

Spire Global
Second Quarter 2025 Business and Financial Update Conference Call
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Presenters

Ben Hackman, Head of Investor Relations
Theresa Condor, Chief Executive Officer
Ali Engel, Chief Financial Officer

Q&A Participants

Eric Rasmussen - Stifel
Jeff Van Rhee - Craig Hallum Capital Group
Brian Kinstlinger - Alliance Global Partners
Austin Moeller - Canaccord Genuity
Chris Quilty - Quilty Space

Operator

Welcome to the Spire Global Second Quarter 2025 business and financial update conference call.

At this time, all participants are in a listen-only mode. A question-and-answer session will follow the formal presentation. If anyone should require operator assistance, please press “*”, “0” on your telephone keypad.

As a reminder, this conference is being recorded.

It is now my pleasure to introduce Ben Hackman, Head of IR. Please go ahead.

Ben Hackman

Thank you. Hello, everyone, and thank you for joining Spire's second quarter 2025 business and financial update conference call. Our business and financial press release is posted on the company's IR website. A replay of today's call will also be made available.

With me on the call today is Theresa Condor, CEO, and Ali Engel, CFO.

As a reminder, our commentary today includes preliminary and unaudited values. Some of our comments today contain forward-looking statements that are subject to risks, uncertainties, and assumptions. In particular, our expectations around our results of operations and financial condition are uncertain and subject to change. Should any of these expectations fail to materialize or should our assumptions prove to be incorrect, actual company results could differ, materially, from these forward-looking statements. A description of these risks, uncertainties, and assumptions, and other factors that could affect our financial results is included in our SEC filings.

With that, let me hand the call over to Theresa.

Theresa Condor

Thank you, Ben. Good afternoon, and thank you for joining us, today. This quarter marked a transformative milestone in Spire's journey, the successful sale of our maritime business. This strategic transaction has fundamentally strengthened our financial foundation, eliminating debt entirely and establishing a robust balance sheet.

With this significant chapter now behind us, our team at Spire is channeling our collective energy towards what matters most: delivering exceptional operational performance, generating compelling financial results, and unlocking growth opportunities that will define our future.

Spire's differentiated capabilities enable us to unlock insights powered by our versatile multipurpose satellite constellation.

Our recurring revenue model provides meaningful operating leverage, fueling sustained growth while supporting a rich portfolio of products that address the challenges faced by our diverse customer base.

The European Space Agency recently procured historical weather data from Spire's satellite constellation to support advanced scientific research and the development of operational applications. Additionally, NASA awarded Spire a task order extension modification under its commercial satellite data acquisition program for the provision of radio occultation, reflectometry, and space weather data. We expect this extension to serve as a bridge contract to a potential annual data purchase, which we hope to announce in the near future. Both contracts contribute to improving global weather forecasting and atmospheric understanding.

Spire recently submitted a proposal to deliver near real-time global navigation satellite system reflectometry data with a primary focus on measuring ocean surface wind speeds. This data would support the evaluation of the quality and applicability of commercial GNSS-R observations across a range of domains, including enhanced weather forecasting models.

The initiative directly addresses the growing need for accurate global sea surface wind measurements, critical for marine weather forecasting, hurricane tracking, ocean current analysis and climate science. We are also actively engaged in our annual radio occultation weather data acquisition agreement with NOAA.

As discussed during our last earnings call, there is the potential for NOAA to purchase up to 20,000 radio occultation profiles per day in the coming years. We are encouraged by NOAA's growing recognition of the importance of expanding data acquisition to enhance both the accuracy and timeliness of weather forecasts.

While we continue to deliver reliable solutions that support our recurring revenue model, Spire is also making thoughtful, strategic investments to expand our capabilities and meet evolving market demands.

Spire is making remarkable strides in developing its hyperspectral microwave sounder technology. These advanced sounders play a vital role in weather forecasting models because they can peer through clouds to gather crucial atmospheric data, something other instruments cannot do as reliably.

