



August 8, 2024

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# BLACKSKY Q2 2024 EARNINGS WEBCAST

# Legal Disclaimers

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## NON-GAAP FINANCIAL MEASURES

Adjusted EBITDA is defined as net income or loss attributable to BlackSky before interest income, interest expense, income taxes, depreciation and amortization, as well as significant non-cash and/or non-recurring expenses as our management believes these items are not as useful in evaluating the Company’s core operating performance. These items include, but are not limited to, stock-based compensation expense, unrealized (gain) loss on certain warrants/shares classified as derivative liabilities, litigation, settlements, and related costs, severance, impairment losses, (income) loss on equity method investment, investment loss on short-term investments, transaction costs associated with debt and equity financings, forgiveness of non-trade receivables, and gain from discontinued operations, net of income taxes. Adjusted imagery and software analytical services cost of sales is defined as imagery and software analytical services costs, excluding depreciation, amortization and stock-based compensation expense. Cash operating expenses is defined as operating expenses, excluding stock-based compensation expense for selling, general and administrative costs and depreciation and amortization expense.

Adjusted EBITDA, adjusted imagery and software analytical services cost of sales and cash operating expenses are non-GAAP financial performance measures. They should not be considered in isolation or as an alternative to measures determined in accordance with GAAP. Please refer to the appendix herein and our SEC filings for a reconciliation of our non-GAAP metrics to their most comparable measures reported in accordance with GAAP and for a discussion of the presentation, comparability, and use of such metrics.

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## First very-high resolution **Gen-3 satellite planned for launch in Q4**

