



BLACKSKY Q1 2023 EARNINGS WEBCAST



May 10, 2023

Legal Disclaimers

FORWARD-LOOKING STATEMENTS

Certain statements in this presentation may contain forward-looking statements within the meaning of the federal securities laws with respect to BlackSky. Words such as “believe,” “project,” “expect,” “anticipate,” “estimate,” “intend,” “strategy,” “future,” “opportunity,” “plan,” “may,” “should,” “will,” “would,” “will be,” “will continue,” “will likely result,” and similar expressions are often intended to identify forward-looking statements, although not all forward-looking statements contain these identifying words. Forward-looking statements are predictions, projections, and other statements about future events that are based on current expectations and assumptions and, as a result, are subject to risks and uncertainties. Many factors could cause actual future events to differ materially from the forward-looking statements in this document, including those described in the section captioned “Risk Factors” in our most recent Annual Report on Form 10-K. If any of these risks materialize or underlying assumptions prove incorrect, actual results could differ materially from the results implied by these forward-looking statements. In addition, forward-looking statements reflect our expectations, plans, or forecasts of future events and views as of the date of this communication. We anticipate that subsequent events and developments will cause our assessments to change. Accordingly, forward-looking statements should not be relied upon as representing our views as of any subsequent date, and we do not undertake any obligation to update forward-looking statements to reflect events or circumstances after the date they were made, whether as a result of new information, future events or otherwise, except as may be required under applicable securities laws. Additional risks and uncertainties are identified and discussed in BlackSky’s disclosure materials filed from time to time with the SEC which are available at the SEC’s website at <http://www.sec.gov> or on BlackSky’s Investor Relations website at <https://ir.blacksky.com>.

USE OF PROJECTIONS AND DATA

The data contained herein is derived from various internal and external sources. All of the market data in the presentation involves a number of assumptions and limitations. No representation is made as to the reasonableness of the assumptions made within or the accuracy or completeness of any projections or modeling or any other information contained herein. Any data on past performance or modeling contained herein is not an indication of future performance. BlackSky assumes no obligation to update the information in this presentation.

TRADEMARKS

BlackSky owns or has rights to various trademarks, service marks and trade names that it uses in connection with the operation of its businesses. This presentation may also contain trademarks, service marks, trade names and copyrights of third parties, which are the property of their respective owners. The use or display of third parties’ trademarks, service marks, trade names or products in this presentation is not intended to, and does not imply, a relationship with BlackSky, or an endorsement or sponsorship by or of BlackSky.

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, severance, income on equity method investment, investment loss on short-term investments, and transaction costs associated with equity instruments accounted for as derivative liabilities. 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.

Adjusted EBITDA and adjusted imagery and software analytical services cost of sales 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.