Among all sources of weather data, microwave sounder observations, consistently rank among the most impactful for improving forecast accuracy. Spire's hyperspectral microwave sounder enhances the vertical resolution of atmospheric profiles, enabling more precise measurements of temperature and water vapor from near the surface to the top of the atmosphere.

We are pleased to share that our microwave sounder has, successfully, completed flight testing aboard an aircraft test bed, reaching an important milestone in its development. We are targeting the first launch of this sensor in orbit for early 2026.

There is significant interest in this technology from government weather agencies, and Spire plans to use this data to enhance our own AI and physics-based modeling capabilities. Spire's development of this capability strengthens our comprehensive portfolio of weather data offerings, ranging from radio occultation and polarimetric radio occultation to reflectometry and, soon, hyperspectral microwave soundings.

As severe weather events grow more frequent and intense, the need for diverse and high-quality observational data to improve forecasting models becomes increasingly urgent. Spire is well-positioned to meet this demand with a unique and expanding set of satellite-based measurements.

As we continue to advance weather forecasting capabilities, customers are also finding creative ways to leverage Spire's aviation data. For example, researchers at Imperial College London purchased our ADS-B data to study contrails and their impact on weather. This data has been instrumental in validating models that simulate contrail formation and behavior, with findings incorporated into published scientific research, demonstrating yet another high-impact application of Spire's unique datasets.

In addition to cutting-edge research, our aviation data continues to support more traditional applications. Aircraft owners, for instance, use Spire data to track takeoff and landing times for each flight, enabling accurate logging of crew hours, calculation of airport charges, and optimization of aircraft utilization.

Within our aviation portfolio, we recently launched a new product, Spire Aircraft Exposure Analytics. This solution empowers users to quantify aircraft-level exposure to hazardous weather by analyzing real flight trajectories, alongside global weather alerts. By integrating flight paths with real-time and historical weather hazard data, aircraft exposure analytics pinpoints when and where individual aircraft have encountered conditions such as turbulence, icing, thunderstorms, volcanic ash, tropical cyclones, and more.

This valuable insight helps airlines, maintenance teams, OEMs, lessors, and aviation insurers gain a clearer understanding of how environmental factors impact asset valuation, aircraft performance, safety, and long-term wear.

Geopolitical developments continue to fuel demand for robust space reconnaissance solutions. While we must maintain discretion regarding specific contracts, we're excited to highlight Spire's expanding capabilities. Our latest space reconnaissance offering merges advanced data collection with AI-powered processing to deliver differentiated insights, enabling persistent monitoring, real-time geolocation, and multi-layered situational awareness.

Spire can now collect, extract, and interpret publicly broadcast voice transmissions from space, applying AI to transcribe, translate, and summarize these communications in near real-time, supporting more effective assessment of intent and potential threats.

Today's security landscape demands faster, smarter insights, beginning with real-time awareness of activities on the ground.

With our advanced RF detection and geolocation capabilities, we empower partners and agencies, worldwide, with the critical intelligence needed to make confident, informed decisions, even in the most challenging and remote environments, from maritime zones and border regions to conflict and disaster areas.

Beyond these specific product enhancements, we're making broad-based investments to strategically position ourselves for larger long-term opportunities on a global scale.

NATO recently introduced its inaugural commercial space strategy aimed at strengthening collaboration with the commercial space sector by streamlining engagement and expanding business opportunities.

The strategy emphasizes leveraging commercial solutions to complement allied space capabilities, with the goal of ensuring uninterrupted access to space services during peacetime and conflict and fostering more flexible, resilient partnerships with industry.

Key initiatives include adaptable contracting models, deeper integration of commercial services into NATO operations and exercises and the establishment of a new space capabilities group to promote cooperation, standardization, and interoperability among NATO members and

commercial partners. This strategic shift reflects a growing demand for commercial innovation in the defense space market, opening significant opportunities for industry leaders.

