policy Concerning Trading in Company Securities by Certain Designated Persons. These policies are available from our Legal Department/General Counsel. If you have any questions concerning the securities laws or about our policies with regard to those laws, or regarding the correct ethical and legal action to take in a situation involving material inside information, please contact your immediate supervisor or our Legal Department/General Counsel.

Use of Social Media

This Code applies to your online conduct (blogging, tweeting, commenting and other forms of online activity) just as much as it applies to your offline behavior. You cannot, for example, use any social media platform to harass someone or disclose proprietary or confidential information, or violate a third party's intellectual property rights. If you are using a personal social media account to discuss company-related matters, you are required to identify yourself as a company employee and make it clear that the views expressed are your own and do not necessarily reflect the views of our company.

Administration of the Code

Administration and Interpretation

The Company's General Counsel will administer this Code. All questions relating to this Code and the Company's business practices in general should be directed to the General Counsel.

Role of Supervisors and Officers

Supervisors and officers have important roles under this Code and are expected to demonstrate their personal commitment to this Code by fostering a workplace environment that promotes compliance with the Code and by ensuring that employees under their supervision participate in our company's compliance training programs.

Reporting Violations

It is the responsibility of any employee having knowledge of any activity that is or may be in violation of this Code of any law or regulation applicable to the Company's business to report such activity. Employees should make such reports to their immediate supervisors or to the Legal Department or Human Resources. Alternatively, reports can be made to Company's appointed third party whistleblower contact: Bradley Houser, Holland & Knight LLP, by email at bradley.houser@hklaw.com, and anonymously at telephone (305) 789-7538. Additionally, any concerns you may have regarding accounting, financial or other issues, you may contact our independent third-party Hotline: **1-800-916-7037;** Company Code: **5527**.

It is Company policy that there will be no retaliation against any employees who report what they believe in good faith to be a violation of this Code or any law or regulation applicable to the Company or who assist others in making any such report.

Persons reporting potential violations should be aware that, while a Company representative receiving a report of a suspected violation will take steps to keep such report confidential, the need to investigate and correct any impropriety may require disclosure of the matter reported.

Investigations

The Company reserves the right to use any lawful method of investigation that it deems necessary to determine whether any person has engaged in conduct that in its view violates this Code or law or otherwise interferes with or adversely affects its business. Every employee is expected to cooperate fully with any investigation of any violation of law, the Company's policies and procedures or this Code.

Waivers of this Code

If any employee believes that a waiver of this Code is necessary or appropriate, including, but not limited, to any potential or actual conflict of interest, a request for a waiver and the reasons for the request must be submitted to the Legal Department or Human Resources for a decision by the Chief Executive Officer. Any waiver of this Code for officers and directors may be made by the Board of Directors or its designated committee and will be promptly disclosed to the extent required by law or regulation.

Certifications

All new employees must sign a certificate confirming that they have read and understand this Code. We will also require an annual certification of compliance with the Code by all officers with the title of Vice President or above. However, failure to read the Code or sign a confirmation certificate does not excuse you from complying with this Code.

Protected Activity

Nothing in this Code limits or prohibits employees from engaging for a lawful purpose in any protected activity. "Protected activity" means filing a charge or complaint, or otherwise communicating, cooperating or participating, with any state, federal or other governmental agency, including the Securities and Exchange Commission, the Equal Employment Opportunity Commission and the National Labor Relations Board as required by applicable law. Employees are not required to obtain authorization from us prior to disclosing information to, or communicating with, such agencies, nor are employees obligated to advise us as to any such disclosures or communications. This said, in making any such disclosures or communications, employees must take all reasonable precautions to prevent any unauthorized use or disclosure of any information that may constitute confidential information to any parties other than the relevant government agencies. Protected activity does not include the disclosure of any company attorney-client privileged communications; any disclosure of attorney-client privileged communications, without our written consent, violates company policy.

We take this Code seriously and consider its enforcement to be among our highest priorities, but we also acknowledge that it is sometimes difficult to know right from wrong. That's why we encourage open communication. **When in doubt, ask.** Whenever you have a question or concern, are unsure about what the appropriate course of action is, or if you believe that a violation of the law or this Code has occurred:

- You should talk with *your immediate supervisor*. He or she may have the information you need, or may be able to refer the matter to an appropriate source, including legal counsel as circumstances warrant.
- If you are uncomfortable talking with your immediate supervisor, you may also contact any manager in our company with whom you feel comfortable*, the Human Resources Department or our Legal Department/General Counsel.*
- In addition, if you have concerns or complaints about accounting or audit matters or our internal accounting controls, you may confer with *your immediate supervisor, the controller associated with your business unit or our Chief Financial Officer*, or you may submit your concern or complaint, on an anonymous basis, to the audit committee of our Board of Directors by calling the toll free number **1-800-916-7037**; Company Code: **5527**.

Exhibit 21.1

List of Subsidiaries of Terran Orbital Corporation

Name		Jurisdiction
Orbital Networks AS		Norway
PredaSAR Corporation	Delaware	United States
Terran Orbital Operating Corporation	Delaware	United States
Tyvak International S.R.L.		Italy
Tyvak Nano-Satellite Systems, Inc.	Delaware	United States

Exhibit 99.1

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

Report of Independent Registered Public Accounting Firm

To the Shareholders and Board of Directors
Terran Orbital Corporation:

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated balance sheets of Terran Orbital Corporation and subsidiaries (the Company) as of December 31, 2021 and 2020, the related consolidated statements of operations and comprehensive loss, shareholders' deficit, and cash flows for each of the years then ended, and the related notes (collectively, the consolidated financial statements). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2021 and 2020, and the results of its operations and its cash flows for each of the years then ended, in conformity with U.S. generally accepted accounting principles.

Basis for Opinion

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

We conducted our audits in accordance with the standards of the PCAOB and in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ KPMG LLP

We have served as the Company's auditor since 2021.

Irvine, California
March 31, 2022

Terran Orbital Corporation and Subsidiaries
Consolidated Balance Sheets
(In thousands, except share and per share amounts)

	December 31, 2021	December 31, 2020
Assets:		
Cash and cash equivalents	$ 27,325	$ 12,336
Accounts receivable, net of allowance for credit losses of $945 and $635 as of December 31, 2021 and 2020, respectively	3,723	2,526
Contract assets	2,757	1,859
Inventory	7,783	2,819
Prepaid expenses and other current assets	57,639	5,216
Total current assets	**99,227**	**24,756**
Property, plant and equipment, net	35,530	19,521
Other assets	639	—
Total assets	**$ 135,396**	**$ 44,277**
Liabilities, mezzanine equity and shareholders' deficit:		
Current portion of long-term debt	$ 14	$ 1,403
Accounts payable	9,366	2,904
Contract liabilities	17,558	18,069
Reserve for anticipated losses on contracts	886	2,220
Accrued expenses and other current liabilities	76,136	2,631
Total current liabilities	**103,960**	**27,227**
Long-term debt	115,134	35,629
Warrant liabilities	5,631	—
Other liabilities	2,028	512
Total liabilities	**226,753**	**63,368**
Commitments and contingencies (Note 12)		
Mezzanine equity:		
Redeemable convertible preferred stock - authorized 744,130 shares of $0.0001 par value; issued and outstanding shares of 396,870 as of December 31, 2021 and 2020	8,000	8,000
Shareholders' deficit:		
Common stock - authorized 5,500,000 and 5,000,000 shares of $0.0001 par value; issued and outstanding shares of 2,849,414 and 2,439,634 as of December 31, 2021 and 2020, respectively	—	—
Additional paid-in capital	97,745	7,454
Accumulated deficit	(197,066)	(58,084)
Accumulated other comprehensive loss	(36)	(204)
Non-controlling interest	—	23,743
Total shareholders' deficit	**(99,357)**	**(27,091)**
Total liabilities, mezzanine equity and shareholders' deficit	**$ 135,396**	**$ 44,277**

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

Terran Orbital Corporation and Subsidiaries
Consolidated Statements of Operations and Comprehensive Loss
(In thousands, except share and per share amounts)

	Years Ended December 31,	
	2021	**2020**
Revenue	$ 40,906	$ 24,879
Cost of sales	33,912	16,860
Gross profit	**6,994**	**8,019**
Selling, general, and administrative expenses	43,703	17,438
Loss from operations	**(36,709)**	**(9,419)**
Interest expense, net	7,965	1,216
Loss on extinguishment of debt	96,024	—
Change in fair value of warrant and derivative liabilities	(1,716)	—
Other (income) expense	(38)	4
Loss before income taxes	**(138,944)**	**(10,639)**
Provision for (benefit from) income taxes	38	(184)
Net loss	**(138,982)**	**(10,455)**
Other comprehensive income (loss), net of tax:		
Foreign currency translation adjustments	168	(194)
Total comprehensive loss	**$ (138,814)**	**$ (10,649)**
Weighted-average shares outstanding - basic and diluted	**2,780,993**	**2,403,755**
Net loss per share - basic and diluted	**$ (49.98)**	**$ (4.35)**

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

Terran Orbital Corporation and Subsidiaries
Consolidated Statements of Shareholders' Deficit
(In thousands, except share amounts)

	Mezzanine Equity Redeemable Convertible Preferred Stock		Shareholders' Deficit						
			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, 2019	**396,870**	**$ 8,000**	**2,407,946**	**$ —**	**$ 6,111**	**$ (47,629)**	**$ (10)**	**$ 9,268**	**$ (32,260)**
Net loss	—	—	—	—	—	(10,455)	—	—	(10,455)
Other comprehensive loss, net of tax	—	—	—	—	—	—	(194)	—	(194)
Contributions from non-controlling interest, net of issuance costs	—	—	—	—	—	—	—	14,475	14,475
Share-based compensation	—	—	(6,250)	—	1,230	—	—	—	1,230
Exercise of stock options	—	—	37,938	—	113	—	—	—	113
Balance as of December 31, 2020	**396,870**	**$ 8,000**	**2,439,634**	**$ —**	**$ 7,454**	**$ (58,084)**	**$ (204)**	**$ 23,743**	**$ (27,091)**
Net loss	—	—	—	—	—	(138,982)	—	—	(138,982)
Other comprehensive income, net of tax	—	—	—	—	—	—	168	—	168
Issuance of common stock in exchange for non-controlling interest, net of issuance costs	—	—	388,064	—	23,311	—	—	(23,743)	(432)
Issuance of warrants, net of issuance costs	—	—	—	—	66,060	—	—	—	66,060
Share-based compensation	—	—	—	—	678	—	—	—	678
Exercise of stock options	—	—	21,716	—	242	—	—	—	242
Balance as of December 31, 2021	**396,870**	**$ 8,000**	**2,849,414**	**$ —**	**$ 97,745**	**$ (197,066)**	**$ (36)**	**$ —**	**$ (99,357)**

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

Terran Orbital Corporation and Subsidiaries
Consolidated Statements of Cash Flows
(In thousands)

	Years Ended December 31,	
	2021	**2020**
Cash flows from operating activities:		
Net loss	$ (138,982)	$ (10,455)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	3,053	2,934
Non-cash interest expense	7,908	1,286
Share-based compensation expense	678	1,194
Provision for losses on receivables and inventory	877	1,690
Loss on extinguishment of debt	96,024	—
Change in fair value of warrant and derivative liabilities	(1,716)	—
Other non-cash, net	(567)	(13)
Changes in operating assets and liabilities:		
Accounts receivable, net	(1,687)	(1,980)
Contract assets	(901)	(195)
Inventory	(5,393)	(3,188)
Prepaid expenses and other current assets	596	(4,058)
Accounts payable	2,161	(438)
Contract liabilities	(229)	6,591
Reserve for anticipated losses on contracts	(1,322)	(4,796)
Accrued expenses and other current liabilities	4,634	(123)
Other, net	(21)	77
Net cash used in operating activities	(34,887)	(11,474)
Cash flows from investing activities:		
Purchases of property, plant and equipment	(16,352)	(7,325)
Net cash used in investing activities	(16,352)	(7,325)
Cash flows from financing activities:		
Proceeds from long-term debt	58,241	2,537
Proceeds from warrants and derivatives	16,759	—
Contributions from non-controlling interest, net of issuance costs	—	14,475
Repayment of long-term debt	(10)	(15)
Payment of issuance costs	(8,880)	(2,009)
Proceeds from exercise of stock options	242	113
Net cash provided by financing activities	66,352	15,101
Effect of exchange rate fluctuations on cash and cash equivalents	(124)	138
Net increase (decrease) in cash and cash equivalents	14,989	(3,560)
Cash and cash equivalents at beginning of period	12,336	15,896
Cash and cash equivalents at end of period	$ 27,325	$ 12,336
Supplemental disclosure of cash flow information:		
Share-based compensation included in inventory	$ —	$ 36
Non-cash investing and financing activities:		
Purchases of property, plant and equipment not yet paid	845	125
Non-cash interest capitalized to property, plant and equipment	1,265	119
Depreciation and amortization capitalized to construction in process	479	—
Issuance costs not yet paid	4,141	—
Non-cash exchange and extinguishment of long-term debt	125,857	—
Issuance of common stock in exchange fornon-controlling interest	23,743	—

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

Note 1 Organization and Summary of Significant Accounting Policies

Organization and Business

Terran Orbital Corporation and its 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 persistent, real-time Earth imagery.

Tailwind Two Merger

On October 28, 2021, the Company entered into a merger agreement (together with subsequent amendments, the "Merger Agreement") with Tailwind Two Acquisition Corp. ("Tailwind Two"), a publicly listed special purpose acquisition company. On March 25, 2022, the Company completed the merger with Tailwind Two (the "Tailwind Two Merger"), which resulted in the Company becoming a wholly-owned subsidiary of Tailwind Two. In connection with the Tailwind Two Merger, Tailwind Two was renamed Terran Orbital Corporation ("New Terran Orbital") and the Company was renamed Terran Orbital Operating Corporation. As a result of the Tailwind Two Merger, all of the Company's issued and outstanding common stock was converted into shares of New Terran Orbital's common stock using an exchange ratio of 27.585 shares of New Terran Orbital common stock per each share of the Company's common stock. In addition, the Company's convertible preferred stock and certain warrants were exercised and converted into shares of the Company's common stock immediately prior to the Tailwind Two Merger, and in turn, were converted into shares of New Terran Orbital's common stock as a result of the Tailwind Two Merger. Further, in connection with the Tailwind Two Merger, the Company'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 New Terran Orbital.

While the Company became a wholly-owned subsidiary of New Terran Orbital, the Company is deemed to be the acquirer in the Tailwind Two Merger for accounting purposes. Accordingly, the Tailwind Two Merger will be accounted for as a reverse recapitalization, in which case the net assets of Tailwind Two will be stated at historical cost and no goodwill or other intangible assets will be recorded in connection with the Tailwind Two Merger. The treatment of the Tailwind Two Merger as a reverse recapitalization is based upon the pre-merger shareholders of the Company holding the majority of the voting interests of New Terran Orbital, the Company's existing management team serving as the initial management team of New Terran Orbital, the Company's appointment of the majority of the initial board of directors of New Terran Orbital, and the Company's operations comprising the ongoing operations of New Terran Orbital.

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 New Terran Orbital as well as approximately $51 million of cash that was raised by Tailwind Two through a contemporaneous sale of common stock in connection with the closing of a PIPE investment (the "PIPE Investment"). In addition, the Company received additional proceeds from the issuance of debt contemporaneously with the Tailwind Two Merger. The cash available for use by New Terran Orbital will be used for general corporate purposes as well as to pay for transaction costs incurred by both the Company and Tailwind Two, deferred underwriting fees related to Tailwind Two's initial public offering, portions of the Company's outstanding debt and other costs directly or indirectly attributable to the Tailwind Two Merger.

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 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 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 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.

Information on accounting policies and methods related to revenue and receivables, inventory, property, plant and equipment, debt, warrants and derivatives, fair value of financial instruments, mezzanine equity and shareholders' deficit, share-based compensation, net loss per share, income taxes, commitments and contingencies, and segment information is included in the respective notes that follow. Below is a discussion of accounting policies and methods used in the consolidated financial statements that are not presented in other notes.

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 during 2021 and 2020. 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 years ended December 31, 2021 and 2020. 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 consolidated financial statements in future reporting periods.

Foreign Currency Translation and Transaction Gains and Losses

The Company's reporting currency is the U.S. dollar. The financial statements of the Company's foreign subsidiary are translated from its functional currency, which is the Euro, into U.S. dollars using the foreign exchange rates applicable to the dates of the financial statements. Assets and liabilities are translated using the end-of-period spot foreign exchange rate. Revenue, expenses and cash flows are translated at the average foreign exchange rate for each period. Equity accounts are translated at historical foreign exchange rates. The effects of these foreign currency translation adjustments are reported as a component of accumulated other comprehensive income (loss) ("AOCI") in the consolidated balance sheets.

For any transaction that is denominated in a currency different from the entity's functional currency, a gain or loss is recognized in other (income) expense in the consolidated statements of operations and comprehensive loss based on the difference between the foreign exchange rate at the transaction date and the foreign exchange rate at the transaction settlement date or end-of-period rate, if unsettled.

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 periods presented:

	December 31,	
(in thousands)	2021	2020
Deferred debt commitment costs	$46,632	$ —
Deferred equity issuance costs	6,085	—
Deferred cost of sales	2,950	3,573
Other current assets	1,972	1,643
Prepaid expenses and other current assets	**$57,639**	**$5,216**

Deferred debt commitment costs relate to warrants and other consideration transferred associated with a financing arrangement entered into in anticipation of the Tailwind Two Merger. The deferred debt commitment costs will be reclassified to discount on debt 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 will be 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 consolidated statements of cash flows.

Accrued Expenses and Other Current Liabilities

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

	December 31,	
(in thousands)	2021	2020
Current warrant and derivative liabilities(1)	$68,518	$ —
Payroll-related accruals	5,771	1,834
Other current liabilities	1,847	797
Accrued expenses and other current liabilities	**$76,136**	**$2,631**

(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 consolidated statements of operations and comprehensive loss. Research and development expense was $1.9 million and $1.3 million during 2021 and 2020, respectively.

Retirement Plans

The Company maintains a qualified defined contribution plan for U.S. employees in the form of a 401(k) plan. Employee participants are permitted to make contributions on a before-tax basis. The Company did not make any matching contributions during 2021 or 2020.

The Company maintains a defined contribution plan for Tyvak International employees. The Company’s contributions to the plan were not material during 2021 and 2020.

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:

	Year Ended December 31,	
	2021	2020
Customer A	50%	22%
Customer B	6%	13%
Total	**56%**	**35%**

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 periods presented:

	December 31,	
	2021	2020
Customer A	32%	9%
Customer B	19%	37%
Customer C	14%	15%
Customer D	13%	3%
Customer E	10%	9%
Total	**88%**	**73%**

Recently Adopted Accounting Pronouncements

Financial Accounting Standards Board ("FASB") Accounting Standard Update ("ASU") 2020-06, *Debt with Conversion and Other Options (Subtopic 470-20) and Derivatives and Hedging—Contracts in Entity's Own Equity (Subtopic 815-40): Accounting for Convertible Instruments and Contracts in an Entity's Own Equity*, provides guidance to ease the potential burden of accounting for convertible instruments, derivatives related to an entity's own equity, and the related earnings per share considerations. The Company early adopted this guidance on January 1, 2021. The impact of adoption was not material.

ASU 2018-15, *Customer's Accounting for Implementation Costs Incurred in a Cloud Computing Arrangement That Is a Service Contract*, aligns the requirements for capitalizing implementation costs incurred in cloud computing arrangements that are classified as a service contracts with the requirements for capitalizing implementation costs incurred to develop or obtain internal-use software. The Company adopted the guidance as of January 1, 2021 on a prospective basis, which will result in capitalized implementation costs being classified in the same line item as the fees associated with the cloud computing service agreement in the consolidated balance sheets, statements of operations and comprehensive loss, and statements of cash flows. The impact of adoption was not material.

Recently Issued Accounting Pronouncements

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 plans to adopt this guidance on January 1, 2022 with the cumulative effect of adoption as an adjustment to accumulated deficit, if any. The impact of adoption is not anticipated to be 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 guidance is effective for the Company on January 1, 2022.

