



BLACKSKY Q3 2023 EARNINGS WEBCAST

November 8, 2023

Today's Presenters



Brian O'Toole
Chief Executive Officer



Henry Dubois
Chief Financial Officer

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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) 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.

Global Events Accelerate Need for Space-Based Intelligence



Continue to see
strong momentum and
global demand for
**BlackSky's space-based
intelligence**

Recent Highlights

- ✓ **Q3 record revenue of \$21.3 million**, a 26% revenue growth over the prior year quarter
- ✓ **Signed new contracts and renewal agreements valued up to \$20 million** supporting multiple U.S. and international government agencies
- ✓ **98% incremental contribution margin on Q3 YTD revenue growth** in imagery, software and analytics
- ✓ **Attained nearly breakeven Adjusted EBITDA in Q3** through strong operating leverage and responsible cost management
- ✓ **Named to the 2023 Deloitte Technology Fast 500** as one of the fastest-growing public companies

International Customer Demand Continues to Grow

- **Signed a multi-year master service agreement** for up to \$8 million to support a new International Ministry of Defense
- **Expanded a contract** with an existing International defense customer to increase assured access over their regions of interest
- **Continued to expand our growing customer base** supporting major defense and intelligence organizations
- **Building a strong pipeline of sales opportunities** with various government agencies worldwide



Strong Demand from U.S. Government Agencies

- Awarded over \$9 million in contract expansions with existing U.S. government customers
- Won a contract with the U.S. Air Force Research Laboratory to provide an automated target recognition service
- Won a multi-year IDIQ contract with a major Department of Defense customer for advanced commercial imagery services



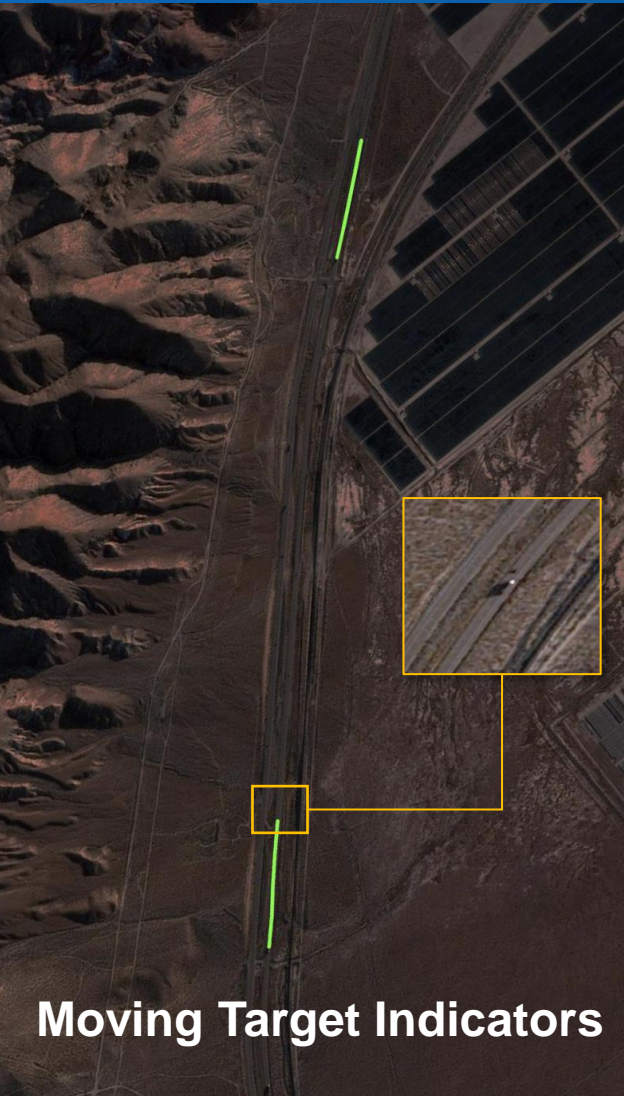
BlackSky Achieves Critical Integration Milestone with NRO

- **Successful integration of BlackSky's high-frequency imagery services** with the NRO's new data architecture
- **Completed the Initial Operating Capability (IOC) milestone** required under the EOCL contract
- **Enables BlackSky to scale the delivery of imagery services** through advanced APIs and enterprise interfaces



“BlackSky is the first commercial imagery provider to successfully integrate and validate performance of this architecture.”

