



Satellogic Reports Full Year 2022 Financial Results and Provides Business Update

April 27, 2023

Revenue up 42% in 2022 to \$6.0 million Primarily from Asset Monitoring with Constellation-as-a-Service Business Gaining Momentum

\$76.5 million in Cash at Year End 2022

Largest Sub-Meter Resolution Commercial Capture Capability (7MM+ sq km daily) in the World; Expanded Fleet to 34 Satellites in Orbit

NEW YORK--(BUSINESS WIRE)--Apr. 27, 2023-- [Satellogic](#) Inc. (NASDAQ: SATL), a leader in sub-meter resolution Earth Observation ("EO") data collection, today provided full year 2022 financial results and a business update.

"2022 was a transformational year for Satellogic, beginning with successfully going public and continuing through a series of milestone achievements that has led us to our position today, with 34 satellites in orbit," said Satellogic CEO, Emiliano Kargieman. "With the **largest commercial fleet of sub-meter resolution satellites in the world**, we are well positioned to capitalize on the growing demand for Earth Observation data and satellites.

"During 2022, our revenue grew 42% year-over-year as both our Asset Monitoring and our Constellation-as-a-Service businesses gained momentum. Our three-year agreement with the Republic of Albania to access a dedicated satellite constellation deployed its first two satellites dedicated to task and monitor its sovereign territory for a range of applications including border security, agriculture management, and environmental monitoring.

"Our new **Space Systems (satellite sales)** business creates a satellite purchase program that aims to lower the financial barrier to Earth Observation spacecraft ownership. Purchase options begin at less than \$10 million for a 70cm resolution satellite, offering flexibility as well as time-to-operation in as fast as 3 months. Space Systems is designed to offer governments asset ownership to enhance national geospatial intelligence (GEOINT) with global tasking autonomy.

"We have proven that it's possible to provide high-quality satellite imagery through a constellation of small, low-orbit satellites at what we believe to be the lowest price while retaining strong margins. We expect to build and **launch 14 additional satellites**, which will give us the capability of **remapping the Earth every two weeks by the end of 2023**."

Rick Dunn, Satellogic CFO, commented, "We ended 2022 with **\$76.5 million of cash on hand**. Our **revenue grew 42%** to \$6.0 million for the full year of 2022 and we reduced our net loss from \$96.3 million in 2021 to \$36.6 million in 2022. As we move through 2023, we have seen **increased momentum in terms of revenue, backlog and pipeline**. We expect 2023 to be considerably stronger, particularly in the second half. As previously guided, **we are targeting revenue for the full year 2023 to be between \$30 to \$50 million**.

"Going forward, revenue will be driven by our continued growth in Asset Monitoring, Constellation-as-a-Service, and sales of Space Systems. We anticipate that **Space Systems will contribute considerable per unit cash flow and strong gross margin**," concluded Dunn.

Financial Results for the Year Ended December 31, 2022

- **Revenue** during the year ended December 31, 2022 increased 42% to \$6.0 million, as compared to revenue of \$4.3 million for the year ended December 31, 2021. The increase was driven primarily by Asset Monitoring, with Constellation-as-a-Service gaining momentum following a multi-million-dollar agreement awarded from the Republic of Albania.
- **Gross margin** during the year ended December 31, 2022 increased 15% to \$2.7 million, as compared to a gross margin of \$2.4 million for the year ended December 31, 2021. Gross margin was 45% during the year ended December 31, 2022, as compared to 56% for the year ended December 31, 2021, due to higher ground station and cloud services costs associated with our larger constellation.
- **General and administrative expenses** were \$37.2 million during the year ended December 31, 2022, as compared to \$36.6 million for the year ended December 31, 2021. The slight increase was due to increased costs associated with being a public company, primarily insurance, partially offset by lower professional fees related to elevated going public costs in 2021, and lower stock-based compensation.
- **Research & Development** expenses increased to \$13.1 million for the year ended December 31, 2022 as compared to \$9.6 million for the year ended December 31, 2021. The increase was driven primarily by a higher average headcount in 2022 as compared to 2021, which contributed to an increase in stock-based compensation, salaries and wages, and other R&D expenses, such as software costs and laboratory supplies.
- **Net loss** for the year ended December 31, 2022 decreased to \$36.6 million, as compared to a net loss of \$96.3 million for the year ended December 31, 2021. The decrease was primarily driven by a change in fair value of financial instruments related to net gains of \$58.3 million for the year ended December 31, 2022, compared to net gains of \$18.0 million for the year ended December 31, 2021. The change was primarily driven by the remeasurement to fair value of our warrant and earnout liabilities issued in conjunction with the Merger.
- **Adjusted EBITDA** loss for the year ended December 31, 2022 increased to \$56.0 million from an Adjusted EBITDA loss of