The guidance is to be adopted using a modified retrospective approach or an optional transition method. The Company has elected to adopt the guidance using the optional transition method, which allows the Company to apply the guidance at the adoption date and recognize a cumulative effect adjustment to the opening balance of accumulated deficit, if any, in the period of adoption with no restatement of comparative periods. As part of the adoption, the Company has elected to apply the package of transitional practical expedients under which the Company will 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.

The Company has performed an impact analysis of the guidance and is in the final phase of implementing the guidance, which includes analyzing the impact of the guidance on existing lease contracts, reviewing the completeness of the existing lease portfolio, comparing accounting policies under current accounting guidance to the new accounting guidance, and implementing a new lease accounting system. Upon transition to the guidance as of the date of adoption, the Company expects to recognize approximately $7 million to $9 million of operating lease liabilities on the 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. Further, the Company does not expect that the adoption of the guidance will have a material effect on the consolidated statements of operations and comprehensive loss and the statements of cash flows.

Note 2 Revenue and Receivables

The Company adopted Accounting Standards Codification ("ASC") 606, *Revenue from Contracts with Customers*, using the modified retrospective method on January 1, 2020. The adoption of ASC 606 did not result in an adjustment to accumulated deficit.

Under ASC 606, 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 and is the unit of account in ASC 606. 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 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 for the types of revenue under ASC 606:

- 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:

(in thousands)	Years Ended December 31, 2021	2020
Mission support	$ 37,109	$ 19,362
Launch support	1,144	1,304
Operations	2,039	2,558
Studies, design and other	614	1,655
Revenue	**$ 40,906**	**$ 24,879**

(in thousands)	Years Ended December 31, 2021	2020
U.S Government contracts		
Fixed price	$ 17,036	$ 8,871
Cost-plus fee	4,912	3,053
	21,948	11,924
Foreign government contracts		
Fixed price	4,623	884
Commercial contracts		
Fixed price, U.S.	9,005	5,602
Fixed price, International	5,210	6,414
Cost-plus fee	120	55
	14,335	12,071
Revenue	**$ 40,906**	**$ 24,879**

For U.S. Government contracts, 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 December 31, 2021, the Company had approximately $73.9 million of remaining performance obligations, of which the Company expects to recognize $67.1 million during 2022, $6.1 million during 2023, $500 thousand during 2024, and $200 thousand 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.

As of December 31, 2021 and 2020, all contract assets were classified as current assets.

There were no material impairments of contract assets during 2021 or 2020.

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 December 31, 2021 and 2020, all contract liabilities were classified as current liabilities.

During 2021 and 2020, the Company recognized revenue of $17.2 million and $9.3 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 ultimately provided to the U.S. Government included in accounts receivable was $2.1 million and $1.6 million as of December 31, 2021 and 2020, respectively.

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

(in thousands)	Years Ended December 31, 2021	2020
Beginning balance	$ (635)	$ (116)
Provision for credit losses	(407)	(794)
Write-offs	97	275
Ending balance	**$ (945)**	**$ (635)**

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 consolidated balance sheets and as a component of cost of sales in the consolidated statements of operations and comprehensive loss in accordance with ASC 605-35, *Revenue Recognition – Construction-Type and Production-Type Contracts.*

The Company recognized a reduction in cost of sales to offset the previously recognized anticipated losses on contracts of $1.3 million and $4.8 million during 2021 and 2020, respectively.

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 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 periods presented were as follows:

	December 31,	
(in thousands)	**2021**	**2020**
Raw materials	$4,782	$ 681
Work in process	3,001	2,138
Total inventory	**$7,783**	**$2,819**

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 $3.1 million and $2.9 million during 2021 and 2020, 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 periods presented were as follows:

	December 31,	
(in thousands)	**2021**	**2020**
Machinery and equipment	$ 7,607	$ 5,742
Satellites	2,209	—
Ground station equipment	1,944	1,331
Office equipment and furniture	2,239	2,106
Computer equipment and software	142	149
Leasehold improvements	8,533	7,391
Construction in process	23,647	10,039
Property, plant and equipment, gross	**46,321**	**26,758**
Accumulated depreciation	(10,791)	(7,237)
Property, plant and equipment, net	**$ 35,530**	**$19,521**

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 2021 and 2020.

Note 5 Debt

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

(in thousands)					December 31,	
Description	**Issued**	**Maturity**	**Interest Rate**	**Interest Payable**	**2021**	**2020**
Pre-Combination Notes	November 2021	November 2026	9.25%	Quarterly	30,289	—
Senior Secured Notes due 2026	March 2021	April 2026	11.00%	Quarterly	94,686	—
Convertible Notes due 2028	July and August 2018	July 2028	3.05%	6/30 and 12/31	—	36,654
PPP Loan	May 2020	May 2022	1.00%	Monthly	—	2,537
Finance leases	N/A	N/A	N/A	N/A	53	49
Unamortized deferred issuance costs					(761)	(2,208)
Unamortized discount on debt					(9,119)	—
Total debt					**115,148**	**37,032**
Current portion of long-term debt					14	1,403
Long-term debt					**$115,134**	**$35,629**

N/A - Not meaningful

Francisco Partners Facility

On November 24, 2021 (the "FP NPA Closing Date"), the Company entered into a note purchase agreement (the "FP Note Purchase Agreement") for the issuance and sale of senior secured notes in an aggregate principal amount of up to $150 million due on November 24, 2026 (the "Francisco Partners Facility") with certain managed funds or investment vehicles of Francisco Partners. The Francisco Partners Facility originally consisted of (i) $30 million of senior secured notes, which were drawn on the FP NPA Closing Date (the "Pre-Combination Notes"), (ii) $20 million of senior secured notes drawable at the closing of the Tailwind Two Merger (the "Delayed Draw Notes"), and (iii) up to an additional $100 million of senior secured notes drawable at the closing of the Tailwind Two Merger (the "Conditional Notes"). Deferred debt commitment costs related to the Francisco Partners Facility totaled $62.4 million and related to an original issue discount of $5 million, third-party legal fees of $864 thousand, warrants and contingently issuable warrants and equity. Deferred debt commitment costs are reclassified to discount on debt and deferred issuance costs, as it relates to third-party legal fees, at the time the underlying debt is issued. Refer to Note 6 "Warrants and Derivatives" for further discussion regarding warrants and contingently issuable warrants and equity recognized in connection with the FP Note Purchase Agreement.

The Pre-Combination Notes were issued net of a $5 million original issue discount and resulted in proceeds received of $25 million, of which $10.8 million was allocated to proceeds from debt and $14.2 million was allocated to proceeds from warrants and derivatives in the consolidated statements of cash flows. The Company reclassified deferred debt commitment costs of $15.5 million to discount on debt and $218 thousand to deferred issuance costs related to the issuance of the Pre-Combination Notes.

On March 9, 2022, the Company amended the FP Note Purchase Agreement to, among other things, (i) increase the principal amount of senior secured notes that may be issued under the Francisco Partners Facility to up to $154 million, (ii) increase 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.

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, as described below.

Upon closing of the Tailwind Two Merger, Conditional Notes of $65 million were issued net of a $5 million original issue discount and resulted in proceeds received of $60 million.

Senior secured notes issued pursuant to the Francisco Partners Facility bear interest at a rate of 9.25% per annum, which is due and payable in arrears on the last business day of each calendar quarter, commencing with the calendar quarter ending December 31, 2021. The Francisco Partners Facility included certain escalations in interest rate in the event of delay or termination of the Tailwind Two Merger that were not triggered. In addition, a one-time interest payment is due upon the earlier to occur of the 1-year anniversary of the FP NPA Closing Date or the closing date of the Tailwind Two Merger. However, in lieu of payment in cash of all or any portion of the interest amount due on or prior to the earlier to occur of the 1-year anniversary of the FP NPA Closing Date or the closing date of the Tailwind Two Merger, such unpaid interest amount will be added to the principal balance of the senior secured notes on such interest payment date. As of December 31, 2021, approximately $289 thousand of contractual interest was included in the outstanding principal balance of the Pre-Combination Notes.

As part of the amendment on March 25, 2022, interest is due and payable in arrears on 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.

The Francisco Partners Facility requires the Company to make certain mandatory prepayments with (i) 100% of net cash proceeds of allnon-ordinary course asset sales or other dispositions of property and any extraordinary receipts, subject to the ability to reinvest such proceeds and certain other exceptions and (ii) 100% of the net cash proceeds of any debt incurrence, other than debt permitted by the FP Note Purchase Agreement. The Company may prepay senior secured notes issued pursuant to the Francisco Partners Facility at any time subject to payment of customary breakage costs and a customary make-whole premium for any voluntary prepayment made prior to the first anniversary of the FP NPA Closing Date (the "Callable Date"), followed by a call premium of (i) 3.0% on or prior to the first anniversary of the Callable Date, (ii) 2.00% after the first anniversary of the Callable Date but on or prior to the second anniversary of the Callable Date, and (iii) at par thereafter. The Francisco Partners Facility included certain customary make-whole premiums for any voluntary prepayments in the event of delay or termination of the Tailwind Two Merger that were not triggered.

The Francisco Partners Facility contains certain customary affirmative covenants, negative covenants and events of default. In addition, commencing with the first fiscal quarter ending after the closing of the Tailwind Two Merger, the Francisco Partners Facility will have a liquidity maintenance financial covenant that, subject to certain conditions, requires that as of the last day of each fiscal quarter, the Company and New Terran Orbital have an aggregate amount of unrestricted cash and cash equivalents of at least the greater of (a) $20 million and (b) an amount equal to 15% of the total funded indebtedness of the Company and New Terran Orbital.

As part of the amendment on March 25, 2022, the liquidity maintenance financial covenant was modified to (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) thereafter, $20.0 million plus 15% of the debt incurred after closing of the Tailwind Two Merger. In addition, a new covenant was added requiring New Terran, the Company and its subsidiaries 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.

The obligations under the Francisco Partners Facility are guaranteed by the Company's wholly-owned U.S. subsidiaries, subject to certain exceptions.

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 due 2028 (as defined below). 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 consolidated statements of cash flows. The Company allocated $2.8 million of deferred issuance costs to the Senior Secured Notes due 2026. Refer to Note 6 "Warrants and Derivatives" for further discussion regarding warrants issued in connection with the issuance of the Senior Secured Notes due 2026.

In connection to the Merger Agreement and the FP Note Purchase Agreement, the Senior Secured Notes due 2026 note purchase agreement was amended in November 2021 to provide consent to the Company incurring obligations

related to the Pre-Combination Notes under the FP Note Purchase Agreement as well as aligning cash interest payments prior to March 8, 2024 with the terms of cash interest payments under the FP Note Purchase Agreement. In addition, Lockheed Martin and Beach Point Capital ("Beach Point") each agreed to, at their option, (a) exchange up to $25 million (in the case of Lockheed Martin) and $25 million (in the case of Beach Point) of aggregate principal amount of Senior Secured Notes due 2026 for the same principal amount of debt to be issued under, and governed by, a new loan agreement or note purchase agreement, or (b) keep outstanding such amounts of aggregate principal amount of Senior Secured Notes due 2026 under its existing note purchase agreement (in either case, the "Rollover Debt"). The Rollover Debt will have substantially similar terms as the terms of the Francisco Partners Facility, except that the Rollover Debt will not have call protection, will be issued without original issue discount, and will be available at the closing of the Tailwind Two Merger.

The Company issued warrants and contingently issuable warrants and equity to each of Lockheed Martin and Beach Point in connection with the amendment to the Senior Secured Notes due 2026 which resulted in the extinguishment and re-issuance of the Senior Secured Notes due 2026 for each of Lockheed Martin and Beach Point for accounting purposes. The loss on extinguishment of debt totaled $28 million and included the recognition of warrants and contingently issuable warrants and equity at fair value, the fair value adjustment related to the re-issuance of the Senior Secured Notes due 2026, the write-off of unamortized discount on debt and deferred issuance costs on the extinguished Senior Secured Notes due 2026, and certain third-party financing expenses. The re-issued Senior Secured Notes were recognized at fair value with a $6.6 million premium less $420 thousand of deferred issuance costs. Refer to Note 6 "Warrants and Derivatives" for further discussion regarding warrants and contingently issuable warrants and equity.

On March 25, 2022, the Senior Secured Notes due 2026 note purchase agreement was amended to, among other things, (i) set the Rollover Debt for Lockheed Martin to $25 million, (ii) increase and set the Rollover Debt for Beach Point to $31.3 million, (iii) set the terms of the Rollover Debt to have substantially similar terms as the terms in the Francisco Partners Facility, excluding call protection and Rollover Debt for Beach Point 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 Rollover Debt for Beach Point to be subordinate to the Francisco Partners Facility.

Upon closing of the Tailwind Two Merger, approximately $56.3 million of the Senior Secured Notes due 2026 remained outstanding as Rollover Debt while the remainder was repaid in connection with the Tailwind Two Merger.

Prior to the March 25, 2022 amendment, the Senior Secured Notes due 2026 bore interest at the rate of 11% per annum. The Senior Secured Notes due 2026 included certain escalations in interest rate that were not triggered as a result of the Tailwind Two Merger. Interest was payable on the Senior Secured Notes due 2026 beginning on March 8, 2022 and for each calendar quarter end thereafter until maturity. Prior to March 8, 2024, the Company has the option to pay the interest on the Senior Secured Notes due 2026 in-kind in lieu of cash, limited by the alignment of cash interest payments with the terms of cash interest payments under the FP Note Purchase Agreement. As of December 31, 2021, approximately $7.8 million of contractual interest coupon was accrued and included in the outstanding principal balance of the Senior Secured Notes due 2026.

The Company, at its option, may prepay the Senior Secured Notes due 2026 at any time at 100% of the principal amount, plus accrued and unpaid interest. The Senior Secured Notes due 2026 are subject to mandatory prepayment by the Company upon (i) the occurrence of a qualified public offering of its stock or a business combination with a special purpose acquisition company, except as otherwise agreed to, and (ii) for so long as Lockheed Martin or any of its affiliates holds any portion of the Senior Secured Notes due 2026, in the event of a termination (other than by the Company due to an uncured breach by Lockheed Martin) of a strategic cooperation agreement between the Company and Lockheed Martin (the "Strategic Cooperation Agreement") or a material breach by the Company of the Strategic Cooperation Agreement, subject to a 90 days grace period after the Company knows of such breach or receives written notice of such breach from Lockheed Martin.

The Senior Secured Notes due 2026 do not have financial maintenance covenants and, unless an event of default has occurred and is continuing, there is no requirement to make any cash interest, amortization or maturity payments on or before March 8, 2024, except for the alignment of cash interest payments with the terms of cash interest payments under the FP Note Purchase Agreement.

Convertible Notes due 2028

In 2018, the Company issued in a private offering an aggregate principal amount of $34 million of 3.05% Convertible Promissory Notes with a maturity date of July 23, 2028 (the "Convertible Notes due 2028") pursuant to a convertible note purchase agreement, dated as of July 23, 2018, between the Company and three purchaser parties thereto (the "Convertible Note Purchase Agreement"), of which $33 million principal amount was issued on July 23, 2018 and $1 million principal amount was issued on August 2, 2018. The Company issued $31 million aggregate principal amount of Convertible Notes due 2028 for a cash purchase price of 100% and issued $3 million aggregate principal amount of Convertible Notes due 2028 in exchange for a previously issued and outstanding convertible security held by one of the purchasers.

During March 2021, the Convertible Notes due 2028 were extinguished as part of the issuance of the Senior Secured Notes due 2026. The loss on extinguishment of debt totaled $70.6 million and included the recognition of warrants issued at fair value, the fair value adjustment related to the issuance of the Senior Secured Notes due 2026, the write-off of unamortized deferred issuance costs on the extinguished Convertible Notes due 2028, and certain third-party financing expenses. Refer to Note 6 "Warrants and Derivatives" for further discussion regarding warrants issued in connection with the extinguishment of the Convertible Notes due 2028.

Prior to extinguishment, the Company could, at its option, elect, in lieu of paying interest in cash, to pay interest in-kind, which would increase the principal amount of the Convertible Notes due 2028. Contractual interest coupon that was included in the outstanding principal balance of the Convertible Notes due 2028 was $2.8 million and $2.6 million as of the date of extinguishment and December 31, 2020, respectively.

Prior to extinguishment, the Convertible Notes due 2028 were convertible into shares of the Company's common stock at the holder's election or could be prepaid in cash under certain circumstances at the election of the Company. The original conversion price per share was $38.85 for $31 million of original principal amount of the Convertible Notes due 2028 and $31.08 per share for $3 million of original principal amount of the Convertible Notes due 2028. The conversion price increased semi-annually by 1.05% per annum. The Company was not required to make any principal payments until maturity if the holder did not exercise its right to conversion. As part of the extinguishment of the Convertible Notes due 2028, the conversion feature was detached and issued as separate freestanding warrants. Refer to Note 6 "Warrants and Derivatives" for further discussion.

The Convertible Notes due 2028 were unsecured obligations. The Convertible Note Purchase Agreement contained customary restrictive covenants, including restrictions on incurrence of debt and that the Company adheres to a number of reporting requirements.

PPP Loan

During May 2020, the Company received $2.5 million related to the origination of a loan pursuant to the U.S. Small Business Administration ("SBA") Paycheck Protection Program under Title I of the Coronavirus Aid, Relief, and Economic Security Act (the "CARES Act") (the "PPP Loan"). In June 2020, the terms of the PPP Loan were amended with the passing of the Paycheck Protection Program Flexibility Act ("PPPFA"). For any amounts that were unforgiven, the terms of the loan called for an interest rate of 1% and a maturity date of two years.

During October 2020, the Company filed for forgiveness of the PPP Loan as 100% of the proceeds were utilized for qualified payroll and payroll related costs in accordance with the applicable provisions governing the PPP Loan. During June 2021, the SBA paid the lender the full amount of principal and interest on the PPP Loan. The Company recorded a gain on extinguishment of the PPP Loan of approximately $2.6 million in June 2021.

There were no contractual principal or interest payments made by the Company prior to the forgiveness of the PPP Loan.

Tyvak International Line of Credit

On October 7, 2020, Tyvak International entered into a working capital line of credit with a maximum capacity of €300 thousand (the "Tyvak International Line of Credit"). The Company closed the Tyvak International Line of Credit in November 2021. There were no amounts outstanding under the Tyvak International Line of Credit as of December 31, 2020.

Other

As of December 31, 2021, the aggregate principal amount of outstanding debt has a contractual maturity during 2026.

Interest on the Company's long-term debt was $8.7 million and $1.1 million during 2021 and 2020, respectively, of which $1.3 million and $119 thousand was capitalized to construction in process during 2021 and 2020, respectively. In addition, interest expense included $236 thousand and $294 thousand related to the amortization of deferred issuance costs during 2021 and 2020, respectively, as well as $299 thousand related to the amortization of discount on debt during 2021. There was no amortization of discount on debt during 2020.

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 Distinguishing Liabilities* ("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 consolidated balance sheets and are remeasured at fair value as of each reporting period with changes in fair value recorded in the 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 consolidated balance sheets and are not subsequently remeasured.

Liability-classified Warrants and Derivatives

The fair values of liability-classified warrants and derivatives recorded in warrant liabilities on the consolidated balance sheets as of December 31, 2021 were as follows:

(in thousands, except share amounts)	Number of Issuable Shares	Issuance	Maturity	Fair Value
Inducement Warrants	17,230	March 2021	March 2041	$ 5,631
Warrant liabilities				**$ 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 December 31, 2021 were as follows:

(in thousands)	Fair Value
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 2021 were as follows:

(in thousands)	Current Warrant and Derivative Liabilities	Warrant Liabilities	Total
Beginning balance	$ —	$ —	$ —
Initial recognition from discount on debt	14,240	2,519	16,759
Initial recognition from deferred debt commitment costs	42,247	—	42,247
Initial recognition from loss on extinguishment of debt	15,002	1,857	16,859
Change in fair value of warrant and derivative liabilities	(2,971)	1,255	(1,716)
Ending balance	**$ 68,518**	**$ 5,631**	**$ 74,149**

Inducement Warrants

In connection with the issuance of the Senior Secured Notes due 2026, the Company issued warrants to the note holders to purchase 0.34744% of the Company's common stock for $0.01 per share or to receive a cash payment of approximately $7 million if the warrants are not exercised prior to maturity or repayment of the Senior Secured Notes due 2026 (the "Inducement Warrants"). The Inducement Warrants were recognized at a fair value of $4.4 million in the 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 the Convertible Notes due 2028. The issuance costs related to the Inducement warrants were not material.

