

November 8, 2023



# Spire Global Announces Strong Third Quarter 2023 Results; Reaffirms Expectations for Positive Cash Flow from Operations by Year End; Increases Revenue and Earnings Guidance

- Exceeded top end of guidance range with record quarterly revenue of \$27.3M; 34% year-over-year (YOY) increase
- Increased GAAP gross margins to 65%; 15 pt YOY improvement, and non-GAAP gross margins<sup>1</sup> to 69%; 14 pt YOY improvement
- Improved GAAP operating loss to (\$11.0M); 33% YOY improvement, and lowered Non-GAAP operating loss<sup>1</sup> to (\$6.2M); 45% YOY improvement
- Improved net loss to (\$17.8M); 18% YOY improvement, and lowered adjusted EBITDA<sup>1</sup> loss to (\$3.4M); 60% YOY improvement
- Improving full year midpoint guidance for revenue, non-GAAP operating loss, non-GAAP loss per share, and adjusted EBITDA loss

VIENNA, Va.--(BUSINESS WIRE)-- [Spire Global, Inc.](#) (NYSE: SPIR) (“Spire” or “the Company”), a leading provider of space-based data, analytics and space services, today announced results for its quarter ended September 30, 2023. The Company will hold a [webcast](#) at 5:00 pm ET today to discuss the results.

“As more businesses and organizations are leveraging data and insights from space, we are continuing to see this demand translate into profitable growth opportunities for our business,” said Peter Platzer, Spire CEO. “With a drive toward profitability, and recent proof points indicating the power of space-based data to help with global security challenges and improved severe weather forecasting, I am incredibly proud of what Spire has already achieved and will continue to do in the days, weeks and years ahead.”

“Spire is poised for a strong finish to the year,” said Leo Basola, Spire CFO. “After exceeding our revenue expectations for the last three quarters, raising our full year earnings guidance in the last two quarters, and reaffirming our expectations of positive operating cash flow in the fourth quarter of this year, positive adjusted EBITDA in Q1 or Q2 2024 and positive free cash flow in Q2 or Q3 2024, the business is continuing a strong progression toward profitability.”

## **Third Quarter 2023 Highlights**

### **Financial:**

- Third quarter 2023 revenue increased 34% year-over-year to a record \$27.3 million, which exceeded the top end of our expectations by \$0.3 million. Revenue growth was driven by new customer additions as well as increased milestone-based projects.
- Third quarter 2023 GAAP gross margin increased 15 percentage points year-over-year to 65%, and non-GAAP gross margin<sup>1</sup> increased 14 percentage points to 69%. We believe the gross margin improvement demonstrates our success in leveraging headcount and infrastructure costs across our solutions.
- Third quarter 2023 GAAP operating loss was \$11.0 million, an improvement of \$5.4 million year-over-year, and non-GAAP operating loss<sup>1</sup> was \$6.2 million, a \$5.2 million improvement year-over-year. We believe these results reflect strong execution on our path to profitability.
- Third quarter 2023 net loss was \$17.8 million, a \$4.0 million year-over-year improvement. Adjusted EBITDA loss was \$3.4 million, for third quarter 2023, a \$5.0 million or 60% improvement year-over-year.
- Third quarter 2023 operating cash flow was negative \$5.1 million, a sequential quarter-over-quarter improvement of \$6.2 million, or 54%.
- ARR as of September 30, 2023 was \$103.1 million, and Spire ended the quarter with 827 ARR solution customers under contract.

<sup>1</sup> Non-GAAP Financial Measure, please see section titled Non-GAAP Financial Measures for the definition of such measures and the reconciliation tables at the end of this release for reconciliation to the most directly comparable GAAP measure.

## **Business:**

- Spire was recently selected for a Multiple-Award, Indefinite Delivery Indefinite Quantity (IDIQ) contract by NASA to provide Earth observation data for the agency's Commercial Smallsat Data Acquisition (CSDA) Program. The contract will be effective for five years with the opportunity to compete for task orders under a \$476 million shared ceiling amongst seven selected companies. Better and more accurate Earth observation data is vital to addressing the increasingly complex climate issues we face today. We believe Spire's long-standing work with NASA and the CSDA Program uniquely positions us to continue delivering high-quality Earth observation data and innovative solutions that contribute to a more sustainable future.
- During the quarter, Spire announced it was awarded a \$2.8 million, 12-month contract by the National Oceanic and Atmospheric Administration (NOAA) for satellite weather data. Spire will provide NOAA with Global Navigation Satellite System Reflectometry (GNSS-R) observation data in near real-time, primarily focusing on ocean surface wind speeds. The initiative directly addresses the agency's critical need for more precise global sea-surface wind measurements essential for applications like marine weather forecasts, hurricane tracking, ocean current analysis and climate studies.
- Spire announced it was awarded a \$4.6 million, 12-month contract by NASA on behalf of NOAA to participate in NOAA's Sounder for Microwave-Based Applications (SMBA) Phase-A study. Following the completion of the 12-month contract, a single sounder from the finalists may be selected for additional contract phases. The data collected from the final Microwave Sounder will be used towards advancing Earth observation, providing insights into various atmospheric properties such as temperature, humidity, cloud cover and composition.
- Spire announced it will participate in a challenge to advance measurements of the

Earth's magnetic field. As part of the challenge, Spire received multi-million dollar support from the National Geospatial-Intelligence Agency. Spire will design, develop and launch a satellite that will provide a novel approach to geomagnetic data collection for the World Magnetic Model (WMM). The WMM is used every day around the world and is embedded in thousands of systems. More than a billion smartphone users depend on the WMM for mobile navigation apps, and drivers rely on it to align the compasses in their cars.

