exactEarth™ Ltd.
Interim Condensed Consolidated Statements of Financial Position
(in thousands of Canadian dollars)
(unaudited)

		As at April 30, 2020	As at October 31, 2019
		$	$
ASSETS			
Current assets			
Cash and cash equivalents		6,836	10,188
Short-term investments		49	49
Accounts receivable	(note 7)	3,205	3,073
Unbilled revenue		780	2,149
Prepaid expenses		711	448
Other current assets		520	209
Assets held for sale	(note 4)	427	-
Total current assets		12,528	16,116
Property, plant and equipment	(notes 3, 4 and 6)	4,027	4,398
Intangible assets		1,441	1,538
Other long-term assets		590	366
Total assets		18,586	22,418
LIABILITIES & SHAREHOLDERS' EQUITY (DEFICIENCY)			
Current liabilities			
Accounts payable and accrued liabilities	(notes 3, 6 and 7)	4,468	4,840
Deferred revenue		2,973	3,499
Loans payable - current	(note 7)	-	202
Total current liabilities		7,441	8,541
Loans payable	(notes 5 and 7)	10,597	10,089
Long-term incentive plan liability	(note 10)	412	203
Other long-term liabilities	(notes 3, 6 and 7)	1,413	1,466
Total liabilities		19,863	20,299
Shareholders' equity (deficiency)			
Share capital		123,923	123,823
Contributed surplus		4,706	4,647
Accumulated other comprehensive loss		(177)	(113)
Deficit		(129,729)	(126,238)
Total shareholders' equity (deficiency)		(1,277)	2,119
Total liabilities and shareholders' equity (deficiency)		18,586	22,418

See accompanying notes

On behalf of the Board:

Harvey Rein - Director - exactEarth™ Ltd.
Peter Mabson - Director - exactEarth™ Ltd.

exactEarth™ Ltd.

Interim Condensed Consolidated Statements of Changes in Shareholders' Equity (Deficiency)

(in thousands of Canadian dollars)

(unaudited)

For the six months ended April 30, 2020	Total	Deficit	Accumulated Other Comprehensive Loss	Share Capital	Contributed Surplus
	$	$	$	$	$
Balance at October 31, 2019	2,119	(126,238)	(113)	123,823	4,647
Stock-based compensation expense	68	-	-	-	68
Restricted share unit expense	91	-	-	-	91
Issuance of common shares	-	-	-	100	(100)
Comprehensive loss	(3,555)	(3,491)	(64)	-	-
Balance at April 30, 2020	(1,277)	(129,729)	(177)	123,923	4,706

For the six months ended April 30, 2019	Total	Deficit	Accumulated Other Comprehensive Loss	Share Capital	Contributed Surplus
Balance at October 31, 2018	7,207	(118,027)	(11)	123,794	1,451
Impact of change in accounting policy	272	272	-	-	-
Adjusted balance at October 31, 2018	7,479	(117,755)	(11)	123,794	1,451
Stock-based compensation expense	119	-	-	-	119
Restricted share unit expense	21	-	-	-	21
Convertible debenture	2,917	-	-	-	2,917
Issuance of common shares	14	-	-	14	-
Comprehensive loss	(3,507)	(3,390)	(117)	-	-
Balance at April 30, 2019	7,043	(121,145)	(128)	123,808	4,508

See accompanying notes

exactEarth™ Ltd.
Interim Condensed Consolidated Statements of Loss and Comprehensive Loss
(in thousands of Canadian dollars except for per share figures)
(unaudited)