In connection with the Merger Agreement, holders of the Inducement Warrants were entitled to receive an additional 0.18708% of the Company's common stock immediately prior to the Tailwind Two Merger in exchange for waiving their cash redemption rights. As part of the Tailwind Two Merger, all of the Inducement Warrants were net settled into 25,190 thousand shares of the Company's common stock prior to the exchange into New Terran Orbital common stock.

Francisco Partners Warrants and Derivatives

As part of the Francisco Partners Facility, the Company issued warrants to Francisco Partners to purchase 1.5% of the fully diluted shares of the Company's common stock for $0.01 per share, exercisable within 30 days following the termination of the Merger Agreement (the "FP Pre-Combination Warrants"). The FP Pre-Combination Warrants were recognized at a fair value of $2.5 million in the consolidated balance sheets, a portion of which were recognized as a discount on debt from the issuance of the Pre-Combination Notes and the remainder as deferred debt commitment costs in prepaid expenses and other current assets on the consolidated balance sheets. The FP Pre-Combination Warrants terminated unexercised upon consummation of the Tailwind Two Merger pursuant to contractual provisions.

As additional consideration for the Francisco Partners Facility, the Company committed to the issuance of (i) an equity grant package equal to 1.5% of the fully diluted shares of New Terran Orbital's common stock outstanding as of immediately following the closing of the Tailwind Two Merger, plus an additional 1.0 million shares of New Terran Orbital common stock (the "FP Combination Equity"), and (ii) warrants to purchase 5.0% of New Terran Orbital'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 (the "FP Combination Warrants"). The FP Combination Equity and the FP Combination Warrants were contingently issuable upon closing of the Tailwind Two Merger. The FP Combination Equity and the FP Combination Warrants were recognized at a fair value of $25 million and $29 million, respectively, in accrued expenses and other current liabilities on the consolidated balance sheets, a portion of which were recognized as a discount on debt from the issuance of the Pre-Combination Notes and the remainder as deferred debt commitment costs in prepaid expenses and other current assets on the consolidated balance sheets.

The issuance costs related to the FPPre-Combination Warrants, FP Combination Equity, and FP Combination Warrants totaled $429 thousand and were expensed as a component of other (income) expense in the consolidated statements of operations and comprehensive loss and included as operating cash flows in the consolidated statements of cash flows.

As consideration for the amendment to the FP Note Purchase Agreement on March 25, 2022, Francisco Partners received an additional 1.9 million shares of New Terran Orbital's common stock, of which 425,000 shares were provided by sponsor shares of Tailwind Two.

In connection with the Tailwind Two Merger, approximately 5.2 million shares of New Terran Orbital common stock were issued related to the FP Combination Equity, inclusive of the incremental 1.9 million shares from the March 25, 2022 amendment, and 8.3 million warrants were issued related to the FP Combination Warrants.

Pre-Combination and Combination Warrants and Derivatives

Upon funding of the Pre-Combination Notes, and in connection with the amendment to the Senior Secured Notes due 2026 note purchase agreement, the Company issued warrants to each of Lockheed Martin and Beach Point to purchase

0.25% of the fully diluted shares of the Company's common stock for $0.01 per share on the same valuation and terms and conditions as the FP Pre-Combination Warrants (the "Pre-Combination Warrants"). The Pre-Combination Warrants were recognized at a fair value of $827 thousand in the consolidated balance sheets and as a component of loss on extinguishment of debt in the consolidated statements of operations and comprehensive loss. The Pre-Combination Warrants terminated unexercised upon consummation of the Tailwind Two Merger pursuant to contractual provisions.

In connection to the Merger Agreement and the Rollover Debt, the Company committed to each of Lockheed Martin and Beach Point the issuance of (i) an equity grant package equal to 0.25% of the fully diluted shares of New Terran Orbital'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 New Terran Orbital'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 with a term of 5 years (the "Combination Warrants"). The Combination Equity and the Combination Warrants were contingently issuable upon closing of the Tailwind Two Merger. The Combination Equity and the Combination Warrants were recognized at fair values of $6.0 million and $8.1 million, respectively, in accrued expenses and other current liabilities on the consolidated balance sheets and as a component of loss on extinguishment of debt in the consolidated statements of operations and comprehensive loss.

The issuance costs related to the Pre-Combination Warrants, Combination Warrants, and Combination equity were not material.

As consideration for the amendment to the Senior Secured Notes due 2026 note purchase agreement on March 25, 2022, Beach Point received an additional 2.4 million shares of New Terran Orbital's common stock, of which 100,000 shares were provided by sponsor shares of Tailwind Two.

In connection with the Tailwind Two Merger, approximately 3.2 million shares of New Terran Orbital common stock were issued related to the Combination Equity, inclusive of the incremental 2.4 million shares to Beach Point from the March 25, 2022 amendment, and 2.8 million warrants were issued related to the Combination Warrants.

Equity-classified Warrants

Detachable Warrants

In connection with the extinguishment of the Convertible Notes due 2028, the Company issued detachable warrants to the note holders to purchase 943,612 shares of common stock at an average exercise price of $39.06 and an expiration date of July 23, 2028 (the "Detachable Warrants"). The Detachable Warrants were recognized at a fair value of $68.4 million in additional paid-in capital in the consolidated balance sheets and as a component of loss on extinguishment of debt in the consolidated statements of operations and comprehensive loss. The issuance costs related to the Detachable Warrants totaled $2.3 million and were recognized in additional paid-in 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 net settled into 809,992 shares of the Company's common stock prior to the exchange into New Terran Orbital common stock.

The Company estimated the fair value of the Detachable Warrants using the Black-Scholes option-pricing model. The Black-Scholes option-pricing model considers the estimated fair value of the Company's common stock as well as the expected term of the instrument of 7.4 years, the expected volatility of 103%, the expected dividend yield of zero and the risk-free interest rate of 1.15%. In the absence of a public market for the Company's common stock, the valuation of the Company's common stock has been determined using an option pricing model. Refer to Note 7 "Fair Value of Financial Instruments" for further discussion regarding the valuation of the Company's common stock using an option pricing model.

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. Additionally, the carrying amount of the PPP Loan approximated fair value due to the short-term maturity and nominal interest rate.

Warrant and Derivative Liabilities

The fair values of the Company's warrant and derivative liabilities are largely based on the fair value of the Company's common stock. In the absence of a public market for the Company's common stock, the valuation of the Company'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. The resulting fair values represent a Level 3 fair value measurement. If the Company becomes a publicly traded entity, these estimates will no longer be necessary to determine the fair value of the Company's common stock as there will be a public market for the underlying shares.

The fair value of the Inducement Warrants was derived using a lattice model with the following significant inputs and assumptions as of the valuation date: (i) the estimated value of the Company's common stock using the option pricing model described above, (ii) the exercise price, (iii) the risk-free interest rate, (iv) the dividend yield, (v) the remaining contractual term, (vi) the estimated volatility, (vii) the estimated counterparty credit spread based on an estimated credit rating of CCC and below, (viii) the implied valuation, timing, and probability of closing the Tailwind Two Merger, and (ix) a discount for the lack of marketability of the Company's common stock. The resulting fair values represent Level 3 fair value measurements.

The fair values of the Pre-Combination Warrants and FP Pre-Combination Warrants were derived using the option pricing model as described above. Accordingly, the fair values represent a Level 3 fair value measurements.

Contingently Issuable Warrants and Equity

The Company's contingently issuable warrants and equity represent derivatives issued and outstanding for accounting purposes but are contingently issuable upon closing of the Tailwind Two Merger.

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 Tailwind Two's common stock, (ii) the exercise price, (iii) the risk-free interest rate, (iv) the dividend yield, (v) the contractual term, (vi) the estimated volatility, (vii) the probability of closing the Tailwind Two Merger, and (viii) the estimated redemption rate of Tailwind Two's public shareholders. 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.

The fair values of the Combination Equity and FP Combination Equity were derived using the following significant inputs and assumptions as of the valuation date: (i) the price per share of Tailwind Two's common stock, (ii) the probability of closing the Tailwind Two Merger, and (iii) the estimated redemption rate of Tailwind Two's public shareholders. The resulting fair values represent a Level 3 fair value measurement.

The assumptions underlying the above valuations represented the Company's best estimate, which involved inherent uncertainties and the application of the Company's judgment. If the Company had used different assumptions or estimates, the fair values above could have been materially different.

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 and the PPP Loan, as of the periods presented:

	December 31, 2021		December 31, 2020	
(in thousands)	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Long-term debt	$115,095	$124,221	$34,446	$106,679

As of December 31, 2021, the fair value of the Company's long-term debt was related to thePre-Combination Notes and the Senior Secured Notes due 2026. For each instrument, the fair value was determined 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, (v) contractual features such as prepayment options, call premiums and default provisions, and (vi) probability of a liquidity event. The resulting fair values represent Level 3 fair value measurements.

As of December 31, 2020, the fair value of the Company's long-term debt was related to the Convertible Notes due 2028. Due to the conversion feature of the Convertible Notes due 2028, the estimated fair value of the Convertible Notes due 2028 was determined using a lattice model with consideration of the value of the Company's common stock as described above. The fair value of the Convertible Notes due 2028 represents a level 3 fair value measurement.

Note 8 Mezzanine Equity and Shareholders' Deficit

Common Stock

In October 2021, the Company amended its certificate of incorporation to increase the number of authorized shares of common stock from 5,000,000 to 5,500,000 in connection with the Tailwind Two Merger. The company's shares of common stock have a par value of $0.0001 per share and entitle shareholders to one vote for each share.

Redeemable Convertible Preferred Stock

As of December 31, 2021 and 2020, the Company was authorized to issue 744,130 shares of convertible preferred stock with a par value of $0.0001 per share (the "Series A Preferred Stock"), of which 396,870 shares were issued and outstanding. The Series A Preferred Stock was issued in July 2017 at an original issue price per share of $20.1578 (the "Original Issue Price"), which resulted in gross proceeds of $8 million. The Company concluded there is an instance within scope of ASC 480, *Distinguishing Liabilities from Equity*, in which it will be required to redeem the Series A Preferred Stock for cash or other assets that is outside of its control. Accordingly, the Series A Preferred Stock is presented as mezzanine equity outside of shareholders' deficit in the Company's consolidated balance sheets.

As part of the Tailwind Two Merger, all of the Series A Preferred Stock was net settled into 396,870 shares of the Company's common stock prior to the exchange into New Terran Orbital common stock.

Prior to the Tailwind Two Merger and from the date of issuance of any shares of Series A Preferred Stock, dividends at the rate per annum of 8.00% on the Original Issue Price were to be paid on each share of Series A Preferred Stock if and when declared by the Board of Directors. The Series A Preferred Stock had a preference right, but not a participation right, in that the Company could not declare, pay or set aside any dividends on shares of any other class or series of capital stock of the Company (other than dividends on shares of common stock payable in shares of common stock) in any year unless the holders of the Series A Preferred Stock then outstanding first receive, or simultaneously receive for such year, a dividend on each outstanding share of Series A Preferred Stock in an amount at least equal to 8.00% of the Original Issue Price per share of Series A Preferred Stock. The foregoing dividend was not cumulative. There were no dividends declared during 2021 or 2020.

Each share of Series A Preferred Stock was convertible, at the option of the holder, at any time, and without the payment of additional consideration by the holder, into such number of fully paid and non-assessable shares of common stock as was determined by dividing the Original Issue Price by the conversion price in effect at the time of conversion. The conversion price was subject to adjustment based on customary anti-dilution adjustments. As of December 31, 2021 and 2020, the conversion price was equal to the Original Issue Price.

In the event of any voluntary or involuntary liquidation, dissolution or winding up of the Company or a deemed liquidation event, the holders of shares of Series A Preferred Stock then outstanding were be entitled to be paid out of the assets of the Company available for distribution to its shareholders before any payment was to be made to the holders of common stock by reason of their ownership thereof, an amount per share equal to the Original Issue Price together with dividends declared but unpaid thereon (the "Series A Preferred Stock Liquidation Preference"). After the payment of the preferential Series A Preferred Stock Liquidation Preference, the remaining assets of the Company would be distributed to holders of common stock.

Beginning on June 26, 2022, and so long as there were no Convertible Notes due 2028 outstanding, the majority holders of the Series A Preferred Stock had the right to cause the Company to redeem all shares of Series A Preferred Stock out of funds lawfully available therefor by delivering written notice to the Company. Redemption would have occurred over three annual installments commencing not more than 60 days after receipt of such notice at a redemption price that approximates the Series A Preferred Stock Liquidation Preference.

In connection with the issuance of the Senior Secured Notes due 2026, the Company amended and restated its Certificate of Incorporation to, among other things, amend the mandatory redemption and conversion provisions of the Series A Preferred Stock. The mandatory redemption provision was amended to provide that the right of the holders of Series A Preferred Stock to redemption would not be exercisable so long as any of the Senior Secured Notes due

2026 were outstanding. The mandatory conversion provision was amended to provide that in addition to the existing conversion events, a business combination with a special purpose acquisition company or similar entity whose shares are registered and publicly listed on a principal exchange and that (i) generates at least $200 million in cash proceeds to the Company and (ii) with a price per share of at least three times the Original Issue Price would have triggered automatic conversion of the Series A Preferred Stock.

Each holder of outstanding shares of Series A Preferred Stock had voting rights equal to the number of whole shares of common stock into which the shares of Series A Preferred Stock held by such holder are convertible as of the date such vote would take place. For voting on all matters presented to shareholders, the votes of holders of Series A Preferred Stock were counted together with those of holders of common stock as a single class. The prior consent of the holders of Series A Preferred Stock voting as a single class was required with respect to a number of enumerated protective provisions relating to material actions or transactions involving the Company. So long as any shares of Series A Preferred Stock were outstanding, the holders thereof voting as a separate class were entitled to elect two directors of the Company; provided that Astrolink International, LLC ("Astrolink") had the right to designate one of these two directors so long as it holds any shares of Series A Preferred Stock.

Non-controlling Interest

Terran Orbital Corporation owned 65,000 shares of PredaSAR's common stock, representing 100% of the issued and outstanding shares of common stock of PredaSAR. On November 1, 2019, the board of directors of PredaSAR authorized the issuance of 25,000 shares of preferred stock with a par value of $0.01 per share and designated as the Series Seed Preferred Stock (the "Series Seed Preferred Stock"), which represented a 27.8% equity interest in PredaSAR on an "as converted" basis. The Company concluded there were no circumstances within scope of ASC 480, *Distinguishing Liabilities from Equity*, in which it would be required to redeem the Series Seed Preferred Stock for cash or other assets that were outside of its control. Accordingly, the Series Seed Preferred Stock was presented as a non-controlling interest within shareholders' deficit in the Company's consolidated balance sheets.

During 2019, PredaSAR issued 9,810 shares of Series Seed Preferred Stock to outside investors at $1,000 per share (the "Series Seed Original Issue Price"), raising gross proceeds of $9.8 million. During 2020, PredaSAR issued an additional 15,190 shares of Series Seed Preferred Stock to outside investors at the Series Seed Original Issue Price, raising gross proceed of $15.2 million, bringing total proceeds raised from Series Seed Preferred Stock issuances to $25 million. In connection with these issuances, PredaSAR incurred $0.5 million and $0.7 million of issuance costs in 2019 and 2020, respectively. The capital was raised to fund PredaSAR's satellite constellation development plans and for other general corporate purposes. As of December 31, 2020, 25,000 shares of Series Seed Preferred Stock were issued and outstanding.

On February 26, 2021, the Company entered into an agreement withnon-controlling interest holders of Series Seed Preferred Stock to exchange all 25,000 shares of Series Seed Preferred Stock for shares of the Company's common stock (the "PredaSAR Merger"). Each holder of the Series Seed Preferred Stock received 15.523 shares of the Company's common stock for each share of Series Seed Preferred Stock, resulting in the issuance of 388,064 shares of the Company's common stock. Fractional shares were settled in cash and were not material.

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

Prior to the PredaSAR Merger and from the date of issuance of any shares of Series Seed Preferred Stock, dividends at the rate per annum of 8.00% on the Series Seed Original Issue Price were to be paid on each share of Series Seed Preferred Stock if and when declared by the board of directors of PredaSAR. The Series Seed Preferred Stock had a preference right, but not a participation right, in that PredaSAR could not declare, pay or set aside any dividends on shares of any other class or series of capital stock of PredaSAR (other than dividends on shares of its common stock payable in shares of its common stock) in any year unless the holders of the Series Seed Preferred Stock then outstanding first receive, or simultaneously receive for such year, a dividend on each outstanding share of Series Seed Preferred Stock in an amount at least equal to 8.00% of the Series Seed Original Issue Price per share of Series Seed Preferred Stock. The foregoing dividend was not cumulative. There were no dividends declared by PredaSAR during 2021 or 2020.

Each share of Series Seed Preferred Stock was convertible, at the option of the holder, at any time, and without the payment of additional consideration by the holder, into such number of fully paid and non-assessable shares of common stock of PredaSAR as was determined by dividing the Series Seed Original Issue Price by the conversion price in effect at the time of conversion. The conversion price was subject to adjustment based on customary anti-dilution adjustments. As of December 31, 2020, the conversion price was equal to the Series Seed Original Issue Price.

In the event of any voluntary or involuntary liquidation, dissolution or winding up of PredaSAR or deemed liquidation event, the holders of shares of Series Seed Preferred Stock then outstanding were be entitled to be paid out of the assets of PredaSAR available for distribution to its shareholders before any payment was made to the holders of its common stock by reason of their ownership thereof, an amount per share equal to the Series Seed Original Issue Price together with dividends declared but unpaid thereon (the "Series Seed Preferred Stock Liquidation Preference"). After the payment of the preferential Series Seed Liquidation Preference, the remaining assets of PredaSAR would be distributed to holders of PredaSAR common stock.

Each holder of outstanding shares of Series Seed Preferred Stock had voting rights equal to the number of whole shares of common stock into which the shares of Series Seed Preferred Stock held by such holder were convertible as of the date such vote would take place. For voting on all matters presented to shareholders, the holders of Series Seed Preferred Stock votes were counted together with the holders of PredaSAR's common stock as a single class. The prior consent of the holders of Series Seed Preferred Stock voting as a single class was required with respect to a number of enumerated protective provisions relating to material actions or transactions involving PredaSAR. So long as any shares of Series Seed Preferred Stock were outstanding, the holders thereof voting as a separate class were entitled to elect one of the five directors of PredaSAR.

Note 9 Share-Based Compensation

The Company grants share-based compensation awards to employees and directors under the Amended and Restated Terran Orbital Corporation 2014 Equity Incentive Plan (the "2014 Plan"). Prior to the PredaSAR Merger, the Company also granted share-based compensation awards under the PredaSAR Corporation 2020 Equity Incentive Plan (the "PredaSAR Plan"). In connection with the Tailwind Two Merger, the 2014 Plan and related share-based compensation awards were cancelled and exchanged with a new share-based compensation plan and related share-based compensation awards of New Terran Orbital.

Share-based compensation expense for service-based awards is recognized on a straight-line basis over the requisite service period. For awards that include a performance condition, share-based compensation expense is recognized only if it is probable that the performance condition will be met. Share-based compensation expense is included in cost of sales and selling, general, and administrative expenses in the consolidated statements of operations and comprehensive loss. Additionally, certain costs related to share-based compensation awards granted to manufacturing employees are capitalized to inventory. The Company accounts for forfeitures as they occur.

All share-based compensation awards are classified as equity awards and are settled through the issuance of authorized but previously unissued shares of common stock.