\$31.8 million for the year ended December 31, 2021 due to increased costs associated with being a public company and higher average headcount in anticipation of business growth.

- **Cash** was \$76.5 million at December 31, 2022, as compared to \$8.5 million at December 31, 2021. The increase in cash is due to the Merger, which resulted in the addition of approximately \$168 million in cash.
- **Net cash used in operating activities** increased to \$68.5 million for the year ended December 31, 2022, as compared to \$28.4 million the year ended December 31, 2021, primarily due to costs and expenses related to development of our products, payroll, fluctuations in accounts payable and other current assets and liabilities.

Key Second Half and Subsequent Highlights

- Established new Space Systems business line to sell satellites directly to select customers, with unmatched build-to-launch cycles as fast as three months.
- Announced partnership and integration with SkyFi, a leading provider of EO data. This partnership will allow SkyFi's customers to submit tasking orders to Satellogic satellites directly through the platform either at <https://app.skyfi.com> or on the SkyFi app for both businesses and individuals.
- Executed a three-year agreement with the Government of Albania to develop a dedicated satellite constellation with a Constellation-as-a-Service model to accelerate Albania's participation in the New Space Economy and provide unprecedented, country-wide situational awareness.
- Deployed the "Albania-1" and "Albania-2" satellites that will support the Republic of Albania pursuant to a recent 3-year Constellation-as-a-Service agreement entered into with Satellogic. The dedicated satellites will enable Albania to task and monitor its sovereign territory for a range of applications including agriculture management, border security, and environmental monitoring.
- Signed a letter of intent with Agencia Espacial Mexicana to develop a fully-featured and operational Constellation-as-a-Service program to monitor approximately 2 million square kilometers of the nation.
- Completed a ~5% investment in Officina Stellare, a leader in the design and production of optomechanical instrumentation, driving strategic focus on vertical integration.

For additional information regarding our long-term outlook and risks and assumptions related thereto, see Item 5.B (Liquidity and Capital Resources) of Satellogic's recent Form 20-F filing.

Use of Non-GAAP Financial Measures

To supplement our Consolidated Financial Statements, which are prepared and presented in accordance with U.S. GAAP, we use the following Non-GAAP measures: EBITDA; Adjusted EBITDA; and Free Cash Flow. The presentation of this financial information is not intended to be considered in isolation or as a substitute for, or superior to, the financial information prepared and presented in accordance with U.S. GAAP.

We define Non-GAAP EBITDA as net income (loss) excluding interest, income taxes, depreciation and amortization. We did not incur amortization expense during the years ended December 31, 2022, 2021 and 2020.

We define Non-GAAP Adjusted EBITDA as Non-GAAP EBITDA further adjusted for merger-related transaction costs and other income (expense). Other income (expense) consists of foreign currency gains and losses, changes in the fair value of financial instruments and stock-based compensation.