Today's Presenters



Brian O'Toole
Chief Executive Officer



Henry Dubois
Chief Financial Officer

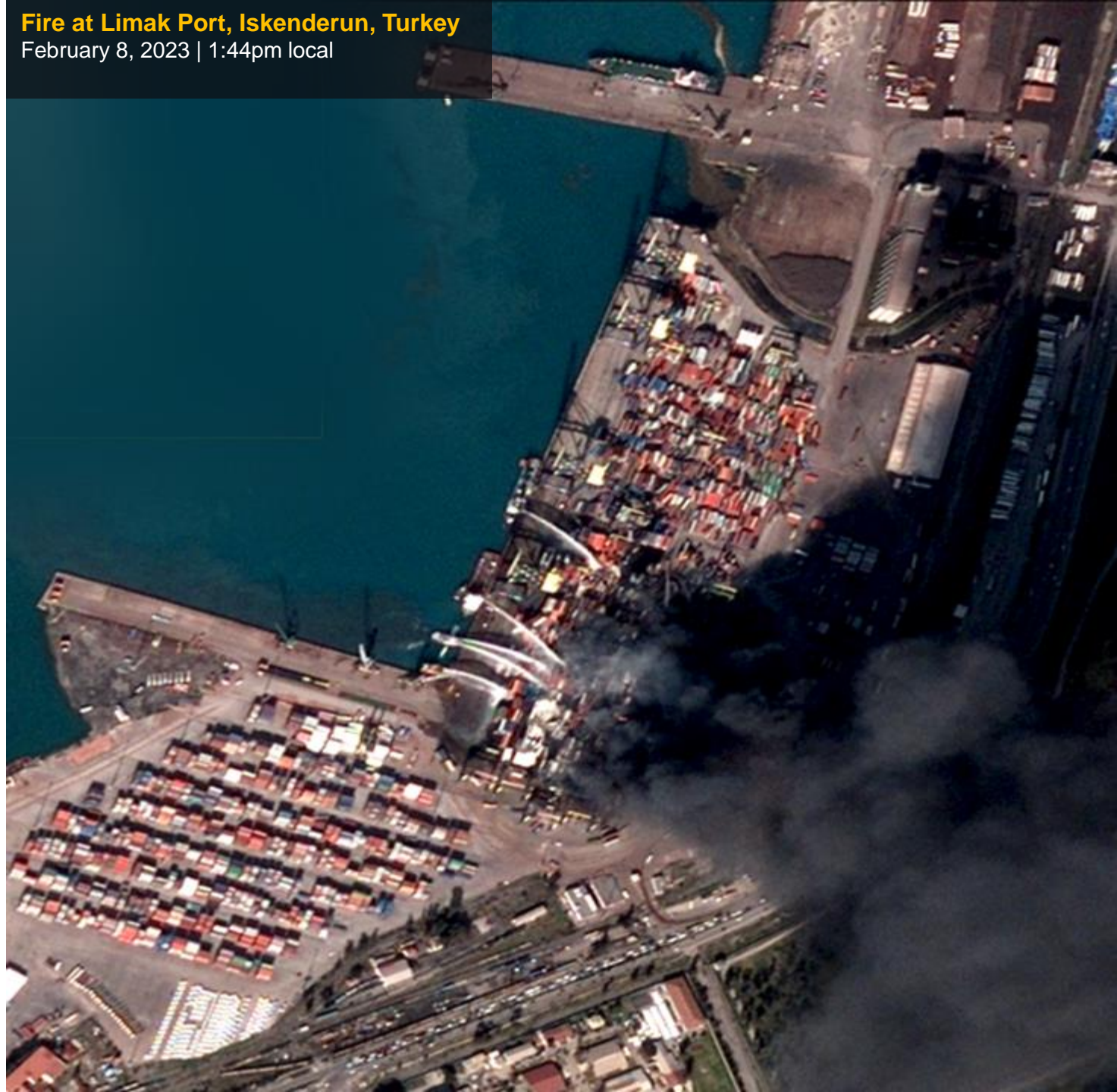
Imagery and analytics **revenue growth** continues to deliver **strong margins**

Recent Highlights

- ✓ **114% revenue growth in Q1** from imagery and analytics over the prior year quarter
- ✓ **97% incremental contribution margin on revenue growth** in imagery, software and analytics
- ✓ **Won over a dozen new contracts and renewal agreements** primarily in support of international and U.S. government agencies
- ✓ **Successfully deployed 2 new satellites into orbit** providing BlackSky with additional imaging capacity and redundancy
- ✓ Amended existing debt facility **extending maturity and reducing cash interest payments**

Growing Demand Across International Markets

- **Won several new contracts** in support of various international government agencies, some of which are **multi-year, multi million-dollar awards**
- Customers entering into **long-term contracts to secure priority access** to BlackSky's capacity over high-demand regions
- Contract wins demonstrate how **BlackSky is increasingly relied upon** by government customers around the world