		Three months ended		Six months ended	
		April 30, 2020	April 30, 2019	April 30, 2020	April 30, 2019
		$	$	$	$
Revenue	(note 11)	4,407	3,906	8,540	7,428
Cost of revenue	(notes 5 and 10)	2,984	3,578	5,043	5,722
Gross profit		1,423	328	3,497	1,706
Selling, general and administrative	(note 10)	2,560	1,818	4,340	3,814
Product development and research and development	(note 10)	208	243	512	536
Depreciation and amortization	(notes 3 and 6)	237	187	491	355
Impairment loss	(note 4)	838	-	838	-
Loss from operations		(2,420)	(1,920)	(2,684)	(2,999)
Other expenses					
Foreign exchange gain		(1)	(66)	(118)	(167)
Interest income		(20)	(70)	(54)	(96)
Interest expense	(notes 3, 5, 6 and 7)	434	369	860	592
Total other expenses		413	233	688	329
Income tax expense		45	2	119	62
Net loss		(2,878)	(2,155)	(3,491)	(3,390)
Other comprehensive loss					
Item that may be subsequently reclassified to net loss:					
Foreign currency translation, net of income tax expense of nil		(2)	(38)	(64)	(117)
Total other comprehensive loss		(2)	(38)	(64)	(117)
Comprehensive loss		(2,880)	(2,193)	(3,555)	(3,507)
Loss per share					
Basic and diluted loss per share	(note 8)	(0.13)	(0.10)	(0.16)	(0.16)

See accompanying notes

exactEarth™ Ltd.
Interim Condensed Consolidated Statements of Cash Flows
(in thousands of Canadian dollars)
(unaudited)

		Three Months ended: April 30, 2020	Three Months ended: April 30, 2019	Six Months ended: April 30, 2020	Six Months ended: April 30, 2019
		$	$	$	$
Operating activities					
Net loss		(2,878)	(2,155)	(3,491)	(3,390)
Add (deduct) items not involving cash					
Non-cash interest	(note 5)	131	121	249	142
Depreciation and amortization		237	187	491	355
Impairment loss	(note 4)	838	-	838	-
Operating grant recognized on SIF loan	(note 5)	(152)	(186)	(361)	(878)
Long-term incentive plan expense		119	74	386	83
Stock-based compensation		26	61	68	119
Net change in non-cash balances		343	1,081	(1,331)	586
Other operating cash flows					
Technology demonstration program funding received		-	26	-	26
Settlement of share units		-	(38)	-	(62)
Cash flows used in operating activities		(1,336)	(829)	(3,151)	(3,019)
Investing activities					
Acquisition of property, plant and equipment		(1,195)	(137)	(1,573)	(304)
Reimbursement of acquisition costs of property, plant and equipment		331	-	331	288
Acquisition of intangible assets		-	(4)	-	(4)
Cash flows used in investing activities		(864)	(141)	(1,242)	(20)
Financing activities					
Government loan repayment	(notes 5 and 7)	(82)	(82)	(205)	(205)
Government loan advance	(notes 5 and 7)	375	-	1,208	-
Convertible debenture advance		-	-	-	13,000
Convertible debenture issue costs		-	-	-	(1,146)
Payment of principal portion of lease obligations	(note 6)	(36)	-	(73)	-
Cash flows from (used in) financing activities		257	(82)	930	11,649
Effect of exchange rate changes on cash		107	55	111	88
Net (decrease) increase in cash		(1,836)	(997)	(3,352)	8,698
Cash, beginning of the period		8,672	14,469	10,188	4,774
Cash, end of the period		6,836	13,472	6,836	13,472
Supplemental cash flow information					
Interest paid		4	-	203	-
Interest received		8	66	32	90
Income taxes paid		45	2	119	62

See accompanying notes

1. DESCRIPTION OF THE BUSINESS

Founded in 2009, exactEarth™ Ltd. (the "**Company**" or "**exactEarth**") is a provider of space-based maritime tracking data from its satellites. exactEarth leverages advanced microsatellite technology to deliver monitoring solutions. The Company is incorporated under the *Canada Business Corporations Act* and its shares are listed on the Toronto Stock Exchange. The Company's head office is located at 260 Holiday Inn Drive, Cambridge, Ontario, Canada.