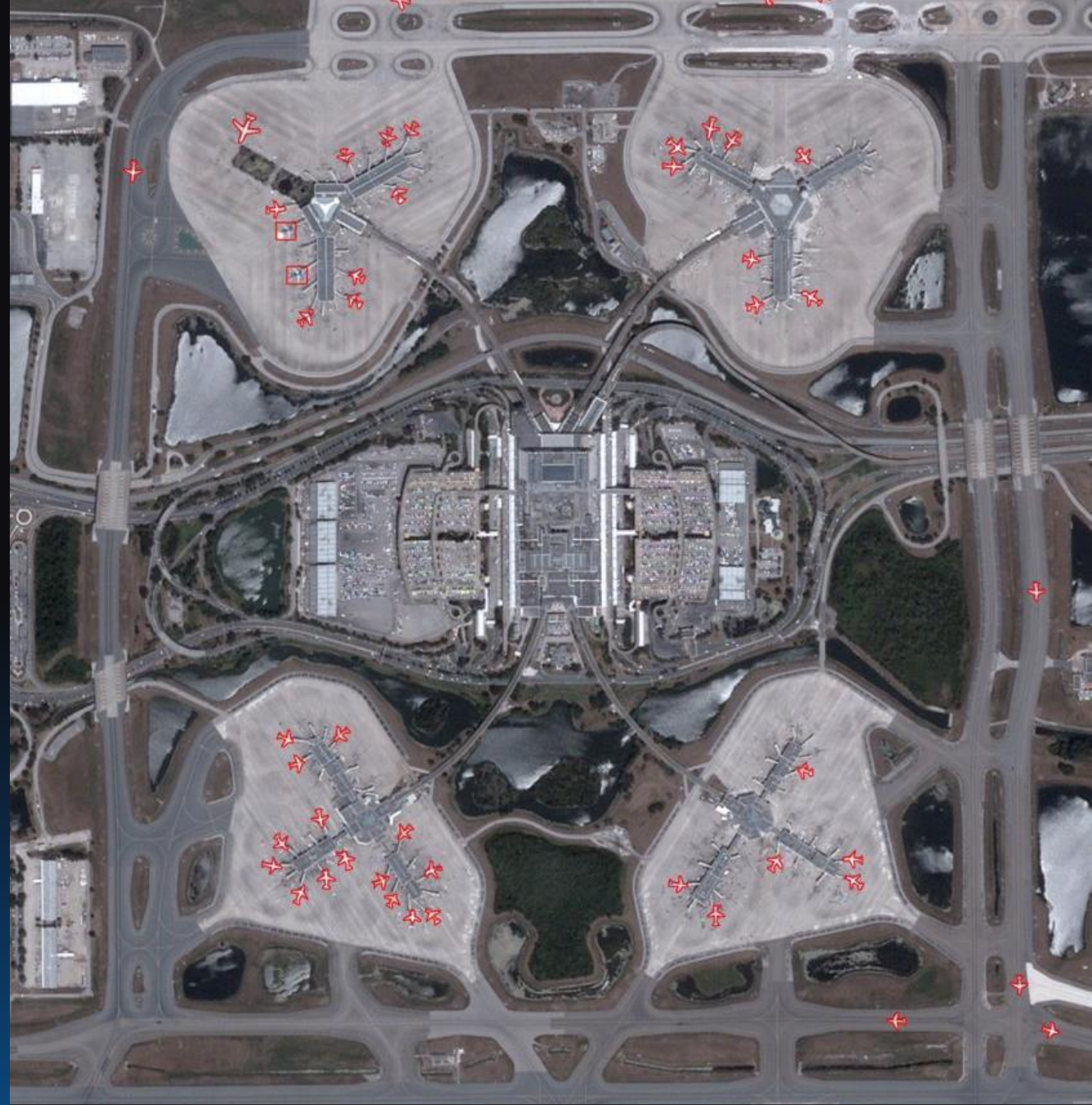
## Recent Highlights

- **Strong Q2 revenue growth of 29%** over the prior year quarter
- **Awarded \$40 million in new awards and extension agreements in Q2** supporting multiple U.S. and international government agencies
- **Delivered 3<sup>rd</sup> consecutive quarter of positive Adjusted EBITDA<sup>(1)</sup>** driven by strong revenue growth and operating leverage
- Gen-3 satellites in **final stages of assembly, integration, and test**



# Demand from U.S. Government Agencies Continues to Grow

- **NRO extended its subscription to high-frequency Gen-2 imagery services** under EOCL contract
- **Won a new task order** with the Air Force to continue advanced development of AI-enabled moving target detection services
- **Won several contracts and options with new customers** acquired through the Global Data Marketplace (GDMP)





# Growing Demand Across International Markets

- **Won a \$7 million contract renewal** with a long-term international government customer for imagery & analytic monitoring services
- **Awarded multiple six-figure subscription contracts** in support of various international government agencies
- **International revenues more than doubled over the prior year quarter**, and now represents 40% of total revenues





# BlackSky's Spectra Delivers Real-Time Intelligence in Support of Counter-Drug Operations

- International defense customer uses BlackSky's **self-service Spectra platform to task real-time imagery** during counter drug operation
- BlackSky's fully automated Spectra platform **delivered timely and actionable intelligence directly into customer's operations center**
- **BlackSky is changing the user experience** by putting on-demand space-based intelligence into the hands of end users



# First Advanced Gen-3 Satellite Planned for Launch in Q4

- Gen-3 satellites in **final phases of assembly, integration and test**
- **Mission planning rehearsals underway** in preparation for launch and commissioning operations
- **Launch of first Gen-3 satellite on track for Q4**
- Gen-3 satellites will add **35cm very-high resolution imagery** to existing dynamic hourly monitoring constellation

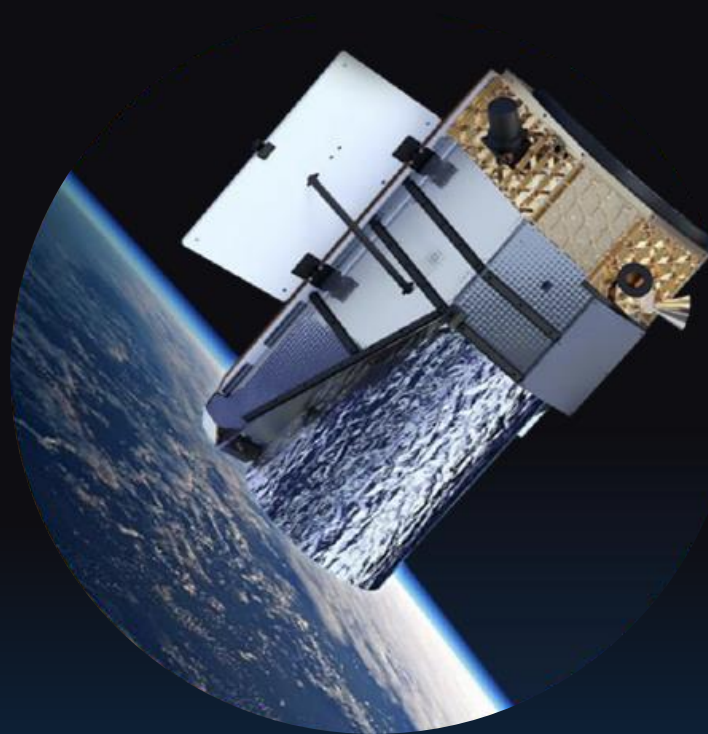




# Gen-3 is Built for Speed – from Manufacturing to Intelligence



Agile smallsat development and rapid manufacturing at LeoStella



35cm very-high resolution imaging with hourly revisit and low-latency delivery



Transformative AI-enabled intelligence, accessible in a single platform <sup>(1)</sup>

