DigitalGlobe 2017 Second Quarter Earnings
Supplemental Prepared Remarks
July 20, 2017

Today, July 20, 2017, DigitalGlobe, Inc. (NYSE: DGI) issued a press release reporting financial results for the second quarter ended June 30, 2017. The following supplemental prepared remarks provide additional information related to the Company's operating and financial performance.

As previously announced on February 24, 2017, MacDonald, Dettwiler and Associates Ltd. ("MDA") (TSX: MDA) entered into a definitive merger agreement, pursuant to which SSL MDA Holdings, the U.S. operating company of MDA, will acquire DigitalGlobe.

OVERVIEW

We delivered strong second quarter results with significant revenue growth across our entire business.

We continued to enhance our **Imagery Leadership** position. We had another quarter of flawless execution against the EnhancedView SLA and marked our 60th straight month of delivering all our contractual performance metrics. The NGA recently notified us of its intent to exercise the option for what will be the 8th year of the EnhancedView SLA. As a reminder, the EnhancedView SLA is a firm fixed price contract with annual renewals through August of 2020. Our business with the U.S. Government has been renewed for 15 consecutive years under various contract vehicles, each of which has contributed to the growth of the company. DigitalGlobe and its team members are proud to provide a mission critical service to the NGA and end users across the U.S. Government with our best-in-class constellation and ground infrastructure.

We again achieved record revenue in our DAP business and delivered double digit revenue growth in our Commercial imagery business. In the first quarter, we placed our newest high-resolution satellite, WorldView-4, into service and initiated commercial operations with certain DAP customers. We are also able to confirm that we've recently converted an existing LOI to a multi-million dollar annual subscription contract with a new DAP customer who is a U.S. mission partner to provide direct access to all five DigitalGlobe satellites. For the remainder of the year we will continue to focus on commissioning contracted direct access customers and bringing additional government and commercial customers online to access WorldView-4.

This quarter we announced the launch of a premium monitoring service for International Defense and Intelligence customers, SecureWatch, which provides current satellite images of high-interest, global locations on a regular basis from our Image Library and multiple commercial providers. This imagery is made available through the SecureWatch web-based subscription service that gives access to our imagery archive and millions of square kilometers of daily image collections from DigitalGlobe's constellation.

Additionally, we have expanded the breadth of geospatial intelligence capabilities available in SecureWatch by incorporating two innovative products from DigitalGlobe | Radiant that provide important context and insight to the satellite imagery: GeoNews and Human Landscape.

We also continue to advance our **Platform Leadership** position. In the second quarter, we delivered strong growth with GBDX – DigitalGlobe's leading multi-source, geospatial big data analytics platform. Our ecosystem of more than one-thousand developers and an even larger library of applications running on our 100 petabyte, 17-year time lapse record of our changing planet, in the cloud, is unlocking new use cases to drive future revenue growth. We have hundreds of new MapsAPI customers and continue to renew and sign up new users of Spatial on Demand despite a low oil price environment. This quarter we announced an agreement with MDA to make RADARSAT-2 data available on GBDX, unlocking new applications made possible by the combination of optical and radar satellite data. MDA's RADARSAT-2 satellite collects synthetic aperture radar (SAR) data that gives users the ability to see the Earth both day and night, in all weather conditions. With SAR content on GBDX, users will have ready access to powerful content and tools in the cloud that cost-effectively unlock object and change detection use cases.

The third strategic focus area, **Services Leadership**, also contributed significant growth to our business, both organically and through our newly-acquired Radiant Group. Our Services business is focused on enabling our customers to integrate our imagery into their workflows and tackle the most complex challenges across the entire geospatial intelligence value chain from collection through to analysis. The integration of The Radiant Group has been well executed and places our combined Services business in a unique position to capture growth opportunities across the U.S. Department of Defense and Intelligence Community. We are pleased with the Services business performance and expect the Radiant acquisition to drive growth throughout the remainder of 2017.

We've also been focused on extending our technological lead while reducing our **Capital Intensity**.

During the quarter, we selected Space Systems Loral (SSL) to build the spacecraft for our next-generation WorldView-Legion constellation, which will replace the capacity of WorldView-1, WorldView-2, and GeoEye-1 while delivering industry-leading resolution and accuracy, enabling high-revisit applications, and assuring service continuity for the company's customers through 2030. As we stated previously, we have begun investment in long lead elements of WorldView-Legion, targeting a launch in 2020. This industry-leading multi-satellite system will more than double our high resolution capacity in regions where it matters most.