2. SIGNIFICANT ACCOUNTING POLICIES

a) Statement of compliance

These unaudited Interim Condensed Consolidated Financial Statements present the Company's results of operations and financial position as at and for the three and six months ended April 30, 2020, including the comparative period, have been prepared in accordance with International Accounting Standards ("IAS 34"), Interim Financial Reporting as issued by the International Accounting Standards Board ("**IASB**") using the same accounting policies and methods as were used for the Company's Consolidated Financial Statements and the notes thereto for the year ended October 31, 2019, except for the new accounting pronouncements which have been adopted as disclosed in note 3. These Interim Condensed Consolidated Financial Statements do not include all the information required for full annual financial statements prepared in accordance with International Financial Reporting Standards ("IFRS") and should be read in conjunction with the Company's annual Consolidated Financial Statements for the year ended October 31, 2019, which are available at www.sedar.com and on the Company's website at www.exactearth.com.

These Interim Condensed Consolidated Financial Statements were authorized for issuance by the Board of Directors of the Company on June 10, 2020.

b) Basis of presentation

These Interim Condensed Consolidated Financial Statements include the accounts of the Company and its subsidiary with intercompany transactions and balances eliminated. The Company has two divisions, one in Cambridge, Ontario, Canada, and one in Harwell, United Kingdom.

These Interim Condensed Consolidated Financial Statements are presented in Canadian dollars ("**CAD**") and have been prepared on a historical cost basis.

The timely preparation of the interim condensed consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingencies, if any, as at the date of the financial statements and the reported amounts of revenue and expenses during the period. By their nature, estimates are subject to measurement uncertainty and changes in such estimates in future years could require a material change in the interim condensed consolidated financial statements.

The Company has experienced lower than planned revenue combined with operating losses resulting in a reduction of ongoing operating cash flows. Management has assessed and concluded that there are no material uncertainties related to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern. Management applied significant judgment in arriving at this conclusion including:

- the amount of new sales orders and total revenue to be generated to provide sufficient cash flows to continue to fund operations and other committed expenditures;
- the timing of generating those new sales and the timing of the related cash flows; and
- the assessment of potentially discretionary expenditures that could be delayed in order to manage cash flows.

Given the judgement involved, actual results may lead to a materially different outcome.

On March 11, 2020, the World Health Organization declared the coronavirus ("COVID-19") outbreak a pandemic. COVID-19 has caused an unprecedented global health and economic crisis. The situation continues to rapidly evolve, resulting in governments worldwide implementing emergency measures including travel bans, self-imposed quarantine periods and physical distancing. COVID-19's impact on global markets has been significant through April and subsequent to the date of the Interim Condensed Consolidated Financial Statements. The Company has reviewed the estimates, judgements and assumptions used in the preparation of the Interim Condensed Consolidated Financial Statements, however the duration and magnitude of COVID-19's effects on the global economy remains uncertain at this time. The Company has recognized an increase in bad debt expense related to a distributor in China that has been impacted by COVID-19, therefore becoming a credit risk. Otherwise, as at the date of these statements, there has not been any impact on the Company's operations as a result of COVID-19. The company will continue to closely monitor the potential impact of COVID-19 on its business and operations.

There are uncertainties related to COVID-19 that will persist in the third quarter and beyond. Some of the Company's clients and customers may be experiencing significant pressures on their operations, which could lead to credit losses and reductions in business in future periods. These uncertainties may include interruptions in the supply chain, unavailability of personnel, closure of facilities and a reduction in sales, earnings and productivity.

The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company and its operating subsidiaries in future periods.

c) Leases

At the inception of a contract, the Company determines whether a contract is, or contains, a lease based on whether the contract conveys the right to control the use of an underlying asset for a period of time in the exchange for consideration. The Company recognizes a right-of-use asset ("**ROU asset**") and a lease liability on the commencement date of the lease.

Right-of-use asset

ROU assets are initially measured at cost, which is comprised of the initial amount of the lease liability, and any initial direct costs incurred and an estimate of costs to dismantle, remove or restore the underlying asset or site on which it is located, less any lease payments made at or before the commencement date. Unless the Company is reasonably certain to obtain ownership of the leased asset at the end of the lease term, a recognized ROU asset is depreciated using straight-line method over the shorter of its estimated useful life or the lease term. The ROU asset may be adjusted for certain remeasurements of the lease liability and impairment losses.