Share-based compensation, inclusive of amounts included in inventory, for the periods presented was as follows:

	Years ended December 31,	
(in thousands)	**2021**	**2020**
Stock options	$ 416	$ 580
Restricted stock units	225	—
Restricted stock awards	—	540
PredaSAR options	37	110
Share-based compensation	**$ 678**	**$ 1,230**

There was no income tax benefit associated with the Company's share-based compensation during 2021 and 2020 as a result of a full valuation allowance on the Company's deferred tax assets.

The measurement of the Company's share-based compensation awards is based on the grant-date fair value of the Company's common stock. In the absence of a public market for the Company's common stock, the valuation of the Company's common stock has been determined using an option pricing model. Refer to Note 7 "Fair Value of Financial Instruments" for further discussion regarding the valuation of the Company's common stock using an option pricing model.

2014 Plan

During June 2017, the Company adopted the 2014 Plan as the successor plan to the Tyvak Nano-Satellite Systems, Inc. 2014 Equity Incentive Plan (the "Predecessor Plan"). The 2014 Plan authorizes the issuance of no more than 744,130 shares of Terran Orbital Corporation common stock by the exercise or vesting of granted awards, which are generally stock options, restricted stock awards ("RSAs") or restricted stock units ("RSUs"). Following the implementation of the 2014 Plan, no additional awards were to be granted under the Predecessor Plan. During January 2022, the 2014 Plan was amended to authorize the issuance of no more than 941,355 shares of Terran Orbital Corporation common stock.

Stock Options

Stock options granted under the 2014 Plan are primarily service-based awards that vest over atwo- or four-year period from the date of grant, have an exercise price based on the estimated fair value of the Company's common stock on the date of grant, and have a contractual term of up to ten years from the date of grant.

There were no stock options granted under the 2014 Plan during 2021. The grant-date fair values of stock options granted under the 2014 Plan during 2020 were determined using the Black-Scholes option-pricing model with the following assumptions:

	Years ended December 31, 2020	
	Range	
	Low	*High*
Expected term (in years)	6.25	6.25
Expected volatility	110%	120%
Expected dividend yield	0%	0%
Risk-free interest rate	0.46%	0.56%

The expected term was calculated using the simplified method as the Company did not have sufficient historical exercise data to provide a reasonable basis to estimate future exercise patterns. The expected volatility was based upon the historical and implied volatility of common stock for the Company's selected peers. The dividend yield was determined to be zero as the Company does not have a history or plan of declaring dividends on its common stock. The risk-free interest rate was based on U.S. treasury bonds with a zero-coupon rate.

The weighted-average grant-date fair value of stock options granted during 2020 was $51.49.

The following table summarizes activity related to stock options during 2021:

	Number of Options	Weighted-Average Exercise Price	Aggregate Intrinsic Value (in thousands)	Weighted-Average Remaining Contractual Term (Years)
Outstanding as of December 31, 2020	115,791	$ 24.59	$ 5,763	6.25
Granted	—	—		
Exercised	(21,716)	10.90		
Forfeited	(17,119)	32.16		
Outstanding as of December 31, 2021	76,956	$ 26.76	$ 12,797	5.39
Exercisable as of December 31, 2021	58,445	$ 23.16	$ 9,929	4.62

The intrinsic value of stock options exercised was $1.9 million and $1.8 million during 2021 and 2020, respectively.

As of December 31, 2021, unrecognized compensation cost related to stock options was $648 thousand, which is expected to be recognized over a weighted-average period of 2.4 years.

Restricted Stock Units

RSUs granted under the 2014 Plan vest pursuant to a service condition over atwo- or four-year period and a performance condition that requires a liquidity event to occur within seven years. The fair value of RSUs is based on the fair value of the Company's common stock on the date of grant.

The following table summarizes activity related to RSUs during 2021:

	Number of RSUs	Weighted-Average Grant-Date Fair Value
Unvested as of December 31, 2020	—	$ —
Granted	568,414	83.60
Vested	—	—
Forfeited	(31,788)	89.26
Unvested as of December 31, 2021	536,626	$ 83.27

The Company has not recognized any share-based compensation expense associated with the RSUs granted during 2021, except as described below, as the performance condition was not probable of being met until a liquidity event occurs. Upon closing of the Tailwind Two Merger, the Company will record a cumulative catch-up in order to begin recognition of share-based compensation expense associated with the RSUs as the performance condition will be met.

As of December 31, 2021, unrecognized compensation cost related to RSUs was $43.6 million, which is expected to be recognized over a weighted-average period of 1.1 years.

During the first quarter of 2022, the Company granted approximately 233 thousand RSUs under the 2014 Plan. The majority of these RSUs will generally vest on the latest occur of: (i) the first anniversary of the consummation of the Tailwind Two Merger, (ii) the trading price of New Terran Orbital'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 and (iii) such other performance vesting conditions.

Restricted Stock Awards

There were no unvested RSAs as of December 31, 2021 as all RSAs had fully vested as of December 31, 2020. There were no RSAs granted during 2021 and 2020. The fair value of RSAs that vested during 2020 was $535 thousand.

PredaSAR Plan

During May 2020, the Company adopted the PredaSAR Plan, which authorized the issuance of up to 9,000 shares of PredaSAR Corporation common stock by the exercise or vesting of granted awards, which were all stock options.

Stock options granted under the PredaSAR Plan were primarily service-based awards that vested over a five-year period from the date of grant, had an exercise price of $1,000 per share, and a contractual term of ten years from the date of grant.

The Company did not grant options under the PredaSAR Plan during 2021. The grant-date fair values of stock options granted under the PredaSAR Plan during 2020 were determined using the Black-Scholes option-pricing model with the following assumptions:

	Year ended December 31, 2020	
	Range	
	Low	*High*
Expected term (in years)	6.25	6.25
Expected volatility	110%	110%
Expected dividend yield	0%	0%
Risk-free interest rate	0.43%	0.65%

The expected term was calculated using the simplified method as the Company did not have sufficient historical exercise data to provide a reasonable basis to estimate future exercise patterns. The expected volatility was based upon the historical and implied volatility of common stock for the Company's selected peers. The dividend yield was determined to be zero as the Company does not have a history or plan of declaring dividends on its common stock. The risk-free interest rate was based on U.S. treasury bonds with a zero-coupon rate.

The weighted-average grant-date fair value of stock options granted during 2020 was $577.00.

In connection with the PredaSAR Merger, 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 modification resulted in the issuance of 29,835 RSUs with a weighted-average grant date fair value of $79.99 that vest pursuant to a service condition over a four-year period and a performance condition that requires a liquidity event to occur within seven years. Prior to termination of the PredaSAR Plan, the Company accounted for the cumulative compensation cost of share-based awards granted under the PredaSAR Plan as a component of additional paid-in capital. Upon exercise of a stock option, an adjustment tonon-controlling interest and additional paid-in capital was recorded.

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 has not recognized any incremental share-based compensation expense associated with the RSUs during 2021 as the performance condition was not considered to be probable of being met until a liquidity event occurs. However, the Company has 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. Upon closing of the Tailwind Two Merger, the Company will record a cumulative catch-up in order to begin recognition of share-based compensation expense associated with the incremental fair value of the modification as the performance condition will be met.

The fair value of the stock options immediately prior to cancellation was estimated using the Black-Scholes option pricing model using the following assumptions:

	Range	
	Low	*High*
Expected term (in years)	5.50	6.01
Expected volatility	105%	105%
Expected dividend yield	0%	0%
Risk-free interest rate	0.95%	0.95%

The expected term was calculated using the simplified method as the Company did not have sufficient historical exercise data to provide a reasonable basis to estimate future exercise patterns. The expected volatility was based upon the historical and implied volatility of common stock for the Company's selected peers. The dividend yield was determined to be zero as the Company does not have a history or plan of declaring dividends on its common stock. The risk-free interest rate was based on U.S. treasury bonds with a zero-coupon rate.

The following table summarizes activity related to stock options granted under the PredaSAR Plan during 2021:

	Number of Options	Weighted-Average Exercise Price	Aggregate Intrinsic Value (in thousands)	Weighted-Average Remaining Contractual Term (Years)
Outstanding as of December 31, 2020	1,967	$ 988.64	$ —	9.50
Granted	—	—		
Exercised	—	—		
Forfeited	(45)	917.25		
Cancelled and replaced	(1,922)	990.31		
Outstanding as of December 31, 2021	—	$ —	$ —	—
Exercisable as of December 31, 2021	—	$ —	$ —	—

Following the PredaSAR Merger, share-based compensation expense and unrecognized compensation cost, inclusive of the incremental fair value due to modification, is included in information regarding RSUs granted under the 2014 Plan.

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 Convertible Notes due 2028 and the Series A Preferred Stock, (ii) incremental shares of common stock calculated using the treasury stock method for warrants and share-based compensation awards granted under the 2014 Plan, (iii) incremental shares and potential shares of common stock that are contingently issuable upon closing of the Tailwind Two Merger, and (iv) adjustments to net loss as a result of changes in the non-controlling interest in PredaSAR due to the conversion of the Series Seed Preferred Stock or the exercise of stock options granted under the PredaSAR Plan. 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:

	December 31,	
(in shares of common stock)	**2021**	**2020**
Convertible Notes due 2028	—	940,160
Series A Preferred Stock	396,870	396,870
Series Seed Preferred Stock	—	25,000
Stock options	76,956	115,791
Restricted stock units	536,626	—
PredaSAR stock options	—	1,967
Warrants	1,060,023	—

The contingently issuable equity and warrants upon closing of the Tailwind Two Merger are excluded from the table above as the number of underlying shares of common stock to be issued is dependent on the capital structure of New Terran Orbital.

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

	Years Ended December 31,	
(in thousands, except per share and share amounts)	**2021**	**2020**
Numerator:		
Net loss	$ (138,982)	$ (10,455)
Denominator:		
Weighted-average shares outstanding - basic and diluted	2,780,993	2,403,755
Net loss per share - basic and diluted	**$ (49.98)**	**$ (4.35)**

Note 11 Income Taxes

The Company accounts for income taxes using the asset and liability method. Under the asset and liability method, deferred tax assets and liabilities are recognized for the temporary differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax basis. The effect on deferred tax assets and liabilities of a change in tax laws is recognized in the results of operations in the period the new laws are enacted. A valuation allowance is recorded to reduce the carrying amount of deferred tax assets to the estimated realization amount.

The Company recognizes positions taken or expected to be taken in a tax return in the consolidated financial statements when it is more-likely-than-not (i.e., a likelihood of more than 50%) that the position would be sustained upon examination by tax authorities. A recognized tax position is then measured at the largest amount of benefit with greater than 50% likelihood of being realized upon ultimate settlement. The Company records liabilities for positions that have been taken but do not meet the more-likely-than-not recognition threshold. The Company includes interest and penalties associated with unrecognized tax benefits as income tax expense and as a component of the recorded balance of unrecognized tax benefits, which are reflected in other liabilities or net of related tax loss carryforwards in the consolidated balance sheets. The Company did not have any unrecognized tax benefits as of December 31, 2021 and 2020.

The CARES Act was signed into law in March 2020 and includes several significant business income tax provisions that, among other things, would eliminate the taxable income limit for certain net operating losses ("NOLs") and allow businesses to carry back NOLs arising in 2018, 2019 and 2020 to the five prior years, accelerate refunds of previously generated corporate alternative minimum tax credits, generally loosen the business interest limitation under Internal Revenue Code ("IRC") Section 163(j) from 30 percent to 50 percent among other technical corrections included in the Tax Cuts and Jobs Act of 2017. In connection with the CARES Act, the Company benefited from the five-year carryback rule which allowed the Company to carryback a portion of its NOLs to the 2015 and 2016 tax years. The other provisions of the CARES Act did not have a material impact on the Company.

Significant components of loss before income taxes for the periods presented were as follows:

	Years Ended December 31,	
(in thousands)	**2021**	**2020**
United States	$(140,563)	$(10,727)
Foreign	1,619	88
Loss before income taxes	$ (138,944)	$ (10,639)

Significant components of provision for (benefit from) income taxes for the periods presented were as follows:

	Years Ended December 31,	
(in thousands)	**2021**	**2020**
Current:		
Federal	$ (5)	$ (186)
State	2	2
Foreign	41	—
Current income tax expense (benefit)	**38**	**(184)**
Deferred:		
Federal	—	—
State	—	—
Foreign	—	—
Deferred income tax benefit	—	—
Provision for (benefit from) income taxes	**$ 38**	**$ (184)**

The reconciliation between the provision for (benefit from) income taxes and the amount computed at the statutory U.S. federal income tax rate for the periods presented was as follows:

(in thousands)	Years Ended December 31, 2021	2020
Income taxes computed at the U.S. federal statutory rate	$ (29,178)	$ (2,234)
State and local income taxes, net of federal benefit	(2,960)	(616)
Permanent differences	18,417	83
Change in valuation allowance	14,548	3,055
Federal refunds	(5)	(186)
Other, net	(784)	(286)
Provision for (benefit from) income taxes	**$ 38**	**$ (184)**

The components of the Company's net deferred tax assets for the periods presented were as follows:

(in thousands)	December 31, 2021	2020
Deferred tax assets:		
Share-based compensation	$ 670	$ 552
Property, plant and equipment	95	52
Disallowed interest	2,194	715
Legal accrual	224	230
Reserve for anticipated losses on contracts	224	540
Net operating losses	25,109	13,695
Accrued liabilities	2,011	226
Total deferred tax assets	**30,527**	**16,010**
Valuation allowance	(30,046)	(15,498)
Deferred tax assets, net of valuation allowance	**$ 481**	**$ 512**
Deferred tax liabilities:		
Deferred financing costs	$ —	$ (512)
Warrants and derivatives	(481)	—
Total deferred tax liabilities	**(481)**	**(512)**
Net deferred tax assets	**$ —**	**$ —**

The valuation allowance for deferred tax assets relates to the uncertainty of the utilization of U.S. federal, state and foreign deferred tax assets. In evaluating the Company's ability to recover its deferred tax assets, the Company considers all available positive and negative evidence, which include its past operating results, the existence of cumulative losses in the most recent years, and its forecast of future taxable income. In estimating future taxable income, the Company develops assumptions related to the amount of future pre-tax operating income, the reversal of temporary differences, and the implementation of feasible and prudent tax planning strategies. These assumptions require significant judgment about the forecasts of future taxable income and are consistent with the plans and estimates the Company is using to manage its underlying businesses. The Company believes that it is more-likely-than-not that it will not generate sufficient future taxable income to realize its deferred tax assets. Accordingly, the Company has recorded a full valuation allowance as of December 31, 2021 and 2020.

The change in the valuation allowance for deferred tax assets for the periods presented was as follows:

(in thousands)	Years Ended December 31, 2021	2020
Beginning balance	$ (15,498)	$ (12,443)
Change in valuation allowance	(14,548)	(3,055)
Ending balance	**$ (30,046)**	**$ (15,498)**

As of December 31, 2021 and 2020, the Company had federal NOL carryforwards of $91 million and $47 million, respectively. Federal NOL carryforwards generated during 2017 totaled $1 million and will expire in 2037. The remainder of the Company's federal NOL carryforwards were generated beginning in 2018 and can be carried forward

indefinitely and used to offset up to 80% of future taxable income for future tax years. As a result of the CARES Act, federal NOL carryforwards generated during 2018, 2019 and 2020 can be carried back five years and offset 100% of taxable income. Accordingly, the Company carried back certain federal NOL carryforwards to the 2015 and 2016 tax years and recognized a benefit of approximately $186 thousand during 2020.

IRC Section 382 generally limits NOL and tax credit carryforwards following an ownership change, which occurs when one or more five percent shareholder increases its ownership, in aggregate, by more than 50 percentage points over the lowest percentage of stock owned by such shareholder at any time during the "testing period" (generally three years). Accordingly, the Company's ability to utilize remaining NOL and tax credit carryforwards may be significantly restricted upon a change in ownership.

As of December 31, 2021 and 2020, the Company had state NOL carryforwards of $76 million and $48 million, respectively. The state NOL carryforwards begin to expire in 2038.

As of December 31, 2021 and 2020, the Company's foreign NOL carryforwards were not material. The foreign NOL carryforwards can be carried forward indefinitely and used to offset up to 80% of future taxable income for future tax years.

The Company files income tax returns for U.S. federal and various state jurisdictions and in Italy for its foreign subsidiary. The income tax returns are subject to audit by the taxing authorities. These audits may culminate in proposed assessments which may ultimately result in a change to the estimated income taxes. The following is a summary of open tax years by jurisdiction:

Jurisdiction	Years Open to Audit
Federal	2018 - 2020
State	2017 - 2020
Italy	2016 - 2020

Note 12 Commitments and Contingencies

Operating Leases

The Company has entered into various non-cancelable operating leases for various office, manufacturing, and warehouse facilities.

The Company's future minimum lease payments under non-cancelable leases as of December 31, 2021 were as follows:

(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	—
Subtotal	28,310	68
Less interest on finance leases	—	15
Total	**$ 28,310**	**$ 53**

Operating lease expense totaled $1 million and $868 thousand during 2021 and 2020, respectively.

In January 2022, the Company amended an existing operating lease to add additional manufacturing space and to increase the lease term from December 2021 to December 2026, resulting in incremental future minimum lease payments of approximately $1.1 million.

In February 2022, the Company amended an existing operating lease to increase the lease term from September 2027 to November 2032, resulting in incremental future minimum lease payments of approximately $5.4 million, and to add additional manufacturing space with a lease term of December 2022 to November 2032, resulting in incremental future minimum lease payments of approximately $17.1 million.

In March 2022, the Company signed a new operating lease for office space with a lease term from April 2022 to June 2027, resulting in incremental future minimum lease payments of approximately $2 million.

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. During 2022, the Company entered into a confidential settlement agreement with the customer and agreed to a payment to the customer of approximately $800 thousand. As of December 31, 2021, the Company had accrued $800 thousand for the settlement.

Engagement Agreement Matter

In September 2016, the Company entered into an engagement agreement (the "Engagement") with an investment banker (the "Advisor") for investment banking advisory and placement agent services for a financing transaction. A contractual dispute arose between the parties regarding the Advisor's performance, fees and expenses. Prior to the contractual dispute, the Company terminated the Engagement, and subsequently closed on the Convertible Notes due 2028, without, in its view, the services of the Advisor. In November 2018, the Advisor initiated arbitration with the American Arbitration Association (the "AAA") in New York. In August 2019, the AAA arbitration panel issued an award that equated to approximately $2.3 million (the "Award") against the Company for breach of the Engagement. The award represented the placement fee that would have been paid upon closing of the Convertible Notes due 2028 and the Advisor's legal fees. In October 2019, the Advisor filed a complaint with the California Federal District Court ("District Court") to confirm the Award. Thereafter, the Company filed a Motion to vacate the Award. In early January 2020, the District Court granted the Advisor's petition to confirm the Award, which the Company appealed to the U.S. Court of Appeals for the 9th Circuit (the "Ninth Circuit"). On March 9, 2021, the Ninth Circuit affirmed the District Court's ruling. The Company recorded $2 million of the Award as deferred financing costs as of December 31, 2018. The remainder of the Award was recorded as a legal expense in selling, general and administrative expenses. The Award was paid in full during 2020.

Service Agreement Matter

In April 2017, the Company entered into a services agreement ("Service Agreement") with an aerospace company that designs and delivers hardware that moves on spacecraft (the "Aerospace Design Company"). The Aerospace Design Company agreed to design and manufacture antennas and feeds for a satellite in connection with a Company project. A contractual dispute arose regarding the Aerospace Design Company's performance, termination of the Services Agreement, and payment of various invoices. The Services Agreement contained a provision for final and binding arbitration. Pursuant to the arbitration provision, in November 2018, the Aerospace Design Company filed a demand for arbitration against the Company, raising claims for breach of contract and seeking monetary damages for non-payment of an early termination fee and outstanding invoices. On August 26, 2019, the Aerospace Design Company filed an amended demand, and the case appeared before an arbitrator on January 29 through January 31, 2020, in Los Angeles, California. The parties concurrently filed post-hearing briefs on September 22, 2020 and reply briefs on October 6, 2020. On November 25, 2020, the arbitrator awarded a final award of $0.5 million in favor of the Aerospace Design Company. The final award reflected payments due as a result of the early termination fee and payments due under various unpaid invoices. The Company did not appeal the arbitration award. As of December 31, 2020, the Company had accrued $0.5 million for the settlement. The settlement was paid in full during 2021.