We use these Non-GAAP financial measures for financial and operational decision-making and as a means to evaluate period-to-period comparisons. We believe these measures provide analysts, investors and management with helpful information regarding the underlying operating performance of our business, as they provide meaningful supplemental information regarding our performance and liquidity by removing the impact of items that we believe are not reflective of our underlying operating performance. The Non-GAAP measures are used by us to evaluate our core operating performance and liquidity on a comparable basis and to make strategic decisions. The Non-GAAP measures also facilitate company-to-company operating performance comparisons by backing out potential differences caused by variations such as capital structures, taxation, depreciation, capital expenditures and other non-cash items (i.e., embedded derivatives, debt extinguishment and stock-based compensation) which may vary for different companies for reasons unrelated to operating performance. However, different companies may define these terms differently and accordingly comparisons might not be accurate. There are a number of limitations related to the use of Non-GAAP financial measures. We compensate for these limitations by providing specific information regarding the U.S. GAAP amounts excluded from these Non-GAAP financial measures, and evaluating these Non-GAAP financial measures together with their relevant financial measures in accordance with U.S. GAAP. Non-GAAP measures such as EBITDA, Adjusted EBITDA and Free Cash Flow are not intended to be a substitute for any U.S. GAAP financial measure.

We have included reconciliations from the most directly comparable GAAP metric to Non-GAAP EBITDA and Non-GAAP Adjusted EBITDA for the years ended December 31, 2022, 2021 and 2020 below.

The following table presents a reconciliation of Non-GAAP EBITDA and Non-GAAP Adjusted EBITDA to our net loss for the periods indicated.

	Year Ended December 31,		
<i>(in thousands of U.S. dollars)</i>	2022	2021	2020

Net loss	\$ (36,641)	\$ (96,305)	\$ (21,529)
Plus interest expense	1,596	8,729	43
Plus income tax expense (benefit)	4,573	(232)	148
Plus depreciation	14,326	10,728	3,031
Non-GAAP EBITDA	\$ (16,146)	\$ (77,080)	\$ (18,307)
Plus Merger transaction costs	11,188	16,236	—
Less other income, net	(1,140)	(1,069)	(594)
Less change in fair value of financial instruments	(58,311)	(17,983)	(9,637)
Plus loss on extinguishment of debt	—	37,216	9,240
Plus stock-based compensation	8,368	10,881	1,732
Non-GAAP Adjusted EBITDA	\$ (56,041)	\$ (31,799)	\$ (17,566)

About Satellogic

Founded in 2010 by Emiliano Kargieman and Gerardo Richarte, Satellogic (NASDAQ: SATL) is the first vertically integrated geospatial company, driving real outcomes with planetary-scale insights. Satellogic is creating and continuously enhancing the first scalable, fully automated EO platform with the ability to remap the entire planet at both high-frequency and high-resolution, providing accessible and affordable solutions for customers.

Satellogic's mission is to democratize access to geospatial data through its information platform of high-resolution images to help solve the world's most pressing problems including climate change, energy supply, and food security. Using its patented Earth imaging technology, Satellogic unlocks the power of EO to deliver high-quality, planetary insights at the lowest cost in the industry.

With more than a decade of experience in space, Satellogic has proven technology and a strong track record of delivering satellites to orbit and high-resolution data to customers at the right price point.