NATO member countries have committed to increasing defense and security investments to 5% of GDP by 2035, a substantial rise from current levels, which bodes well for companies positioned to deliver sovereign capabilities. In response to these trends and opportunities across the U.S., Canada, the UK, and Europe, we've made the strategic decision to establish manufacturing facilities in each of these critical markets. Additionally, we continue to invest in top-tier talent to strengthen our regional presence and accelerate market penetration.

Earlier this year, we expanded our leadership team with seasoned experts bringing deep European defense experience and most recently, we announced that Quintin Jones will be joining Spire, adding extensive expertise working with the U.S. government and allied partners. We will continue to prudently make investments in the sales and marketing team to drive growth for the company.

And finally, just this afternoon, we announced an eight-figure, five-year space services contract from a repeat commercial customer, underscoring the value Spire delivers to those seeking reliable, proven technology on an accelerated timeline.

Spire has the right resources, team, technology, and opportunities to drive success. We remain focused on execution, agile in adapting to the evolving landscape and committed to investing in the areas that fuel long-term growth. I'm proud of the progress we've made this quarter and optimistic about the promising opportunities ahead.

With that, I will turn it over to Ali. Thank you, Theresa.

Ali Engel

Thank you, Theresa. I'd like to begin with an update on our efforts to hire a new independent auditor. Over the past few weeks, we've made meaningful progress in this process. After initial exploratory discussions, we've moved into the request for proposal stage and are now engaged in in-depth conversations with several firms.

Our goal is to identify the right long-term partner. We expect to receive proposals from all participating firms by mid to late August, after which we will review the proposals and make a decision.

We are currently in the final stages of closing our second quarter results. This process is taking slightly longer than usual due to additional complexities, particularly those related to the maritime transaction. While we finalize the full financials, we're providing preliminary unaudited revenue figures to keep you informed in the interim.

As a reminder, Spire's Q2, 2025, results and prior quarter's results include portions of the maritime business, which was sold in April. GAAP revenue for the second quarter is expected to be in the range of \$18 million to \$19 million. Given the deployment of satellites this year, we expect space services to be a continued driver of our revenue expansion in the second half of the year, along with revenue growth from our WildFireSat contract and NOAA RO weather data.

We finished the quarter with cash and cash equivalents and marketable securities of \$117.6 million.

We have an active and robust pipeline and are diligently working to close more deals by the end of the year.

At this time, we're only providing revenue guidance for the third quarter and full year, in addition to reiterating our expectations to finish the year with over \$100 million of cash, cash equivalents, and marketable securities. We plan to provide additional guidance upon the filing of our second quarter 10-Q.

As we shared last quarter, we anticipate continued momentum in the second half of the year. For the third quarter, we expect revenue to be in the range of \$19.5 million to \$21.5 million.

For the full year, we reiterate our previous expectations for revenue to be between \$85 million and \$95 million.

Now, I would like to open the call for questions.

Operator

Thank you. We will now be conducting a question and answer session. If you would like to ask a question, please press "*", "1" on your telephone keypad. A confirmation tone will indicate your line is in the question queue. You may press "*", "2" to remove your question from the queue. For participants using speaker equipment, it may be necessary to pick up your handset, before pressing the star keys.

One moment, please, while we pull for questions.

Thank you. Our first question is from Eric Rasmussen with Stifel.

Eric Rasmussen

Yeah, thanks. And congrats on the new eight-figure Space Services award. Maybe can you just offer any additional details on how big this could be for Spire, how many satellites this represents? Maybe what kind of markets it will serve and maybe when you expect to see the revenue impact?

Theresa Condor

Yeah. So, I mean, I think it's a really nice contract for us. We mentioned an eight-figure deal. And I think the other thing that we can share is this is a good example of our kind of land and expand strategy. So it's a customer that we've worked with previously, who has continued to build out capabilities with us.

