

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): November 9, 2022

SPIRE GLOBAL, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

001-39493
(Commission File Number)

85-1276957
(IRS Employer
Identification No.)

**8000 Towers Crescent Drive
Suite 1100
Vienna, Virginia**
(Address of principal executive offices)

22182
(Zip code)

Registrant's telephone number, including area code: (202) 301-5127

Not Applicable

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

| Title of each class | Trading Symbol(s) | Name of each exchange on which registered |
|---|----------------------|---|
| Class A common stock, par value of \$0.0001 per share | SPIR | The New York Stock Exchange |
| Redeemable warrants, each whole warrant exercisable for one share of Class A common stock at an exercise price of \$11.50 | SPIR.WS | The New York Stock Exchange |

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§ 230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§ 240.12b-2 of this chapter).

Emerging growth company ☒

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Item 2.02 Results of Operations and Financial Condition.

On November 9, 2022, Spire Global, Inc. (“Spire”) issued a news release announcing its financial results for the quarter ended September 30, 2022. Spire will also host an earnings call on November 9, 2022, during which Spire will discuss its financial results for the quarter ended September 30, 2022 and provide a business update. A copy of the news release issued by Spire is attached as Exhibit 99.1 to this Current Report on Form 8-K and is incorporated herein by reference.

The information in Item 2.02 of this Current Report on Form 8-K and Exhibit 99.1 attached hereto shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”) or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such a filing.

Item 7.01 Regulation FD Disclosure

On November 9, 2022, Spire posted supplemental investor materials, including an infographic, on its investor relations website (www.ir.spire.com). Information contained on, or that may be accessed through, Spire’s website does not constitute part of, and is not incorporated by reference into, this document.

Spire announces material information to the public about Spire, its products and services and other matters through a variety of means, including filings with the Securities and Exchange Commission, press releases, public conference calls, webcasts, the investor relations section of its website (www.ir.spire.com), its Twitter account (@SpireGlobal), and its LinkedIn page in order to achieve broad, non-exclusionary distribution of information to the public and for complying with its disclosure obligations under Regulation FD.

Item 9.01 Financial Statements and Exhibits.**(d) Exhibits**

| <u>Exhibits</u> | <u>Description</u> |
|-----------------|---|
| 99.1 | <u>News release of Spire Global, Inc. dated November 9, 2022 announcing financial results for the quarter ended September 30, 2022.</u> |
| 104 | Cover Page Interactive Data File (embedded within the Inline XBRL document). |

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

SPIRE GLOBAL, INC.

Date: November 9, 2022

By: /s/ Peter Platzer
Name: Peter Platzer
Title: Chief Executive Officer

Spire Global Announces Third Quarter 2022 Results

- *Record quarterly revenue of \$20.4M; 114% year-over-year (YOY) increase*
- *Record ARR of \$98.1M; \$12.8M sequential increase; 117% YOY increase*
- *Net cash used in operating activities of \$10.2M; 53% YOY improvement*
- *Improved sequential ARR net retention rate to 135%*
- *Improving annual operating loss guidance*

VIENNA, VA (November 9, 2022) – 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, 2022. The company will hold a webcast at 5:00 pm ET today to discuss the results.

“The global impact of data and insights from space in addressing some of the world’s most complex challenges continued to be front and center in the third quarter,” said Peter Platzer, Spire’s CEO. “Climate change and global security remain key momentum drivers for our business as we posted record revenue for the quarter and substantially increased our ARR. Together with our customers and partners, we are committed to leveraging our fully-deployed constellation and provide actionable insights to make the world a more sustainable, prosperous, and equitable place.”

“We saw another quarter of strong execution as increasing revenue rose to a record level of over \$20 million, ARR grew substantially to nearly \$100 million, and our land and expand strategy was reinforced as ARR net retention rose to 135%,” said Thomas Krywe, Spire’s CFO. “We also decreased our net cash burn by nearly 50% from last quarter, another notable milestone on our drive to achieving positive cash flow in 16 to 22 months.”

Third Quarter 2022 Highlights**Financial:**

- Third quarter 2022 revenue increased 114% year-over-year to a record \$20.4 million, achieving the high end of guidance. This was driven by new customer additions as well as increased adoption by existing customers.
- As of September 30, 2022, annual recurring revenue (ARR) was \$98.1 million, an increase of \$12.8 million sequentially and 117% year-over-year, indicating the continued success of our land and expand strategy.
- Third quarter GAAP operating loss was \$16.4 million and non-GAAP operating loss¹ was \$11.4 million as we continued to execute on our path to profitability.

