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<<Erik Rasmussen, Analyst, Stifel, Nicolaus & Company, Inc.>>

All right. Thanks for joining us. It's day three, our last day of the 2022 Stifel CSI Conference. My name is Erik Rasmussen. I cover the new space category here at Stifel. Pleased to have Peter Platzer, he's the Co-Founder and CEO of Spire Global, interesting company. Format today is to have a presentation and then we'll open it up for questions and fireside chat. Peter, thanks for joining us today.

<<Peter Platzer, Co-Founder and Chief Executive Officer>>

Absolutely. Very happy to be here. I apologize for my voice. Some of you might know I'm actually a classically trained tenor and so that I promise you it was not the voice that got me on stage in Carnegie Hall, but please bear with me, fantastic to be here. And just to checking is this going to be broadcast as well or just for us here.

It is broadcast as well. Okay, excellent. So I'm originally from Austria, a high-energy infusion physicist. It was very lucky to spend just a little bit of time at CERN and the Max Planck Institute, but always had this idea, this vision, how can we leverage space to solve problems on earth. But the industry was a very, very slow and encrusted one.

And so I ended up working for the Boston Consulting Group in Europe and then in Asia and then they sent me to Harvard Business School where I looked at space again. And it was still slow and encrusted, but that passion that I've had ever since being a teenager hadn't changed. And I was fortunate enough to come across a book by Laurie Beth Jones called The Path where you go through a little process and you write a mission statement for your life.

And so it's now just about 25 years ago that my mission statement out of that process came out to be, to lead, inspire and create the business of space for the benefit of all. It was a fantastic process and it was devastating to realize that there was nothing I can do with it at that point in time. But I did have this thing called bills. And so I ended up working on Wall Street as a quantitative investment manager focusing on emerging markets, currencies, equities, and commodities. And it wasn't until about almost a decade later that through an event, which later on became singularity university at NASA Ames, I got to spend some time particularly with Peter Diamandis, Salim Ismail, talking about the space industry and how the industry is now moving onto an exponential trajectory.

And it convinced me enough that I quit my job much to the chattering of some of my friends that were seriously concerned. And I told them I'm going to France and study space. But I got my last credit degree in space science in Strasbourg in 2011, 2012. And for the mini thesis that I had to write there, I did a piece of research where I interviewed

about 100 people from the space industry. And I asked them what is going to happen with those small devices, those satellites, and everyone was convinced that there's going to be a steady, but reasonably slow improvement. And then ever the researcher, I went back and looked at every single satellite mission that had been built. And what my data showed me is that the capability per kilogram improves tenfold every five years like clockwork, that's faster than Moore's law.

And I then predicted based on my data in my spreadsheet, what capabilities will be of those small wine bottle sized devices in 2015 and 2020. And it was very obvious that at those capability levels, those devices are and will be capable to solve real-world problems. And armed with that knowledge together with two brave classmates we went into a grungy garage in Bluxome Street in San Francisco, and started a company building right next to a hamburger making robot, our first satellite. You fast-forward at nine years, you have a company it's the largest company in the world from a constellation perspective that is using multipurpose satellites, that is using radio waves to observe the earth over 100 satellites in orbit.

We've done over 30 launch campaigns with 10 different launch providers. We have over 70 antennas in 16 countries and today have over 600 customers and on track to exceed \$100 million in annually recurring revenue in just under six years from when we started with like our first \$1 million of recurring revenue. I think it really is a showcase of how this technology, thanks to its exponential improvement is solving real-world use cases.

There might be a large number of space experts in the room, especially, and also that reading stuff from Erik. But something that has been definitely helpful for me and might also be helpful for you is like a categorization of the industry. The same way as in the transportation industry, you might talk about planes and ships and trucks. And by their name, it's very obvious how they're different. In the industry of satellites unfortunately, we don't have yet those names, but you can think of them in the same way, you can categorize it in the same way.

And those are looking satellites, talking satellites and listening satellites, and they're just as mutually exclusive and totally exhaustive as my friends of McKinsey would call it like ships and planes and trucks. Looking satellites of course, are those that take reflections from the sunlight as it goes up into space in good weather and captured with the camera. And that picture is the information that they download. So it works really well during the day. It works really well during good weather and particularly well over land.