This is going to be a standard Space Services contract in that we will recognize revenue, once the assets are in orbit and collecting data. So, it's going to have that 12 to 18 months' time lag, given the new revenue recognition policies that we've in place.

Eric Rasmussen

Okay. And but along the way, though, you'll get reimbursed after manufacturing and for building, right.

Theresa Condor

That's right. We'll have billings, all along the way.

Eric Rasmussen

Okay. Then maybe just on sort of the revenue results. Q2 looks like you lowered the midpoint by about \$500,000. Can you just maybe provide a little bit of color on that, what drove that? And then on the outlook for the year, you're still targeting \$85 million to \$95 million, which assumes a pretty steep second ramp. Maybe just what gives you the confidence of hitting that?

Ali Engel

Yeah, thanks, Eric. So, we provided a million-dollar range because we're really still in the process of completing our close, particularly around a couple of our larger contracts. And with our auditor transition and other things, it's just taking a little bit longer than we anticipated. So we want to be, you know, we want to give a range but also give ourselves wiggle room in case we need it so we don't surprise anyone.

Our confidence in the second half really comes from a lot of the satellites that were deployed in the first half. We deployed 27 satellites in the first half, and a lot of those were launched for our space services customers, so it gives us clarity into the revenue ramp-up for the next half of the year. We're also starting to recognize revenue on our WildFireSat contract. And so, that is an execution story for us that, as we execute, we drive revenue.

And we expect a step up in the revenue for our NOAA RO weather data effort that Theresa has talked a lot about over the past few months, and this would start in late September and give us a full quarter of higher revenue. So that's what is driving the confidence in that ramp.

Eric Rasmussen

Great. Maybe just my last one. Would you still be targeting 20% plus for next year when factoring the sale of the maritime business on an equal sort of comparison?

Ali Engel

Absolutely. We're kicking off our 2026 planning process, and that is the stated objective. So that is where we're targeting for, if not, even maybe better. We will see.

Eric Rasmussen

Great. And still positive operating cash flow maybe in the second half of this year, still on track?

Ali Engel: We're working through that. We're committed to ending the year at still over \$100 million in cash and cash equivalents. We are experiencing increased costs due to certain things with respect to the accounting transition and a few other matters. So, I'm a little bit hesitant. But that is where we're focused on managing our cash and hoping to get to that objective, if not in the back half of this year, then early next year.

Eric Rasmussen

Great. Thanks. Good luck.

Ali Engel

Thanks, Eric.

Operator

Our next question is from Jeff Van Rhee with Craig Hallum Capital Group.

Jeff Van Rhee

Great. Thanks for taking my questions. I had a question along the lines of the pipeline and maybe specifically around space services. But obviously, there's a lot of disruption with the Kpler sale, maritime sale, and the situation with the balance sheet. But now that that's behind you and the balance sheet is in good shape or debt-free, just I realize it's somewhat early, but how has that resonated in terms of unlocking maybe some frozen sales cycles and impacting those that were already in flight?

Theresa Condor

What I can say, Jeff, is I feel very good about the pipeline that we've ahead of us. There's a lot of them that we've some visibility into coming up that we already talked a lot about, NOAA, we talked about NASA, and a lot of the names that we can't talk about a lot on the radio frequency geolocation side. So, I want to highlight that. Not just talking about space services, but what we're doing on the space reconnaissance side.

And what I would say is that it's kind of interesting, in the current environment, we're having probably more inbound interest than I've seen in a long time at a company. You know, normally, you have your sales teams out there pushing hard, and we're in a current situation, in particular with RFGL, where we actually have people coming to us because we've a good product. We have something that can be used with customers worldwide, and we're in a very particular moment in time.

So, I feel very positive about the pipeline that we've got and that we felt strongly enough that we can keep the revenue range and really feel optimistic about 2026.