¹ Non-GAAP Financial Measure, please see section titled Non-GAAP Financial Measures for the definition of such measures

- Net cash used in operating activities in the third quarter was \$10.2 million, a 53% year-over-year improvement, which was driven by continued top line growth and our leveraged business model.

Business:

- Spire was awarded a nearly \$10 million contract by NOAA to provide six months of radio occultation (RO) data. Spire's near-real-time RO data consists of vertical profiles of atmospheric temperature and related quantities for operational weather models and other applications. The data will be available for NOAA to distribute globally as scientists collaborate to find new and meaningful weather and climate insights.
- Spire was selected by the National Reconnaissance Office to demonstrate commercial radio frequency remote sensing. The remote sensing technique of monitoring radio frequency signals plays a crucial role in gathering intelligence through Global Navigation Satellite System jamming detection and geolocation, as well as providing an objective and transparent view into the movement of vessels and aircraft.
- Spire was awarded a \$4 million contract by NOAA for the development, integration, testing and demonstration of Hyperspectral Microwave Sensor payload. Because of Spire's ability to provide high-quality commercial data for NOAA's weather forecast models and our existing work with RAL Space and the U.K. Government to develop Hyperspectral Microwave Sensors, NOAA chose Spire rather than an airborne or balloon-based platform.

Financial Outlook

Spire is providing guidance for the fourth quarter and the full year ending December 31, 2022. This guidance assumes continued strength of the U.S. dollar in relation to foreign currencies, which creates a headwind to revenue growth.

| | Q4 FY22 Guidance | Full Year FY22 Guidance |
|--|---------------------|----------------------------|
| Revenue (millions) | \$22.1 - \$24.1 | \$80.0 - \$82.0 |
| Y/Y Growth | 47% - 61% | 84% - 89% |
| ARR (millions) | \$102.0 - \$104.0 | \$102.0 - \$104.0 |
| Y/Y Growth | 44% - 47% | 44% - 47% |
| ARR Solution Customers | 735 - 745 | 735 - 745 |
| Non-GAAP Operating Loss (millions) | (\$10.4) - (\$8.4) | (\$44.7) - (\$42.7) |
| Adjusted EBITDA (millions) | (\$7.2) - (\$5.2) | (\$32.5) - (\$30.5) |
| Non-GAAP Loss Per Share | (\$0.11) - (\$0.09) | (\$0.42) - (\$0.41) |
| Basic Weighted Average Shares (millions) | 140.2 | 139.7 |

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 2021 and 2022 results, as well as its outlook for such measures for fourth quarter and full year 2022.

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 non-GAAP gross profit, 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. 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 and launch failure. Spire excludes loss on satellite deorbit and launch failure 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 income (expense), net. Spire excludes other income (expense), net because it includes one-time and other items that do not reflect the underlying operational results of the business.

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. Investors should note that the use of intangible assets contributed to Spire's revenues earned during the periods presented and will contribute to Spire's future period revenues as well.

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. Investors should note that the use of this asset contributed to Spire's revenues earned during the periods presented and will contribute to Spire's future period revenues as well.

Mergers and acquisition related expenses. Spire excludes these expenses as they are transaction costs and expenses associated with the transaction that are generally one time 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 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. Realized and unrealized foreign currency gains and losses are likely to recur in future periods.

Other unusual one-time costs. Spire excludes these as they are unusual items that do not reflect the on-going operational results of its business.

Our additional non-GAAP measures include:

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 and launch failure, change in fair value of warrant liabilities, change in fair value of contingent earned liability, other (expense) income, net, stock-based compensation, loss on extinguishment of debt, foreign exchange loss, other acquisition accounting amortization, mergers and acquisition related expenses, and other unusual one-time costs. Spire believes Adjusted EBITDA can be useful in providing an understanding of the underlying operating results 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). We define ARR as our expected annualized revenue from customers that are under contract with us at the end of the reporting period with a binding and renewable agreement for our subscription solutions, or a customer that has a binding multi-year contract that can range from components of our Space Services solution to a project-based customer solution. These customers are considered recurring when they have signed a multi-year binding agreement that has a renewable component in the contract or a customer that has multiple contracts over multiple years.