We continue to expect that this investment will not exceed $600 million, excluding capitalized interest – considerably less than the combined cost of WorldView-1 and WorldView-2.

We continue to partner with KACST and Taqnia Space in the development of Scout – a fleet of small satellites which are targeted for launch in 2019.

Together, WorldView-Legion and Scout will extend our lead by delivering a combination of resolution, accuracy and revisit with the goal of delivering our customers the ability to image the most rapidly changing regions on earth up to 40 times per day combined with the ability to see areas of interest with industry leading resolution and accuracy. DigitalGlobe will image the most rapidly changing areas on Earth as frequently as every 20 to 30 minutes, from sunup to sundown. These capabilities will provide even greater insights into global events of significance, giving customers the ability to make critical decisions with confidence when time is of the essence.

FINANCIAL PERFORMANCE

NOTE: We closed the acquisition of The Radiant Group in November 2016 and have identified the impact of the transaction where appropriate. For comparison purposes, we recognized $35.2 million of revenue from Radiant in the second quarter 2017

The second quarter was highlighted by strong revenue growth driven by the acquisition of The Radiant Group, demand for capacity on WorldView-4, timing of access minute consumption and solid growth in our Other Diversified Commercial business. Revenue for the quarter was $225.7 million, up $50.2 million or 28.6 percent. Excluding the impact of Radiant, total revenue was up 8.5 percent for the quarter to $190.5 million.

U.S. Government revenue for the quarter was $149.5 million, up 33.6 percent year over year. While our EnhancedView SLA was flat year over year, our U.S. Government value-added services revenue was $61.4 million for the quarter as compared to the prior year period of $23.8 million, primarily from the contribution of Radiant as well as approximately 10% organic growth in our services business.

Diversified Commercial revenue was $76.2 million for the quarter, up 19.8 percent primarily due to revenue from the delivery of WorldView-4 imagery to certain DAP customers, increased revenue from civil government customers and demand for our Global Basemap product suite. For the quarter, DAP revenue was $36.8 million up 29.1%. In February 2017, we began providing direct access capacity to certain of our International Defense and Intelligence customers on WorldView-4. Additionally, sales to DAP customers remained above contractual minimums due to multiple crises in the Middle East and led to record revenue in this customer group.

Other Diversified Commercial customer group continued its trend of strong growth in the quarter as revenue was $39.4 million, up 12.3 percent, principally from increased revenue from civil government customers and for our Global Basemap product suite.

Our cost of revenue for the quarter was $69.7 million, while SG&A expenses were $54.0 million. The increase in cost of revenue was primarily due to the addition of The Radiant Group with a smaller impact due to an increase in headcount for the operation of WorldView-4. SG&A expenses increased due to employee labor costs assumed in connection with our acquisition of Radiant and increased headcount to support growth in our business, annual merit-based salary increases and a decrease in labor capitalized following the launch of Worldview-4. Consulting and professional fees increased primarily due to costs incurred in connection with the merger.

For the quarter, Adjusted EBITDA increased 9.2 percent to $104.1 million. Margins declined by 818 basis points to 46.1 percent primarily due to the increase in lower margin Radiant services revenue.

Reported net interest expense was $13.3 million for the quarter, reflecting no capitalization in quarterly interest on our debt. We are no longer capitalizing interest on our debt due to WorldView-4 being placed into service. Total interest expense, inclusive of capitalized interest and accretion of debt discount, was $13.4 million for the quarter. Total cash interest paid for the quarter was $12.3 million. We expect to expense the majority of our interest for the remainder of 2017 as we will be capitalizing only a small portion of interest.

Reported income tax expense was $0.2 million for the quarter. We are not currently a significant cash tax payer and we do not expect to be in 2017.

In November 2016 we initiated a restructuring plan in conjunction with the Radiant transaction under which we expect to incur approximately $4.5 million of one-time costs. This initiative is to consolidate our real estate footprint and rationalize the reporting structure of our Services business. Through the second quarter of 2017, we have incurred $1.4 million of expense under this plan, which we expect to complete by the end of the fourth quarter of 2017.