Lease liabilities

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily available. The Company uses a single discount rate for a portfolio of leases with reasonably similar characteristics. Lease payments include fixed payments less any lease incentives, and any variable lease payments where variability depends on an index or rate. The lease payments also include the exercise prices of purchase options reasonably certain to be exercised by the Company and payment of penalties for termination of a lease. Each lease payment is allocated between the repayment of the principal portion of the lease liability and the interest portion. The finance cost is charged to net finance costs in the consolidated statement of loss and comprehensive loss over the lease period. Payments associate with short-term leases (lease term of 12 months or less) and leases of low-value assets are recognized on a straight-line basis as an expense in the Consolidated Statement of Loss and Comprehensive Loss as permitted by IFRS 16.

The carrying amount of the lease liability is remeasured if there is a modification resulting in a change in the lease term, a change in the future lease payments, or a change in the Company's estimate of whether it will exercise a purchase, extension or termination option. If the lease liability is remeasured, a corresponding adjustment is made to the ROU asset.

As a practical expedient, IFRS 16 permits a lease to not separate non-lease components, but instead account for any lease and associated non-lease components as a single arrangement.

Determining the lease term of contracts with renewal or termination options

The lease term includes the non-cancellable term of the lease including extension and termination options if the Company is reasonably certain to exercise the option. The Company applies judgement in evaluating whether it is reasonably certain to exercise the options. All relevant factors that create an economic incentive for it to exercise the renewal are considered. After the commencement date, the Company reassesses the lease term if there is a significant event or a change in circumstances that is within its control and affects its ability to exercise (or not to exercise) the option.

d) Non-current assets held for sale

Non-current assets are classified as held for sale when specific criteria are met and are measured at the lower of carrying amount and estimated fair value less costs to sell. Assets held for sale are not amortized and are reported separately on the statement of financial position.

3. CHANGES TO ACCOUNTING POLICIES

The Company has adopted the new and amended IFRS as listed below as at November 1, 2019, in accordance with the transitional provisions outlined in the respective standards.

(in thousands of Canadian dollars, except where otherwise noted and share data)

NEW STANDARDS ADOPTED

IFRS 16, *Leases* ("IFRS 16")

The Company adopted IFRS 16 using the modified retrospective approach and the information presented for the 2019 reporting period has not been restated.

IFRS 16 removes the distinction between operating and finance leases and requires the recognition of a ROU asset and a lease liability at the lease commencement for all leases, except for short-term leases (lease term of twelve months or less) and low value leases.

A lease that was classified as operating under IAS 17 was measured at the present value of remaining lease payments discounted at the Company's incremental borrowing rate of 5% as at November 1, 2019. The ROU asset and lease liabilities relate to a lease of real estate property. In applying IFRS 16, the Company recognized the following:

- a ROU asset and lease liability in the Interim Condensed Consolidated Statement of Financial Position, measured at the present value of future lease payments;
- the ROU asset is reported in Property, plant and equipment;
- the current portion of the lease liability is reported in Accounts payable and accrued liabilities and the non-current portion is reported in Other long-term liabilities;
- depreciation of a ROU asset on a straight-line basis and interest on the lease liability in the Interim Condensed Consolidated Statements of Loss and Comprehensive Loss; and
- the principal portion (presented in financing activities) and interest portion (presented within operating activities) of lease payments in the Interim Condensed Consolidated Statements of Cash Flows.

The Company used the following practical expedients permitted by the standard:

- Applied the standard only to contracts that were previously identified as leases under IAS 17 at the date of initial application;
- Applied the recognition exemptions for low-value leases and leases that end within twelve months at the date of application; and
- Included non-lease component for property management and operating fees in the lease payments.