Continuing to Expand Services to the U.S. Government

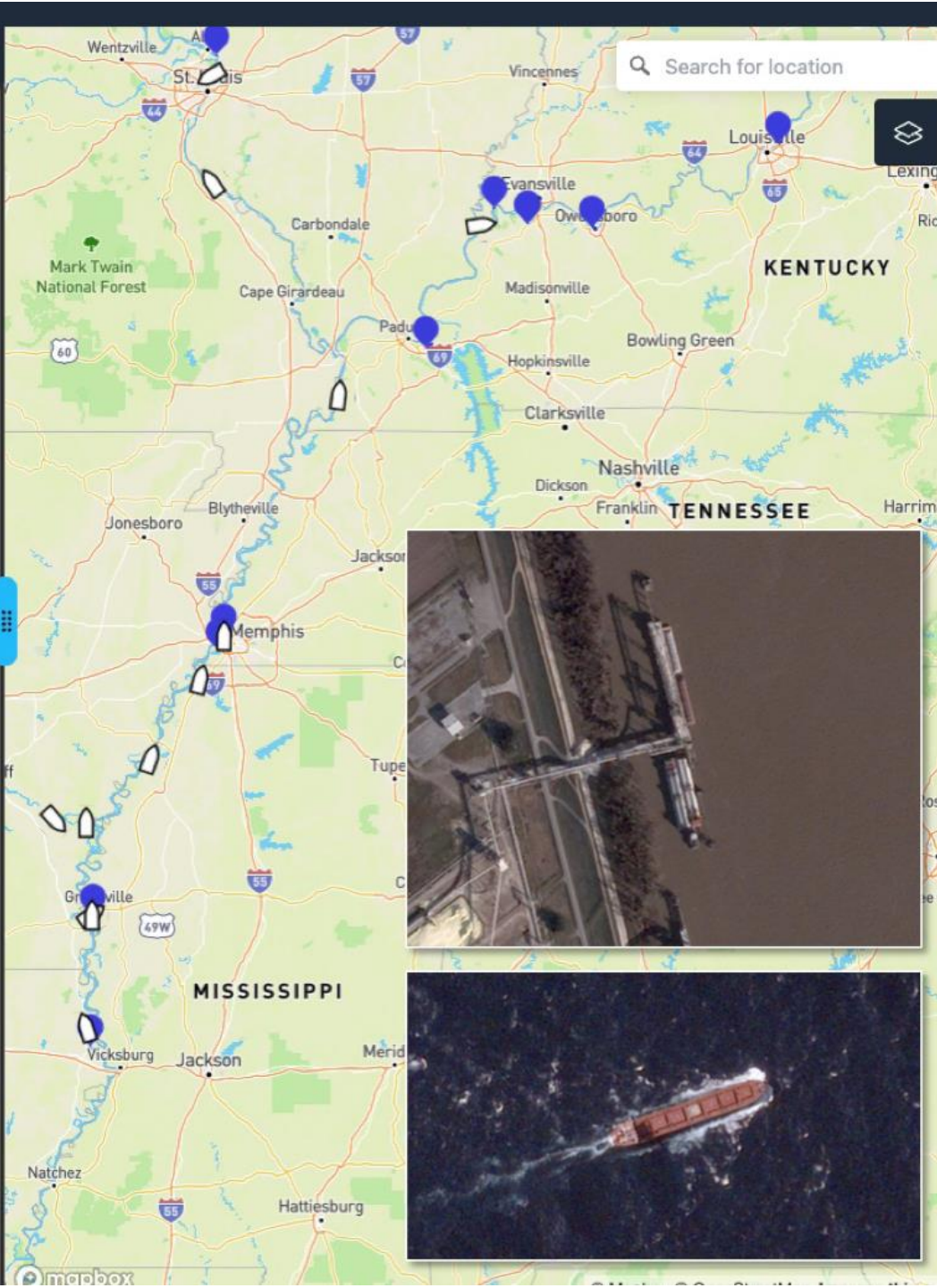
- **Received additional orders exercised** under NGA's EIM program options
- **Won a multi-year contract renewal** with the U.S. Air Force and U.S. Space Force to continue R&D activities on new space-based capabilities
- **Awarded a multi-year contract by the NRO** to explore commercial hyperspectral imagery capabilities



Delivering Unique Solutions to Commercial Customers

- Signed contract with a **large multinational commercial customer**
- Providing **BlackSky's monitoring services** in support of advancing their supply chain intelligence capabilities
- Converted a successful pilot program into a **six-figure annual subscription contract**

Vessels			
Start Date	End Date	Coll...	Last Image
May 8, 06:00:06 5h ago	May 8, 11:01:24 0h ago	✓	
	May 10, 03:41:51 +1d 16h	✓	
May 7, 11:30:13 23h ago	May 8, 11:00:04 0h ago	✓	
	May 6, 12:11:07 1d 23h ago	✓	
May 8, 06:15:56 5h ago	May 8, 06:27:46 4h ago	✓	
	May 11, 07:14:49 +2d 19h	✓	
	May 4, 14:26:00 3d 20h ago	✓	
Jan 25, 13:57:58 102d 20h ago	Feb 6, 11:05:09 90d 23h ago	✗	
Mar 6, 01:22:35 63d 8h ago	Mar 8, 01:22:35 61d 8h ago	✓	
May 7, 17:30:01 17h ago	May 8, 11:00:00 0h ago	✓	
May 4, 08:38:17 4d 2h ago	May 8, 06:34:08 4h ago	✓	
May 6, 15:00:07 1d 20h ago	May 8, 11:00:11 0h ago	✓	