Note 13 Related Party Transactions

Lockheed Martin Corporation

Strategic Cooperation Agreement

On June 26, 2017, the Company entered into the Strategic Cooperation Agreement with Lockheed Martin 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 in March 2022 pursuant to existing contractual terms.

Revenue and Receivables

The Company recognized revenue from Lockheed Martin of $20.6 million and $5.4 million during 2021 and 2020, respectively. In addition, the Company had accounts receivables due from Lockheed Martin of $530 thousand and $369 thousand as of December 31, 2021 and 2020, respectively.

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

Debt and Equity Holdings

Lockheed Martin, directly and through its wholly-owned subsidiary Astrolink, is a holder of debt and equity instruments in the Company.

As of December 31, 2021, Lockheed Martin's principal and accrued interest associated with the Senior Secured Notes due 2026 was $58.1 million. As of December 31, 2020, Lockheed Martin's principal and accrued interest associated with the Convertible Notes due 2028 was $3.3 million.

As of December 31, 2021 and 2020, Lockheed Martin held 347,261 shares of Series A Preferred Stock, representing a Series A Preferred Stock Liquidation Preference of $7 million.

As of December 31, 2021, Lockheed Martin held (i) 10,571 Inducement Warrants with a fair value of $3.5 million, (ii) 12,398Pre-Combination Warrants with a fair value of $424 thousand, and (iii) 103,055 Detachable Warrants. In addition, Lockheed Martin's portion of the Combination Warrants and Combination Equity was approximately $3.8 million and $2.9 million, respectively.

During 2021, the Company issued 10,000 RSUs to Lockheed Martin, through Astrolink, as a Lockheed Martin employee served as a member of the Company's board of directors.

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 December 31, 2021 and 2020, 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 $1.6 million and $0.7 million during 2021 and 2020, respectively. In addition, the Company had accounts receivables due from GeoOptics of $470 thousand and $75 thousand as of December 31, 2021 and 2020, respectively.

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

Transactions with Chairman and CEO

During 2021, the Company executed a new lease for office space in a building beneficially owned by the Company's Chairman and CEO. The lease term commenced on April 1, 2021 and will expire on March 31, 2026. The Company has a one-time right to extend the lease term for a period of five additional years. The minimum lease payments under the lease is approximately $1.2 million.

During 2020, Satellite Solutions Group, LLC, an entity owned by the Company's Chairman and CEO, provided professional services in connection with the issuance of the Series Seed Preferred Stock for a fee of $700 thousand. The fee was recorded against the gross proceeds received from the issuance of the Series Seed Preferred Stock.

During 2021 and 2020, the Company's Chairman and CEO was paid $125 thousand and $417 thousand, respectively, for consulting services.

PIPE Investment

The PIPE Investment funded as part of the Tailwind Two Merger primarily comprised of existing debt and equity holders of the Company. An affiliate of Daniel Staton, a director and shareholder of the Company, represented $30 million of the PIPE Investment (the "Staton PIPE Investment"). The subscription agreement for the Staton PIPE Investment contains a provision that obligates New Terran Orbital to pay an affiliate of Daniel Staton a quarterly fee of $1.875 million for sixteen quarters beginning at the end of the quarter in which the Tailwind Two Merger is consummated; the first years' payments are to be paid in cash and the remaining payments are to be paid, subject to subordination to and compliance with New Terran Orbital's debt facilities, in cash or common stock at the discretion of New Terran Orbital.

In addition, 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 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 andon-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 satellite constellation of 96 satellites is planned to be completed and in-orbit by 2026. 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 Earth Observation Solutions segment is still in its developmental stage and does not yet generate any material revenue.

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:

	Years Ended December 31,	
(in thousands)	**2021**	**2020**
Satellite Solutions	$ 40,736	$ 24,860
Earth Observation Solutions	170	19
Revenue	**$ 40,906**	**$ 24,879**

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

	Years Ended December 31,	
(in thousands)	**2021**	**2020**
Satellite Solutions	$ (3,326)	$ (2,128)
Earth Observation Solutions	(4,274)	(2,703)
Loss from operations by segment	**$ (7,600)**	**$ (4,831)**

During 2021, depreciation and amortization expense included in loss from operations by segment totaled $2.7 million and $368 thousand for Satellite Solutions and Earth Observation Solutions, respectively. During 2020, depreciation and amortization expense included in loss from operations by segment totaled $2.9 million 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)	Years Ended December 31, 2021	2020
Loss from operations by segment	$ (7,600)	$ (4,831)
Corporate and other	(28,431)	(3,394)
Share-based compensation expense	(678)	(1,194)
Loss from operations	**(36,709)**	**(9,419)**
Interest expense, net	7,965	1,216
Loss on extinguishment of debt	96,024	—
Change in fair value of warrant and derivative liabilities	(1,716)	—
Other (income) expense	(38)	4
Loss before income taxes	**(138,944)**	**(10,639)**
Provision for (benefit from) income taxes	38	(184)
Net loss	**$ (138,982)**	**$ (10,455)**

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

(in thousands)	Years Ended December 31, 2021	2020
United States	$ 32,960	$ 21,215
Europe	7,946	3,664
Revenue	**$ 40,906**	**$ 24,879**

The following table presents property, plant and equipment, net by geography and a reconciliation to consolidated property, plant and equipment, net for the periods presented:

(in thousands)	December 31, 2021	2020
United States	$ 34,840	$ 18,956
Europe	690	565
Property, plant and equipment, net	**$ 35,530**	**$ 19,521**

Note 15 Subsequent Events

The Company evaluated subsequent events through March 31, 2022, the date at which the consolidated financial statements were available to be issued. Relevant subsequent events are disclosed in the preceding notes to the consolidated financial statements.

UNAUDITED PRO FORMA COMBINED FINANCIAL INFORMATION

Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Current Report on Form 8/A filed by New Terran Orbital (as defined below) with the Securities and Exchange Commission (the "SEC") to which this Unaudited Pro Forma Combined Financial Information is attached (the "Amendment") that amends the Current Report on Form 8-K filed by Terran Orbital with the SEC on March 28, 2022 (the "Original Form 8-K") or, if such terms are not defined in the Amendment or the Original Form 8-K, then such terms shall have the meanings ascribed to them in the final prospectus and definitive proxy statement, dated February 14, 2022 filed with the SEC by Tailwind Two (as defined below) (the "Proxy Statement/Prospectus").

Introduction

On October 28, 2021, the Terran Orbital Corporation (the "Company" or "Terran Orbital") entered into a merger agreement (together with subsequent amendments, the "Merger Agreement") with Tailwind Two Acquisition Corp. ("Tailwind Two"), a publicly listed special purpose acquisition company. On March 25, 2022, the Company completed the merger with Tailwind Two (the "Tailwind Two Merger"), which resulted in the Company becoming a wholly-owned subsidiary of Tailwind Two. In connection with the Tailwind Two Merger, Tailwind Two was renamed Terran Orbital Corporation ("New Terran Orbital") and the Company was renamed Terran Orbital Operating Corporation. As a result of the Tailwind Two Merger, all of the Company's issued and outstanding common stock was converted into shares of New Terran Orbital's common stock using an exchange ratio of 27.585 shares of New Terran Orbital common stock per each share of the Company's common stock. In addition, the Company's convertible preferred stock and certain warrants were exercised and converted into shares of the Company's common stock immediately prior to the Tailwind Two Merger, and in turn, were converted into shares of New Terran Orbital's common stock as a result of the Tailwind Two Merger.

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 New Terran Orbital as well as approximately $51 million of cash that was raised by Tailwind Two through a contemporaneous sale of common stock in connection with the closing of a PIPE investment (the "PIPE Investment"). In addition, the Company received additional proceeds from the issuance of debt contemporaneously with the Tailwind Two Merger. The cash available for use by New Terran Orbital will be used for general corporate purposes as well as to pay for transaction costs incurred by both the Company and Tailwind Two, deferred underwriting fees related to Tailwind Two's initial public offering, portions of the Company's outstanding debt and other costs directly or indirectly attributable to the Tailwind Two Merger. For additional information regarding the Tailwind Two Merger and related transactions, including the shares of New Terran Orbital common stock issued at closing, reference is made to the "Introductory Note" in the Amendment.

The Company is providing the following unaudited pro forma combined financial information to aid you in your analysis of the financial aspects of the Tailwind Two Merger. The unaudited pro forma combined financial information has been prepared in accordance with Article 11 of Regulation S-X and should be read in conjunction with the accompanying notes.

The unaudited pro forma combined balance sheet as of December 31, 2021 combines the audited consolidated balance sheet of Terran Orbital as of December 31, 2021 with the audited consolidated balance sheet of Tailwind Two as of December 31, 2021, giving effect to the Tailwind Two Merger.

The unaudited pro forma combined statement of operations for the year ended December 31, 2021 combines the audited consolidated statement of operations of Terran Orbital for the year ended December 31, 2021 with the audited consolidated statement of operations of Tailwind Two for the year ended December 31, 2021, giving effect to the Tailwind Two Merger as if it had been consummated on January 1, 2021.

The unaudited pro forma combined financial information was derived from, and should be read in conjunction with, the following historical financial statements and the accompanying notes:

- The historical audited consolidated financial statements of Terran Orbital as of and for the year ended December 31, 2021 attached as Exhibit 99.1 to the Amendment; and
- The historical audited consolidated financial statements of Tailwind Two as of and for the year ended December 31, 2021 included in Tailwind Two's Annual Report on Form 10-K filed with the SEC on March 21, 2022 and incorporated by reference.

The foregoing historical financial statements have been prepared in accordance with GAAP. The unaudited pro forma combined financial information has been prepared based on the aforementioned historical financial statements and the assumptions and adjustments as described in the notes to the unaudited pro forma combined financial information. The pro forma adjustments reflect transaction accounting adjustments related to the Tailwind Two Merger, which is discussed in further detail below. The unaudited pro forma combined financial statements are presented for illustrative purposes only and do not purport to represent New Terran Orbital's consolidated results of operations or consolidated financial position that would actually have occurred had the Tailwind Two Merger been consummated on the dates assumed or to project New Terran Orbital's consolidated results of operations or consolidated financial position for any future date or period.

The unaudited pro forma combined financial information should also be read together with "*Terran Orbital's Management's Discussion and Analysis of Financial Condition and Results of Operations*" attached to the Amendment as Exhibit 99.3, "*Tailwind Two's Management's Discussion and Analysis of Financial Condition and Results of Operations*," included in Tailwind Two's Annual Report on Form 10-K filed with the SEC on March 21, 2022 and incorporated by reference and other financial information included elsewhere in the Proxy Statement/Prospectus and incorporated by reference into the Amendment to which this unaudited pro forma combined financial information is attached as Exhibit 99.2.

Accounting for the Tailwind Two Merger

While the Company became a wholly-owned subsidiary of New Terran Orbital, the Company is deemed to be the acquirer in the Tailwind Two Merger for accounting purposes. Accordingly, the Tailwind Two Merger will be accounted for as a reverse recapitalization, in which case the net assets of Tailwind Two will be stated at historical cost and no goodwill or other intangible assets will be recorded in connection with the Tailwind Two Merger. The treatment of the Tailwind Two Merger as a reverse recapitalization is based upon the pre-merger shareholders of the Company holding the majority of the voting interests of New Terran Orbital, the Company's existing management team serving as the initial management team of New Terran Orbital, the Company's appointment of the majority of the initial board of directors of New Terran Orbital, and the Company's operations comprising the ongoing operations of New Terran Orbital.

Basis of Pro Forma Presentation

The historical financial information has been adjusted to give pro forma effect to the transaction accounting required for the Tailwind Two Merger. The adjustments in the unaudited pro forma combined financial information have been identified and presented to provide relevant information necessary for an accurate understanding of New Terran Orbital subsequent to the Tailwind Two Merger.

The unaudited pro forma combined financial information is for illustrative purposes only. The financial results may have been different had the companies always been combined. You should not rely on the unaudited pro forma combined financial information as being indicative of the historical results that would have been achieved had the companies always been combined or the future results that the combined entity will experience. Terran Orbital and Tailwind Two have not had any historical relationship prior to the Tailwind Two Merger. Accordingly, no pro forma adjustments were required to eliminate activities between the companies.

Accounting Policies

Upon consummation of the Tailwind Two Merger, management will continue to perform a comprehensive review of Terran Orbital's and Tailwind Two's accounting policies. As a result of the review, management may identify differences between the accounting policies of the two entities which, when conformed, could have a material impact on the financial statements of New Terran Orbital. Based on the preliminary results of this analysis, management did not identify any differences that would have a material impact on the unaudited pro forma combined financial information.

Unaudited Pro Forma Combined Balance Sheet
As of December 31, 2021
(in thousands)

	Terran Orbital Historical	Tailwind Two Historical	Pro Forma Adjustments		New Terran Orbital Pro Forma Combined
Assets					
Cash and cash equivalents	$ 27,325	$ 1,553	$ 345,090	(A)	$ 102,846
			(315,657)	(B)	
			50,804	(C)	
			(45,957)	(D)	
			(4,480)	(K)	
			(29,620)	(L)	
			78,557	(M)	
			(4,769)	(O)	
Accounts receivable, net	3,723	—	—		3,723
Contract assets	2,757	—	—		2,757
Inventory	7,783	—	—		7,783
Prepaid expenses and other current assets	57,639	467	(6,085)	(D)	5,389
			(46,532)	(M)	
Total current assets	**99,227**	**2,020**	**21,251**		**122,498**
Property, plant and equipment, net	35,530	—	—		35,530
Other assets	639	—	(0)		639
Investments held in trust account	—	345,090	(345,090)	(A)	—
Total assets	**$ 135,396**	**$347,110**	**$ (323,889)**		**$ 158,677**
Liabilities, mezzanine equity, and shareholders' deficit					
Accounts payable	$ 9,366	$ —	$ (3,385)	(D)	$ 5,981
Current portion of long-term debt	14	—	—		14
Contract liabilities	17,558	—	—		17,558
Reserve for anticipated losses on contracts	886	—	—		886
Accrued offering costs	—	12	—		12
Accrued expenses and other current liabilities	76,136	2,146	(512)	(D)	36,933
			(6,666)	(K)	
			(3,395)	(J)	
			(6,666)	(L)	
			(24,110)	(M)	
Total current liabilities	**103,960**	**2,158**	**(44,734)**		**61,384**
Deferred underwriting fee payable	—	12,075	(12,075)	(D)	—
Warrant liabilities	5,631	16,405	(5,631)	(J)	16,405
Long-term debt	115,134	—	(6,880)	(K)	89,699
			(31,342)	(L)	
			17,222	(M)	
			(4,435)	(O)	
Other liabilities	2,028	—	12,980	(C)	14,814
			(71)	(K)	
			(55)	(L)	
			(68)	(O)	
Total liabilities	**226,753**	**30,638**	**(75,089)**		**182,302**
Commitments and contingencies					
Mezzanine equity:					
Class A ordinary shares subject to possible redemption (P)	—	345,000	(345,000)	(B)	—
Redeemable convertible preferred stock (P)	8,000	—	(8,000)	(G)	—
Shareholders' deficit:					
Common stock (P)	—	—	1	(C)	13
			8	(E)	
			1	(F)	
			1	(G)	
			2	(I)	
Class B ordinary shares (P)	—	1	(1)	(F)	—
Additional paid-in capital	97,745	—	29,343	(B)	241,683
			37,823	(C)	
			(21,736)	(D)	
			(8)	(E)	
			7,999	(G)	
			15,196	(H)	
			(2)	(I)	
			6,949	(J)	
			36,049	(K)	
			9,745	(L)	
			51,109	(M)	
			(28,529)	(N)	
Accumulated deficit	(197,066)	(28,529)	(14,334)	(D)	(265,295)
			(15,196)	(H)	
			2,077	(J)	
			(26,912)	(K)	
			(1,302)	(L)	
			(12,296)	(M)	
			28,529	(N)	
			(266)	(O)	

Accumulated other comprehensive loss	(36)	—	—	(36)
Total shareholders' deficit	**(99,357)**	**(28,528)**	**104,250**	**(23,635)**
Total liabilities, mezzanine equity and shareholders' deficit	**$ 135,396**	**$347,110**	**$ (323,839)**	**$ 158,667**

Unaudited Pro Forma Combined Statement of Operations
For the Year Ended December 31, 2021
(in thousands, except share and per share data)

	Terran Orbital Historical	Tailwind Two Historical	Pro Forma Adjustments		New Terran Orbital Pro Forma Combined	
Revenue	$ 40,906	$ —	$ —		$ 40,906	
Cost of sales	33,912	—	—		33,912	
Gross profit	6,994	—	—		6,994	
Selling, general and administrative expenses	43,703	4,400	15,196	(AA)	121,678	
			14,253	(BB)		
			44,126	(CC)		
Loss from operations	**(36,709)**	**(4,400)**	**(73,575)**		**(114,684)**	
Interest expense, net	7,965	—	22,589	(DD)	34,615	
			(194)	(II)		
			4,255	(JJ)		
Loss on extinguishment of debt	96,024	—	23,904	(FF)	118,540	
			(1,722)	(GG)		
			334	(HH)		
Change in fair value of warrant and derivative liabilities	(1,716)	(2,509)	(2,077)	(KK)	12,593	
			441	(MM)		
			18,454	(NN)		
Transaction costs allocable to warrants	—	649	—		649	
Interest earned on investments held in trust account	—	(90)	90	(EE)	—	
Other (income) expense	(38)	—	14,334	(LL)	14,296	
Loss before income taxes	**(138,944)**	**(2,450)**	**(153,983)**		**(295,377)**	
Provision for income taxes	38	—			38	
Net loss	**$ (138,982)**	**$ (2,450)**	**$ (153,983)**		**$ (295,415)**	
Weighted average shares outstanding - Class A redeemable common stock		28,167,123				
Basic and diluted loss per share - Class A redeemable common stock		$ (0.07)				
Weighted average shares outstanding - Class B common stock		8,418,493				
Basic and diluted loss per share - Class B common stock		$ (0.07)				
Weighted-average shares outstanding - basic and diluted	2,780,993				137,295,455	(OO)
Net loss per share - basic and diluted	$ (49.98)				$ (2.15)	(OO)

NOTES TO UNAUDITED PRO FORMA COMBINED FINANCIAL INFORMATION

1. Basis of Presentation

The pro forma adjustments have been prepared as if the Tailwind Two Merger had been consummated on December 31, 2021 in the case of the unaudited pro forma combined balance sheet, and as if the Tailwind Two Merger had been consummated on January 1, 2021 in the case of the unaudited pro forma combined statement of operations.

The unaudited pro forma combined financial information has been prepared assuming the following methods of accounting in accordance with GAAP.

The Tailwind Two Merger is being accounted for as a reverse recapitalization in accordance with GAAP. Accordingly, for accounting purposes, the financial statements of New Terran Orbital will represent a continuation of the financial statements of Terran Orbital with the acquisition being treated as the equivalent of Terran Orbital issuing stock for the net assets of Tailwind Two, accompanied by a recapitalization. The net assets of Tailwind Two have been stated at historical cost, with no goodwill or other intangible assets recorded.

The pro forma adjustments represent management's estimates based on information available as of the date of this filing and are subject to change as additional information becomes available and additional analyses are performed. Management considers this basis of presentation to be reasonable under the circumstances.

The unaudited pro forma combined financial information does not give effect to any synergies, operating efficiencies, tax savings or cost savings that may be associated with the Tailwind Two Merger and related transactions.

The unaudited pro forma combined financial information does not give effect to any income tax benefit associated with the pro forma adjustments as such pro forma adjustments result in the generation of additional net operating losses offset by a full valuation allowance recorded on such net operating losses as it is more-likely-than-not that the net operating losses will not be utilized.