ARR Customers. We define an ARR Customer as an entity that has a contract with us or through our reseller partners contracts, that is either a binding and renewable agreement for our subscription solutions, or a binding multi-year contract as of the measurement date independent of the number of solutions the entity has under contract. All entities that have customer contracts for data trials are excluded from the calculation of ARR Customers. A single

organization with separate subsidiaries, segments, or divisions may represent multiple customers, as we treat each entity that is invoiced separately as an individual customer. In cases where customers subscribe to our platform through our reseller partners, each end customer that meets the above definition is counted separately as an ARR Customer.

ARR Solution Customers. We define an ARR Solution Customer similarly to an ARR Customer, but we count every solution the customer has with us separately. As a result, the count of ARR Solution Customers exceeds the count of ARR Customers in each year as some customers contract with us for multiple solutions. Our multiple solutions customers are those customers that are under contract for at least two of our solutions: Maritime, Aviation, Weather, and Space Services.

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 <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 2022 and Full Year 2022 Financial Outlook" section of the tables below, statements regarding continued growth, statements regarding Spire's expected timing to generate positive cash flow, statements regarding increasing its ARR, 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 maintain the listing of Spire's securities on the New York Stock Exchange, 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, including the economic impact of safety measures to mitigate the impacts of COVID-19, 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 periodic reports Spire has filed with the Securities and Exchange Commission, including Spire's Annual Report on Form 10-K/A, and subsequent Quarterly Reports on Form 10-Q/A or Form 10-Q or 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 leading global provider of space-based data, analytics, and space services, offering access to unique datasets and powerful insights about Earth from the ultimate vantage point so that organizations can make decisions with confidence, accuracy, and speed. Spire uses one of the world's largest multi-purpose satellite constellations to source hard to acquire, valuable data and enriches it with predictive solutions. Spire then provides this data as a subscription to organizations around the world so they can improve business operations, decrease their environmental footprint, deploy resources for growth and competitive advantage, and mitigate risk. Spire gives commercial and government organizations the competitive advantage they seek to innovate and solve some of the world's toughest problems with insights from space. Spire has offices in San Francisco, Boulder, Washington DC, Ontario, Glasgow, Oxfordshire, Luxembourg, and Singapore. To learn more, visit www.spire.com.

CONSOLIDATED STATEMENTS OF OPERATIONS

CONFIDENTIAL - NOT FOR DISTRIBUTION

| (In thousands, except share and per share amounts) | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|--|----------------------------------|-------------|---------------------------------|--------------|
| | 2022 | 2021 | 2022 | 2021 |
| | (Unaudited) | (Unaudited) | (Unaudited) | (Unaudited) |
| Revenue | \$ 20,418 | \$ 9,561 | \$ 57,883 | \$ 28,390 |
| Cost of revenue | 10,198 | 5,338 | 29,617 | 12,393 |
| Gross profit | 10,220 | 4,223 | 28,266 | 15,997 |
| Operating expenses | | | | |
| Research and development | 8,879 | 7,804 | 25,761 | 21,913 |
| Sales and marketing | 7,794 | 5,574 | 21,427 | 14,369 |
| General and administrative | 9,903 | 8,217 | 33,861 | 23,507 |
| Total operating expenses | 26,576 | 21,595 | 81,049 | 59,789 |
| Loss from operations | (16,356) | (17,372) | (52,783) | (43,792) |
| Other income (expense) | | | | |
| Interest income | 336 | 4 | 456 | 6 |
| Interest expense | (3,897) | (2,392) | (9,725) | (8,267) |
| Change in fair value of contingent earnout liability | 344 | (22,142) | 9,597 | (22,142) |
| Change in fair value of warrant liabilities | 1,282 | (13,353) | 11,014 | (23,529) |
| Loss on extinguishment of debt | — | — | (22,510) | (3,255) |
| Foreign exchange loss | (2,806) | (465) | (6,346) | (1,119) |
| Other income (expense), net | (660) | (119) | (1,165) | 399 |
| Total other expense, net | (5,401) | (38,467) | (18,679) | (57,907) |
| Loss before income taxes | (21,757) | (55,839) | (71,462) | (101,699) |
| Income tax provision | 54 | 269 | 406 | 969 |
| Net loss | \$ (21,811) | \$ (56,108) | \$ (71,868) | \$ (102,668) |
| Basic and diluted net loss per share | \$ (0.16) | \$ (0.83) | \$ (0.51) | \$ (2.75) |
| Weighted-average shares used in computing basic and diluted net loss per share | 139,942,968 | 67,348,269 | 139,637,442 | 37,389,424 |

CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS

| (In thousands) | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|---|----------------------------------|-------------|---------------------------------|--------------|
| | 2022 | 2021 | 2022 | 2021 |
| | (Unaudited) | (Unaudited) | (Unaudited) | (Unaudited) |
| Net loss | \$ (21,811) | \$ (56,108) | \$ (71,868) | \$ (102,668) |
| Other comprehensive loss: | | | | |
| Foreign currency translation adjustments | (4,969) | 324 | (5,322) | 791 |
| Net unrealized loss on investments (net of tax) | (3) | — | (86) | — |
| Comprehensive loss | \$ (26,783) | \$ (55,784) | \$ (77,276) | \$ (101,877) |

CONSOLIDATED BALANCE SHEETS

CONFIDENTIAL - NOT FOR DISTRIBUTION

| (In thousands) | September 30, | December 31, |
|---|---------------------|-------------------|
| | 2022 (Unaudited) | 2021 (Audited) |
| Assets | | |
| Current assets | | |
| Cash and cash equivalents | \$ 59,443 | \$ 109,256 |
| Marketable securities | 22,398 | — |
| Accounts receivable, net (including allowance of \$516 and \$339 as of September 30, 2022 and December 31, 2021, respectively) | 16,063 | 10,163 |
| Contract assets | 3,360 | 2,084 |
| Other current assets | 8,192 | 10,071 |
| Total current assets | 109,456 | 131,574 |
| Property and equipment, net | 52,708 | 48,704 |
| Operating lease assets | 9,204 | — |
| Goodwill | 49,537 | 53,627 |
| Customer relationships | 21,057 | 24,388 |
| Other intangible assets | 14,717 | 19,765 |
| Other long-term assets, including restricted cash | 9,936 | 12,136 |
| Total assets | \$ 266,615 | \$ 290,194 |
| Liabilities and Stockholders' Equity | | |
| Current liabilities | | |
| Accounts payable | \$ 5,680 | \$ 5,824 |
| Accrued wages and benefits | 4,991 | 5,646 |
| Contract liabilities, current portion | 14,244 | 8,627 |
| Other accrued expenses | 7,881 | 4,823 |
| Total current liabilities | 32,796 | 24,920 |
| Long-term debt | 97,070 | 51,124 |
| Contingent earnout liability | 429 | 10,026 |
| Deferred income tax liabilities | 700 | 835 |
| Warrant liability | 4,046 | 11,482 |
| Operating lease liabilities, net of current portion | 8,693 | — |
| Other long-term liabilities | 541 | 1,600 |
| Total liabilities | 144,275 | 99,987 |
| Commitments and contingencies (Note 9) | | |
| Stockholders' equity | | |
| Common stock, \$0.0001 par value, 1,000,000,000 Class A and 15,000,000 Class B shares authorized, 140,011,711 Class A and 12,058,614 Class B shares issued and outstanding at September 30, 2022; 139,096,000 Class A and 12,058,614 Class B shares issued and outstanding at December 31, 2021 | 15 | 15 |
| Additional paid-in capital | 448,105 | 438,696 |
| Accumulated other comprehensive (loss) income | (4,676) | 732 |
| Accumulated deficit | (321,104) | (249,236) |
| Total stockholders' equity | 122,340 | 190,207 |
| Total liabilities and stockholders' equity | \$ 266,615 | \$ 290,194 |