On transition to IFRS 16 on November 1, 2019, the Company recognized ROU assets of $369 and lease liabilities of $355. The impact of adoption of IFRS 16 on the Interim Condensed Consolidated Financial Statements is as follows:

Interim Condensed Consolidated Statements of Financial Position as at April 30, 2020:	Before IFRS 16	Increases	As Reported
Property, plant and equipment	$ 3,734	$ 293	$ 4,027
Accounts payable and accrued liabilities	4,317	151	4,468
Other long-term liabilities	1,282	131	1,413

(in thousands of Canadian dollars, except where otherwise noted and share data)

Interim Condensed Consolidated Statements of Loss and Comprehensive Loss for the three months ended April 30, 2020:	Before IFRS 16	Increases	As Reported
Depreciation and amortization	$ 199	$ 38	$ 237
Interest expense	430	4	434

Interim Condensed Consolidated Statements of Loss and Comprehensive Loss for the six months ended April 30, 2020:	Before IFRS 16	Increases	As Reported
Depreciation and amortization	$ 415	$ 76	$ 491
Interest expense	852	8	860

IFRIC 23, *Uncertainty over Income Tax Treatments ("IFRIC 23")*

IFRIC 23 provides guidance when there is uncertainty over income tax treatments including (but not limited to) whether uncertain tax treatments should be considered separately; assumptions made about the examination of tax treatments by tax authorities; the determination of taxable profit, tax bases, unused tax losses, unused tax credits and tax rates; and the impact of changes in facts and circumstances. The new interpretation is effective for annual periods beginning on or after January 1, 2019. There were no adjustments related to the adoption of IFRIC 23 in the April 30, 2020 unaudited Interim Condensed Consolidated Financial Statements.

4. ASSETS HELD FOR SALE

On March 30, 2020, exactEarth and Myriota Canada Inc. ("Myriota Canada"), a wholly-owned subsidiary of Myriota PTY Ltd. ("Myriota") and a related party of the Company, entered into a definitive agreement, whereby Myriota will acquire four satellites from exactEarth's first-generation constellation and its ground station assets for consideration comprised of $600 cash, $450 of which will be used to purchase preferred shares of Myriota. The closing of the sale of assets to Myriota Canada is subject to Canadian Government regulatory approvals involving the acquisition of satellite assets and other customary closing conditions and is expected to occur in the second half of fiscal 2020.

The major classes of assets held for sale are as follows:

At April 30, 2020	Net Book Value	Fair Value less Costs to Sell	Impairment Loss
Satellites	$ 1,024	$ 346	$ 678
Electrical equipment	241	81	160
Total assets	$ 1,265	$ 427	$ 838

(in thousands of Canadian dollars, except where otherwise noted and share data)

5. GOVERNMENT ASSISTANCE

Strategic Innovation Fund ("SIF") Loan

During the three and six months ended April 30, 2020, $375 and $1,208 in loan advances was received. An additional receivable of $541 was recorded in accounts receivable for funding related to eligible expenditures incurred prior to April 30, 2020.

The SIF loan is measured initially at fair value, and subsequently measured at amortized cost using the effective interest rate method. An interest rate of 14% was used based on the market interest rate for a comparable instrument with a similar term when the funding was received.

The difference between the fair value at inception and the loan proceeds received is recorded as a government grant, which is recognized as an operating grant or a capital grant based on the relative proportion of eligible expenditures incurred. The capital grant is recorded as a reduction in the cost of the related asset and amortized to income over the life of the asset.

The amounts recognized in the Interim Condensed Consolidated Statements of Financial Position are as follows as at:

	April 30, 2020	October 31, 2019
Loans payable	$ 1,172	$ 878
Accounts receivable	541	881
Property, plant and equipment – net capital grant	280	172

The amounts recognized in respect of the SIF loan in the Interim Condensed Consolidated Statements of Loss and Comprehensive Loss for the three months ended April 30:

	2020	2019
Cost of revenue – operating grant	$ (152)	$ (186)
Interest expense	27	11
Reduction of amortization expense	(10)	(4)
Net impact	$ (135)	$ (179)

The amounts recognized in respect of the SIF loan in the Interim Condensed Consolidated Statements of Loss and Comprehensive Loss for the six months ended April 30:

	2020	2019
Cost of revenue – operating grant	$ (361)	$ (878)
Interest expense	55	22
Reduction of amortization expense	(20)	(7)
Net impact	$ (326)	$ (863)

6. Leases

The ROU asset and lease liabilities related to the lease of real estate property were measured at the present value of remaining lease payments discounted at the Company's incremental borrowing rate of 5%, based on the market interest rate for a comparable instrument with a similar term, as at November 1, 2019.