**Gen-3 production line is ramping up to support a sustained rate of satellite delivery to meet our constellation deployment objectives**





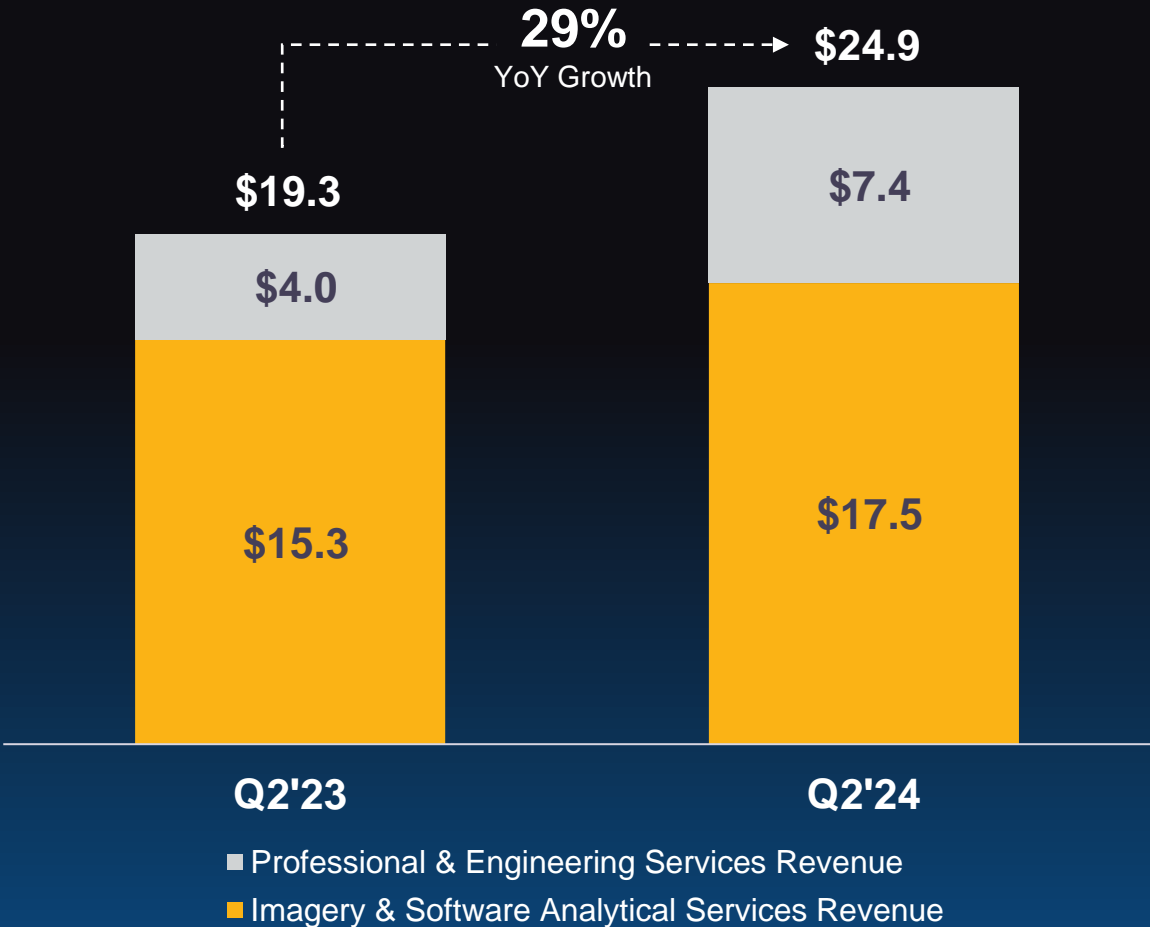
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# Q2 2024 FINANCIAL RESULTS

# Q2 Revenue

- **Q2 revenue of \$24.9 million**, up 29% over the prior year quarter
- **14% year-over-year growth** in high-margin imagery and analytics revenue
- **87% revenue growth** in professional and engineering services driven by new customer wins and the execution step up of multiple major international contracts