- During the quarter, Spire announced a Space Services contract from GHGSat, a global leader in high-resolution greenhouse gas monitoring from space. Under the agreement, Spire will build, launch and operate four additional 16U satellites that will carry GHGSat payloads to monitor greenhouse gas emissions. This builds upon Spire's initial agreement with GHGSat for three 16U satellites that are planned for launch by the end of 2023.

## **Financial Outlook**

Spire is providing the following guidance for the fourth quarter 2023, and is improving certain elements of its guidance for the full year ending December 31, 2023:

	Q4 FY'23 Guidance		Previous Full Year FY'23 Guidance		Revised Full Year FY'23 Guidance	
	Low	High	Low	High	Low	High
Revenue (millions)	\$27.0	\$31.0	\$104.0	\$109.0	\$105.0	\$109.0
Y/Y Growth	21%	38%	30%	36%	31%	36%
ARR (millions)	\$125.0	\$135.0	\$129.0	\$135.0	\$125.0	\$135.0
Y/Y Growth	26%	36%	30%	36%	26%	36%
ARR Solution Customers	800	830	855	875	800	830
Non-GAAP Operating Loss (millions)	(\$7.5)	(\$3.8)	(\$32.0)	(\$27.0)	(\$29.7)	(\$26.0)
Adjusted EBITDA (millions)	(\$3.0)	\$1.0	(\$18.0)	(\$13.0)	(\$16.1)	(\$12.1)
Non-GAAP Loss Per Share	(\$0.62)	(\$0.42)	(\$2.56)	(\$2.32)	(\$2.45)	(\$2.24)
Basic Weighted Average Shares (millions)	20.8	20.8	19.7	19.7	19.6	19.6

The amounts in the Previous Full Year FY'23 Guidance columns for Non-GAAP Loss Per Share and Basic Weighted Average Shares have been adjusted to reflect the 1-for-8 reverse stock split effected on August 31, 2023.

The non-U.S. generally accepted accounting principles ("GAAP") operating loss, adjusted EBITDA and non-GAAP loss per share included in the table above are non-GAAP measures. Please see the section titled "Non-GAAP Financial Measures" for the definition of such measures. Spire has provided a reconciliation of GAAP to non-GAAP financial measures in the financial statement tables included in this press release for its third quarter 2022 and 2023 results, as well as its outlook for such measures for the fourth quarter and full year 2023.

## **Non-GAAP Financial Measures**

In addition to financial measures prepared in accordance with GAAP, this press release and the accompanying tables contain, and the conference call will contain, non-GAAP financial measures, including free cash flow, non-GAAP gross profit, non-GAAP gross margins, non-GAAP research and development, non-GAAP sales and marketing, non-GAAP general and administrative expenses, non-GAAP operating loss, EBITDA, Adjusted EBITDA, non-GAAP net loss, and non-GAAP net loss per share. Spire's management uses these non-GAAP financial measures internally in analyzing its financial results and believes they are useful to

investors, as a supplement to the corresponding GAAP financial measures, in evaluating its ongoing operational performance and trends and in comparing its financial measures with other companies in the same industry, many of which present similar non-GAAP financial measures to help investors understand the operational performance of their businesses. However, it is important to note that the particular items Spire excludes from, or includes in, its non-GAAP financial measures may differ from the items excluded from, or included in, similar non-GAAP financial measures used by other companies in the same industry. In addition, other companies may utilize metrics that are not similar to Spire's. The non-GAAP financial information is presented for supplemental informational purposes only and is not intended to be considered in isolation or as a substitute for, or superior to, financial information prepared and presented in accordance with GAAP. There are material limitations associated with the use of non-GAAP financial measures since they exclude significant expenses and income that are required by GAAP to be recorded in Spire's financial statements. Investors should note that the excluded items may have had, and may in the future have, a material impact on our reported financial results. Please see the reconciliation tables at the end of this release for the reconciliation of GAAP and non-GAAP results. Management encourages investors and others to review Spire's financial information in its entirety and not rely on a single financial measure.

Spire adjusts the following items from one or more of its non-GAAP financial measures:

*Loss on satellite deorbit, launch failure and decommissioning.* Spire excludes loss on satellite deorbit, launch failure and decommissioning because if there was no loss, the expense would be accounted for as depreciation and would also be excluded as part of its EBITDA calculation.