And you have companies in there like a Maxar and Satellogic and then Airbus and BlackSky and Planet. And then you have talking satellites. Talking satellites, transport data from one location on earth to another location on earth. Now it could be a very large amount of data, like a Viasat or an SES. It could be an internet bandwidth like OneWeb or Starlink or it could be like a small amount of data, like Inmarsat or Iridium more like a phone company, like AST or a radio. And then you have the listening satellites, which use radio waves to observe what is happening on or above earth.

Now, radio waves obviously don't require the sun. So it works during day and night. It works in 3D and it works in all weather conditions because it's not inhibited by cloud. As a matter of fact, it actually can give you information about clouds or hurricanes. And you have companies in there like a GeoOptics, HawkEye, Clears and Unseen and Spire is the dominant player in that category.

We are by far the largest player in terms of deployed constellation, customers, revenue, any which way you want to measure it. And maybe a last comment about that deployed constellation. One of the really unique and powerful things about Spire is that our constellation for our data businesses is fully deployed. We don't need to grow it. We don't intend to grow it. We are just going to monetize that fully deployed constellation, of course, maintaining it, just like we maintain our phones and then tablets. But there is not a growth necessary because we are fully deployed at this point in time already.

So if you go through the data that we collect, we track all off the world's ships, some \$18 trillion of global trade, all of the world's planes, all of the world's weather and we had people ran down infrastructure. You have a large number of industries and a large number of use cases. We did the work ourselves bottom up, top down. We had external company help us with that as well. It's about 175 major use cases covering about 200,000 potential customers for a total TAM of the order of about 100 billion across the main areas that we focus on.

And one of the things that I took away from my time as a quantitative investment manager, is that just about the only free lunch there is on Wall Street is a diversified portfolio. If you have diversified return income streams, the combined income stream is of much higher quality and predictability. And so we have worked very hard to create that set of diversified income streams that equally contribute to a combined very, very stable outcome, very predictable recurring revenue. Because all of our products are sold as a subscription, we have that fully deployed infrastructure that collects the data once and downloads it through our own ground station network in our own cloud infrastructure.

And at that first level, we call it clean data is where the data is then available to be sold. We then add our analytics to it and infuse in third-party data set and make it available as so-called smart data as a subscription. Of course, the next layer is like the predictive analytics that we have deployed using big data AI and machine learning and make that available as a subscription. And then the last one would be full fledged solutions. So that concept of collecting data once and selling it an almost unlimited amount of time is creating the very, very highly leveraged business model that we have just like you would expect from any data analytics company that has access to a very proprietary, very hard to get exclusive data set.

I think it's showcased in the results that we have put out in the first quarter where we met or actually exceeded our guidance both on the top line and the bottom line with very, very strong growth, both on the revenue and the ARR side and reflected in the guidance that we have put out for this full year, showing very, very strong and consistent growth

about 100% on the revenue side and improving our operating margin by over 50 points, really showcasing the leveraged business model that that Spire has here. Given that there are 175 use cases. It probably would be hard for me here to talk about all of them.

But one thing that is probably coming up often in conversations these days is the supply chain. And given that Spire monitors every single ship and every single plane, we've definitely seen an increased interest from customers in helping them understand their supply chain, as well as from companies that are supporting the logistics industry in helping them serve their customers better, given the data insights and predictive analytics that we can provide to them.

Another one that is very topical of course is a geopolitical situation. Spire has about 50% of its business with commercial customers and about 50% of its business with government customers. And when I say government, I mean, both U.S. as well as other friendly nations. And I mean both civil, like for example, NOAA weather, which has an \$8 million contract for under a year of data delivered from us. But also the defense side.

And with what is going on across the world, one of the services we were able to talk about and have helped with is the identification of GPS jamming. And once the GPS system jammed, drones become inoperable movement of assets and identification of friend of all becomes very, very challenging. That cyber element of warfare is a very important portion. Spire has the capabilities to help with that. It's called RF geolocation, radio frequency, geolocation, where something is happening and Spire has the world's largest constellation of RF geolocation capable satellites, 40 assets on orbit.