## Strong Revenue Growth (\$ in millions)



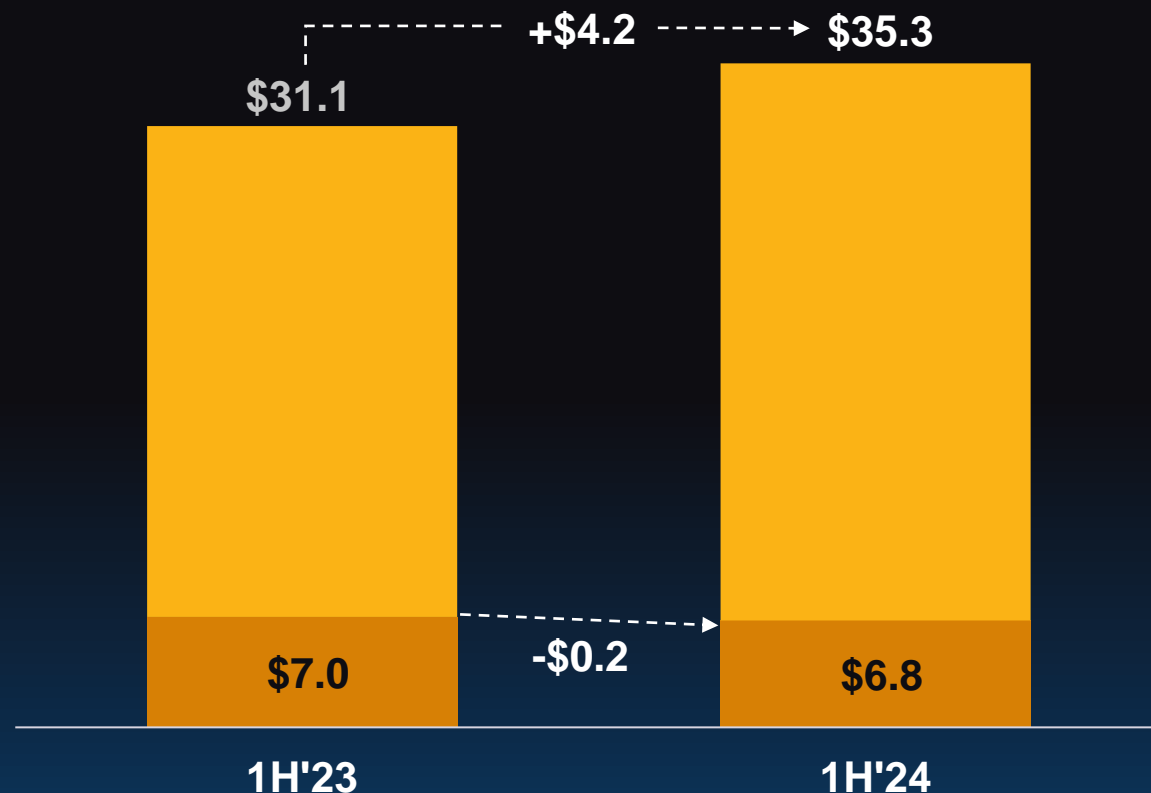


# 1H Imagery and Analytics Cost of Sales

- Reduction in cost of sales for imagery and analytics<sup>(1)</sup> driven by **cost savings in satellite and software operations**
- Incremental revenues from high-value imagery and analytic services **flow directly to the bottom line**
- Cost of sales<sup>(1)</sup>, as a % of revenue, improved to 19% vs. 23% in the prior year quarter driven by **low fixed-cost structure of our business**

(1) Adjusted imagery and software analytical services cost of sales is a non-GAAP financial measure. See Appendix for a reconciliation to the most comparable measure reported in accordance with GAAP.