*Change in fair value of warrant liabilities and contingent earnout liability.* Spire excludes these items as they do not reflect the underlying cash flows or operational results of the business.

*Other (expense) income, net.* Spire excludes other (expense) income, net because it includes unusual items that do not reflect the underlying operational results of its business. Examples of such expenses include prepayment penalties on outstanding debt and vendor dispute legal settlements.

*Stock-based compensation.* Spire excludes stock-based compensation expenses primarily because they are non-cash expenses that it excludes from its internal management reporting processes. Spire also finds it useful to exclude these expenses when management assesses the appropriate level of various operating expenses and resource allocations when budgeting, planning, and forecasting future periods. Moreover, because of varying available valuation methodologies, subjective assumptions and the variety of award types that companies can use under FASB ASC Topic 718, Stock Compensation, Spire believes excluding stock-based compensation expenses allows investors to make meaningful comparisons between its recurring core business operating results and those of other companies.

*Amortization of purchased intangibles.* Spire incurs amortization expense for purchased intangible assets in connection with acquisitions of certain businesses and technologies. Amortization of intangible assets is a non-cash expense and is inconsistent in amount and frequency because it is significantly affected by the timing, size of acquisitions and the

inherent subjective nature of purchase price allocations. Because these costs have already been incurred and cannot be recovered, and are non-cash expenses, Spire excludes these expenses for its internal management reporting processes. Spire's management also finds it useful to exclude these charges when assessing the appropriate level of various operating expenses and resource allocations when budgeting, planning and forecasting future periods. It is important to note that while this amortization expense is excluded for purposes of non-GAAP presentation, the revenue of the acquired businesses is reflected in the non-GAAP measures and that the assets contribute to revenue generation.

*Other acquisition accounting amortization.* Spire incurs amortization expense for purchased data rights in connection with the acquisition of exactEarth and certain technologies. Amortization of this asset is a non-cash expense that can be significantly affected by the inherent subjective nature of the assigned value and useful life. Because this cost has already been incurred and cannot be recovered, and is a non-cash expense, Spire excludes this expense for its internal management reporting processes. Spire's management also finds it useful to exclude this charge when assessing the appropriate level of various operating expenses and resource allocations when budgeting, planning and forecasting future periods. It is important to note that while this expense is excluded for purposes of non-GAAP presentation, the revenue of the acquired companies is reflected in the non-GAAP measures and that the assets contribute to revenue generation.

*Mergers and acquisition related expenses.* Spire excludes these expenses as they are transaction costs and expenses associated with the transaction that are generally infrequent in nature and not reflective of the underlying operational results of Spire's business. Examples of these types of expenses include legal, accounting, regulatory, other consulting services, severance, and other employee costs.

*Loss on extinguishment of debt.* Spire excludes this as it does not reflect the underlying cash flows or operational results of the business.

*Foreign exchange gain/loss.* Spire is exposed to foreign currency gains or losses on outstanding foreign currency denominated receivables and payables related to certain customer sales agreements, product costs and other operating expenses. As Spire does not actively hedge these currency exposures, changes in the underlying currency rates relative to the U.S. dollar may result in realized and unrealized foreign currency gains and losses between the time these receivables and payables arise and the time that they are settled in cash. Since such realized and unrealized foreign currency gains and losses are the result of macro-economic factors and can vary significantly from one period to the next, Spire believes that exclusion of such realized and unrealized gains and losses is useful to management and investors in evaluating the performance of its ongoing operations on a period-to-period basis.

*Other unusual and infrequent costs.* Spire excludes these as they are unusual items that do not reflect the ongoing operational results of its business. Examples of these types of expenses include accounting, legal and other professional fees associated with the preparation and filing of Spire's September 2022 Form S-3 shelf registration statement and "at-the-market" offering prospectus supplement, and the December 2022 warrant exchange.

**Our additional non-GAAP measures include:**

**Free Cash Flow.** Spire defines free cash flow as net cash used in operating activities reduced by purchases of property and equipment.

**EBITDA.** Spire defines EBITDA as net income (loss), plus depreciation and amortization expense, plus interest expense, and plus the provision for (or minus benefit from) income taxes.

**Adjusted EBITDA.** Spire defines Adjusted EBITDA as earnings before interest, taxes, depreciation and amortization, further adjusted for loss on satellite deorbit, launch failure and decommissioning, change in fair value of warrant liabilities, change in fair value of contingent earnout liability, other (expense) income, net, stock-based compensation, loss on extinguishment of debt, foreign exchange gain/loss, other acquisition accounting amortization, mergers and acquisition related expenses, and other unusual costs. Spire believes Adjusted EBITDA can be useful in providing an understanding of the underlying results of operations and trends and an enhanced overall understanding of its financial performance and prospects for the future. While Adjusted EBITDA is not a recognized measure under GAAP, management uses this financial measure to evaluate and forecast business performance. Adjusted EBITDA is not intended to be a measure of liquidity or cash flows from operations or a measure comparable to net income as it does not take into account certain requirements, such as capital expenditures and related depreciation, principal and interest payments, and tax payments. Adjusted EBITDA is not a presentation made in accordance with GAAP, and Spire's use of the term Adjusted EBITDA may vary from the use of similarly titled measures by others in its industry due to the potential inconsistencies in the method of calculation and differences due to items subject to interpretation.