(in thousands of Canadian dollars, except where otherwise noted and share data)

	Right-of-use asset	Lease liabilities
Balance at November 1, 2019 (note 3)	$ 369	$ 355
Depreciation	76	-
Interest	-	8
Payments	-	(80)
Balance at April 30, 2020	$ 293	$ 282
Less: current portion		151
		$ 131

For the three and six months ended April 30, 2020, the Company recognized expense related to low-value leases of $1 and $2 in Selling, general, and administrative expense in the Interim Condensed Consolidated Statements of Loss and Comprehensive Loss.

7. FINANCIAL INSTRUMENTS AND FOREIGN EXCHANGE

Fair values

For the Company's cash, short-term investments, accounts receivable, and accounts payable and accrued liabilities, the fair values approximate their respective carrying amounts due to their short-term maturities.

Federal Development Agency for Southern Ontario ("*FED DEV*") loan

The FED DEV loan has a carrying value as at April 30, 2020 of nil (October 31, 2019 – $202). The fair value of the FED DEV loan was calculated using discounted cash flows with a discount rate of 8% indicative of the Company's borrowing rate when the funding was received. The fair value of the FED DEV loan using the Company's current borrowing rate of 14% is nil (October 31, 2019 – $200).

SIF loan

The SIF loan has a carrying value as at April 30, 2020 of $1,172 (October 31, 2019 – $878), which approximates fair value. The fair value of the SIF loan was calculated using discounted cash flows with a discount rate of 14% indicative of the Company's borrowing rate when the funding was received.

Convertible debentures

The convertible debentures have a carrying value as at April 30, 2020 of $9,425 (October 31, 2019 – $9,211), which approximates fair value as the loan was recorded at fair value when the cash was received. In the three and six months ended April 30, 2020, the Company recognized interest expense of $398 and $795 (April 30, 2019 – $349 and $549), including amortization of the deferred transaction costs, related to the convertible debentures.

Short-term investments

The Company holds two Guaranteed Investment Certificates totalling $49 from CIBC as collateral for a line of credit for $29 and other credit facilities of $20.

Foreign currency

As at, approximately 39% of cash, 74% of accounts receivable and 34% of accounts payable and accrued liabilities are denominated in foreign currencies, respectively (October 31, 2019 – 28%, 55%, and 46%, respectively). These foreign currencies include the US dollar ("**USD**"), British pound ("**GBP**") and euro ("**EUR**").

(in thousands of Canadian dollars, except where otherwise noted and share data)

The Company is exposed to foreign currency risk on the following cash and cash equivalents, accounts receivable and accounts payable and accrued liabilities denominated in foreign currencies:

Currency		Cash		Accounts receivable		Accounts payable and accrued liabilities
USD	$	907	$	778	$	756
GBP	£	323	£	110	£	42
EUR	€	576	€	692	€	242

8. SHARE CAPITAL

Loss per share

Basic and diluted loss per share for the three months ended April 30:

		2020		2019
Numerator for basic and diluted loss per share available to common shareholders:				
Net loss attributable to common shareholders	$	(2,878)	$	(2,155)
Denominator for basic and diluted loss per share:				
Weighted average number of shares outstanding		21,892,467		21,698,578
Basic and diluted loss per share	$	(0.13)	$	(0.10)

Basic and diluted loss per share for the six months ended April 30:

		2020		2019
Numerator for basic and diluted loss per share available to common shareholders:				
Net loss attributable to common shareholders	$	(3,491)	$	(3,390)
Denominator for basic and diluted loss per share:				
Weighted average number of shares outstanding		21,796,902		21,661,834
Basic and diluted loss per share	$	(0.16)	$	(0.16)

There are 1,919,696 share units that are antidilutive at April 30, 2020 (October 31, 2019 – 1,544,745).