## Strong Operating Leverage Drives Profitability (\$ in millions)

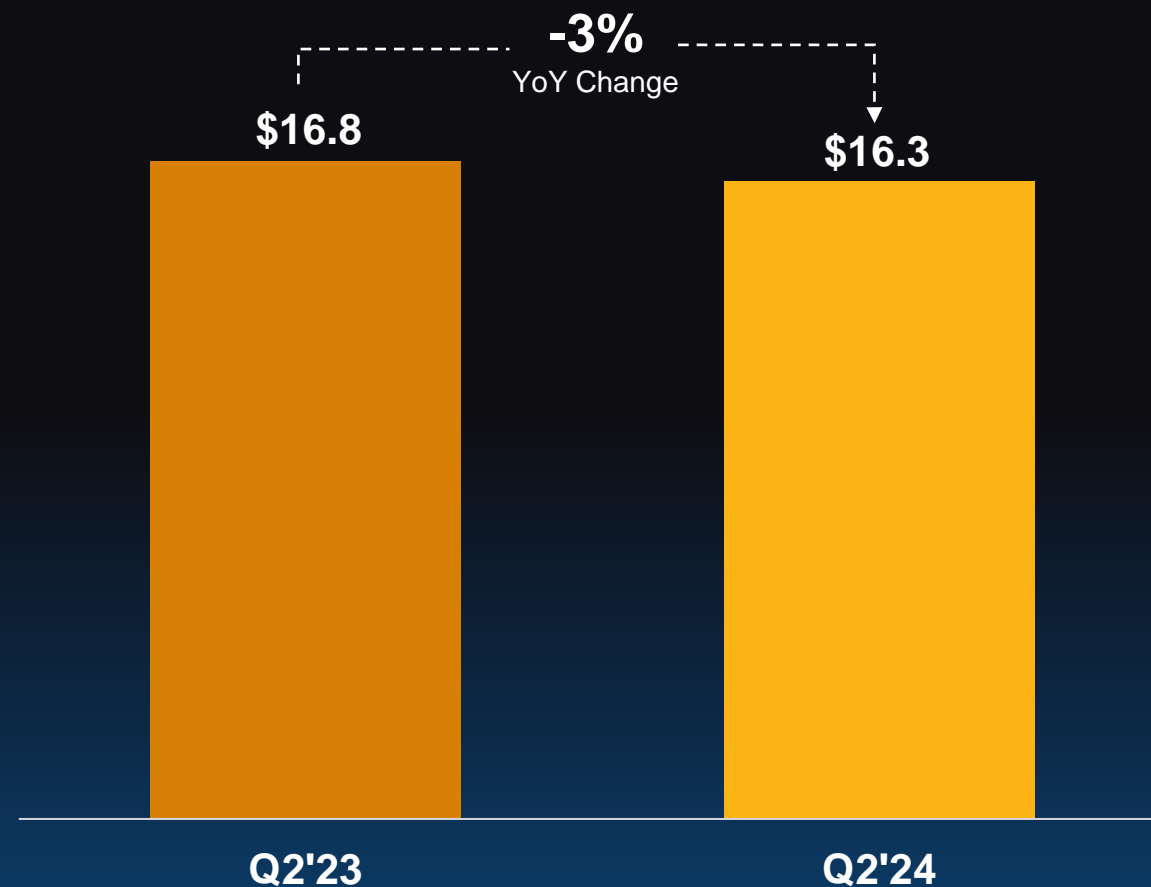


- Imagery & Software Analytical Services Revenue
- Adjusted Imagery & Software Analytical Services Cost of Sales<sup>(1)</sup>

# Q2 Cash Operating Expenses

- **Cash operating expenses<sup>(1)</sup> lower** year-over-year, while **total revenue increases 29%**
- **Cash operating expenses<sup>(1)</sup> of \$16.3 million**, down 3% from the prior year quarter
- **Disciplined cost management continues** to drive efficiencies in the business