And then last, but certainly not least area that might be a little bit more closer to my heart than others is the protection of the environment. On one hand, there is the environment on earth climate change. We have customers that do early warnings and mitigation of wildfire or raw attack. We have customers that are offshore wind farms and that use our information to have more predictable delivery of electricity into the grid, lowering their operational cost.

And one of our recent wins is a company NorthStar that is monitoring the space environment, space debris, and other assets and is a contract that has optionality of about \$200 million for us. I mean, it's an eight figure contract that they have signed with us, but it has embedded in the contract options for multiple years to expand their service as the business grows to about \$200 million. And maybe a last one because I'm a car aficionado. We were able to win a Formula 1, one of the single most successful Formula 1 race car teams to use our data, to be better prepared on race day. So hopefully that gives you a bit of a sense of the diverse use cases that you have from a single asset of data in analytics that is used in different ways by different customers.

The growth of the company is driven by us investing in four growth pillars, which is dominated by us being fully deployed. So it is driven by the monetization of the fully deployed capabilities, which number one means we invest in sales and marketing product. We have a direct sales model, where our sales people on the average have over a

\$2 million annual contract detained quota. So it's highly, highly productive given the value that we bring to our customers.

The second one is that we expand the geographic reach and the use case reach again, monetization of the data. The third one is like we increase the capabilities of our data and analytics. And the fourth one is that we execute on strategic M&A, but only when it strengthens our leadership position in our existing markets.

And the outcome of that execution alongside those strategies is that the company has been able to grow and is on track to reach from \$1 million to over \$100 million annually recurring revenue in just under six years something that compares pretty favorably with a lot of other companies that I deeply admire.

And with that I really thank you for your time. And I look forward to more conversation with Erik.

<<Erik Rasmussen, Analyst, Stifel, Nicolaus & Company, Inc.>>

Great. Thanks Peter. Okay.

Q&A

<Q>: Your slide up there that was showing the revenues, it makes me a little bit disappoint. You are the largest, you got the biggest constellation, there are already, what 100,000 satellites up there not only you, but together.

<A – Peter Platzer>: About 7,000.

<Q>: Thousands of satellites already up there and yet – and you've got all these unique capabilities and you're fully deployed, yet you haven't even hit \$100 million in revenue yet, and I'm kind of shocked because of the capabilities – broad array of capabilities and applicability, as well as everybody's knowledge. It's not like you're the first guys out there. Help me bridge to what the TAM and the timeframes might be for you as well as the sector.

<A – Peter Platzer>: I mentioned to you that we have a direct sales model. People don't sign \$1 million contracts with people they don't know. So my limiting factor is hiring. We had the strongest hiring quarter in the history of the company, hiring about 20% of the workforce at a quarter. But it's challenging. I'd love to talk with you and learn how can I hire faster without destroying the culture, finding the right people, training them, keeping them incentivized, keeping them aligned, because it doesn't help you when you get like 100 people in and everyone's running in a different direction.

You also have to keep them growing together. And I haven't figured out how to do this any faster than we have. We're growing 100% this year. If you can have some tips of how I can hire faster to grow 200% a year without destroying the culture and still having

people commitment to the company, to the culture, to the incentives, to the strategy and stay there for longer than 18 months, I'd be absolutely delighted.

<Q>: Have you reached a point or are you starting to reach a point where your market presence is well enough known that people are dialing you up?

<A – Peter Platzer>: So yes, so we have of course inbound, but still the majority of conversations that we have, the question we get is I haven't heard about you. I didn't know this is possible. The growth and capabilities that Spire has delivered is still mind boggling. To give you just one example, there is a whole industry that colleagues of Erik's are covering that talks about connecting satellites with lasers. You might have heard about it.

There are companies with \$1 billion valuations that say we will build devices that we will sell to people that want to connect their satellites, but they haven't launched. Spire already has it on orbit. We started deploying it like over a year ago. I think we have been very good in carving out a very strong strategy and dominating a market segment where we are not as strong, where I am not as strong is in telling that story in like the sexy way as maybe Andrew Newman was able to tell his story about real estate.

I think we are getting better. We brought phenomenal resources on board, like our Head of IR, 20 years aerospace experience, second in command in one of the most celebrated aerospace IR departments, background as a CFO in that industry. So we're making investments where to get better, but you're 100% correct in the sense that we are not as well known as we should be. But we are getting more and more inbound as well. So we are improving.