Alleged Airship on Runway at Veiled Military Base in China

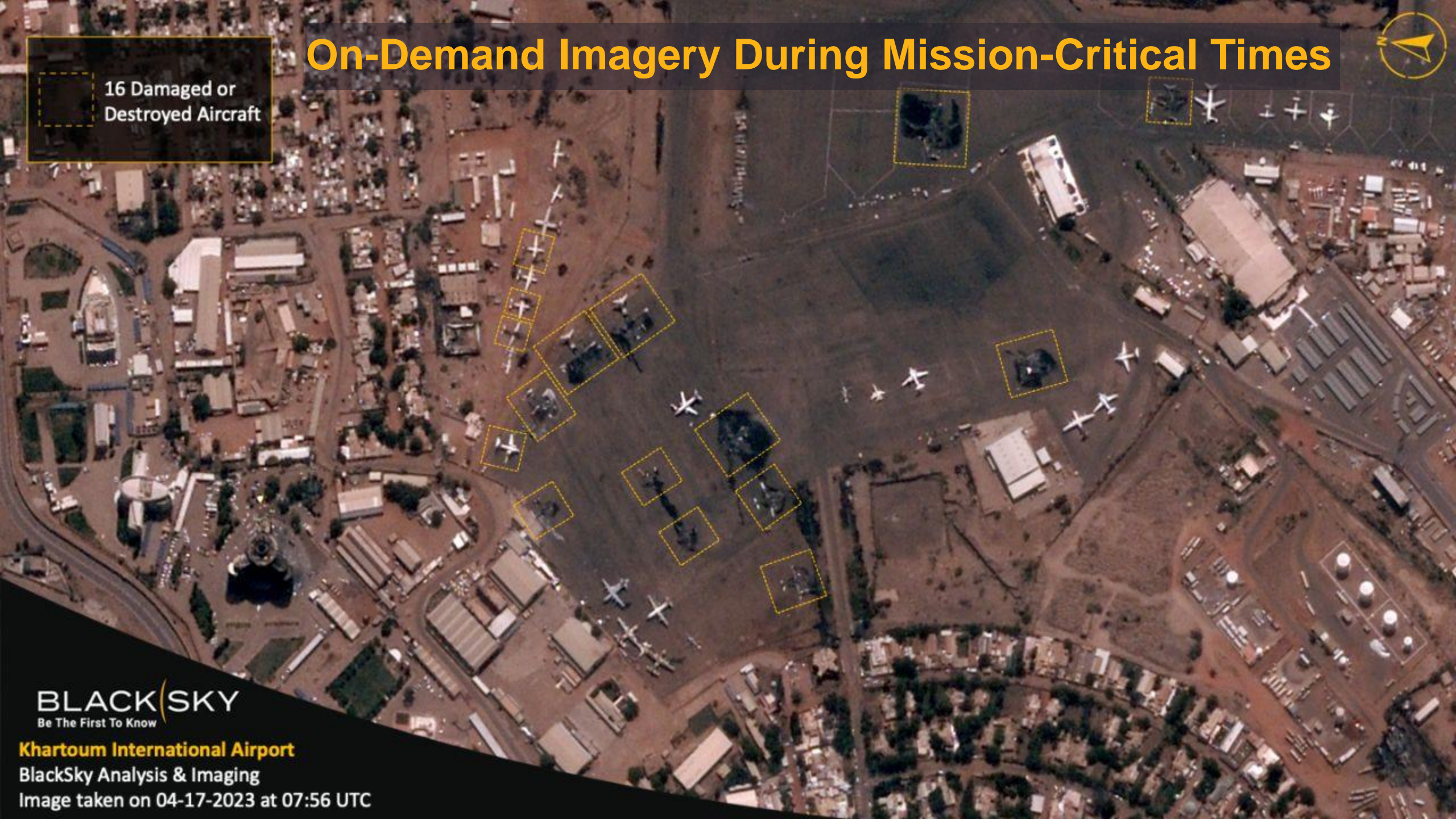
Korla East Test Site, China
November 4, 2022 | 9:00am local