Jeff Van Rhee

Okay. And then, Ali, maybe a few for you. I didn't hear on the 10-Q, what is the estimate in terms of filing time, one. Two, where is headcount, right now? And then maybe just lastly, the range, \$85 million to \$95 million, a lot of space in there with a couple quarters here to go. So just simply put, what gets you to low end, what gets you to high end? What drives that variability?

Ali Engel

Yeah. So, I don't have a solid date on the 10-Q. I can assure you that we are all working assiduously here towards it. Everyone wants to get it filed. I'm hopeful in the next few weeks, we will be able to do that, but I'm really hesitant to put a firm date on that, as there are just still a few open items that we're working through.

The maritime transaction came with about 20 contracts. That was extremely a lot of work for the company. This is the first quarter we've really recognized anything on WildFireSat, that is a big contract for us to work through.

So, there are issues that we're working through, but we're confident right now in our top line, and we are going to file this as soon, as humanly possible.

We're right around where we were in headcount. We were at about 380. We're down from that. We're in the more, like, 365 range from what I saw, last week. So, we're managing headcount. We're making very selective hires, as you've seen, and Theresa can talk about some of that. But we're trying to hold steady if we're not being down from last time we talked.

And again, I just say on the range for the full year, I think the confidence comes from what we've launched for space services revenue that we can start recognizing the WildFireSat contract and the NOAA RO deal that gives us confidence that we can be in that range, without a lot of hesitation.

Jeff Van Rhee

Okay, great. Thanks for taking the questions. I will leave it there.

Theresa Condor

Thanks, Jeff.

Operator

Our next question is from Brian Kinstlinger with Alliance Global Partners.

Brian Kinstlinger

Great. Thanks so much for taking my questions. You launched 27 new satellites in the first half; I believe that was the number. Is there a way to quantify what the annual run rate of revenue is from the data services that will be delivered on those 27 satellites?

Ali Engel

Yes, there is a way. It's not something we've, yeah, exactly. I think, look, I would say, and I think I've said this before, Ben and I are spending a lot of time, post-maritime, about how to reposition how we talk about revenue. We're not there yet, but that is something that we're working on for 2026. I think the main thing to know is that it's, you know, the space services revenue is growing. It's increasing. The new deal continues to add to the remaining performance obligation that we can recognize, over time, so that's all positive. But I think this is to come in terms of a little bit more detail on those numbers.

Theresa Condor

And the only other thing I think I would add there is just to remind you that we really operate this constellation as a network. All these satellites are doing multipurpose things, and we're operating it altogether as a network. So, you also should not think about this as something that is, like, revenue per satellite, right? We've never talked about it that way, and I don't think that is the right way to think about it. The better way to think about it is really at looking, what is the replenishment CapEx that we have per year as that baseline and then all the revenue that we can grow on top of that, that leverage model that we continue to talk about.

Brian Kinstlinger

Thank you. You answered my next question without me even having to ask you. Good job. I'm curious for the eight-figure contract, you highlighted this was already a customer. Can you share, because we don't know who that customer is, what that rough revenue run rate of that customer is before this contract? Just trying to gauge if they were very big, very small, and anything you can share?

Theresa Condor

Yeah, I don't think that's something that we're publicly sharing, other than we're continuing to look at the, I would say, the quality and the long-term relationship of the type of customers that we work with on a space services side. We're being, I would say, we're being particular about who we work with and the type of deals that we do. And this is the type of customer that we feel good about as a long-term partner that we want.

Brian Kinstlinger

Okay. Last question I have. I was -- one of the questions was about cash. I think I heard you have about just below \$118 million of cash and you expect to end the year at \$100 million. Does that approximate your EBITDA loss in the second half of the year? Otherwise, where does that \$18 million come from?

Ali Engel

Hang on. I'm just thinking through that. I mean, I think, look, I think that there are -- I'm just trying to think through how I want to answer this. There are some pressures on cash that may or may not be reflected in adjusted EBITDA. So we -- there are certain items that we adjust out that are cash flow, uses of cash. So I'm not sure that it's the best estimate because we do have things that we are adjusting out. So I just want to make sure I clarify that.