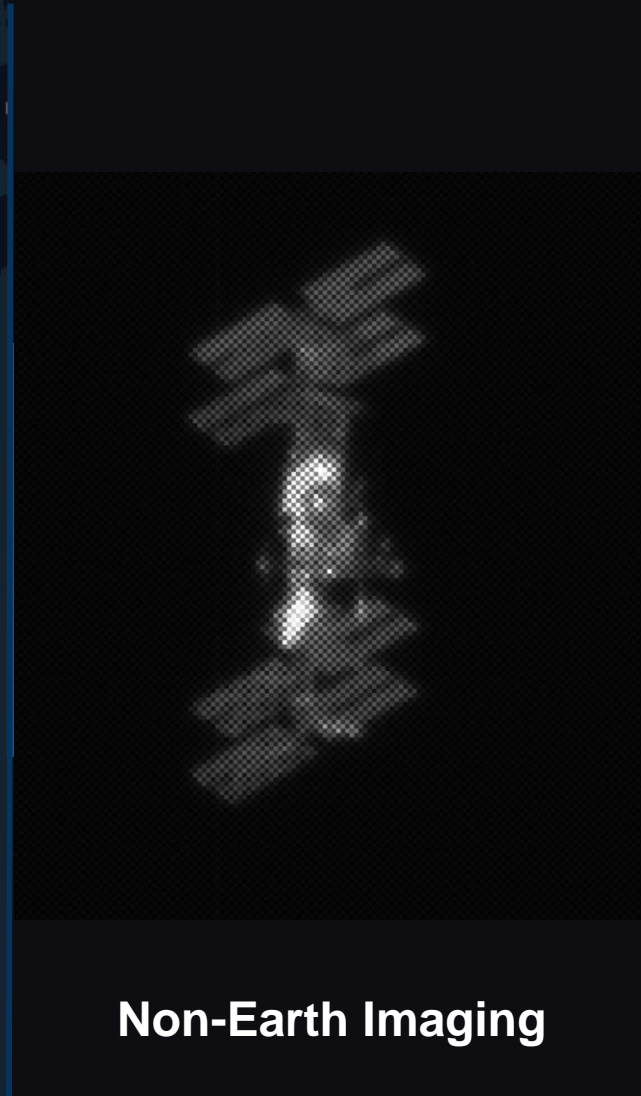
Innovating Advanced Space and AI Technologies for a Range of New Mission Applications