On-Demand Imagery During Mission-Critical Times



16 Damaged or
Destroyed Aircraft



BLACK(SKY)
Be The First To Know

Khartoum International Airport

BlackSky Analysis & Imaging

Image taken on 04-17-2023 at 07:56 UTC

Deployed New High-Resolution Satellites

- On March 24th, BlackSky successfully **deployed two new Gen-2 satellites** into orbit
- Satellites **entered revenue-generating operations within 18 hours** of launch
- **Industry-leading ability** to rapidly deploy and immediately deliver value to our customers
- New satellites **provide BlackSky with additional capacity and redundancy**





Q1 FINANCIAL RESULTS

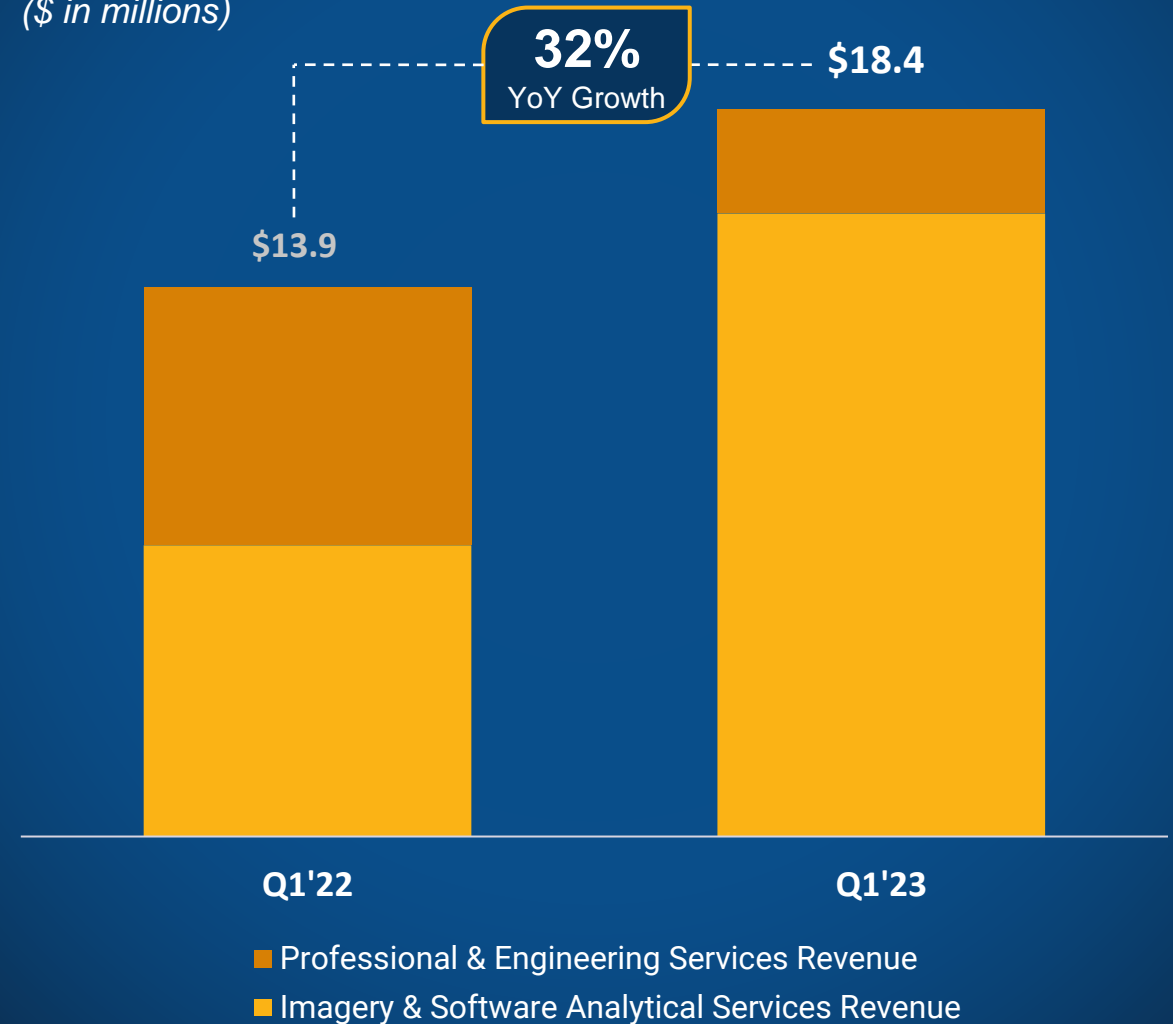


Q1 Revenue

- **Revenue of \$18.4 million**, up 32% over the prior year period
- **114% year-over-year growth** in high-margin imagery and analytics revenue
- Imagery and analytics revenue **mix grows to 86%** of total revenue vs. 53% in Q1'22
- **Strong customer demand and growing momentum** from new and existing U.S. and international government customers