Net income for the quarter was $2.7 million or $0.03 per share. Capex spending, excluding capitalized interest, was $14.9 million for the quarter.

We generated $31.8 million of free cash flow for the quarter, down 27.7 percent or $12.2 million year over year, primarily due to timing of payments received on accounts receivable from certain DAP and Services customers, increased costs for operating WorldView-4 and merger-related costs, partially offset by a decrease in capital expenditures. We note that subsequent to the end of the quarter, we have collected $9.2 million of the second quarter’s outstanding accounts receivable balance.

MERGER WITH MDA

On July 12, 2017, MDA and DigitalGlobe announced that the companies have withdrawn and re-filed their joint voluntary notice to the Committee on Foreign Investment in the United States ("CFIUS") to provide additional time for CFIUS to complete its consideration of the proposed merger. CFIUS accepted the filing and initiated a new 30-day review period on July 14, 2017. MDA and DigitalGlobe believe that CFIUS will conclude its consideration of the transaction with no unresolved issues of national security.

MDA and DigitalGlobe are working diligently to satisfy all of the remaining closing conditions under the merger agreement. Meetings of shareholders to approve the transaction are scheduled for July 27, 2017. The companies expect to close the merger during the current calendar quarter or shortly thereafter, subject to regulatory approval and customary closing conditions.

2017 OUTLOOK

For the year, we now expect revenue to be in the range of $850 to $875 million.

We now expect EBITDA to be in the range of $385 to $400 million. As a reminder, due to the lower margin revenue profile of Radiant, we anticipate the full year contribution from Radiant will increase our Adjusted EBITDA but reduce our overall EBITDA margins by approximately 700 basis points.

We now anticipate that our cash interest expense for the year will be approximately $53 million to $56 million in 2017 compared with our previous $58 million to $60 million estimate. This is due to our decision to not swap the interest on our debt into a fixed rate coupon in the near-term.

We will continue to make investments to enable new and existing DAP customers to access WorldView-4 during 2017 which will be approximately $10 million, net of customer reimbursements that will be accounted for as deferred contract costs.

We expect our capital expenditures will be approximately $100 million, excluding capitalized interest and tenant improvements, for the year.

SUMMARY

DigitalGlobe's second quarter results demonstrated the successful execution of our strategy for shareowner value creation. Throughout the remainder of 2017, we will continue to execute that strategy. We will extend our commanding lead in imagery as we monetize WorldView-4. We will continue to grow our industry leading platform business with new customers and ecosystem partners. We will grow our now expanded services business. We will advance our efforts to extend our industry lead while reducing capital intensity by making initial investments to ensure WorldView-Legion is ready for launch in 2020 and we will advance our work with KACST and TAQNIA space on Scout. And, we will create through our combination with MDA a geospatial leader with a powerful end-to-end combination of capabilities including satellite manufacturing, ground infrastructure, radar and electro-optical imagery and analytics.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

Certain statements and other information included in this press release constitute “forward-looking information” or “forward-looking statements” (collectively, “forward-looking statements”) under applicable securities laws, including the Private Securities Litigation Reform Act of 1995. Statements including words such as “may”, “will”, “could”, “should”, “would”, “plan”, “potential”, “intend”, “anticipate”, “believe”, “estimate” or “expect” and other words, terms and phrases of similar meaning are forward-looking statements. Forward-looking statements involve estimates, expectations, projections, goals, forecasts, assumptions, risks and uncertainties. Such forward-looking statements include, but are not limited to, statements as to MDA’s and DigitalGlobe’s managements’ expectations with respect to: the combined company’s plans, objectives, expectations and intentions; the ability of DigitalGlobe and MDA to obtain the requisite regulatory approvals and satisfy the remaining conditions to closing; the anticipated timing for the closing of the merger; and other statements that are not historical facts.

Forward-looking statements in this press release are based on certain key expectations and assumptions made by MDA and DigitalGlobe, including expectations and assumptions concerning: the receipt, in a timely manner, of regulatory, stock exchange, shareholder and other third party approvals in respect of the transaction; satisfaction of other closing conditions; consummation of financing related to the transaction; and the belief that the merger poses no threat to the national security of the United States. Although management of MDA and DigitalGlobe believe that the expectations and assumptions on which such forward-looking statements are based are reasonable, undue reliance should not be placed on the forward-looking statements because MDA and DigitalGlobe can give no assurance that they will prove to be correct.