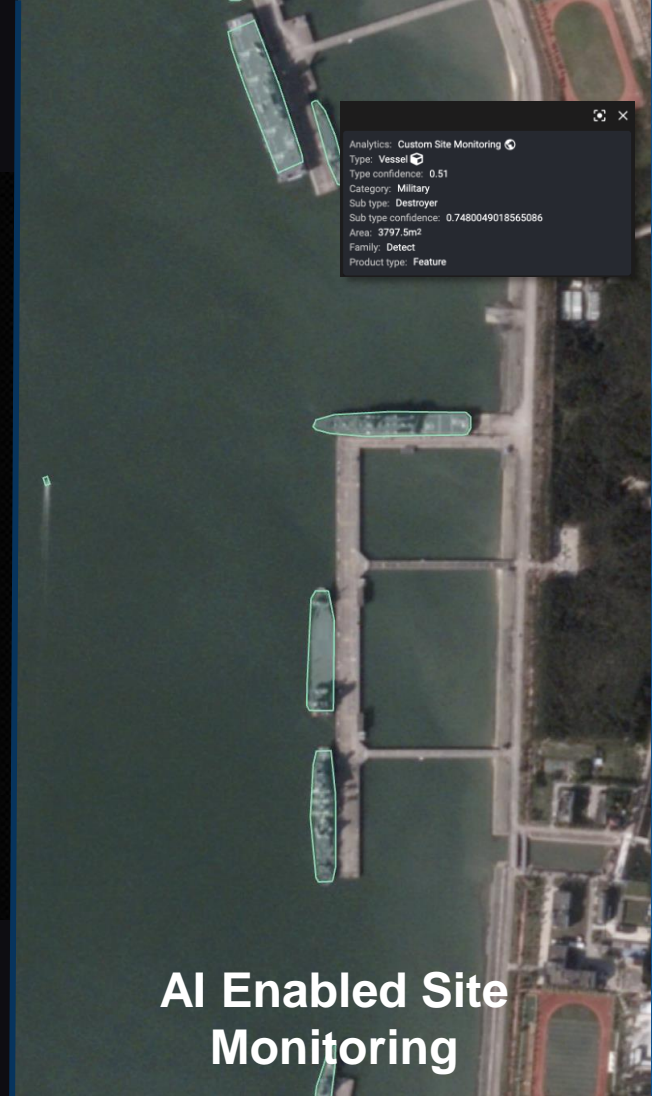
Moving Target Indicators



Broad Area Search



Non-Earth Imaging



AI Enabled Site Monitoring

Analytics: Custom Site Monitoring
Type: Vessel
Type confidence: 0.51
Category: Military
Sub type: Destroyer
Sub type confidence: 0.7480049018565086
Area: 3797.5m²
Family: Detect
Product type: Feature

Gen-3 Remains on Track for Launch in 2024

- **Gen-3 satellite program remains on track** for initial launch in 2024
- **Receiving critical and long-lead components** and moving into assembly and integration of first satellites
- **Scaling satellite manufacturing production line**