Strong Revenue Growth

(\$ in millions)

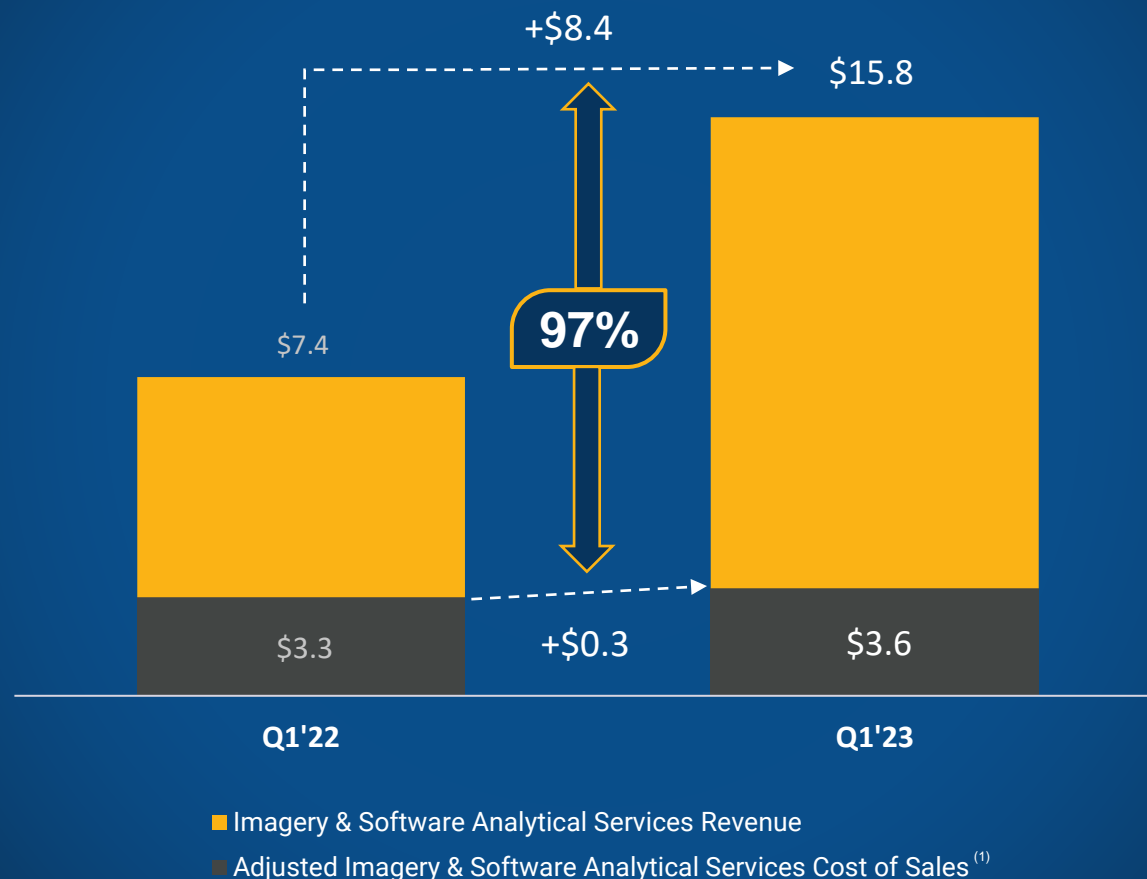


Q1 Imagery and Analytics Cost of Sales

- **97% incremental contribution margin improvement** for imagery and analytics⁽¹⁾
- **Increased revenue** of high-margin imagery and analytics drove improved performance
- **Low fixed-cost structure** for imagery and analytics delivers improved operating leverage

97% Incremental Contribution Margin Improvement Over Prior Year ⁽¹⁾

(\$ in millions)