Forward-looking statements are subject to various risks and uncertainties which could cause actual results and experience to differ materially from the anticipated results or expectations expressed in this press release. Some of the key risks and uncertainties include, but are not limited to: changes in government priorities, mandates, policies, funding levels, contracts and regulations, including the grant and maintenance of security clearances, loss or reduction in scope of any of our primary contracts, or decisions by customers not to exercise renewal options; growth in the businesses of our customers and the ability of our customers to develop new services; inherent risks of performance on firm fixed price construction contracts and termination of contracts by customers for convenience; decrease in demand for our products and services; failure to maintain technological advances and offer new products to retain customers and market position; reliance on a limited number of vendors to provide certain key products or services to us; breach of our system security measures or loss of our secure facility clearance and accreditation; the loss or damage to any of our satellites; delays in the construction and launch of any of our satellites or our ability to achieve and maintain full operational capacity of all our satellites; potential for product liability or the occurrence of defects in products or systems and resulting loss of revenue and harm to our reputation; detrimental reliance on third parties for data; interruption or failure of our ground systems and other infrastructure; increased competition that may reduce our market share or cause us to lower our prices; changes in political or economic conditions, including fluctuations in the value of foreign currencies, interest rates, energy and commodity prices, trade laws and the effects of governmental initiatives to manage economic conditions; our ability to recruit, hire or retain key employees or a highly skilled and diverse workforce; potential for work stoppages; failure to obtain or maintain required regulatory approvals and licenses; failure to comply with environmental regulations; and changes in U.S., Canadian or foreign law or regulation that may limit our ability to distribute our products and services. There are also risks that are inherent in the nature of the pending merger transaction, including: failure to realize anticipated synergies or cost savings; risks regarding the integration of the two companies; and failure to obtain any required regulatory and other approvals (or to do so in a timely manner). The anticipated timeline for completion of the transaction may change for a number of reasons, including the inability to secure necessary regulatory, stock exchange or other approvals in the time assumed or the need for additional time to satisfy the conditions to the completion of the transaction. As a result of the foregoing, readers should not place undue reliance on the forward-looking statements contained in this press release concerning the timing of the transaction. Additional information concerning these and other risk factors can be found in MDA's filings with Canadian securities regulatory authorities, which are available online under MDA's profile at www.sedar.com or on MDA's website at www.mdacorporation.com, and in DigitalGlobe's filings with the SEC, including Item 1A of DigitalGlobe's Annual Report on Form 10-K for the year ended December 31, 2016.

The forward-looking statements contained in this press release are expressly qualified in their entirety by the foregoing cautionary statements. All such forward-looking statements are based upon data available as of the date of this release or other specified date and speak only as of such date. MDA and DigitalGlobe disclaim any intention or obligation to update or revise any forward-looking statements in this press release as a result of new information or future events, except as may be required under applicable securities legislation.

References in this filing to "DigitalGlobe," "Company," "we," "us," and "our" refer to DigitalGlobe, Inc. and its consolidated subsidiaries.

Non-U.S. GAAP Financial Measures

EBITDA and Adjusted EBITDA. EBITDA and Adjusted EBITDA are not recognized terms under U.S. GAAP and may not be defined similarly by other companies. EBITDA and Adjusted EBITDA should not be considered alternatives to net income (loss) as indications of financial performance or as alternatives to cash flow from operations as measures of liquidity. There are limitations to using non-U.S. GAAP financial measures, including the difficulty associated with comparing companies in different industries that use similar performance measures whose calculations may differ from ours.

EBITDA and Adjusted EBITDA are key measures used in our internal operating reports by management and our Board of Directors to evaluate the performance of our operations and are also used by analysts, investment banks and lenders for the same purpose. Adjusted EBITDA is a measure being used as a key element of our bonus incentive plan. We believe that the presentation of EBITDA and Adjusted EBITDA enables a more consistent measurement of period to period performance of our operations, and EBITDA facilitates comparison of our operating performance to companies in our industry.