## **Other Definitions**

**Annual Recurring Revenue (ARR).** Spire defines ARR as expected annualized revenue from customers that are under contracts at the end of the reporting period with a binding and renewable agreement for subscription solutions or customers that are under a binding multi-year contract that can range from components of Space Services solutions to a project-based customer solution. Customers with project-based contracts are considered recurring when there is a multi-year binding agreement that has a renewable component in the contract. Customers are also considered recurring when they have multiple contracts over multiple years. Customer contracts for data trials and one-time transactions are excluded from the calculation of ARR.

**ARR Customers.** Spire defines an ARR Customer as an entity that has a contract with Spire or through its reseller partners contracts, that is either a binding and renewable agreement for subscription solutions, or a binding multi-year contract as of the measurement date independent of the number of solutions the entity has under contract. A single organization with separate subsidiaries, segments, or divisions may represent multiple customers, as Spire treats each entity that is invoiced separately as an individual customer. In cases where customers subscribe to Spire's platform through its reseller partners, each end customer that meets the above definition is counted separately as an ARR Customer. All entities that have contracts for data trials and one-time transactions are excluded from the calculation of ARR Customers.

**ARR Solution Customers.** Spire defines an ARR Solution Customer similarly to an ARR

Customer, but Spire counts every solution the customer has separately. As a result, the count of ARR Solution Customers exceeds the count of ARR Customers at each period end, as some customers contract with Spire for multiple solutions. Spire's multiple solution customers are those that are under contract for at least two solutions: Maritime, Aviation, Weather, and Space Services. All entities that have contracts for data trials and one-time transactions are excluded from the calculation of ARR Solution Customers.

## **Conference Call**

Spire will webcast a conference call to discuss the results at 5:00 p.m. Eastern Time today. The webcast will be available on Spire's Investor Relations website at [ir.spire.com](https://ir.spire.com). A replay of the call will be available on the site for three months.

## **Safe Harbor Statement**

The forward-looking statements included in this press release and in the related conference call, including for example, the quotations of management, the statements under the heading "Financial Outlook" above, the information provided in the "GAAP to Non-GAAP Reconciliations – Q4 2023 and Full Year 2023 Financial Outlook" section of the tables below, statements regarding continued growth, statements regarding Spire's expected timing to generate positive cash from operations, non-GAAP operating margins, adjusted EBITDA and free cash flow, statements regarding increasing its ARR, statements regarding profitability, and statements regarding the benefits of its solutions to its customers and generally, reflect management's best judgment based on factors currently known and involve risks and uncertainties. These risks and uncertainties include, but are not limited to, potential disruption of customer purchase decisions resulting from global economic conditions including from an economic downturn or recession in the United States or in other countries around the world, relative growth of its ARR and revenue, the failure of the Spire and exactEarth businesses (including personnel) to be integrated successfully, the risk that revenue and adjusted EBITDA accretion or the expansion of Spire's customer count, ARR, product offerings and solutions will not be realized or realized to the extent anticipated, the ability to address the market opportunity for Space-as-a-Service, the ability to implement business plans, forecasts, and other expectations, and identify and realize additional opportunities, the risk of downturns, new entrants and a changing regulatory landscape in the highly competitive space data analytics industries, developments in and the duration of the COVID-19 pandemic and the resulting impact on Spire's business and operations, and the business of its customers and partners, Spire's potential inability to manage effectively any growth it experiences, Spire's ability or inability to develop new products and services, and other risks detailed in reports Spire has filed with the Securities and Exchange Commission, including Spire's Annual Report on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K. Significant variation from the assumptions underlying Spire's forward-looking statements could cause its actual results to vary, and the impact could be significant. All forward-looking statements in this press release are based on information available to Spire as of the date hereof. Spire undertakes no obligation, and does not intend, to update the information contained in this press release or the accompanying conference call, except as required by law.

## **About Spire Global, Inc.**

Spire (NYSE: SPIR) is a global provider of space-based data, analytics and space services,

offering unique datasets and powerful insights about Earth so that organizations can make decisions with confidence in a rapidly changing world. Spire builds, owns, and operates a fully deployed satellite constellation that observes the Earth in real time using radio frequency technology. The data acquired by Spire's satellites provides global weather intelligence, ship and plane movements, and spoofing and jamming detection to better predict how their patterns impact economies, global security, business operations and the environment. Spire also offers Space as a Service solutions that empower customers to leverage its established infrastructure to put their business in space. Spire has nine offices across the U.S., Canada, UK, Luxembourg, Germany and Singapore. To learn more, visit [spire.com](https://spire.com).