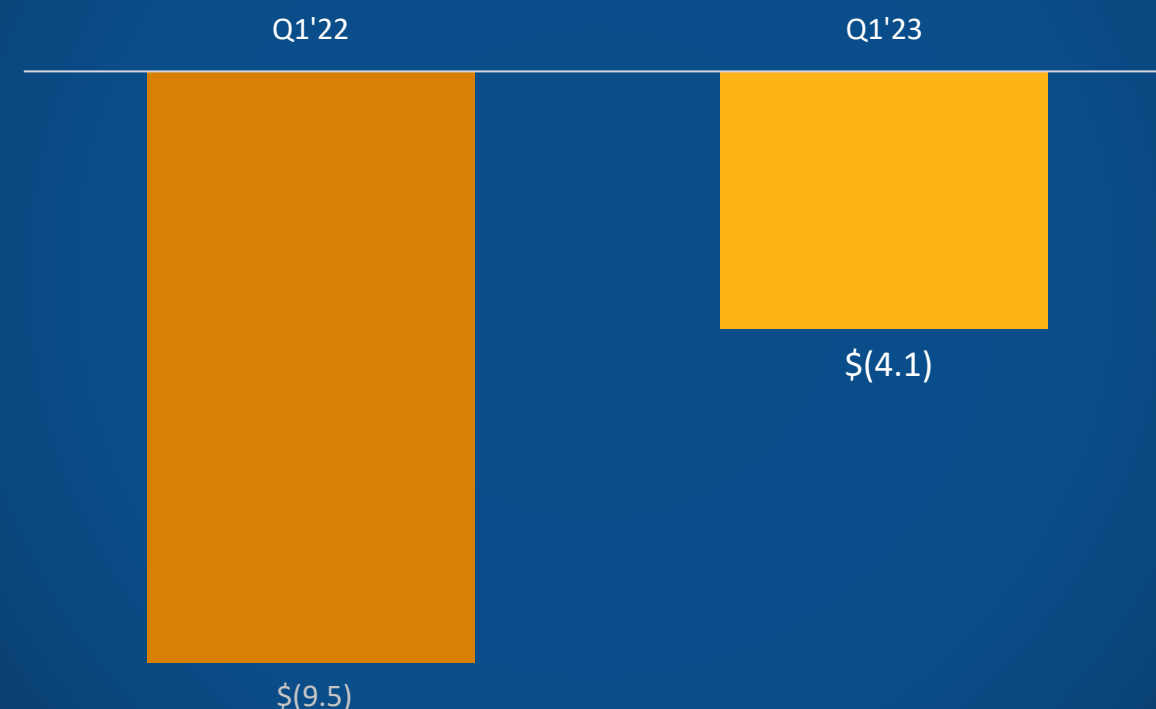
(1) Adjusted imagery and software analytical services cost of sales is a non-GAAP financial measure. See Appendix for a reconciliation to the most comparable measure reported in accordance with GAAP.

Q1 Adjusted EBITDA

- **Adjusted EBITDA⁽¹⁾** improved 57% over the prior year period
- **Growth in high-margin imagery and analytics revenue** drove significant improvement
- **Strong operating leverage** enabled through a predominantly fixed cost structure

Strong Improvement in Adjusted EBITDA⁽¹⁾

(\$ 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.

2023 Outlook

Revenue

- Expect full year 2023 revenue to be between \$90M - \$96M
- 42% year-over-year growth, at the mid-point of the range