To learn more, please visit: <http://www.satellogic.com>

Forward-Looking Statements

This press release contains "forward-looking statements" within the meaning of the U.S. federal securities laws. The words "anticipate", "believe", "continue", "could", "estimate", "expect", "intend", "may", "might", "plan", "possible", "potential", "predict", "project", "should", "would" and similar expressions may identify forward-looking statements, but the absence of these words does not mean that a statement is not forward-looking. These forward-looking statements are based on Satellogic's current expectations and beliefs concerning future developments and their potential effects on Satellogic and include statements concerning Satellogic's strategies, Satellogic's future opportunities, and the commercial and governmental applications for Satellogic's technology. 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. These statements are based on various assumptions, whether or not identified in this press release. These forward-looking statements are provided for illustrative purposes only and are not intended to serve as, and must not be relied on by, an investor as, a guarantee, an assurance, a prediction or a definitive statement of fact or probability. Actual events and circumstances are difficult or impossible to predict and will differ from assumptions. Many actual events and circumstances are beyond the control of Satellogic. Many factors could cause actual future events to differ materially from the forward-looking statements in this press release, including but not limited to: (i) Satellogic's ability to scale its constellation of satellites and to do so on Satellogic's projected timeframe and in accordance with projected costs, (ii) Satellogic's ability to continue to meet image quality expectations, to continue to enhance the capability of its network of satellites and to continue to offer superior unit economics, (iii) Satellogic's ability to become or remain an industry leader, (iv) the number of commercial applications for Satellogic's products and services, (v) Satellogic's ability to address all commercial applications for satellite imagery, changes in the competitive and highly regulated industries in which Satellogic operates, variations in operating performance across competitors and changes in laws and regulations affecting Satellogic's business, (vi) the ability to implement business plans, forecasts and other expectations, and to identify and realize additional opportunities, (vii) the risk of downturns in the commercial launch services, satellite and spacecraft industry, (viii) the risk that the market for Satellogic's products and services does not develop as anticipated, (ix) the risk that Satellogic and its current and future collaborators are unable to successfully develop and commercialize Satellogic's products or services, or experience significant delays in doing so, (x) the risk that third-party suppliers and manufacturers are not able to fully and timely meet their obligations, (xi) the risk of product liability or regulatory lawsuits or proceedings relating to Satellogic's products and services, and (xii) the risk that Satellogic is unable to secure or protect its intellectual property. The foregoing list of factors is not exhaustive. You should carefully consider the foregoing factors and the other risks and uncertainties described in the "Risk Factors" section of Satellogic's Annual Report on Form 20-F and other documents filed or to be filed by Satellogic from time to time with the Securities and Exchange Commission. These filings identify and address other important risks and uncertainties that could cause actual events and results to differ materially from those contained in the forward-looking statements. Forward-looking

statements speak only as of the date they are made. Readers are cautioned not to put undue reliance on forward-looking statements, and Satellogic assumes no obligation and does not intend to update or revise these forward-looking statements, whether as a result of new information, future events, or otherwise. Satellogic can give no assurance that it will achieve its expectations.

SATELLOGIC INC.

CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS

	Year Ended December 31,		
<i>(in thousands of U.S. dollars, except share and per share amounts)</i>	2022	2021	2020
Revenue	\$ 6,012	\$ 4,247	\$ —
Costs and expenses			
Cost of sales, exclusive of depreciation shown separately below	3,284	1,876	—
General and administrative expenses	37,191	36,640	8,003
Research and development	13,055	9,636	5,924
Depreciation expense	14,326	10,728	3,031
Other operating expenses	29,023	14,002	5,449
Total costs and expenses	96,879	72,882	22,407
Operating loss	(90,867)	(68,635)	(22,407)
Other income (expense), net			
Finance costs, net	(652)	(9,738)	35
Change in fair value of financial instruments	58,311	17,983	9,637
Loss on extinguishment of debt	—	(37,216)	(9,240)
Other income, net	1,140	1,069	594
Total other income (expense), net	58,799	(27,902)	1,026
Loss before income tax	(32,068)	(96,537)	(21,381)
Income tax (expense) benefit	(4,573)	232	(148)
Net loss available to common stockholders	\$ (36,641)	\$ (96,305)	\$ (21,529)
Other comprehensive loss			
Foreign currency translation loss, net of tax	(226)	(86)	—
Comprehensive loss	\$ (36,867)	\$ (96,391)	\$ (21,529)

Basic loss per share for the period attributable to common stockholders	\$ (0.44) \$ (5.78) \$ (1.34)
Basic weighted-average common shares outstanding	83,188,276	16,655,634	16,029,826	
Diluted loss per share for the period attributable to common stockholders	\$ (0.66) \$ (5.78) \$ (1.34)
Diluted weighted-average common shares outstanding	83,798,149	16,655,634	16,029,826	

SATELLOGIC INC.