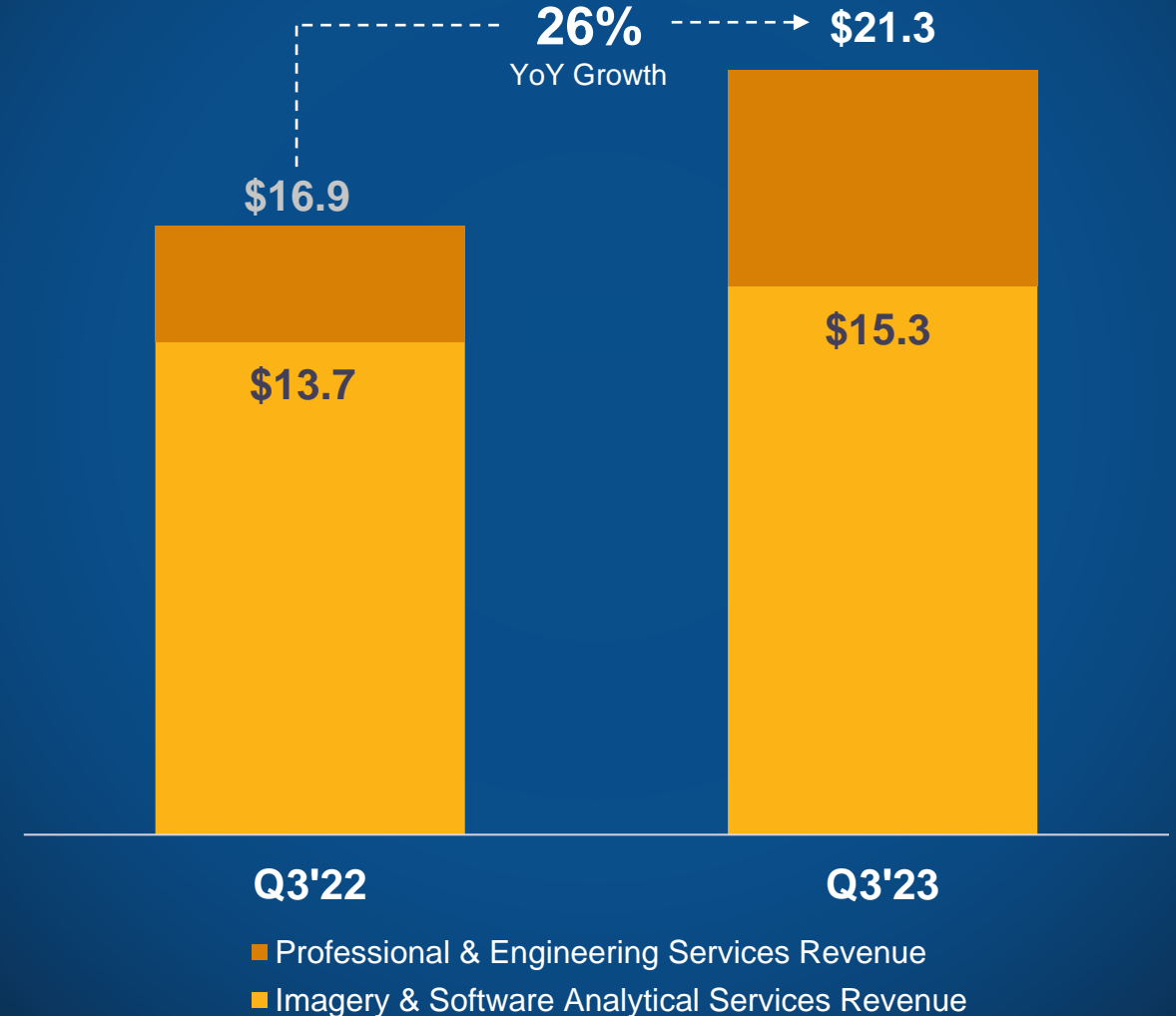
Q3 FINANCIAL RESULTS

Q3 Revenue

- **Record revenue of \$21.3 million**, up 26% over the prior year period
- **11% year-over-year growth** in high-margin imagery and analytics revenue
- **Strong customer demand and growing momentum** from new and existing U.S. and international government customers

Strong Revenue Growth

(\$ in millions)