Adjusted EBITDA⁽¹⁾

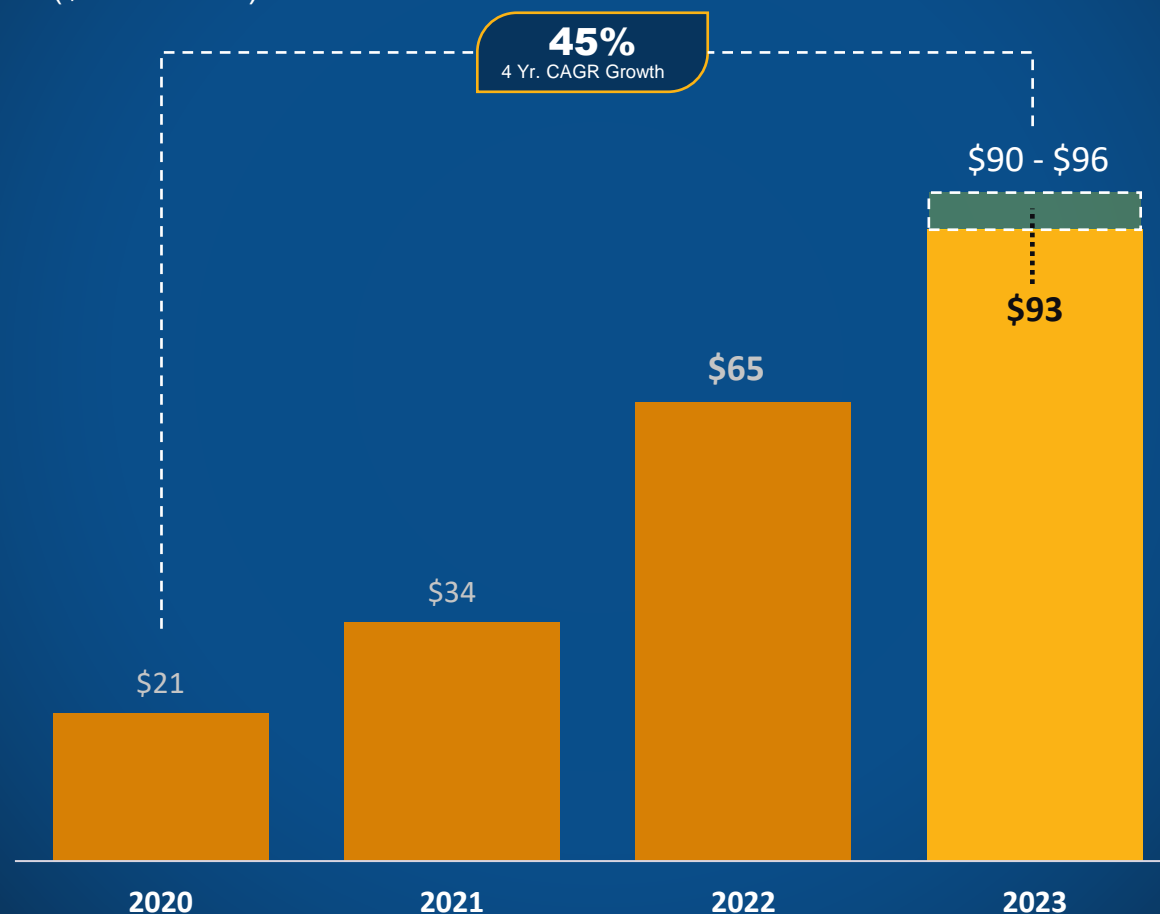
- Anticipate achieving positive Adjusted EBITDA in Q4 of 2023
- High incremental contribution margins and prudent cost management driving EBITDA improvements

Capital Expenditures

- Expect full year 2023 capex spend to be between \$40M - \$45M
- In-line with prior year spend

Annual Revenue

(\$ 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.

Path to Sustainable Profitable Growth

- ✓ Continuing to drive long-term, high-visibility revenue growth by winning new multi-year subscription contracts
- ✓ Expanding our sales pipeline and customer base through an aggressive go-to-market strategy
- ✓ Delivering strong operating margins through sale of high-margin imagery and analytics services
- ✓ Continuing to invest in our next-generation space and AI capabilities

2023 Key Objective

**Achieve positive
adjusted EBITDA in
Q4 of 2023**

BLACK(SKY

Be The First To Know



APPENDIX

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

	Three Months Ended March 31,	
	2023	2022
Net loss	\$ (17,315)	\$ (19,992)
Interest income	(435)	-
Interest expense	1,853	1,255
Income tax	113	-
Depreciation and amortization	9,655	7,391
Stock-based compensation expense	3,012	10,240
(Gain) loss on derivatives	(1,531)	(8,140)
Severance	88	-
(Income) loss on equity method investment	(529)	(257)
Realized loss on investments	55	-
Transaction costs associated with derivative liabilities	905	-
Adjusted EBITDA	\$ (4,129)	\$ (9,503)

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

	Three Months Ended March 31,	
	2023	2022
Imagery and software analytical services cost of sales, excluding depreciation and amortization	\$ 3,699	\$ 3,578
Stock-based compensation for imagery and software analytical services cost of sales	(93)	(256)
Adjusted imagery and software analytical services cost of sales, excluding depreciation and amortization	\$ 3,606	\$ 3,322