<Q – Erik Rasmussen>: I think it would be helpful to follow up with that to maybe give a little light, is that a couple of things is, the industry's still new, right? And so as much as we think it's sort of like hype cycles, right? Everyone thinks that new space's been around for a long time. And why aren't these companies performing at a higher rate? Well, the performance is actually pretty incredible when you look at that one chart of 100%. But I think what would be helpful is to talk about the other complexities, the sales cycles, because you're coming from a subscale company that nobody really knew about, or they don't know about, or they don't know the capabilities, but then it's that sales cycle, that sales cycle takes a long time. But then once you start that sales engine and you get the wins, those wins start building upon. So maybe talk about the sales cycles and what that looks like, and maybe that'll help bridge the gap.

<A – Peter Platzer>: And that's an excellent point, Erik. The reason why we went to our board as a private company a few years ago is that we want to go public was not because we love paying, 10 times the DNO insurance and 15 times our auditors cost. But we recognized that the conversation you have with the potential customer as I'm Peter from a New York Stock Exchange listed company called Spire, and I'd like to talk to you, it's very different than the conversation you have. I'm Peter from a Silicon Valley startup called Spire.

So we recognize that there is a certain sense of credibility that would be dramatically helpful, especially to the types of customers we are selling. And we used to have, especially for our seven and eight figure contract sales cycles that were six, nine, 12 months, sometimes even 15 months long. And what we have seen over the last six to nine months as both, there has been more awareness in the industry, more awareness from the customer side, more awareness about Spire because we are now a public company.

We have sales cycle seen come down and we just recently signed an eight figure contract with just a three month sales cycle. So the awareness is helping in driving down those sales cycles where we are coming from a base where we were a private company and where a lot of the awareness that has been happening did not exist.

<Q – Erik Rasmussen>: In the two slides that maybe we could hit on in the time that I thought were important is the one that you have the three, the talk look and listen, satellite. Maybe if you can just sort of go through the competitive dynamics on what you're seeing, why you're more differentiated, why there's a misunderstanding of the competitive landscape I think that's out there for Spire. Maybe just walk us through that. And then the other one would be the full value chain. I think it would be important for you to sort of give a little bit more detail on where you see customers falling into those different buckets and how you see that evolve?

<A – Peter Platzer>: Absolutely. So I think there is right now, like a perception of like, there are thousands of satellites and hundreds of companies and they're all going to compete in what are they doing? The truth is that across those segments, there really is no competition and there's only small areas of potential collaboration. So there's stuff like we are helping NOAA and Europe and the world have better weather prediction with our data is vastly different and not in competition with a Maxar helping the world understand deforestation.

There is no overlap in use cases. There might be competition inside those. I mean, those are all very large buckets and companies can compete amongst each other, but not across categories. So I think that's the first one to understand. And in our category we truly are the largest constellation, largest customer, largest revenue base of listening satellites. We are the only one with that full deployed capability set, the only one which has a very equal government and commercial business.

There are companies, some of which I mentioned there that have by law only the U.S. intelligence service as their customer. It can't sell it to anyone else. Which comes a little bit then to the second question you talked about is like how Spire has built its capability alongside the full value chain. From day one, we have built the augmentation of the raw data with analytics into our business model, adding predictions, AI and machine learning as part of our value chain.

And so we see customers growing their clean data usage, not just tracking oil, but tracking gas as well, but also going up that value chain, buying predictions, where will

the oil be buying? What will the weather be to understand supply and demand? And so our net retention rate of our customers has been over 100%, meaning our customers not just stick with us, but they actually buy more from us.

<<Erik Rasmussen, Analyst, Stifel, Nicolaus & Company, Inc.>>

Thanks, Peter. I think that's helpful. I mean, it's obviously a lot more to dig into, but we'll end it there. We run out of time. I'd like to thank you, Peter for participating today.

<<Peter Platzter, Co-Founder and Chief Executive Officer>>

My pleasure.

<<Erik Rasmussen, Analyst, Stifel, Nicolaus & Company, Inc.>>

And thanks for all coming.

<<Peter Platzter, Co-Founder and Chief Executive Officer>>

Thank you.