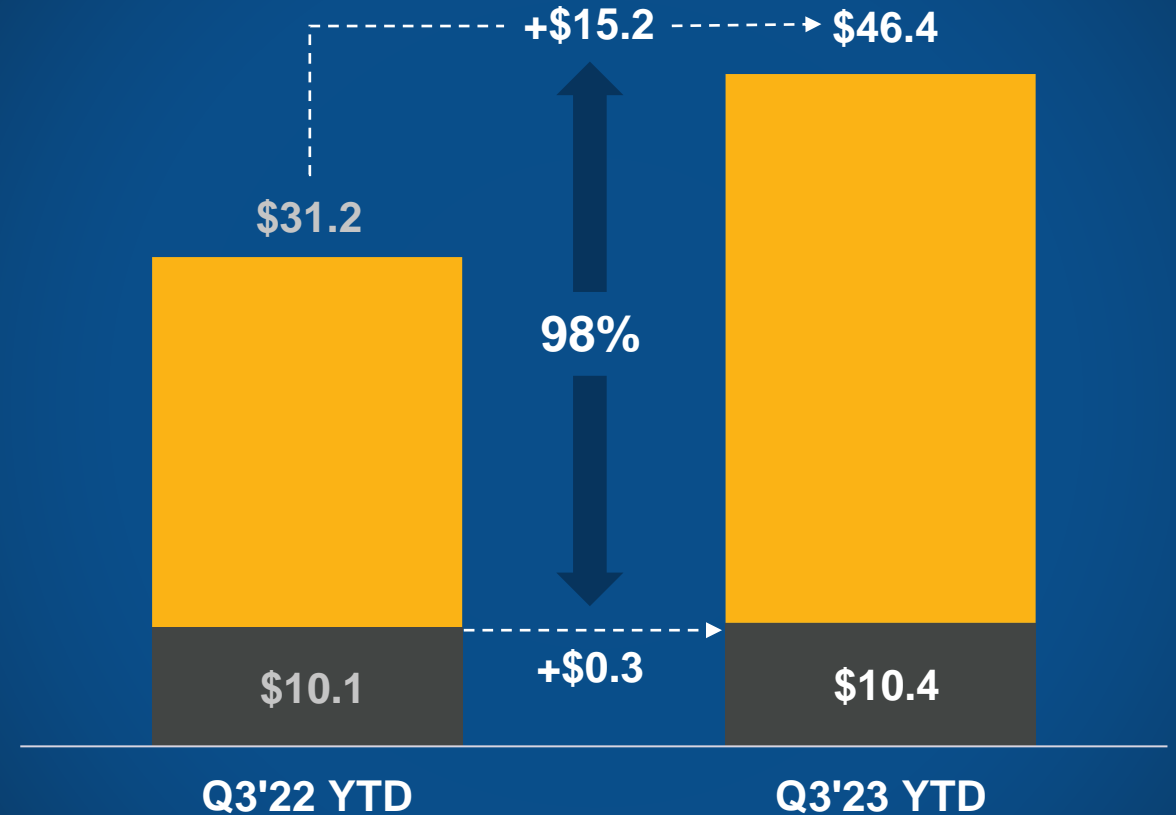
Q3 YTD Imagery and Analytics Cost of Sales

- **98% incremental contribution margin improvement** for imagery and analytics⁽¹⁾
- **Increased revenue** of high-margin imagery and analytics drove improved performance
- **Low marginal cost** for imagery and analytic services contributed to improvement

(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.

98% Incremental Contribution Margin Improvement Over Prior Year ⁽¹⁾

(\$ in millions)