## Disciplined Cost Management (\$ in millions)



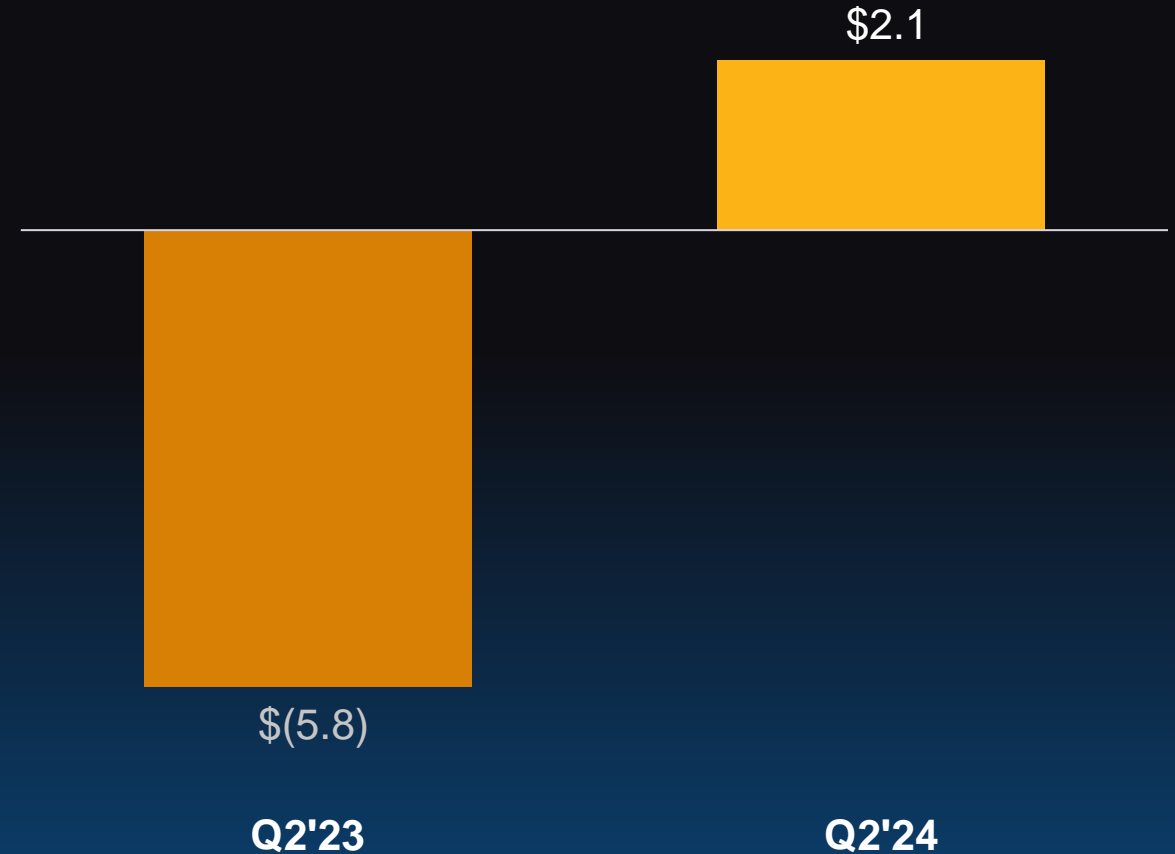
(1) Cash operating expenses is a non-GAAP financial measure. See Appendix for a reconciliation to the most comparable measure reported in accordance with GAAP.



# Q2 Adjusted EBITDA

- **Positive Adjusted EBITDA<sup>(1)</sup> of \$2.1 million**, up \$7.9 million over the prior year quarter
- **3rd consecutive quarter** of positive Adjusted EBITDA
- **Higher revenues, margin growth, and cost savings** across the business driving year-over-year improvement

## Strong Improvement in Adjusted EBITDA<sup>(1)</sup> (\$ in millions)



(1) Adjusted EBITDA is a non-GAAP financial measure. See Appendix for a reconciliation to the most comparable measure reported in accordance with GAAP.

# 2024 Outlook

## Revenue

- Maintain guidance for full year 2024 revenue of \$102M - \$118M
- Actively working on a number of sizable, multi-year sales opportunities