## CONSOLIDATED STATEMENTS OF OPERATIONS

(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
(In thousands, except share and per share amounts)	2023	2022	2023	2022
Revenue	\$ 27,317	\$ 20,418	\$ 77,978	\$ 57,883
Cost of revenue	9,555	10,198	29,548	29,617
Gross profit	17,762	10,220	48,430	28,266
Operating expenses:				
Research and development	10,538	8,879	29,953	25,761
Sales and marketing	6,993	7,794	20,572	21,427
General and administrative	11,049	9,903	33,718	33,861
Loss on decommissioned satellites	156	—	628	—
Total operating expenses	28,736	26,576	84,871	81,049
Loss from operations	(10,974)	(16,356)	(36,441)	(52,783)
Other income (expense):				
Interest income	540	336	1,741	456
Interest expense	(4,728)	(3,897)	(14,015)	(9,725)
Change in fair value of contingent earnout liability	13	344	217	9,597
Change in fair value of warrant liabilities	(119)	1,282	984	11,014
Foreign exchange	(1,829)	(2,806)	(1,240)	(6,346)
Loss on extinguishment of debt	—	—	—	(22,510)
Other expense, net	(620)	(660)	(2,420)	(1,165)
Total other expense, net	(6,743)	(5,401)	(14,733)	(18,679)
Loss before income taxes	(17,717)	(21,757)	(51,174)	(71,462)
Income tax provision	78	54	560	406
Net loss	\$ (17,795)	\$ (21,811)	\$ (51,734)	\$ (71,868)
Basic and diluted net loss per share <sup>(1)</sup>	\$ (0.86)	\$ (1.25)	\$ (2.71)	\$ (4.12)
Weighted-average shares used in computing basic and diluted net loss per share <sup>(1)</sup>	20,756,394	17,492,871	19,117,078	17,454,680

(1) The shares of the Company's common stock and the per share amounts have been retroactively adjusted to reflect the 1-for-8 reverse stock split

## CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS

(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
(In thousands)	2023	2022	2023	2022
Net loss	\$ (17,795)	\$ (21,811)	\$ (51,734)	\$ (71,868)
Other comprehensive gain (loss):				
Foreign currency translation adjustments	(1,779)	(4,969)	973	(5,322)
Net unrealized (loss) gain on investments (net of tax)	(2)	(3)	35	(86)
Comprehensive loss	\$ (19,576)	\$ (26,783)	\$ (50,726)	\$ (77,276)



**CONSOLIDATED BALANCE SHEETS**  
(Unaudited)

	September 30, 2023	December 31, 2022
(In thousands)		
<b>Assets</b>		
Current assets		
Cash and cash equivalents	\$ 29,936	\$ 47,196
Marketable securities	20,157	23,084
Accounts receivable, net (including allowance of \$1,137 and \$395 as of September 30, 2023 and December 31, 2022, respectively)	18,660	13,864
Contract assets	4,489	3,353
Other current assets	8,401	9,279
Total current assets	81,643	96,776
Property and equipment, net	69,610	53,752
Operating lease right-of-use assets	14,317	11,687
Goodwill	49,913	49,954
Customer relationships	19,369	20,814
Other intangible assets	12,758	13,967
Other long-term assets, including restricted cash	8,399	9,562
Total assets	<u>\$ 256,009</u>	<u>\$ 256,512</u>
<b>Liabilities and Stockholders' Equity</b>		
Current liabilities		
Accounts payable	\$ 4,620	\$ 4,800
Accrued wages and benefits	5,726	4,502
Contract liabilities, current portion	22,763	15,856
Other accrued expenses	9,650	8,210
Total current liabilities	42,759	33,368
Long-term debt	117,635	98,475
Contingent earnout liability	132	349
Deferred income tax liabilities	780	771
Warrant liability	3,407	1,831
Operating lease liabilities, net of current portion	13,049	10,815
Other long-term liabilities	761	780
Total liabilities	<u>178,523</u>	<u>146,389</u>
Commitments and contingencies		
Stockholders' equity		
Common stock	2	16
Additional paid-in capital	473,854	455,751
Accumulated other comprehensive loss	(5,989)	(6,997)
Accumulated deficit	(390,381)	(338,647)
Total stockholders' equity	<u>77,486</u>	<u>110,123</u>
Total liabilities and stockholders' equity	<u>\$ 256,009</u>	<u>\$ 256,512</u>