■ Imagery & Software Analytical Services Revenue

■ Adjusted Imagery & Software Analytical Services Cost of Sales ⁽¹⁾

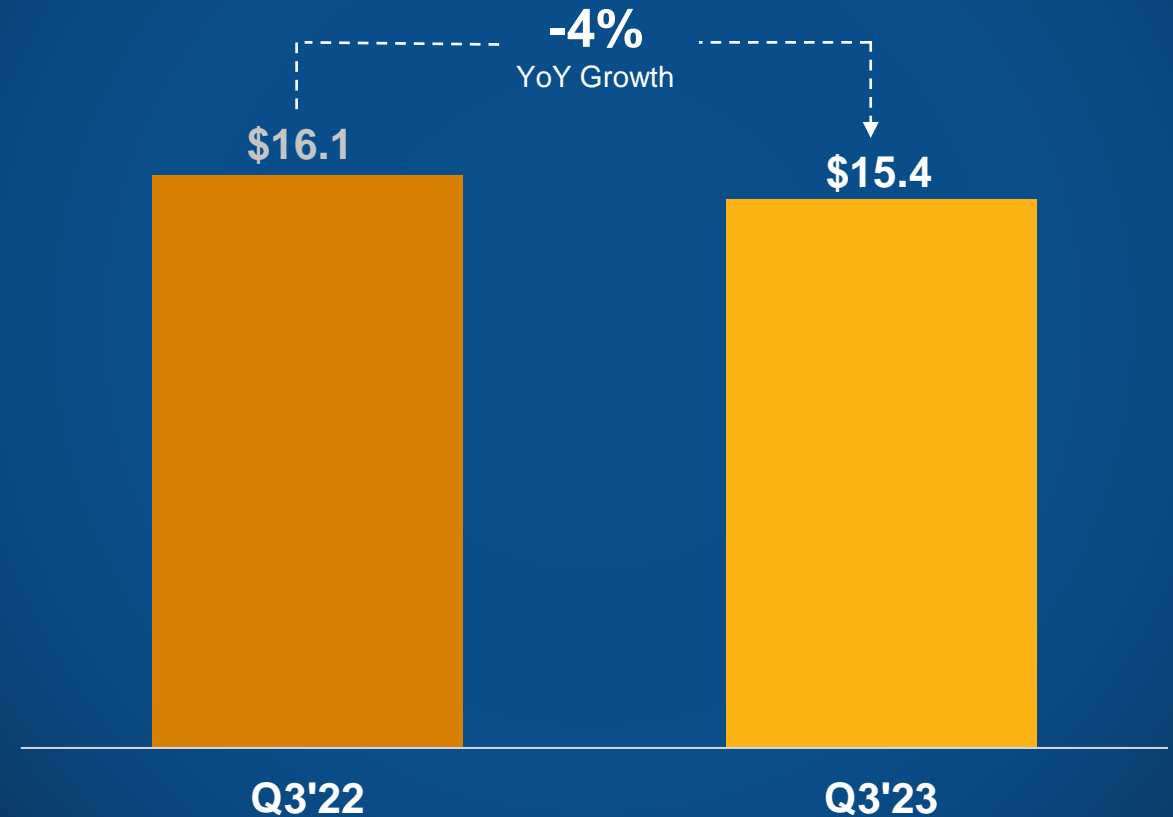
Q3 Cash Operating Expenses

- **Cash operating expenses⁽¹⁾ of \$15.4 million**, a 4% decrease over the prior year period
- Year-over-year decrease primarily due to **reductions in general corporate costs** that more than offset investments in the business
- **Responsible cost management** keeping expenses contained while **investing in revenue growth** opportunities

(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.

Responsible Cost Management

(\$ in millions)