9. COMMITMENTS AND CONTINGENCIES

L3Harris commitment

In January 2020 the Company signed an updated agreement with L3Harris, the Amended and Restated L3Harris Agreement ("**A&R L3Harris Agreement**"), to receive satellite automatic identification system ("**S-AIS**") data from the L3Harris AppStar payloads on-board Iridium NEXT Constellation, Iridium's second-generation satellite constellation. The A&R L3Harris Agreement stipulates a fixed operational fee of USD $358 per month (USD $4,300 per year), and a 30% share of S-AIS data revenues for the portion of exactEarth annual S-AIS data revenue, which is in excess of USD $16,000. Currently, under the A&R L3Harris Agreement no revenue share is owed with respect to AIS Analytics sales.

(in thousands of Canadian dollars, except where otherwise noted and share data)

The following table summarizes the CAD operational fees commitment under the A&R L3Harris Agreement, which includes the fixed payments to L3Harris, but does not include revenue share.

L3Harris Fees	Less than 1 Year	1 to 5 Years	After 5 Years
Operational fees payable	$ 5,962	$ 23,848	$ 37,502

Claims or legal actions

The Company does not have any outstanding claims or legal actions.

10. EMPLOYEE BENEFITS

Defined contribution pension plan

The Company has a defined contribution pension plan for its employees. During the three and six months ended April 30, 2020, the Company's contributions, which are based on the contributions by employees, were $47 and $94 (three and six months ended April 30, 2019 – $33 and $78) and are included in cost of revenue and selling, general and administrative expenses in the Interim Condensed Consolidated Statements of Loss and Comprehensive Loss.

Salaries and benefits

Total salaries and employee benefits for the three and six months ended April 30, 2020 was $1,864 and $ 3,857 (three and six months ended April 30, 2019 – $1,437 and $3,304).

11. REVENUE FROM CONTRACTS WITH CUSTOMERS

Disaggregation of revenue from contracts with customers

Revenue is divided into three categories based on the types of products sold. Subscription services are recognized over the contract term, data products are sold on demand and recognized on delivery, and other products and services include various other revenue streams and are recognized as performance obligations are satisfied.

Revenue by product type for three months ended April 30:	2020	2019
Subscription services	$ 3,894	$ 3,181
Data products	132	339
Other products & services	381	386
Total revenue	$ 4,407	$ 3,906

Revenue by product type for six months ended April 30:	2020	2019
Subscription services	$ 7,733	$ 6,299
Data products	282	438
Other products & services	525	691
Total revenue	$ 8,540	$ 7,428

(in thousands of Canadian dollars, except where otherwise noted and share data)

12. SEGMENT, GEOGRAPHIC AND MAJOR CUSTOMER INFORMATION

The Company has one reportable business segment, which is engaged in the sale of space-based maritime tracking data and related products and services from satellites.

Geographic information

Revenue by geography is based on where the customer is located.

For the three months ended April 30:	2020	2019
Canada	$ 222	$ 198
United States	262	731
Europe	2,261	1,633
Other	1,662	1,344
	$ 4,407	$ 3,906

For the six months ended April 30:	2020	2019
Canada	$ 421	$ 353
United States	619	1,045
Europe	4,233	3,225
Other	3,267	2,805
	$ 8,540	$ 7,428

For the three and six months ended April 30, 2020, there were no customers with revenue in excess of 10% of the Company's total revenue (April 30, 2019 – no customers).

PP&E are attributed to the country in which they are located or, for space-based assets, the country in which they are owned. Intangible assets are attributed to the country where ownership of the asset resides.

	April 30, 2020	October 31, 2019
PP&E		
Canada	$ 4,027	$ 4,383
United Kingdom	-	15
	$ 4,027	$ 4,398
Intangible assets		
Canada	$ 1,441	$ 1,538
United Kingdom	-	-
	$ 1,441	$ 1,538