CONSOLIDATED BALANCE SHEETS

	December 31,	
<i>(in thousands of U.S. dollars, except per share amounts)</i>	2022	2021
ASSETS		
Current assets		
Cash and cash equivalents	\$ 76,528	\$ 8,533
Restricted cash	126	—
Accounts receivable, net of allowance of \$3,237 and \$1,794, respectively	1,388	1,196
Prepaid expenses and other current assets	3,198	2,695
Total current assets	81,240	12,424
Property and equipment, net	47,981	32,530
Operating lease right-of-use assets	8,171	2,955
Deferred income tax assets	—	1,640
Other non-current assets	6,463	369
Total assets	\$ 143,855	\$ 49,918
LIABILITIES, REDEEMABLE PREFERRED STOCK AND STOCKHOLDERS' EQUITY (DEFICIT)		
Current liabilities		
Accounts payable	\$ 9,850	\$ 6,650
Debt	—	108,473
Warrant liabilities	8,335	143,237

Earnout liabilities	1,353	—
Operating lease liabilities	2,176	985
Contract liabilities	1,941	935
Accrued expenses and other liabilities	6,417	23,435
Total current liabilities	30,072	283,715
Operating lease liabilities	6,063	2,083
Contract liabilities	1,000	1,000
Other non-current liabilities	522	2,552
Total liabilities	37,657	289,350
Commitments and contingencies (Note 20)		
Redeemable preferred stock, \$0.0001 par value	—	21,306
Stockholders' equity (deficit)		
Preferred stock, \$0.0001 par value	—	—
Common stock, \$0.0001 par value	—	—
Treasury stock, at cost	(8,603)	(170,949)
Additional paid-in capital	337,928	96,471
Accumulated other comprehensive loss	(312)	(86)
Accumulated deficit	(222,815)	(186,174)
Total stockholders' equity (deficit)	106,198	(260,738)
Total liabilities, redeemable preferred stock and stockholders' equity (deficit)	\$ 143,855	\$ 49,918

SATELLOGIC INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS

<i>(in thousands of U.S. dollars)</i>	Year Ended December 31,		
	2022	2021	2020
Cash flows from operating activities:			
Net loss	\$ (36,641)	\$ (96,305)	\$ (21,529)

Adjustments to reconcile net loss to net cash used in operating activities:

Depreciation expense	14,326	10,728	3,031
Operating lease expense	2,015	548	298
Deferred tax expense (benefit)	1,601	(1,619)	(38)
Stock-based compensation	8,368	10,881	1,732
Interest expense	1,693	9,703	43
Change in fair value of financial instruments	(58,311)	(17,983)	(9,637)
Loss on debt extinguishment	—	37,216	9,240
Expenses related to Merger	9,859	—	—
Foreign exchange differences	(4,578)	(2,385)	(1,507)
Loss on disposal of property and equipment and right of use assets	996	579	372
Bad debt expense	1,736	1,794	—
Changes in operating assets and liabilities:			
Accounts receivable	(1,928)	(4,691)	(221)
Prepaid expenses and other current assets	(1,855)	21	(14)
Accounts payable	(3,202)	1,421	6,474
Contract liabilities	1,006	480	455
Accrued expenses and other liabilities	(1,562)	21,622	497
Operating lease liabilities	(1,985)	(449)	(370)
Net cash used in operating activities	(68,462)	(28,439)	(11,174)
Cash flows from investing activities:			
Acquisitions of property and equipment	(27,252)	(11,233)	(15,787)
Equity investment in OS	(3,653)	—	—
Other	53	3	14
Net cash used in investing activities	(30,852)	(11,230)	(15,773)
Cash flows from financing activities:			
Proceeds from issuance of redeemable Series X preferred stock	—	20,332	—

Proceeds from issuance of debt	—	7,513	17,348
Repurchase of stock	(8,603)	—	—
Proceeds from exercise of Public Warrants	5,291	—	—
Proceeds from sale of common stock	167,504	—	—
Proceeds from exercise of stock options	144	791	802
Net cash provided by financing activities	164,336	28,636	18,150
Net increase in cash, cash equivalents and restricted cash	65,022	(11,033)	(8,797)
Effect of foreign exchange rate changes	4,237	2,299	1,507
Cash, cash equivalents and restricted cash - beginning of period	8,533	17,267	24,557
Cash, cash equivalents and restricted cash - end of period	\$ 77,792	\$ 8,533	\$ 17,267

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