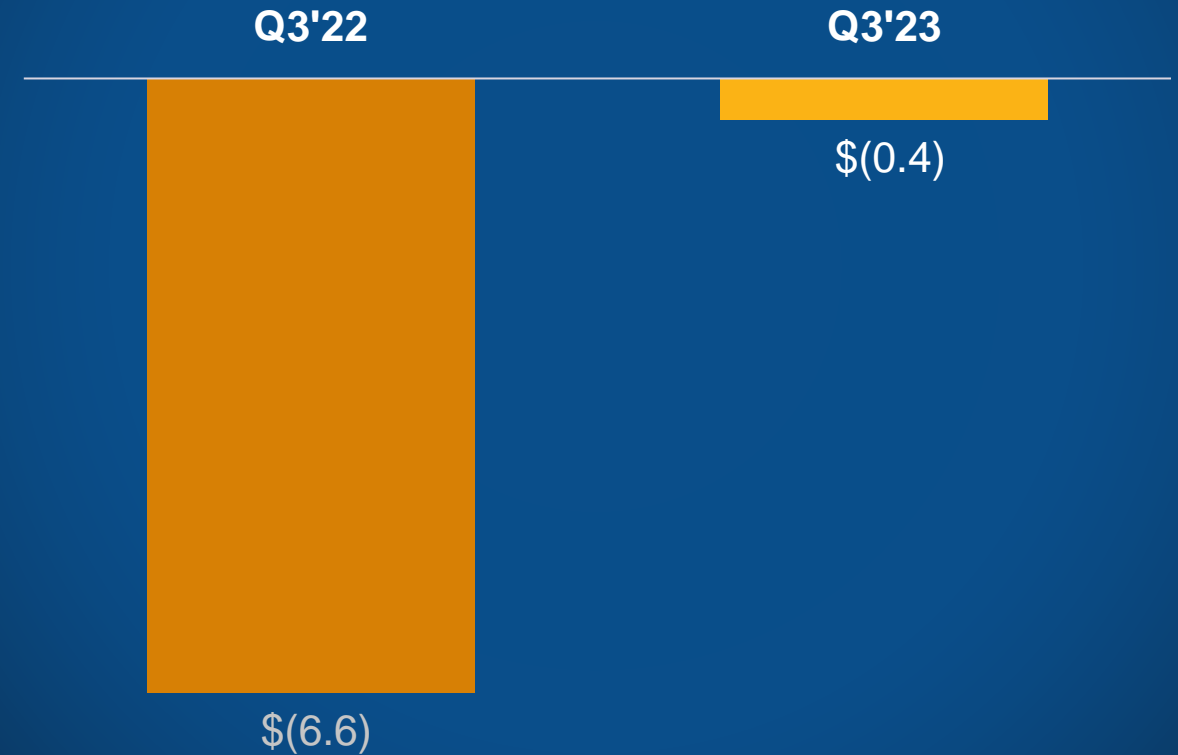
Q3 Adjusted EBITDA

- **Adjusted EBITDA⁽¹⁾ improved 93%** over the prior year period
- **Achieved nearly breakeven performance** and on track for positive Adjusted EBITDA in Q4
- **Strong operating leverage** and **responsible cost management** driving continued improvements

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

Strong Improvement in Adjusted EBITDA⁽¹⁾

(\$ in millions)



2023 Outlook

Adjusted EBITDA⁽¹⁾

- Anticipate achieving positive Adjusted EBITDA in Q4 of 2023
- Increased revenues, high incremental contribution margins and responsible cost management driving EBITDA improvements

Revenue

- Expect full year 2023 revenue to be between \$84M - \$90M
- 33% year-over-year growth, at the midpoint of this range