## Adjusted EBITDA<sup>(1)</sup>

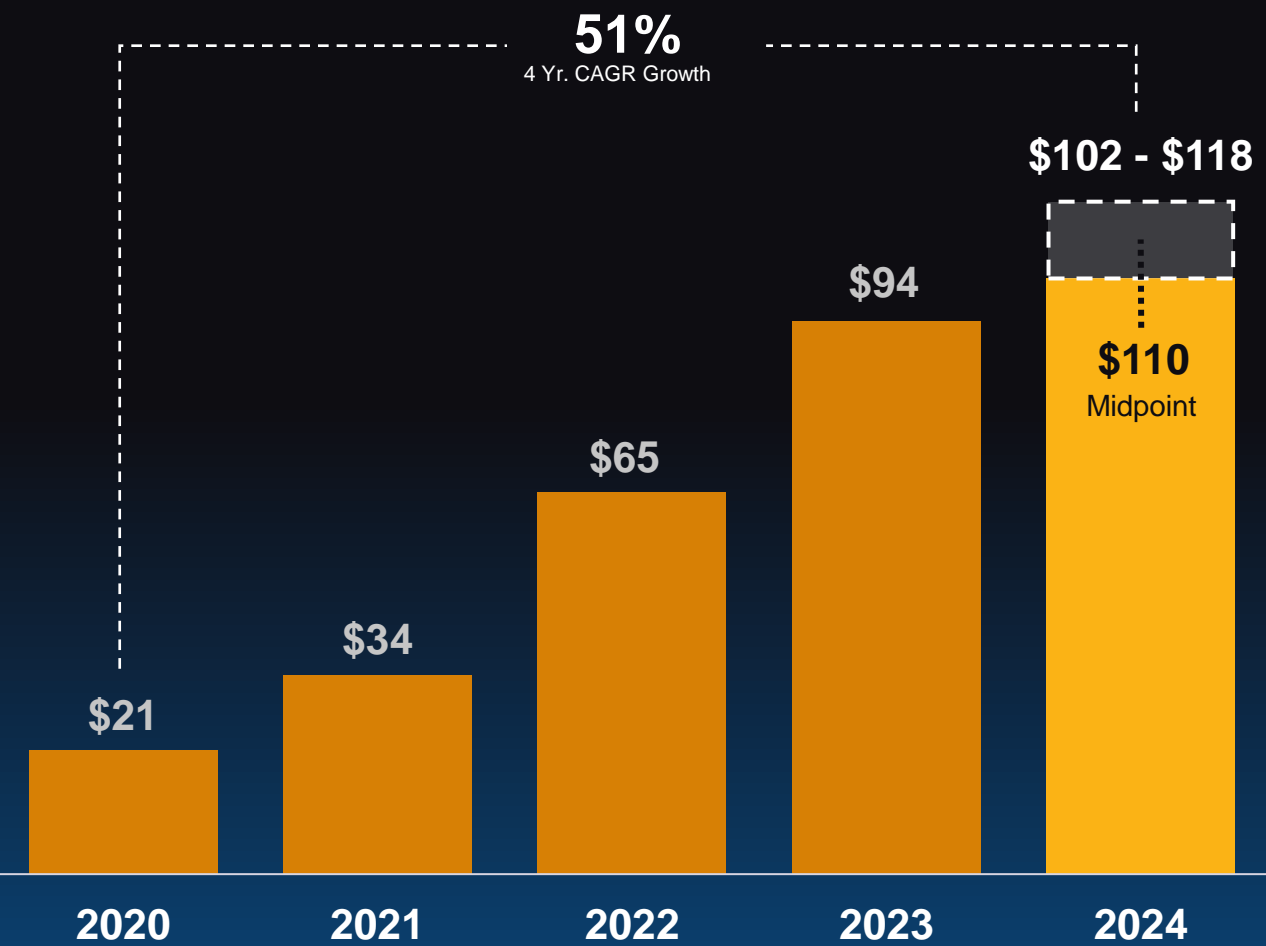
- Maintain guidance for full year 2024 Adjusted EBITDA of \$8M - \$16M
- Increased revenues, improved margins and disciplined cost management driving EBITDA improvements

## Capital Expenditures

- Maintain guidance for full year 2024 capex of \$55M - \$65M
- Primarily driven by investments in Gen-3 satellites

(1) Adjusted EBITDA is a non-GAAP financial measure. See Appendix for a reconciliation to the most comparable measure reported in accordance with GAAP.