**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(Unaudited)

	Nine Months Ended September 30,	
	2023	2022
(In thousands)		
<b>Cash flows from operating activities</b>		
Net loss	\$ (51,734)	\$ (71,868)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	11,642	14,056
Stock-based compensation	9,516	8,323
Amortization of operating lease right-of-use assets	2,185	1,657
Amortization of debt issuance costs	1,595	3,233
Change in fair value of warrant liability	(984)	(11,014)
Change in fair value of contingent earnout liability	(217)	(9,597)
Loss on decommissioned satellites and impairment of assets	630	—
Loss on extinguishment of debt	—	22,271
Other, net	(448)	79
Changes in operating assets and liabilities:		
Accounts receivable, net	(4,834)	(7,078)
Contract assets	(1,146)	(1,445)
Other current assets	(177)	1,316
Other long-term assets	1,261	1,352
Accounts payable	(767)	(816)
Accrued wages and benefits	1,249	(185)
Contract liabilities	6,977	6,423
Other accrued expenses	(536)	1,636
Operating lease liabilities	(1,945)	(1,006)
Other long-term liabilities	—	(45)
Net cash used in operating activities	(27,733)	(42,708)
<b>Cash flows from investing activities</b>		
Purchases of short-term investments	(37,752)	(29,796)
Maturities of short-term investments	41,500	7,400
Purchase of property and equipment	(23,694)	(15,946)
Net cash used in investing activities	(19,946)	(38,342)
<b>Cash flows from financing activities</b>		
Proceeds from long-term debt	19,886	100,360
Proceeds from issuance of common stock under the Equity Distribution Agreement, net	7,866	—
Payments on long-term debt	—	(71,512)
Payments of debt issuance costs	—	(4,611)
Proceeds from exercise of stock options	—	797
Proceeds from employee stock purchase plan	422	335
Net cash provided by financing activities	28,174	25,369
Effect of foreign currency translation on cash, cash equivalents and restricted cash	2,343	5,826
Net decrease in cash, cash equivalents and restricted cash	(17,162)	(49,855)
<b>Cash, cash equivalents and restricted cash</b>		
Beginning balance	47,569	109,645
Ending balance	\$ 30,407	\$ 59,790

**GAAP to Non-GAAP Reconciliations**  
(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
(In thousands, except for share and per share amounts)				
<b>Gross profit (GAAP)</b>	\$ 17,762	\$ 10,220	\$ 48,430	\$ 28,266
Adjustments:				
Exclude stock-based compensation	48	60	173	180
Exclude amortization of purchased intangibles	873	879	2,606	2,693

Exclude other acquisition accounting amortization	172	173	508	530
Exclude merger and acquisition related expenses	-	-	-	127
<b>Gross profit (Non-GAAP)</b>	<u>\$ 18,855</u>	<u>\$ 11,332</u>	<u>\$ 51,717</u>	<u>\$ 31,796</u>
<b>Research and development (GAAP)</b>	10,538	8,879	29,953	25,761
Adjustments:				
Exclude stock-based compensation	(957)	(845)	(2,510)	(2,370)
Exclude merger and acquisition related expenses	-	-	-	(277)
<b>Research and development (Non-GAAP)</b>	<u>9,581</u>	<u>8,034</u>	<u>27,443</u>	<u>23,114</u>
<b>Sales and marketing (GAAP)</b>	6,993	7,794	20,572	21,427
Adjustments:				
Exclude stock-based compensation	(673)	(766)	(1,729)	(2,117)
Exclude amortization of purchased intangibles	-	(782)	-	(2,390)
Exclude merger and acquisition related expenses	-	-	-	(277)
<b>Sales and marketing (Non-GAAP)</b>	<u>6,320</u>	<u>6,246</u>	<u>18,843</u>	<u>16,643</u>
<b>General and administrative (GAAP)</b>	11,049	9,903	33,718	33,861
Adjustments:				
Exclude stock-based compensation	(1,852)	(1,454)	(5,104)	(3,656)
Exclude merger and acquisition related expenses	-	-	(1,015)	(3,846)
Exclude other unusual one-time costs	-	-	-	-
<b>General and administrative (Non-GAAP)</b>	<u>9,197</u>	<u>8,449</u>	<u>27,599</u>	<u>26,359</u>
<b>Loss on decommissioned satellites (GAAP)</b>	156	-	628	-
Adjustments:				
Exclude loss on decommissioned satellites	(156)	-	(628)	-
<b>General and administrative (Non-GAAP)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Loss from operations (GAAP)</b>	<u>\$ (10,974)</u>	<u>\$ (16,356)</u>	<u>\$ (36,441)</u>	<u>\$ (52,783)</u>
Adjustments:				
Exclude stock-based compensation	3,530	3,125	9,516	8,323
Exclude merger and acquisition related expenses	-	-	1,015	4,527
Exclude amortization of purchased intangibles	873	1,661	2,606	5,083
Exclude other acquisition accounting amortization	172	173	508	530
Exclude loss on decommissioned satellites	156	-	628	-
Exclude other unusual one-time costs	-	-	-	-
<b>Loss from operations (Non-GAAP)</b>	<u>\$ (6,243)</u>	<u>\$ (11,397)</u>	<u>\$ (22,168)</u>	<u>\$ (34,320)</u>
<b>Gross Margin (GAAP)</b>	65%	50%	62%	49.0%
Adjustments:				
Exclude stock-based compensation and merger and acquisition related expenses	0%	0%	0%	1%
Exclude amortization of purchased intangibles	3%	4%	3%	4%
Exclude other acquisition accounting amortization	1%	1%	1%	1%
<b>Gross Margin (Non-GAAP)</b>	<u>69%</u>	<u>55%</u>	<u>66%</u>	<u>55%</u>
<b>Operating Margin (GAAP)</b>	-40%	-80%	-47%	-91%
Adjustments:				
Exclude stock-based compensation	12%	15%	13%	13%
Exclude merger and acquisition related expenses	0%	0%	1%	8%
Exclude amortization of purchased intangibles	3%	8%	3%	9%
Exclude other acquisition accounting amortization	1%	1%	1%	1%
Exclude loss on decommissioned satellites	1%	0%	1%	0%
Exclude other unusual one-time costs	0%	0%	0%	0%
<b>Operating Margin (Non-GAAP)</b>	<u>-23%</u>	<u>-56%</u>	<u>-28%</u>	<u>-59%</u>
<b>Net loss (GAAP)</b>	<u>\$ (17,795)</u>	<u>\$ (21,811)</u>	<u>\$ (51,734)</u>	<u>\$ (71,868)</u>
Adjustments:				