The pro forma adjustments reflecting the completion of the Tailwind Two Merger and related transactions are based on currently available information and assumptions and methodologies that management believes are reasonable under the circumstances. The pro forma adjustments, which are described in the accompanying notes, may be revised as additional information becomes available and is evaluated. Therefore, it is likely that the actual adjustments will differ from the pro forma adjustments and it is possible the difference may be material. Management believes that its assumptions and methodologies provide a reasonable basis for presenting all of the significant effects of the Tailwind Two Merger and related transactions based on information available to management at the current time and that the pro forma adjustments give appropriate effect to those assumptions and are properly applied in the unaudited pro forma combined financial information.

The unaudited pro forma combined financial information is not necessarily indicative of what the actual results of operations and financial position would have been had the Tailwind Two Merger and related transactions taken place on the dates indicated, nor are they indicative of the future consolidated results of operations or financial position of New Terran Orbital. They should be read in conjunction with the historical financial statements and notes thereto of Terran Orbital and Tailwind Two.

One-time direct and incremental transaction costs anticipated to be incurred prior to, or concurrent with, the Tailwind Two Merger are reflected in the unaudited pro forma combined balance sheet as a direct reduction to New Terran Orbital's additional paid-in capital and are assumed to be cash settled. One-time non-recurring charges anticipated to be recorded prior to, or concurrent with, the Tailwind Two Merger are reflected in the unaudited pro forma combined balance sheet as an increase to New Terran Orbital's accumulated deficit and are included in the unaudited pro forma combined statement of operations for the year ended December 31, 2021.

2. Adjustments and Assumptions to the Unaudited Pro Forma Combined Balance Sheet as of December 31, 2021

The adjustments included in the unaudited pro forma combined balance sheet as of December 31, 2021 are as follows:

(A) Represents the reclassification of cash held in trust account that becomes available in conjunction with the Tailwind Two Merger, assuming no redemption.

(B) Represents the redemption of 31.6 million shares of Tailwind Two Class A Ordinary Shares as well as the reclassification of the remaining 2.9 million shares of Tailwind Two Class A Ordinary Shares that are not redeemed from mezzanine equity to 2.9 million shares of New Terran Orbital common stock as such shares are no longer redeemable by the holder.

(C) Represents the net proceeds of $50.8 million from the PIPE Investment and the issuance of New Terran Orbital common stock to the PIPE Investors as well as the recognition of the liability associated with the quarterly fee payable to the Insider PIPE Investor. The liability associated with the Insider PIPE Investor was recognized using an allocation of proceeds approach based on relative fair value. The fair value of the liability was estimated using the discounted cash flow valuation method applied to the sixteen quarterly payments due to the Insider PIPE Investor with a discount rate based on a risk-free rate derived from constant maturity yields ranging from 0.16% for the first month to 2.36% in for the final future month plus a credit risk of 7.20% derived from an estimated credit rating of CCC and below, resulting in a discount rate ranging from 7.36% to 9.56%.

(D) Represents the estimated incurrence and settlement of transaction costs associated with the Tailwind Two Merger. Terran Orbital's balance sheet as of December 31, 2021 included $6.1 million deferred equity issuance costs, of which $3.9 million was unpaid. In addition, Tailwind Two's balance sheet as of December 31, 2021 included $12.1 million of deferred underwriting fees that were originally incurred but unpaid in connection with Tailwind Two's Initial Public Offering. Non-recurring transaction costs that were treated as an expense totaled $14.3 million, of which $9.7 million related to costs incurred by Tailwind Two and $4.6 million related to other costs not related to the issuance of debt or equity.

(E) Represents the issuance of 78.8 million shares of New Terran Orbital common stock to the existing Terran Orbital shareholders as consideration for the reverse recapitalization.

(F) Represents the conversion of Tailwind Two Class B Ordinary Shares into 8.1 million shares of New Terran Orbital common stock.

(G) Represents the issuance of 10.9 million shares of New Terran Orbital common stock in connection with the conversion of Terran Orbital's convertible preferred stock into common stock as part of the Tailwind Two Merger.

(H) Represents the non-recurring cumulative recognition of share-based compensation expense associated with Terran Orbital restricted stock units ("RSUs") that included a liquidity event, such as the Tailwind Two Merger, as a vesting condition. Prior to the Tailwind Two Merger, the RSUs were not probable of vesting and no share-based compensation expense was previously recognized.

(I) Represents the issuance of 22.3 million shares of New Terran Orbital common stock in connection with the net share settlement of existing warrants previously issued by Terran Orbital as part of the Tailwind Two Merger.

(J) Represents the issuance of 0.7 million shares of New Terran Orbital common stock in connection with the net share settlement of existing penny warrants previously issued by Terran Orbital as part of the Tailwind Two Merger. In connection with the Tailwind Two Merger, the warrants were modified to increase the number of shares the holders would receive in exchange for waiving their cash redemption rights. Additionally, includes the removal of other penny warrants issued that expired unexercised upon consummation of the Tailwind Two Merger.

(K) Represents the extinguishment of Terran Orbital's existing debt and issuance of new debt with Beach Point, resulting in a loss on extinguishment of debt due to the issuance of additional equity and the write-off of unamortized premium on debt and deferred issuance costs. In addition, certain liability-classified contingently issuable warrants and derivatives were remeasured at fair value and reclassified to additional paid-in capital upon issuance as part of the Tailwind Two Merger.

(L) Represents the partial extinguishment of Terran Orbital's existing debt with Lockheed Martin, resulting in a gain on the partial extinguishment of debt due to the write-off of unamortized premium on debt and deferred issuance costs. In addition, certain liability-classified contingently issuable warrants and derivatives were remeasured at fair value and reclassified to additional paid-in capital upon issuance as part of the Tailwind Two Merger.

(M) Represents the issuance of the Delayed Draw Notes and the Conditional Notes as part of the Francisco Partners Facility in connection with the Tailwind Two Merger and includes the recognition of deferred issuance costs and discount on debt, inclusive of a reclassification of deferred debt commitment costs. In addition, certain liability-classified contingently issuable derivatives were remeasured at fair value and reclassified to additional paid-in capital upon issuance as part of the Tailwind Two Merger.

(N) Represents the elimination of Tailwind Two's historical accumulated deficit.

(O) Represents the extinguishment of Terran Orbital's existing debt in connection with the Tailwind Two Merger, resulting in a loss on extinguishment of debt due to the write-off of unamortized discount on debt and deferred issuance costs.

(P) Upon consummation of the Tailwind Two Merger, the capital structure of New Terran Orbital consists of a single class of common stock and preferred stock. Authorized, issued and outstanding shares for each class of common stock and preferred stock as of December 31, 2021 and on a pro forma basis are as follows:

	As of December 31, 2021			Pro Forma Combined		
	Authorized	Issued	Outstanding	Authorized	Issued	Outstanding
Terran Oribtal redeemable convertible preferred stock	744,130	396,870	396,870	—	—	—
Terran Orbital common stock	5,500,000	2,849,414	2,849,414	—	—	—
Tailwind Two preference shares	1,000,000	—	—	—	—	—
Tailwind Two Class A ordinary shares subject to possible redemption	500,000,000	34,500,000	34,500,000	—	—	—
Tailwind Two Class B ordinary shares	50,000,000	8,625,000	8,625,000	—	—	—
New Terran Orbital preferred stock	—	—	—	50,000,000	—	—
New Terran Orbital common stock	—	—	—	300,000,000	137,295,455	137,295,455

3. Adjustments and Assumptions to the Unaudited Pro Forma Combined Statement of Operations for the Year ended December 31, 2021

The adjustments included in the unaudited pro forma combined statement of operations for the year ended December 31, 2021 are as follows:

(AA) Represents the non-recurring cumulative recognition of share-based compensation expense associated with Terran Orbital RSUs that included a liquidity event, such as the Tailwind Two Merger, as a vesting condition. Prior to the Tailwind Two Merger, the RSUs were not probable of vesting and no share-based compensation expense was previously recognized.

(BB) Represents the ongoing recognition of share-based compensation expense associated with Terran Orbital RSUs discussed in (AA).

(CC) Represents the recognition of share-based compensation expense associated with Terran Orbital RSUs granted in 2022. These share-based compensation awards will generally vest on the latest occur of: (i) the first anniversary of the consummation of the Tailwind Two Merger, (ii) the trading price of New Terran Orbital'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 and (iii) such other performance vesting conditions. The derived service period for the market-based vesting conditions is 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 awards will be recognized over a one-year period beginning from the consummation of the Tailwind Two Merger. Accordingly, the recognition of the share-based compensation expense has been applied on a nonrecurring basis. There is no balance sheet adjustment associated with these awards as they were issued subsequent to the Tailwind Two Merger for pro forma purposes.

(DD) Represents the recognition of interest expense associated with the issuance of the Delayed Draw Notes and Conditional Notes in connection with the Tailwind Two Merger, as discussed in adjustment (M). The interest expense was calculated using the 9.25% coupon rate and includes the amortization of a combined $71.8 million discount and deferred issuance costs on the new debt.

(EE) Represents the removal of interest earned on marketable securities held in the trust account.

(FF) Represents the non-recurring impact associated with the extinguishment of Terran Orbital's existing debt with Beach Point in connection with the Tailwind Two Merger, as discussed in adjustment (K).

(GG) Represents the non-recurring impact associated with the partial extinguishment of Terran Orbital's existing debt with Lockheed Martin in connection with the Tailwind Two Merger, as discussed in adjustment (L).

(HH) Represents the non-recurring impact associated with the extinguishment of Terran Orbital's existing debt in connection with the Tailwind Two Merger, as discussed in adjustment (O).

(II) Represents the non-recurring impact associated with the reduction of interest expense related to the reversal of accrued interest associated with an increasing interest rate feature related to adjustments (K), (L), and (O).

(JJ) Represents the interest expense associated with the liability recognized in relation to the Insider PIPE Investor as discussed at adjustment (C). The interest expense was calculated as the difference between the recognized value and the face value of the liability accreted over a period of four years, which represents the term of the repayment obligation.

(KK) Represents the non-recurring impact associated with certain warrants previously issued by Terran Orbital as part of the Tailwind Two Merger as discussed in adjustment (J).

(LL) Represents the non-recurring impact for transaction costs incurred by Tailwind Two as well as other costs not related to the issuance of debt or equity as discussed in (D).

(MM) Represents the removal of fair value remeasurements on Terran Orbital's liability-classified warrants and derivatives that were settled, issued, or expired in connection with the Tailwind Two Merger.

(NN) Represents the non-recurring impact associated with the fair value remeasurement of certain liability-classified contingently issuable warrants and derivatives that were issued as part of the Tailwind Two Merger as discussed in adjustments (K), (L), and (M).

(OO) Represents net loss per share computed by dividing net loss by the weighted-average shares outstanding.

TERRAN ORBITAL'S MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Unless the context otherwise requires, (1) all references in this Exhibit 99.3 to "Terran Orbital," the "Company," "we," "us," or "our" refer to the business of Terran Orbital Corporation and its subsidiaries prior to the Tailwind Two Merger (as defined below) and to the business of Terran Orbital Corporation (formerly known as Tailwind Two Acquisition Corp.) and its subsidiaries following the consummation of the Business Combination and (2) all references in this Exhibit 99.3 to "New Terran Orbital" refer to Terran Orbital Corporation (formerly known as Tailwind Two Acquisition Corp.) following the consummation of the Business Combination.

The following discussion and analysis of Terran Orbital's financial condition and results of operations should be read in conjunction with our consolidated financial statements as of and for the years ended December 31, 2021 and 2020 and the related notes thereto filed as Exhibit 99.1 to this Current Report on Form 8-K/A (this "Amendment") filed with the Securities and Exchange Commission (the "SEC") on March 31, 2022 to which this Exhibit is filed. 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 elsewhere in this Form 8-K. Additionally, our historical results are not necessarily indicative of the results that may be expected for any period in the future.

Capitalized terms used but not defined in this Exhibit 99.3 shall have the meanings ascribed to them in this Amendment and, if not defined in this Amendment in the Current Report on Form 8-K filed by Terran Orbital Corporation with the SEC on March 28, 2022 (the "Original Form8-K"), or if not defined in the Original Form 8-K, the final prospectus and definitive proxy statement dated February 14, 2022 filed by Terran Orbital Corporation (formerly known as Tailwind Two Acquisition Corp.) prior to the consummation of the Business Combination (the "Proxy Statement/Prospectus").

OVERVIEW

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 persistent, 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.

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 andon-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 satellite constellation of 96 satellites is planned to be completed and in-orbit by 2026. 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 Earth Observation Solutions segment is still in its developmental stage and does not yet generate any material revenue.

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.

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.

During March 2020, the Coronavirus Aid, Relief, and Economic Security Act (the "*CARES Act*") was signed into law. During May 2020, the Company received $2.5 million related to the origination of a loan pursuant to the U.S. Small Business Administration ("*SBA*") Paycheck Protection Program under Title I of the CARES Act (the "*PPP Loan*"). In June 2020, the terms of the PPP Loan were amended with the passing of the Paycheck Protection Program Flexibility Act ("*PPPFA*"). For any amounts that were unforgiven, the terms of the loan called for an interest rate of 1% and a maturity date of two years. During October 2020, the Company filed for forgiveness of the PPP Loan as 100% of the proceeds were utilized for qualified payroll and payroll related costs in accordance with the applicable provisions governing the PPP Loan. During June 2021, the SBA paid the lender the full amount of principal and interest on the PPP Loan. The Company recorded a gain on extinguishment of the PPP Loan of approximately $2.6 million in June 2021. There were no contractual principal or interest payments made by the Company prior to the forgiveness of the PPP Loan.

The CARES Act also includes several significant business income tax provisions. In connection with the CARES Act, the Company benefited from the five-year carryback rule which allowed the Company to carryback certain of its federal net operating losses ("*NOLs*") to the 2015 and 2016 tax years.

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 during 2021 and 2020. 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 years ended December 31, 2021 and 2020. 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 consolidated financial statements in future reporting periods.

For additional discussion of the impacts and risks to Terran Orbital's business from the COVID-19 Pandemic, please refer to the section entitled "*Risk Factors*" of this Amendment.

RECENT DEVELOPMENTS

Reserve for Anticipated Losses on Contracts

The Company establishes 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. From time to time, the Company 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 the Company for future contracts or to enhance the Company's product and service offerings. However, in some instances, loss contracts may occur from unforeseen cost overruns which are not recoverable from the customer.

As of December 31, 2019, the Company's reserve for anticipated losses on contracts totaled $7 million and has decreased to $886 thousand as of December 31, 2021. The Company's reserve for anticipated losses on contracts resulted from a combination of strategic decisions and unforeseen cost overruns and primarily related to contracts entered into prior to December 31, 2018. The decrease in the reserve for anticipated losses on contracts was related to the completion, partial completion, or modification of such contracts.

The Company expects that it may experience additional losses on contracts in the future and that such future losses may occur at levels and frequencies different from historical experience. Such losses may be due to strategic decisions, cost overruns or other circumstances within or outside of the Company's control. Accordingly, historical experience with loss contracts is not indicative or predictive of future experience with loss contracts.

PredaSAR Merger

On February 26, 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 25,000 shares of Series Seed Preferred Stock for shares of the Company's common stock (the "*PredaSAR Merger*"). Each holder of the Series Seed Preferred Stock received 15.523 shares of the Company's common stock for each share of Series Seed Preferred Stock, resulting in the issuance of 388,064 shares of the Company's common stock. Fractional shares were settled in cash and were not material. The PredaSAR Merger resulted in PredaSAR becoming a wholly owned subsidiary of Terran Orbital Corporation.

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 29,835 restricted stock units ("*RSUs*") granted under the Amended and Restated Terran Orbital Corporation 2014 Equity Incentive Plan (the "*2014 Plan*").

Francisco Partners Facility

On November 24, 2021 (the "*FP NPA Closing Date*"), the Company entered into a note purchase agreement (the "*FP Note Purchase Agreement*") for the issuance and sale of senior secured notes in an aggregate principal amount of up to $150 million due on November 24, 2026 (the "Francisco Partners Facility") with certain managed funds or investment vehicles of Francisco Partners. The Francisco Partners Facility originally consisted of (i) $30 million of senior secured notes, which were drawn on the FP NPA Closing Date (the "*Pre-Combination Notes*"), (ii) $20 million of senior secured notes drawable at the closing of the Tailwind Two Merger (as defined below) (the "*Delayed Draw Notes*"), and (iii) up to an additional $100 million of senior secured notes drawable at the closing of the Tailwind Two Merger (the "*Conditional Notes*"). Deferred debt commitment costs related to the Francisco Partners Facility totaled $62.4 million and related to an original issue discount of $5 million, third-party legal fees of $864 thousand, warrants and contingently issuable warrants and equity. Deferred debt commitment costs are reclassified to discount on debt and deferred issuance costs, as it relates to third-party legal fees, at the time the underlying debt is issued.

The Pre-Combination Notes were issued net of a $5 million original issue discount and resulted in proceeds received of $25 million, of which $10.8 million was allocated to proceeds from debt and $14.2 million was allocated to proceeds from warrants and derivatives in the consolidated statements of cash flows. The Company reclassified deferred debt commitment costs of $15.5 million to discount on debt and $218 thousand to deferred issuance costs related to the issuance of the Pre-Combination Notes.

On March 9, 2022, the Company amended the FP Note Purchase Agreement to, among other things, (i) increase the principal amount of senior secured notes that may be issued under the Francisco Partners Facility to up to $154 million, (ii) increase 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.

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, as described below.

Upon closing of the Tailwind Two Merger, Conditional Notes of $65 million were issued net of a $5 million original issue discount and resulted in proceeds received of $60 million.

Refer to the discussions below under "Liquidity and Capital Resources" for further details.

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 due 2028 (the "Convertible Notes due 2028"). The loss on extinguishment of debt totaled $70.6 million and included the recognition of warrants issued at fair value, the fair value adjustment related to the issuance of the Senior Secured Notes due 2026, the write-off of unamortized deferred issuance costs on the extinguished Convertible Notes due 2028, and certain third-party financing expenses.

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 consolidated statements of cash flows. The Company allocated $2.8 million of deferred issuance costs to the Senior Secured Notes due 2026.

In connection to the Merger Agreement and the FP Note Purchase Agreement, the Senior Secured Notes due 2026 note purchase agreement was amended in November 2021 to provide consent to the Company incurring obligations related to the Pre-Combination Notes under the FP Note Purchase Agreement as well as aligning cash interest payments prior to March 8, 2024 with the terms of cash interest payments under the FP Note Purchase Agreement. In addition, Lockheed Martin and Beach Point Capital ("*Beach Point*") each agreed to, at their option, (a) exchange up to $25 million (in the case of Lockheed Martin) and $25 million (in the case of Beach Point) of aggregate principal amount of Senior Secured Notes due 2026 for the same principal amount of debt to be issued under, and governed by, a new loan agreement or note purchase agreement, or (b) keep outstanding such amounts of aggregate principal amount of Senior Secured Notes due 2026 under its existing note purchase agreement (in either case, the "*Rollover Debt*"). The Rollover Debt will have substantially similar terms as the terms of the Francisco Partners Facility, except that the Rollover Debt will not have call protection, will be issued without original issue discount, and will be available at the closing of the Tailwind Two Merger.

The Company issued warrants and contingently issuable warrants and equity to each of Lockheed Martin and Beach Point in connection with the amendment to the Senior Secured Notes due 2026 which resulted in the extinguishment and re-issuance of the Senior Secured Notes due 2026 for each of Lockheed Martin and Beach Point for accounting purposes. The loss on extinguishment of debt totaled $28 million and included the recognition of warrants and contingently issuable warrants and equity at fair value, the fair value adjustment related to the re-issuance of the Senior Secured Notes due 2026, the write-off of unamortized discount on debt and deferred issuance costs on the extinguished Senior Secured Notes due 2026, and certain third-party financing expenses. The re-issued Senior Secured Notes were recognized at fair value with a $6.6 million premium less $420 thousand of deferred issuance costs.

On March 25, 2022, the Senior Secured Notes due 2026 note purchase agreement was amended to, among other things, (i) set the Rollover Debt for Lockheed Martin to $25 million, (ii) increase and set the Rollover Debt for Beach Point to $31.3 million, (iii) set the terms of the Rollover Debt to have substantially similar terms as the terms in the Francisco Partners Facility, excluding call protection and Rollover Debt for Beach Point 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 Rollover Debt for Beach Point to be subordinate to the Francisco Partners Facility.