Brian Kinstlinger

Okay. Alright. Thank you.

Operator

Our next question is from Austin Moeller with Canaccord Genuity.

Austin Moeller

Hi, good afternoon, Theresa and Ali. So, just my first question on the microwave sounder. When placed in orbit, would that particular instrument strengthen your competitive positioning versus companies like Tomorrow IO, by putting that into your toolbox? And ultimately, do you plan to deploy several of those and add it to the broader LEMUR constellation?

Theresa Condor

I would say the short answer is yes. I mean, we're not doing direct competitive things with them, necessarily, at the moment, but it's absolutely something that we work with customers today who are looking at that data and testing that data, including from the test flight that we did. And we do have an expectation that this is something that we start selling the data sets that goes into our own forecasting models, and becomes part of our product portfolio.

Austin Moeller

Okay. And just a follow-up, do you have any update on the development of the four EURIALO satellites?

Theresa Condor

They are being worked on and in process, right now. So that contract continues to be executed nicely and on track.

Austin Moeller

Very exciting. I'll pass it back there.

Theresa Condor

Thank you.

Operator

Thank you. Our next question is from Chris Quilty with Quilty Space.

Chris Quilty

Thanks. Theresa, you mentioned you're seeing more inbound interest than you've seen in a long time. Is that specific to the space services side of the business, or is it the new mapping service? Or is it just broad-based?

Theresa Condor

I would say it's broad-based, but probably more broad-based on the government side. So it's going to include Space Services. A lot of it's related to inbound looking at sovereign capabilities. So, I mean, this is a theme that we've talked about quite a lot, I think the space sector, overall, is talking about quite a lot. And then it also is going to be related to the space reconnaissance, which I really see as an important growth area for Spire. And again, where we have assets in orbit and we have competitive differentiation.

Chris Quilty

Gotcha. And on that service, that's something you sort of developed and launched. Was there customer pull for that, and do you have specific customers you're targeting for that service?

Theresa Condor

There is -- we developed the service, certainly, because there's customer demand for it. I mean, we generally like for that to be the case when we develop something and take it out into the market. It's very difficult, unfortunately, to talk about the customer base for that product. And all I can say is that we can have customers in the United States, and we can have customers outside of the United States.

Chris Quilty

Understand. And how would that service differentiate from what Hawkeye 360, Unseenlabs, Sierra Space are doing?

Theresa Condor

Yeah, so I think everyone is doing slightly different things and picking up slightly different spectrum. I think we've assets in orbit. We have quality geolocation that we're able to deliver. I think we've a really nice, automated pipeline where we can get latency out to customers. And I think we have the ability to work with a diverse set of customers, which is something that's unique.

Chris Quilty

Gotcha. A follow-up on the Canadian Space Agency, the WildFireSat program. Does that one follow the same sort of 12-to-18-month build cycle? Or I think you are doing an AIT facility up in Montreal. Does this one have a much longer lead to get to the service revenue?

Theresa Condor

So this is a percent completion. So we're actually taking revenue along the way. That's why we talk a lot about that contract being relevant for the revenue recognition in 2025. I don't know, Ali, if you need to answer that.

Ali Engel

That's correct; absolutely correct.

Chris Quilty

Gotcha. And a question on the sounder program. What size satellite will you use to host that sounder? Is that a standard 3U, 6U, 12U?

Theresa Condor

So, it's on the larger end because this is a more complicated payload, I think it has more power requirements. But it fits within the form factors that Spire already does.

Chris Quilty

Gotcha. Very good. Appreciate the feedback.

Theresa Condor

Thank you so much.

Ali Engel

Thanks, Chris.

Operator

Thank you. There are no further questions at this time. This does conclude today's conference call. We thank you for your participation. You may now disconnect your lines.