## Delivering Strong Long-Term Growth (\$ in millions)

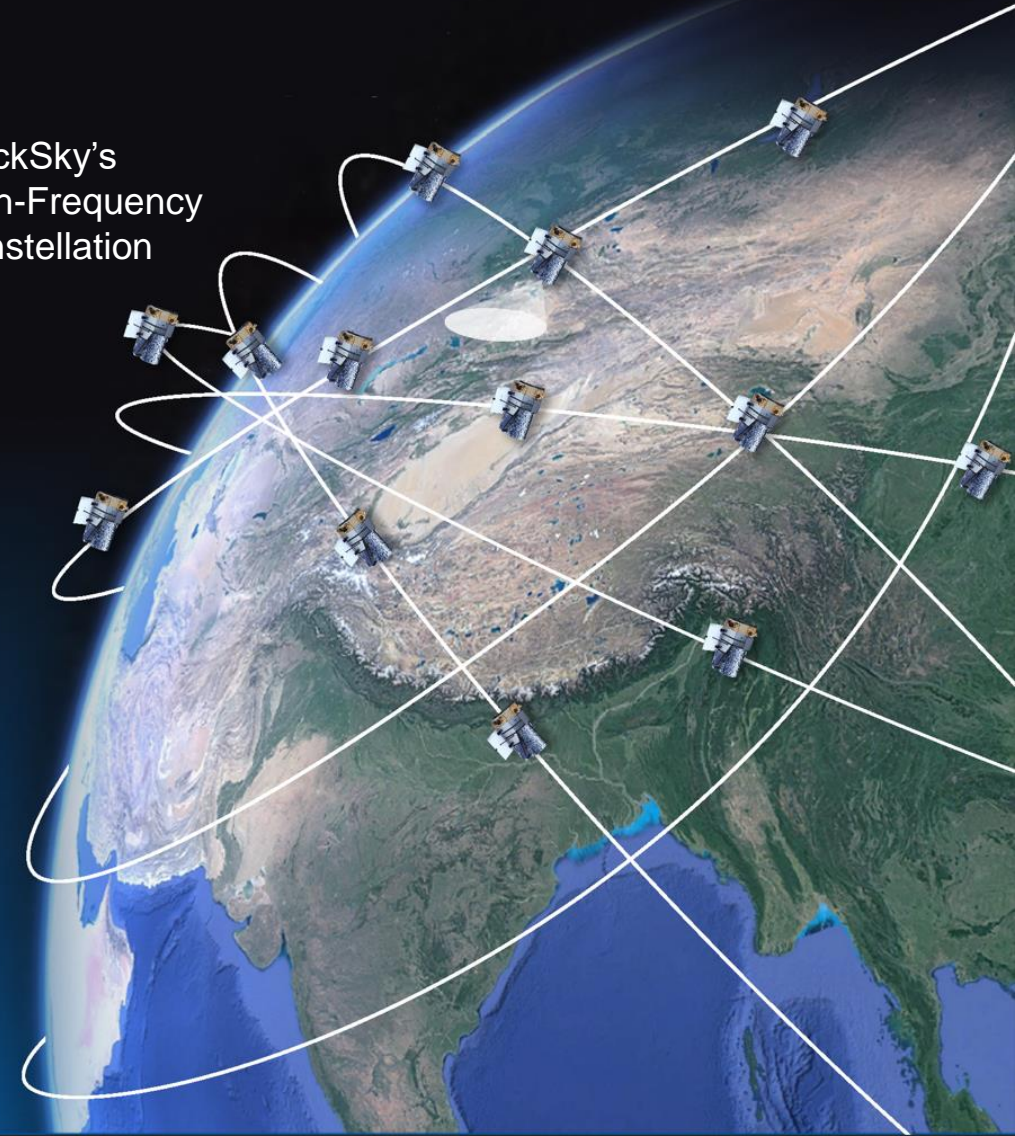




# Unlocking Our Next Phase of Growth

- **Strong Q2 performance with momentum going into the second half of the year**
- **Maintaining full-year 2024 guidance**
- **Gen-3 constellation remains on track to deliver transformative space-based intelligence solutions that customers are demanding**

BlackSky's  
High-Frequency  
Constellation



# BLACK(SKY

Harness the power of a superpower.



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# APPENDIX

**BLACKSKY TECHNOLOGY INC.**  
**RECONCILIATION OF NET LOSS TO ADJUSTED EBITDA**  
(unaudited)  
(in thousands)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Net loss	\$ (9,397)	\$ (33,431)	\$ (25,207)	\$ (50,746)
Interest income	(330)	(648)	(730)	(1,083)
Interest expense	3,029	2,242	5,663	4,095
Income tax expense	252	9	322	122
Depreciation and amortization	11,277	11,776	22,461	21,431
Stock-based compensation expense	2,362	2,311	5,725	5,323
(Gain) loss on derivatives	(5,273)	11,098	(5,019)	9,567
Litigation, settlements, and related costs	165	-	165	-
Severance	60	111	141	199
Income on equity method investment	-	(56)	-	(585)
Transaction costs associated with debt and equity financings	-	833	-	1,738
Investment loss on short-term investments	-	-	-	55
Adjusted EBITDA	\$ 2,145	\$ (5,755)	\$ 3,521	\$ (9,884)



**BLACKSKY TECHNOLOGY INC.**  
**RECONCILIATION OF IMAGERY AND SOFTWARE ANALYTICAL SERVICE COST OF SALES TO**  
**ADJUSTED IMAGERY AND SOFTWARE ANALYTICAL SERVICE COST OF SALES**  
(unaudited)  
(in thousands)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Imagery and software analytical service costs, excluding depreciation and amortization	\$ 3,432	\$ 3,456	\$ 6,877	\$ 7,155
Stock-based compensation for imagery and software analytical service costs	(38)	(52)	(104)	(145)
Adjusted imagery and software analytical service costs, excluding depreciation and amortization	\$ 3,394	\$ 3,404	\$ 6,773	\$ 7,010

**BLACKSKY TECHNOLOGY INC.**  
**RECONCILIATION OF OPERATING EXPENSES TO CASH OPERATING EXPENSES**  
(unaudited)  
(in thousands)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Operating expenses	\$ 29,777	\$ 30,720	\$ 60,233	\$ 59,540
Stock-based compensation for selling, general and administrative costs	(2,222)	(2,147)	(5,370)	(4,884)
Depreciation and amortization	(11,277)	(11,776)	(22,461)	(21,431)
Cash operating expenses	\$ 16,278	\$ 16,797	\$ 32,402	\$ 33,225