Upon closing of the Tailwind Two Merger, approximately $56.3 million of the Senior Secured Notes due 2026 remained outstanding as Rollover Debt while the remainder was repaid in connection with the Tailwind Two Merger.

Refer to the discussions below under "Liquidity and Capital Resources" for further details

Tailwind Two Merger

On October 28, 2021, the Company entered into a merger agreement (together with subsequent amendments, the "*Merger Agreement*") with Tailwind Two Acquisition Corp. ("*Tailwind Two*"), a publicly listed special purpose acquisition company. On March 25, 2022, the Company completed the merger with Tailwind Two (the "*Tailwind Two Merger*"), which resulted in the Company becoming a wholly-owned subsidiary of Tailwind Two. In connection with the Tailwind Two Merger, Tailwind Two was renamed Terran Orbital Corporation (" *New Terran Orbital*") and the Company was renamed Terran Orbital Operating Corporation. As a result of the Tailwind Two Merger, all of the Company's issued and outstanding common stock was converted into shares of New Terran Orbital's common stock using an exchange ratio of 27.585 per each share of the Company's common stock. In addition, the Company's convertible preferred stock and certain warrants were exercised and converted into shares of the Company's common stock immediately prior to the Tailwind Two Merger, and in turn, were converted into shares of New Terran Orbital's common stock as a result of the Tailwind Two Merger. Further, in connection with the Tailwind Two Merger, the Company'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 New Terran Orbital.

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 New Terran Orbital as well as approximately $51 million of cash that was raised by Tailwind Two through a contemporaneous sale of common stock in connection with the closing of a PIPE investment (the "*PIPE Investment*"). In addition, the Company received additional proceeds from the issuance of debt contemporaneously with the Tailwind Two Merger. The cash available for use by New Terran Orbital will be used for general corporate purposes as well as to pay for transaction costs incurred by both the Company and Tailwind Two, deferred underwriting fees related to Tailwind Two's initial public offering, portions of the Company's outstanding debt and other costs directly or indirectly attributable to the Tailwind Two Merger.

For additional discussion of the Tailwind Two Merger and these related financing agreements, please refer to *Items 1.01 and 2.03* of the Original Form 8-K and the Introductory Note and Item 2.01 of this Amendment.

For more information about the estimated financial impacts of the Tailwind Two Merger, see "*Unaudited Pro Forma Combined Financial Information*" attached to this Amendment as Exhibit 99.2.

RESULTS OF OPERATIONS

Year Ended December 31, 2021 Compared to Year Ended December 31, 2020

The following table presents our consolidated results of operations for the years ended December 31, 2021 and 2020:

(in thousands)	Years Ended December 31, 2021	2020	$ Change
Revenue	$ 40,906	$ 24,879	$ 16,027
Cost of sales	33,912	16,860	17,052
Gross profit	**6,994**	**8,019**	**(1,025)**
Selling, general and administrative expenses	43,703	17,438	26,265
Loss from operations	**(36,709)**	**(9,419)**	**(27,290)**
Interest expense, net	7,965	1,216	6,749
Loss on extinguishment of debt	96,024	—	96,024
Change in fair value of warrant and derivative liabilities	(1,716)	—	(1,716)
Other (income) expense	(38)	4	(42)
Loss before income taxes	**(138,944)**	**(10,639)**	**(128,305)**
Provision for (benefit from) income taxes	38	(184)	222
Net loss	**($ 138,982)**	**$(10,455)**	**($ 128,527)**

Revenue

The following table presents revenue by segment for the years ended December 31, 2021 and 2020:

(in thousands)	Years Ended December 31, 2021	2020	$ Change
Satellite Solutions	$ 40,736	$ 24,860	$ 15,876
Earth Observation Solutions	170	19	151
Revenue	**$ 40,906**	**$ 24,879**	**$ 16,027**

The increase in revenue attributable to the Satellite Solutions segment was primarily due to continued progress made in satisfying our existing customer contracts and reflects the favorable impact of a significant contract that commenced in late 2020 as well as a significant increase in scope of an existing contract in late 2021.

The Earth Observation Solutions segment is still in its developmental stage and generates 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 years ended December 31, 2021 and 2020:

(in thousands)	Years Ended December 31, 2021	2020	$ Change
Satellite Solutions	$ 33,712	$ 16,657	$ 17,055
Earth Observation Solutions	75	8	67
Share-based compensation expense	125	195	(70)
Cost of sales	**$ 33,912**	**$ 16,860**	**$ 17,052**

The increase in cost of sales attributable to the Satellite Solutions segment was primarily due to an increase of $13.4 million in labor, materials, third-party services, overhead and other direct costs incurred in satisfying our customer contracts, an increase of $3.5 million related to a lower release of reserves for anticipated losses as a result of continued progress made in satisfying the associated contracts, and an increase in depreciation and amortization of $632 thousand. These increases were partially offset by a reduction of $425 thousand related to scrap and obsolete materials.

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

Selling, general, and administrative expenses

The following table presents selling, general and administrative expenses by segment and other components for the years ended December 31, 2021 and 2020:

(in thousands)	Years Ended December 31, 2021	2020	$ Change
Satellite Solutions	$ 10,350	$ 10,331	$ 19
Earth Observation Solutions	4,369	2,714	1,655
Corporate and other	28,431	3,394	25,037
Share-based compensation expense	553	999	(446)
Selling, general and administrative expenses	**$ 43,703**	**$ 17,438**	**$ 26,265**

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

- An increase in corporate, accounting, legal and recruiting fees of $14.4 million and an increase in corporate salaries and wages of $7.9 million as part of the Company's efforts to become a public company,
- An increase in salaries and wages of $1.3 million due to an increase in headcount for the Earth Observation Solutions segment,
- An increase in corporate facility costs of $868 thousand due to new leases for office locations commencing in 2021,
- An increase of $368 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,
- A decrease of $446 thousand in share-based compensation expense primarily as a result of certain larger awards becoming fully vested as of December 31, 2020 coupled with the Company not recognizing expense related to awards granted in 2021 as such awards included a performance condition that was not considered probable of vesting, and
- A decrease of $387 thousand due to a lower provision for credit losses in the Satellite Solutions segment.

Interest expense, net

The increase in interest expense, net was due to an increase in outstanding debt coupled with an increase in interest rate as a result of the Company's financing transactions during 2021, partially offset by an increase in capitalized interest of $1.1 million associated with the Company's continued development of its NextGen Earth observation constellation.

Loss on extinguishment of debt

Loss on extinguishment of debt totaled $96 million and was comprised of a $70.6 million loss related to the refinancing of the Convertible Notes due 2028 in March 2021, a $28 million loss related to the amendments to the Senior Secured Notes due 2026 in November 2021, offset by a $2.6 million gain related to extinguishment of the PPP Loan.

Change in fair value of warrant and derivative liabilities

Change in fair value of warrant and derivative liabilities relates to the periodic fair value remeasurement of liability-classified warrants and derivatives granted in connection with the Company's financing transactions during 2021.

Provision for (benefit from) income taxes

Provision for income taxes for 2021 was $38 thousand, resulting in an effective tax rate for the period of nearly 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 they will not be utilized. The remainder of the Company's provision for income taxes was related to the Company's foreign subsidiary.

Benefit from income taxes for 2020 was $184 thousand, resulting in an effective tax rate for the period of 1.7%. 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 they will not be utilized. During 2020, the Company had a favorable impact from the CARES Act, which allowed the Company to carry back its NOLs to the 2015 and 2016 tax years.

NON-GAAP MEASURES

To provide investors with additional information in connection with the Company's results as determined in accordance with GAAP, the Company discloses 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 fromnon-GAAP measures made by other companies. These measures may exclude items that are significant in understanding and assessing the Company's 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

The Company believes that the presentation of Adjusted Gross Profit is appropriate to provide additional information to investors about its gross profit adjusted for certain non-cash items. Further, the Company believes Adjusted Gross Profit provides a meaningful measure of operating profitability because the Company uses it for evaluating its business performance, making budgeting decisions, and comparing its performance against that of other peer companies using similar measures.

The Company defines Adjusted Gross Profit as gross profit 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. 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 as calculated in accordance with GAAP.

The following table reconciles Adjusted Gross Profit to gross profit (the most comparable GAAP measure) for the years ended December 31, 2021 and 2020:

	Years Ended December 31,		
(in thousands)	**2021**	**2020**	**$ Change**
Gross profit	**$ 6,994**	**$ 8,019**	**$ (1,025)**
Share-based compensation expense	125	195	(70)
Depreciation and amortization	2,350	1,718	632
Adjusted gross profit	**$ 9,469**	**$ 9,932**	**$ (463)**

The decrease in Adjusted Gross Profit was largely due to a lower release of reserves for anticipated losses as a result of continued progress made in satisfying the associated contracts, partially offset by lower scrap and obsolete materials. Refer to the discussions above under "Results of Operations" for further details.

Adjusted EBITDA

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

The Company defines 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 the Company's 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 years ended December 31, 2021 and 2020:

	Years Ended December 31,		
(in thousands)	**2021**	**2020**	**$ Change**
Net loss	**$(138,982)**	**$ (10,455)**	**$(128,527)**
Interest expense, net	7,965	1,216	6,749
Provision for (benefit from) income taxes	38	(184)	222
Depreciation and amortization	3,053	2,934	119
Share-based compensation expense	678	1,194	(516)
Loss on extinguishment of debt	96,024	—	96,024
Change in fair value of warrant and derivative liabilities	(1,716)	—	(1,716)
Other, net[(a)]	6,796	4	6,792
Adjusted EBITDA	**$ (26,144)**	**$ (5,291)**	**$ (20,853)**

(a) Represents other (income) expense and other charges and non-cash items. Non-recurring legal and accounting fees related to the Company's transition to a public company are included in 2021.

The decrease in Adjusted EBITDA was primarily due to a decrease in gross profit and an increase in legal and accounting fees and salaries and wages as a result of the Company's buildout of operational and corporate capacity. Refer to the discussions above under "Results of Operations" for further details.

KEY PERFORMANCE INDICATORS

The Company views growth in backlog as a key measure of its 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 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. 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.

The Company's backlog totaled $73.9 million and $77.9 million as of December 31, 2021 and 2020, respectively. As of December 31, 2021, programs associated with Lockheed Martin represented approximately 56% of the Company's backlog.

LIQUIDITY AND CAPITAL RESOURCES

Liquidity

The Company's future cash needs are expected to include cash for operating activities, working capital, purchases of property and equipment, strategic investments, development and expansion of facilities, and development of its NextGen Earth observation constellation and debt service requirements.

The Company has historically funded its operations primarily through the issuance of debt and the sale of equity securities. In order to proceed with the Company's business plan following the consummation of the Tailwind Two Merger, the Company expects to need to raise additional funds through the issuance of additional debt, equity or other commercial arrangements, which may not be available to the Company when needed or on terms that the Company deems to be favorable. To the extent the Company raises additional capital through the sale of equity or convertible securities, the ownership interest of its 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 the Company's ability to take specific actions, such as incurring additional debt, making acquisitions or capital expenditures or declaring dividends. If the Company is unable to obtain sufficient financial resources, its business, financial condition and results of operations may be materially and adversely affected. The Company may be required to delay, limit, reduce or terminate parts of its strategic business plan or future commercialization efforts. There can be no assurance the Company will be able to obtain financing on acceptable terms.

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

As of December 31, 2021, the Company had $27.3 million of cash and cash equivalents, which included $1.4 million of cash and cash equivalents held by its foreign subsidiary. The Company is not presently aware of any restrictions on the repatriation of its foreign cash and cash equivalents; however, earnings of its 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 the Company to incur additional foreign withholding taxes. The Company does not currently intend to repatriate these earnings.

Following the consummation of the Tailwind Two Merger, the Company's 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 and (iv) continued buildout of corporate functions and public company compliance requirements, inclusive of accounting and legal fees. The Company's long-term liquidity requirements include initiatives related to (i) development of the NextGen Earth observation constellation, inclusive of ground infrastructure, (ii) development of the Space Florida Facility and (iii) development of new satellite components and data and analytics software and infrastructure. Additionally, the Company's liquidity requirements include the repayment of debt and other payment obligations incurred as a result of the consummation of the Tailwind Two Merger. The timing and amount of spend on these initiatives may be materially delayed, reduced, and cancelled as a result of the level of redemptions at the time of consummation of the Tailwind Two Merger.

For more information about the estimated financial impacts of the Tailwind Two Merger, see "*Unaudited Pro Forma Combined Financial Information*" attached to this Amendment as Exhibit 99.2.

Debt

As of December 31, 2021, debt was comprised of the following:

(in thousands) **Description**	**Issued**	**Maturity**	**Interest Rate**	**Interest Payable**	**Balance**
Pre-Combination Notes	November 2021	November 2026	9.25%	Quarterly	$ 30,289
Senior Secured notes due 2026	March 2021	April 2026	11.00%	Quarterly	94,686
Finance leases	N/A	N/A	N/A	N/A	53
Unamortized deferred issuance costs					(761)
Unamortized discount on debt					(9,119)
Total debt					**115,148**
Current portion of long-term debt					14
Long-term debt					**$115,134**

N/A — Not meaningful

Francisco Partners Facility

On the FP NPA Closing Date, the Company entered into the FP Note Purchase Agreement for the issuance and sale of senior secured notes in an aggregate principal amount of up to $150 million due on November 24, 2026 with certain managed funds or investment vehicles of Francisco Partners. The Francisco Partners Facility originally consisted of (i) $30 million of Pre-Combination Notes, which were drawn on the FP NPA Closing Date, (ii) $20 million of Delayed Draw Notes drawable at the closing of the Tailwind Two Merger, and (iii) up to an additional $100 million of Conditional Notes drawable at the closing of the Tailwind Two Merger. The Pre-Combination Notes were issued net of a $5 million discount on debt and resulted in proceeds received of $25 million.

On March 9, 2022, the Company amended the FP Note Purchase Agreement to, among other things, (i) increase the principal amount of senior secured notes that may be issued under the Francisco Partners Facility to up to $154 million, (ii) increase 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 of $24 million senior secured notes were issued net of a $4 million discount on debt and resulted in proceeds received of $20 million.

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, as described below.

Upon closing of the Tailwind Two Merger, Conditional Notes of $65 million were issued net of a $5 million original issue discount and resulted in proceeds received of $60 million.

Senior secured notes issued pursuant to the Francisco Partners Facility bear interest at a rate of 9.25% per annum, which is due and payable in arrears on the last business day of each calendar quarter, commencing with the calendar quarter ending December 31, 2021. The Francisco Partners Facility included certain escalations in interest rate in the event of delay or termination of the Tailwind Two Merger that were not triggered. In addition, a one-time interest payment is due upon the earlier to occur of the 1-year anniversary of the FP NPA Closing Date or the closing date of the Tailwind Two Merger. However, in lieu of payment in cash

of all or any portion of the interest amount due on or prior to the earlier to occur of the 1-year anniversary of the FP NPA Closing Date or the closing date of the Tailwind Two Merger, such unpaid interest amount will be added to the principal balance of the senior secured notes on such interest payment date. As of December 31, 2021, approximately $289 thousand of contractual interest was included in the outstanding principal balance of the Pre-Combination Notes.

As part of the amendment on March 25, 2022, interest is due and payable in arrears on 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.

The Francisco Partners Facility requires the Company to make certain mandatory prepayments with (i) 100% of net cash proceeds of allnon-ordinary course asset sales or other dispositions of property and any extraordinary receipts, subject to the ability to reinvest such proceeds and certain other exceptions and (ii) 100% of the net cash proceeds of any debt incurrence, other than debt permitted by the FP Note Purchase Agreement. The Company may prepay senior secured notes issued pursuant to the Francisco Partners Facility at any time subject to payment of customary breakage costs and a customary make-whole premium for any voluntary prepayment made prior to the first anniversary of the FP NPA Closing Date (the "Callable Date"), followed by a call premium of (i) 3.0% on or prior to the first anniversary of the Callable Date, (ii) 2.00% after the first anniversary of the Callable Date but on or prior to the second anniversary of the Callable Date, and (iii) at par thereafter. The Francisco Partners Facility included certain customary make-whole premiums for any voluntary prepayments in the event of delay or termination of the Tailwind Two Merger that were not triggered.

The Francisco Partners Facility contains certain customary affirmative covenants, negative covenants and events of default. In addition, commencing with the first fiscal quarter ending after the closing of the Tailwind Two Merger, the Francisco Partners Facility will have a liquidity maintenance financial covenant that, subject to certain conditions, requires that as of the last day of each fiscal quarter, the Company and New Terran Orbital have an aggregate amount of unrestricted cash and cash equivalents of at least the greater of (a) $20 million and (b) an amount equal to 15% of the total funded indebtedness of the Company and New Terran Orbital.

As part of the amendment on March 25, 2022, the liquidity maintenance financial covenant was modified to (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) thereafter, $20.0 million plus 15% of debt incurred after closing of the Tailwind Two Merger. In addition, a new covenant was added requiring New Terran, the Company and its subsidiaries 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.

The obligations under the Francisco Partners Facility are guaranteed by the Company's wholly-owned U.S. subsidiaries, subject to certain exceptions, and will be guaranteed by New Terran Orbital promptly following the closing of the Tailwind Two Merger.

Senior Secured Notes due 2026

On March 8, 2021, the Company issued $87 million aggregate principal amount of Senior Secured Notes due 2026 which resulted in gross proceeds of $50 million from Lockheed Martin and the exchange and extinguishment of $37 million then outstanding Convertible Notes due 2028.

In connection to the Merger Agreement and the FP Note Purchase Agreement, the Senior Secured Notes due 2026 note purchase agreement was amended in November 2021 to provide consent to the Company incurring obligations related to the Pre-Combination Notes under the FP Note Purchase Agreement as well as aligning cash interest payments prior to March 8, 2024 with the terms of cash interest payments under the FP Note Purchase

Agreement. In addition, Lockheed Martin and Beach Point each agreed to, at their option, (a) exchange up to $25 million (in the case of Lockheed Martin) and $25 million (in the case of Beach Point) of aggregate principal amount of Senior Secured Notes due 2026 for the same principal amount of debt to be issued under, and governed by, a new loan agreement or note purchase agreement, or (b) keep outstanding such amounts of aggregate principal amount of Senior Secured Notes due 2026 under its existing note purchase agreement (in either case, the "Rollover Debt"). The Rollover Debt will have substantially similar terms as the terms of the Francisco Partners Facility, except that the Rollover Debt will not have call protection, will be issued without original issue discount, and will be available at the closing of the Tailwind Two Merger.

On March 25, 2022, the Senior Secured Notes due 2026 note purchase agreement was amended to, among other things, (i) set the Rollover Debt for Lockheed Martin to $25 million, (ii) increase and set the Rollover Debt for Beach Point to $31.3 million, (iii) set the terms of the Rollover Debt to have substantially similar terms as the terms in the Francisco Partners Facility, excluding call protection and Rollover Debt for Beach Point 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 Rollover Debt for Beach Point to be subordinate to the Francisco Partners Facility.

Upon closing of the Tailwind Two Merger, approximately $56.3 million of the Senior Secured Notes due 2026 remained outstanding as Rollover Debt while the remainder was repaid in connection with the Tailwind Two Merger.

Prior to the March 25, 2022 amendment, the Senior Secured Notes due 2026 bore interest at the rate of 11% per annum. The Senior Secured Notes due 2026 included certain escalations in interest rate that were not triggered as a result of the Tailwind Two Merger. Interest was payable on the Senior Secured Notes due 2026 beginning on March 8, 2022 and for each calendar quarter end thereafter until maturity. Prior to March 8, 2024, the Company has the option to pay the interest on the Senior Secured Notes due 2026 in-kind in lieu of cash, limited by the alignment of cash interest payments with the terms of cash interest payments under the FP Note Purchase Agreement. As of December 31, 2021, approximately $7.8 million of contractual interest coupon was accrued and included in the outstanding principal balance of the Senior Secured Notes due 2026.