Exclude stock-based compensation	3,530	3,125	9,516	8,323
Exclude merger and acquisition related expenses	-	-	1,015	4,527
Exclude amortization of purchased intangibles	873	1,661	2,606	5,083
Exclude other acquisition accounting amortization	172	173	508	530
Exclude change in fair value of contingent earnout liability	(13)	(344)	(217)	(9,597)
Exclude change in fair value of warrant liabilities	119	(1,282)	(984)	(11,014)
Exclude foreign exchange	1,829	2,806	1,240	6,346
Exclude loss on extinguishment of debt	-	-	-	22,510
Exclude other expense, net	620	660	2,420	1,165
Exclude loss on decommissioned satellites	156	-	628	-
<b>Net loss (Non-GAAP)</b>	<b>\$ (10,509)</b>	<b>\$ (15,012)</b>	<b>\$ (35,002)</b>	<b>\$ (43,995)</b>
<b>Net loss per share (GAAP)</b>	<b>\$ (0.86)</b>	<b>\$ (1.25)</b>	<b>\$ (2.71)</b>	<b>\$ (4.12)</b>
Adjustments:				
Exclude stock-based compensation	\$ 0.17	0.18	0.50	0.48
Exclude merger and acquisition related expenses, purchased intangibles and other acquisition accounting amortization	\$ 0.05	0.10	0.21	0.58
Exclude change in fair value of warrant liabilities and change in value of contingent earnout liability	\$ 0.01	(0.09)	(0.06)	(1.18)
Exclude foreign exchange	\$ 0.08	0.16	0.05	0.36
Exclude loss on extinguishment of debt	\$ -	-	-	1.29
Exclude other expense, net	\$ 0.03	0.04	0.13	0.07
Exclude loss on decommissioned satellites	\$ 0.01	-	0.03	-
<b>Net loss per share (Non-GAAP)</b>	<b>\$ (0.51)</b>	<b>\$ (0.86)</b>	<b>(1.85)</b>	<b>\$ (2.52)</b>
<b>Weighted-average shares used in computing basic net loss per share</b>	<b>20,756,394</b>	<b>17,492,871</b>	<b>19,117,078</b>	<b>17,454,680</b>
<b>Weighted-average shares used in computing diluted net income per share</b>	<b>20,756,394</b>	<b>17,492,871</b>	<b>19,117,078</b>	<b>17,454,680</b>
<b>Net loss (GAAP)</b>	<b>\$ (17,795)</b>	<b>\$ (21,811)</b>	<b>\$ (51,734)</b>	<b>\$ (71,868)</b>
Depreciation and amortization	3,759	4,715	11,642	14,056
Net Interest	4,188	3,561	12,274	9,269
Taxes	78	54	560	406
<b>EBITDA</b>	<b>(9,770)</b>	<b>(13,481)</b>	<b>(27,258)</b>	<b>(48,137)</b>
Change in fair value of contingent earnout liability	(13)	(344)	(217)	(9,597)
Change in fair value of warrant liabilities	119	(1,282)	(984)	(11,014)
Foreign exchange	1,829	2,806	1,240	6,346
Loss on extinguishment of debt	-	-	-	22,510
Stock-based compensation	3,530	3,125	9,516	8,323
Mergers and acquisition related expenses	-	-	1,015	4,527
Other acquisition accounting amortization	172	173	508	530
Loss on decommissioned satellites	156	-	628	-
Other expense, net	620	660	2,420	1,165
<b>Adjusted EBITDA</b>	<b>\$ (3,357)</b>	<b>\$ (8,343)</b>	<b>\$ (13,132)</b>	<b>\$ (25,347)</b>
Net cash used in operating activities	(5,142)	(10,215)	(27,733)	(42,708)
Purchase of property and equipment	(11,017)	(3,461)	(23,694)	(15,946)
<b>Free Cash Flow</b>	<b>\$ (16,159)</b>	<b>\$ (13,676)</b>	<b>\$ (51,427)</b>	<b>\$ (58,654)</b>