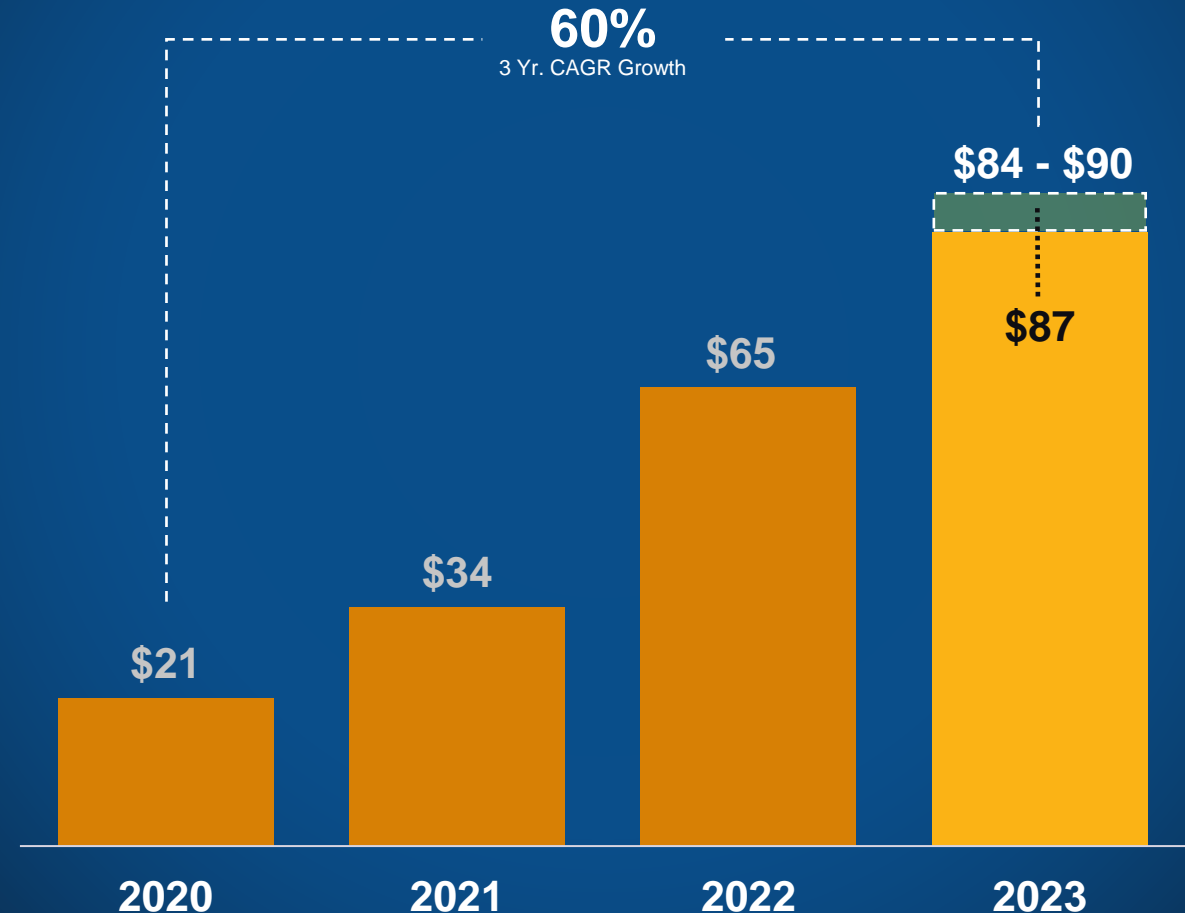
Capital Expenditures

- Expect full year 2023 capex spend between \$48M - \$54M
- Increase driven by timing of payments on Gen-3 constellation

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

Annual Revenue

(\$ in millions)



Path to Sustainable Profitable Growth

- ✓ Focus on global defense and intelligence market paying dividends with an expanding customer base
- ✓ Grow sales pipeline worldwide converting many opportunities into new sizable multi-year contracts
- ✓ Deliver strong operating leverage through incremental revenue growth and responsible cost management
- ✓ Continue to invest in expanding AI capabilities and advancing space technologies to provide additional value to customers

2023 Key Objective

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

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APPENDIX

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Net income (loss)	\$ 675	\$ (13,093)	\$ (50,071)	\$ (59,367)
Interest income	(519)	(486)	(1,602)	(664)
Interest expense	2,532	1,226	6,627	3,756
Income tax expense	138	-	260	-
Depreciation and amortization	11,304	9,598	32,735	26,166
Stock-based compensation expense	2,402	3,163	7,725	16,389
Gain on derivatives	(17,012)	(7,135)	(7,445)	(10,629)
Gain from discontinued operations, net of income taxes	-	(707)	-	(707)
(Income) loss on equity method investment	(328)	776	(913)	(694)
Forgiveness of non-trade receivables	-	31	-	106
Transaction costs associated with debt and equity financings	-	-	1,738	-
Severance	363	56	562	761
Investment loss on short-term investments	-	-	55	-
Adjusted EBITDA	\$ (445)	\$ (6,571)	\$ (10,329)	\$ (24,883)

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Imagery and software analytical service costs, excluding depreciation and amortization	\$ 3,479	\$ 3,513	\$ 10,634	\$ 10,537
Stock-based compensation for imagery and software analytical service costs	(40)	(88)	(185)	(447)
Adjusted imagery and software analytical service costs, excluding depreciation and amortization	\$ 3,439	\$ 3,425	\$ 10,449	\$ 10,090

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Operating expenses	\$ 29,009	\$ 28,553	\$ 88,549	\$ 85,656
Stock-based compensation for selling, general and administrative costs	(2,265)	(2,867)	(7,149)	(14,823)
Depreciation and amortization	(11,304)	(9,598)	(32,735)	(26,166)
Cash operating expenses	\$ 15,440	\$ 16,088	\$ 48,665	\$ 44,667