The Company, at its option, may prepay the Senior Secured Notes due 2026 at any time at 100% of the principal amount, plus accrued and unpaid interest. The Senior Secured Notes due 2026 are subject to mandatory prepayment by the Company upon (i) the occurrence of a qualified public offering of its stock or a business combination with a special purpose acquisition company, except as otherwise agreed to, and (ii) for so long as Lockheed Martin or any of its affiliates holds any portion of the Senior Secured Notes due 2026, in the event of a termination (other than by the Company due to an uncured breach by Lockheed Martin) of a strategic cooperation agreement between the Company and Lockheed Martin (the "Strategic Cooperation Agreement") or a material breach by the Company of the Strategic Cooperation Agreement, subject to a 90 days grace period after the Company knows of such breach or receives written notice of such breach from Lockheed Martin.

The Senior Secured Notes due 2026 do not have financial maintenance covenants and, unless an event of default has occurred and is continuing, there is no requirement to make any cash interest, amortization or maturity payments on or before March 8, 2024, except for the alignment of cash interest payments with the terms of cash interest payments under the FP Note Purchase Agreement.

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.

Inducement Warrants

In connection with the issuance of the Senior Secured Notes due 2026, the Company issued warrants to the note holders to purchase 0.34744% of the Company's common stock for $0.01 per share or to receive a cash payment of approximately $7 million if the warrants are not exercised prior to maturity or repayment of the Senior Secured Notes due 2026 (the "Inducement Warrants").

In connection with the Merger Agreement, holders of the Inducement Warrants were entitled to receive an additional 0.18708% of the Company's common stock immediately prior to the Tailwind Two Merger in exchange for waiving their cash redemption rights. As part of the Tailwind Two Merger, all of the Inducement Warrants were net settled into 25,190 thousand shares of the Company's common stock prior to the exchange into New Terran Orbital common stock.

Francisco Partners Warrants and Derivatives

As part of the Francisco Partners Facility, the Company issued warrants to Francisco Partners to purchase 1.5% of the fully diluted shares of the Company's common stock for $0.01 per share, exercisable within 30 days following the termination of the Merger Agreement (the "FP Pre-Combination Warrants"). The FP Pre-Combination Warrants terminated unexercised upon consummation of the Tailwind Two Merger pursuant to contractual provisions.

As additional consideration for the Francisco Partners Facility, the Company committed to the issuance of (i) an equity grant package equal to 1.5% of the fully diluted shares of New Terran Orbital's common stock outstanding as of immediately following the closing of the Tailwind Two Merger, plus an additional 1.0 million shares of New Terran Orbital common stock (the "FP Combination Equity"), and (ii) warrants to purchase 5.0% of New Terran Orbital'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 (the "FP Combination Warrants"). The FP Combination Equity and the FP Combination Warrants were contingently issuable upon closing of the Tailwind Two Merger.

As consideration for the amendment to the FP Note Purchase Agreement on March 25, 2022, Francisco Partners received an additional 1.9 million shares of New Terran Orbital's common stock, of which 425,000 shares were provided by sponsor shares of Tailwind Two.

In connection with the Tailwind Two Merger, approximately 5.2 million shares of New Terran Orbital common stock were issued related to the FP Combination Equity, inclusive of the incremental 1.9 million shares from the March 25, 2022 amendment, and 8.3 million warrants were issued related to the FP Combination Warrants.

Pre-Combination and Combination Warrants and Derivatives

Upon funding of the Pre-Combination Notes, and in connection with the amendment to the Senior Secured Notes due 2026 note purchase agreement, the Company issued warrants to each of Lockheed Martin and Beach Point to purchase 0.25% of the fully diluted shares of the Company's common stock for $0.01 per share 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 contractual provisions.

In connection to the Merger Agreement and the Rollover Debt, the Company committed to each of Lockheed Martin and Beach Point the issuance of (i) an equity grant package equal to 0.25% of the fully diluted shares of New Terran Orbital'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 New Terran Orbital'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 with a term of 5 years (the "Combination Warrants"). The Combination Equity and the Combination Warrants were contingently issuable upon closing of the Tailwind Two Merger.

As consideration for the amendment to the Senior Secured Notes due 2026 note purchase agreement on March 25, 2022, Beach Point received an additional 2.4 million shares of New Terran Orbital's common stock, of which 100,000 shares were provided by sponsor shares of Tailwind Two.

In connection with the Tailwind Two Merger, approximately 3.2 million shares of New Terran Orbital common stock were issued related to the Combination Equity, inclusive of the incremental 2.4 million shares to Beach Point from the March 25, 2022 amendment, and 2.8 million warrants were issued related to the Combination Warrants.

Detachable Warrants

In connection with the extinguishment of the Convertible Notes due 2028, the Company issued detachable warrants to the note holders to purchase 943,612 shares of common stock at an average exercise price of $39.06 and an expiration date of July 23, 2028 (the "Detachable Warrants").

As part of the Tailwind Two Merger, all of the Detachable Warrants were net settled into 809,992 shares of the Company's common stock prior to the exchange into New Terran Orbital common stock.

Dividends

The Company intends 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, the Company's ability to pay dividends is limited by covenants of the Company's 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 the Company's existing and outstanding indebtedness on the Company's 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 the Company's cash flow activity for the years ended December 31, 2021 and 2020:

	Years Ended December 31,		
(in thousands)	**2021**	**2020**	**$ Change**
Net cash used in operating activities	$ (34,887)	$ (11,474)	$ (23,413)
Net cash used in investing activities	(16,352)	(7,325)	(9,027)
Net cash provided by financing activities	66,352	15,101	51,251
Effect of exchange rate fluctuations on cash and cash equivalents	(124)	138	(262)
Net increase (decrease) in cash and cash equivalents	**$ 14,989**	**$ (3,560)**	**$ 18,549**

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 and legal and accounting fees as a result of the Company's buildout of operational and corporate capacity. 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 relates to the development of the Company's NextGen Earth observation constellation, which totaled $12.9 million during 2021 compared to $5.7 million during 2020. The remainder of the increase relates to the buildout of other corporate and operational facilities.

Cash Flows from Financing Activities

During 2021, net cash provided by financing activities primarily consisted of $50 million of proceeds received related to the issuance of the Senior Secured Notes due 2026 and related warrants in March 2021, and $25 million of proceeds received related to the issuance of the Pre-Combination Notes and related warrants and derivatives in November 2021, partially offset by $8.9 million of cash paid related to issuance and transaction costs.

During 2020, net cash provided by financing activities primarily consisted of $14.5 million of proceeds received related to the issuance of the Series Seed Preferred Stock, net of issuance costs, and $2.5 million of proceeds received related to the issuance of the PPP Loan, partially offset by the payment of issuance costs of $2 million related to the Convertible Notes due 2028.

Other Material Cash Requirements

In addition to the Company's principal and interest payments on long-term debt and any payment obligations on warrants and derivatives, the Company has certain short-term and long-term cash requirements under operating leases and certain other contractual obligations and commitments.

Operating Leases

The Company has entered into variousnon-cancelable operating leases for various office, manufacturing, and warehouse facilities. As of December 31, 2021, the Company's future minimum lease payments under non-cancelable operating leases totaled approximately $28.3 million, of which the Company expects to pay $3.5 million during 2022, $4.9 million during 2023, $5.0 million during 2024, $4.9 million during 2025, $4.9 million during 2026, and $5.1 million thereafter.

In January 2022, the Company amended an existing operating lease to add additional manufacturing space and to increase the lease term from December 2021 to December 2026, resulting in incremental future minimum lease payments of approximately $1.1 million.

In February 2022, the Company amended an existing operating lease to increase the lease term from September 2027 to November 2032, resulting in incremental future minimum lease payments of approximately $5.4 million, and to add additional manufacturing space with a lease term of December 2022 to November 2032, resulting in incremental future minimum lease payments of approximately $17.1 million.

In March 2022, the Company signed a new operating lease for office space with a lease term from April 2022 to June 2027, resulting in incremental future minimum lease payments of approximately $2 million.

PIPE Investment

The PIPE Investment funded as part of the Tailwind Two Merger primarily comprised of existing debt and equity holders of the Company. An affiliate of Daniel Staton, a director and shareholder of the Company, represented $30 million of the PIPE Investment (the "Staton PIPE Investment"). The subscription agreement for the Staton PIPE Investment contains a provision that obligates New Terran Orbital to pay an affiliate of Daniel Staton a quarterly fee of $1.875 million for sixteen quarters beginning at the end of the quarter in which the Tailwind Two Merger is consummated; the first years' payments are to be paid in cash and the remaining payments are to be paid, subject to subordination to and compliance with New Terran Orbital's debt facilities, in cash or common stock at the discretion of New Terran Orbital.

In addition, 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.

Off-Balance Sheet Arrangements

As of December 31, 2021, we do not have any material off-balance sheet arrangements other than the Detachable Warrants, which are described above. The Detachable Warrants are both indexed to and classified in the Company's own equity under U.S. GAAP.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

The accompanying consolidated financial statements filed as Exhibit 99.1 to this Amendment are prepared in accordance with GAAP, which requires us to select accounting policies and make estimates that affect amounts reported in the consolidated financial statements and the accompanying notes. Management'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 following accounting policies are based on, among other things, estimates and judgments made by management that include inherent risks and uncertainties.

Revenue Recognition

The Company adopted Accounting Standards Codification ("*ASC*") 606, *Revenue from Contracts with Customers,* using the modified retrospective method on January 1, 2020. The adoption of ASC 606 did not result in an adjustment to accumulated deficit.

Under ASC 606, 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 and is the unit of account in ASC 606. 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 consolidated balance sheets.

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.

Estimate-at-completion ("*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.

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 consolidated balance sheets and as a component of cost of sales in the consolidated statements of operations and comprehensive loss in accordance with ASC 605-35, *Revenue* Recognition - *Construction-Type and Production-Type Contracts.*

Fair Value Measurements

The measurement of the Company's share-based compensation awards, warrants and derivative liabilities were all based on the estimated fair value of the Company's common stock. In the absence of a public market for the Company's common stock, the valuation of its common stock has been determined using an option pricing model, which considers the guideline publicly-traded company method, guideline transaction method, market calibration method and discounted cash flow method.

For purposes of estimating the fair value of the Company's common stock, the option pricing model was used to allocate the total enterprise value of the Company to the different classes of equity as of the valuation date. Under the option pricing model, the fair value of common stock was estimated as the net value of a series of call options, representing the present value of the expected future returns to common shareholders. The rights of the common shareholders were equivalent to a call option on any value above the preferred shareholders' liquidation preferences, adjusted to account for the rights of conversion or participation retained by the preferred shareholders, as applicable. Thus, the common stock could have been valued by estimating the incremental value the common stock shares in each of these call option rights.

The significant assumptions used in the option pricing model included:

- 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;
- Liquidation preferences, conversion values, and participation thresholds of different equity classes;
- Probability-weighted time to a liquidity event;
- Expected volatility based upon the historical and implied volatility of common stock for the Company's selected peers;
- Expected dividend yield of zero as the Company does not have a history or plan of declaring dividends on its common stock;
- Risk-free interest rate based on U.S. treasury bonds with azero-coupon rate;
- Implied valuation, timing, and probability of the Tailwind Two Merger; and
- A discount for the lack of marketability of the Company's common stock.

For purposes of estimating the total enterprise value of the Company, the Company considered the guideline publicly-traded company method, guideline transaction method, market calibration method and discounted cash flow method. A summary of each method and related significant assumptions were as follows:

- Guideline publicly-traded company method: The guideline publicly-traded company method uses valuation multiples based on the enterprise value in relation to revenue for publicly-traded companies in the same or similar industries as the Company to arrive at an indication of value. Based on the implied valuation multiples of the peer companies, a valuation multiple of revenue is selected in order to estimate the enterprise value of the Company as of the valuation date.
- Guideline transaction method: The guideline transaction method uses valuation multiples based on observed transactions that have occurred in the marketplace for companies in the same or similar industries as the Company to arrive at an indication of value. Based on the observed valuation multiples by comparing the implied enterprise values of the transaction to the respective revenue of the companies being acquired, a valuation multiple of revenue is selected in order to estimate the enterprise value of the Company as of the valuation date.
- Market calibration method: The market calibration method analyzes the percent change in the enterprise values of peer companies between the prior valuation date and the current valuation date. Based on the observed market movement in the enterprise values of peer companies, a market movement factor is selected to represent the potential shift in enterprise value of the Company between the prior valuation date and the current valuation date. The selected market movement factor is applied to the indicated value of the Company as of the prior valuation date.
- Discounted cash flow method: The discounted cash flow method estimates the enterprise value of the Company by discounting projected cash flows using market participant assumptions. The derivation of projected cash flows is based on forecasted revenue, operating profit margins, operating expenses, cash flows, and perpetual growth rates. The discount rate is derived from the Company's capital structure and weighted-average cost of capital. Given the forecasted rapid growth in revenue compared to historical performance, the discounted cash flow method was primarily performed to corroborate the reasonableness of the indications of value from the guideline publicly-traded company method, guideline transaction method, and market calibration method.

The results of the guideline publicly-traded company method, guideline transaction method and market calibration method were equally weighted when determining the total enterprise value of the Company. Beginning in 2021, only the guideline publicly-traded company method and market calibration method were considered when determining the total enterprise value of the Company as a result of the implied valuation and timing and probability of a de-SPAC transaction. Finally, the total enterprise value of the Company was discounted for the lack of marketability of the Company's common stock, which ranged from 7% to 34% and varied primarily based on the timing and probability of a de-SPAC transaction.

The Company considered various objective and subjective factors to determine the fair value of its common stock as of valuation date, including:

- The Company's stage of development and recent operational developments and milestones and related impact on historical earnings;
- The Company's short-term and long-term business initiatives and related impact on projected earnings;
- Company-specific credit and risk considerations;
- Industry information, such as external market conditions affecting the small satellite industry and trends within the small satellite industry;
- Recent observed valuations and operating metrics of the Company's identified peer group;
- Likelihood and timing of achieving a liquidity event, such as an initial public offering, SPAC merger, or strategic sale, or probability of an insolvency event given prevailing market conditions and the nature and history of the Company's business;
- Prices, privileges, powers, preferences and rights of the Company's redeemable convertible preferred stock relative to those of its common stock; and
- Macroeconomic conditions and other factors.

The following represents the range of the estimated fair value of the Company's common stock for the indicated periods:

- January 1, 2020 through December 31, 2020: $34.73 per share to $74.37 per share
- January 1, 2021 through December 31, 2021: $74.37 per share to $193.05 per share

The range of estimated fair values of the Company's common stock includes dates prior to the execution of the Merger Agreement. Beginning in January of 2021 and continuing throughout 2021, the Company was actively pursuing becoming a public company through either a de-SPAC transaction or an initial public offering. The Company received an indication of interest in early 2021 regarding a potential de-SPAC transaction prior to the commencement of communications with Tailwind Two. Conversations and negotiations with Tailwind Two regarding the Tailwind Two Merger commenced in May of 2021 with execution of the Merger Agreement on October 28, 2021, which resulted in an implied fair value of the Company's common stock of approximately $277.07 per share based on the exchange ratio as of that date. Accordingly, the estimated fair value of the Company's common stock during 2021 considered the implied valuation and timing and probability of a de-SPAC transaction. The Company's estimate regarding the probability of a de-SPAC transaction was 15%, 50%, 50%, 60% and 70% as of December 31, 2020, March 31, 2021, June 30, 2021, September 30, 2021 and December 31, 2021, respectively, based on the Company's assessment of the status and likelihood of events noted above. Following the Tailwind Two Merger, the fair value of the Company's common stock will be based on the closing price of New Terran Orbital's common stock on the relevant valuation date as reported on the New York Stock Exchange.

The Company estimated the fair value of the Pre-Combination Warrants and FP Pre-Combination Warrants using the option pricing model as described above.

The Company estimated the fair value of share-based compensation awards granted in the form of stock options as well as the Detachable Warrants using the Black-Scholes option-pricing model. In addition to the estimated fair value of the Company's common stock, additional assumptions used in the Black-Scholes option-pricing model included:

- The exercise price of the instruments;
- Expected term of the instruments;
- Expected volatility based upon the historical and implied volatility of common stock for the Company's selected peers;
- Expected dividend yield of zero as the Company does not have a history or plan of declaring dividends on its common stock;
- Risk-free interest rate based on U.S. treasury bonds with azero-coupon rate;

The fair value of the Inducement Warrants was derived using a lattice model with substantially the same significant inputs and assumptions as the Black-Scholes option-pricing described above. Additional assumptions used in the lattice model included (i) the estimated counterparty credit spread based on an estimated credit rating of CCC and below, (ii) the implied valuation, timing, and probability of closing the Tailwind Two Merger, and (iii) a discount for the lack of marketability of the Company's common stock.

The fair values of the Combination Warrants and FP Combination Warrants were derived using the Black-Scholes option-pricing model as described above. However, certain key differences in the assumptions utilized included: (i) the price per share of Tailwind Two's common stock, (ii) the probability of closing the Tailwind Two Merger, and (iii) the estimated redemption rate of Tailwind Two's public shareholders.

The fair values of the Combination Equity and FP Combination Equity were derived using the following significant inputs and assumptions as of the valuation date: (i) the price per share of Tailwind Two's common stock, (ii) the probability of closing the Tailwind Two Merger, and (iii) the estimated redemption rate of Tailwind Two's public shareholders.

In addition, the Company is required to estimate the fair value of its debt instruments for disclosure purposes. As of December 31, 2021, the fair value of the Company's long-term debt was related to the Pre-Combination Notes and the Senior Secured Notes due 2026. For each instrument, the fair value was determined 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, (v) contractual features such as prepayment options, call premiums and default provisions, and (vi) probability of a liquidity event. As of December 31, 2020, the fair value of the Company's long-term debt was related to the Convertible Notes due 2028. Due to the conversion feature of the Convertible Notes due 2028, the estimated fair value of the Convertible Notes due 2028 was determined using a lattice model with consideration of the value of the Company's common stock as described above.

The assumptions underlying these valuations represented the Company's best estimate, which involved inherent uncertainties and the application of the Company's judgment. If the Company had used different assumptions or estimates, the fair value of the Company's common stock, grant-date fair value of its share-based compensation awards, warrants and derivatives, and debt instruments could have been materially different.

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 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.

Long-lived Assets Impairment

The Company reviews long-lived assets 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.

Loss Contingencies

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, 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.

Income Taxes

The Company files income tax returns for U.S. federal and various state jurisdictions and in Italy for its foreign subsidiary.

The Company accounts for income taxes using the asset and liability method. Under the asset and liability method, deferred tax assets and liabilities are recognized for the temporary differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax basis. The effect on deferred tax assets and liabilities of a change in tax laws is recognized in the results of operations in the period the new laws are enacted. A valuation allowance is recorded to reduce the carrying amount of deferred tax assets to the estimated realization amount.

The valuation allowance for deferred tax assets relates to the uncertainty of the utilization of U.S. federal, state and foreign deferred tax assets. In evaluating the Company's ability to recover its deferred tax assets, the Company considers all available positive and negative evidence, which include its past operating results, the existence of cumulative losses in the most recent years, and its forecast of future taxable income. In estimating future taxable income, the Company develops assumptions related to the amount of future pre-tax operating income, the reversal of temporary differences, and the implementation of feasible and prudent tax planning strategies. These assumptions require significant judgment about the forecasts of future taxable income and are consistent with the plans and estimates the Company is using to manage its underlying businesses.

The Company recognizes positions taken or expected to be taken in a tax return in the consolidated financial statements when it is more-likely-than-not (i.e., a likelihood of more than 50%) that the position would be sustained upon examination by tax authorities. A recognized tax position is then measured at the largest amount of benefit with greater than 50% likelihood of being realized upon ultimate settlement. The Company records liabilities for positions that have been taken but do not meet the more-likely-than-not recognition threshold.

ACCOUNTING PRONOUNCEMENTS

Refer to Note 1 "*Organization and Summary of Significant Accounting Policies*" to the consolidated financial statements filed as Exhibit 99.1 to this Amendment for further information about recent accounting pronouncements and adoptions.