#### GAAP to Non-GAAP Reconciliations – Q4 2023 and Full Year 2023 Financial Outlook

(Unaudited)

(In thousands, except for share and per share amounts)

	Q4'23 Ranges	
	Low	High
<b>Revenue</b>	<b>\$ 27,000</b>	<b>\$ 31,000</b>
<b>Loss from operations (GAAP)</b>	<b>\$ (12,128)</b>	<b>\$ (8,428)</b>
Adjustments:		

Exclude stock-based compensation	\$ 3,583	\$ 3,583
Exclude amortization of purchased intangibles	\$ 873	\$ 873
Exclude other acquisition accounting amortization	\$ 172	\$ 172
<b>Loss from operations (Non-GAAP)</b>	<b>\$ (7,500)</b>	<b>\$ (3,800)</b>
	<b>Low</b>	<b>High</b>
<b>Net loss per share (GAAP)</b>	<b>\$ (0.85)</b>	<b>\$ (0.65)</b>
Adjustments:		
Exclude stock-based compensation	0.17	0.17
Exclude purch intangibles and other purch acctg amortization	0.05	0.05
Exclude other expense, net	0.01	0.01
<b>Net loss per share (Non-GAAP)</b>	<b>\$ (0.62)</b>	<b>\$ (0.42)</b>
<b>Weighted-average shares used in computing basic and diluted net loss per share</b>	<b>20,797,133</b>	<b>20,797,133</b>
	<b>Low</b>	<b>High</b>
<b>Net loss (GAAP)</b>	<b>\$ (16,075)</b>	<b>\$ (12,075)</b>
Depreciation and amortization	3,739	3,739
Net Interest	5,019	5,019
Taxes	362	362
<b>EBITDA</b>	<b>\$ (6,955)</b>	<b>\$ (2,955)</b>
Stock-based compensation	3,583	3,583
Other expense, net	200	200
Other acquisition accounting amortization	172	172
<b>Adjusted EBITDA</b>	<b>\$ (3,000)</b>	<b>\$ 1,000</b>

(In thousands, except for share and per share amounts)

	<b>FY 2023 Ranges</b>	
	<b>Low</b>	<b>High</b>
<b>Revenue</b>	105,000	109,000
	<b>Low</b>	<b>High</b>
<b>Loss from operations (GAAP)</b>	<b>\$ (48,601)</b>	<b>\$ (44,901)</b>
Adjustments:		
Exclude stock-based compensation	13,099	13,099
Exclude merger and acquisition related expenses	1,015	1,015
Exclude amortization of purchased intangibles	3,479	3,479
Exclude other acquisition accounting amortization	680	680
Exclude loss on decommissioned satellites	628	628
<b>Loss from operations (Non-GAAP)</b>	<b>\$ (29,700)</b>	<b>\$ (26,000)</b>
	<b>Low</b>	<b>High</b>
<b>Net loss per share (GAAP)</b>	<b>\$ (3.54)</b>	<b>\$ (3.33)</b>
Adjustments:		
Exclude stock-based compensation	\$ 0.67	\$ 0.67
Exclude merger and acquisition related expenses	\$ 0.05	\$ 0.05
Exclude purch intangibles and other acq acctg amortization	\$ 0.21	\$ 0.21
Exclude change in fair value of contingent earnout liability	\$ (0.01)	\$ (0.01)
Exclude change in fair value of warrant liabilities	\$ (0.05)	\$ (0.05)
Exclude foreign exchange	\$ 0.06	\$ 0.06
Exclude other expense, net	\$ 0.13	\$ 0.13
Exclude loss on decommissioned satellites	\$ 0.03	\$ 0.03
<b>Net loss per share (Non-GAAP)</b>	<b>\$ (2.45)</b>	<b>\$ (2.24)</b>
<b>Weighted-average shares used in computing basic and diluted net loss per share</b>	<b>19,583,319</b>	<b>19,583,319</b>
	<b>Low</b>	<b>High</b>
<b>Net loss (GAAP)</b>	<b>\$ (67,777)</b>	<b>\$ (63,777)</b>
Depreciation and amortization	15,381	15,381
Net Interest	17,293	17,293
Taxes	922	922
<b>EBITDA</b>	<b>\$ (34,181)</b>	<b>\$ (30,181)</b>
Change in fair value of contingent earnout liability	\$ (217)	\$ (217)
Change in fair value of warrant liabilities	(984)	(984)
Foreign exchange	1,240	1,240
Other expense, net	2,620	2,620
Stock-based compensation	13,099	13,099

Mergers and acquisition related expenses	1,015	1,015
Other acquisition accounting amortization	680	680
Loss on decommissioned satellites	628	628
<b>Adjusted EBITDA</b>	<b>\$ (16,100)</b>	<b>\$ (12,100)</b>

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Source: Spire Global, Inc.