We believe that EBITDA and Adjusted EBITDA measures are particularly important in a capital intensive industry such as ours, in which our current period depreciation is not a good indication of our current or future period capital expenditures. The cost to construct and launch a satellite and to build the related ground infrastructure may vary greatly from one satellite to another, depending on the satellite's size, type and capabilities. Current depreciation expense is also not indicative of the revenue generating potential of the satellites.

We use EBITDA and Adjusted EBITDA in conjunction with traditional U.S. GAAP operating performance measures as part of our overall assessment of our performance and we do not place undue reliance on these non-GAAP measures as our only measures of operating performance. EBITDA and Adjusted EBITDA should not be considered as substitutes for other measures of financial performance reported in accordance with U.S. GAAP.

EBITDA excludes depreciation and amortization expense because these non-cash expenses reflect the impact of prior capital expenditure decisions which are not indicative of future capital expenditure requirements. EBITDA also excludes interest income, interest expense and income taxes because these items are associated with our capitalization and tax structures.

Adjusted EBITDA further adjusts EBITDA to exclude restructuring and other re-engineering charges related to specific restructuring and re-engineering actions because we do not believe these costs are indicative of the underlying operating performance of our business and our ongoing operations. The amount and timing of these restructuring and other re-engineering costs are dependent on the size, type and status of the specific actions undertaken as part of our restructuring or re-engineering plans.

Adjusted EBITDA also excludes merger and integration costs, equity in earnings from joint ventures, net of tax, and the loss on early extinguishment of debt as these are non-core items that are not directly related to our primary operations. Merger costs are costs incurred to effect the Merger with MDA, such as advisory, legal, accounting, consulting and other professional fees. Integration costs consist primarily of professional fees incurred to assist us with system and process improvements associated with integrating operations as part of the Radiant acquisition. Loss on early extinguishment of debt is related to the redemption of our remaining outstanding Senior Notes in January 2017.

Free Cash Flow. Free cash flow is defined as net cash flows provided by operating activities less Capital expenditures as disclosed in the Unaudited Condensed Consolidated Statements of Cash Flows. Free cash flow is not a recognized term under U.S. GAAP and may not be defined similarly by other companies. Free cash flow should not be considered an alternative to "operating income (loss)," "net income (loss)," "net cash flows provided by (used in) operating activities" or any other measure determined in accordance with U.S. GAAP. Since free cash flow includes investments in operating assets, we believe this non-GAAP liquidity measure is useful in addition to the most comparable U.S. GAAP measure — "net cash flows provided by (used in) operating activities" because it provides information about the amount of cash generated before acquisitions of businesses that is then available to repay debt obligations, make investments, fund acquisitions, and for certain other activities. There are limitations to using non-U.S. GAAP financial measures, including the difficulty associated with comparing companies in different industries that use similar performance measures whose calculations may differ from ours.

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Reconciliation of Net Income to EBITDA and Adjusted EBITDA

	For the three months ended June 30,		For the six months ended June 30,	
(in millions)	**2017**	**2016**	**2017**	**2016**
Net income	$ 2.7	$ 12.2	$ 0.5	$ 20.8
Depreciation and amortization	86.3	66.9	165.8	137.9
Interest expense, net	13.3	4.7	22.8	9.8
Income tax expense (benefit)	0.2	7.9	(2.1)	13.9
EBITDA	102.5	91.7	187.0	182.4
Merger and integration costs	2.1	—	12.3	—
Restructuring charges	0.3	1.6	0.6	4.5
Other re-engineering charges	—	0.7	—	1.6
Equity in earnings from joint ventures, net of tax	(0.8)	1.3	(0.8)	2.2
Loss from early extinguishment of debt	—	—	0.5	—
Adjusted EBITDA	$ 104.1	$ 95.3	$ 199.6	$ 190.7

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Reconciliation of Net Cash Flows Provided by Operating Activities to Free Cash Flow

(in millions)	For the six months ended as of June 30, 2017	2016
Net cash flows provided by operating activities	$ 85.4	$ 150.7
Capital expenditures (1)	(35.8)	(85.8)
Free cash flow (2)	$ 49.6	$ 64.9

(1) Note that capital expenditures includes capitalized interest and capital expenditures.
(2) We modified our definition of free cash flow in the fourth quarter of fiscal year 2016. Prior period amounts have been revised to conform to the current definition.