CONSOLIDATED STATEMENTS OF CASH FLOWS

| (In thousands) | Nine Months Ended September 30, | |
|---|---------------------------------|--------------|
| | 2022 | 2021 |
| | (Unaudited) | (Unaudited) |
| Cash flows from operating activities | | |
| Net loss | \$ (71,868) | \$ (102,668) |
| Adjustments to reconcile net loss to net cash used in operating activities: | | |
| Depreciation and amortization | 14,056 | 5,615 |
| Stock-based compensation | 8,323 | 6,600 |
| Amortization of operating lease assets | 1,657 | — |
| Accretion on carrying value of convertible notes | — | 2,103 |
| Amortization of debt issuance costs | 3,233 | 2,617 |
| Change in fair value of warrant liability | (11,014) | 23,529 |
| Change in fair value of contingent earnout liability | (9,597) | 22,142 |
| Deferred income tax liabilities | — | (47) |
| Loss on extinguishment of debt | 22,271 | 2,277 |
| Other, net | 79 | 91 |
| Changes in operating assets and liabilities: | | |
| Accounts receivable, net | (7,078) | (2,905) |
| Contract assets | (1,445) | (250) |
| Other current assets | 1,316 | (7,381) |
| Other long-term assets | 1,352 | 213 |
| Accounts payable | (816) | 1,118 |
| Accrued wages and benefits | (185) | 302 |
| Contract liabilities | 6,423 | 2,416 |
| Other accrued expenses | 1,636 | 1,536 |
| Operating lease liabilities | (1,006) | — |
| Other long-term liabilities | (45) | 2,684 |
| Net cash used in operating activities | (42,708) | (40,008) |
| Cash flows from investing activities | | |
| Purchases of short-term investments | (29,796) | — |
| Maturities of short-term investments | 7,400 | — |
| Purchase of property and equipment | (15,946) | (9,309) |
| Investment in intangible assets | — | (140) |
| Net cash used in investing activities | (38,342) | (9,449) |
| Cash flows from financing activities | | |
| Proceeds from reverse recapitalization and PIPE financing | — | 264,823 |
| Payments of transaction costs related to reverse recapitalization | — | (30,600) |
| Proceeds from long-term debt | 100,360 | 70,000 |
| Payments on long-term debt | (71,512) | — |
| Proceeds from issuance of convertible notes payable | — | 20,000 |
| Payments on redemption of long-term debt | — | (29,628) |
| Payments of debt issuance costs | (4,611) | (4,293) |
| Proceeds from exercise of stock options | 797 | 1,065 |
| Proceeds from employee stock purchase plan | 335 | — |
| Net cash provided by financing activities | 25,369 | 291,367 |
| Effect of foreign currency translation on cash, cash equivalent and restricted cash | 5,826 | 1,071 |
| Net (decrease) increase in cash, cash equivalents and restricted cash | (49,855) | 242,981 |
| Cash, cash equivalents and restricted cash | | |
| Beginning of year | 109,645 | 15,986 |
| End of period | \$ 59,790 | \$ 258,967 |

GAAP to Non-GAAP Reconciliations

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|--|----------------------------------|--------------------|---------------------------------|--------------------|
| | 2022 | 2021 | 2022 | 2021 |
| (In thousands, except for share and per share amounts) | (Unaudited) | (Unaudited) | (Unaudited) | (Unaudited) |
| Gross profit (GAAP) | \$ 10,220 | \$ 4,223 | \$ 28,266 | \$ 15,997 |
| Adjustments: | | | | |
| Exclude stock-based compensation | 60 | 31 | 180 | 75 |
| Exclude amortization of purchased intangibles | 879 | - | 2,693 | - |
| Exclude other acquisition accounting amortization | 173 | - | 530 | - |
| Exclude merger and acquisition related expenses | - | - | 127 | - |
| Gross profit (Non-GAAP) | <u>\$ 11,332</u> | <u>\$ 4,254</u> | <u>\$ 31,796</u> | <u>\$ 16,072</u> |
| Research and development (GAAP) | 8,879 | 7,804 | 25,761 | 21,913 |
| Adjustments: | | | | |
| Exclude stock-based compensation | (845) | (590) | (2,370) | (1,843) |
| Exclude merger and acquisition related expenses | - | - | (277) | - |
| Research and development (Non-GAAP) | <u>8,034</u> | <u>7,214</u> | <u>23,114</u> | <u>20,070</u> |
| Sales and marketing (GAAP) | 7,794 | 5,574 | 21,427 | 14,369 |
| Adjustments: | | | | |
| Exclude stock-based compensation | (766) | (550) | (2,117) | (1,278) |
| Exclude amortization of purchased intangibles | (782) | - | (2,390) | - |
| Exclude merger and acquisition related expenses | - | - | (277) | - |
| Sales and marketing (Non-GAAP) | <u>6,246</u> | <u>5,024</u> | <u>16,643</u> | <u>13,091</u> |
| General and administrative (GAAP) | 9,903 | 8,217 | 33,861 | 23,507 |
| Adjustments: | | | | |
| Exclude stock-based compensation | (1,454) | (928) | (3,656) | (3,404) |
| Exclude merger and acquisition related expenses | - | (1,660) | (3,846) | (4,244) |
| Exclude other unusual one-time costs | - | - | - | (387) |
| General and administrative (Non-GAAP) | <u>8,449</u> | <u>5,629</u> | <u>26,359</u> | <u>15,472</u> |
| Loss from operations (GAAP) | \$ (16,356) | \$ (17,372) | \$ (52,783) | \$ (43,792) |
| Adjustments: | | | | |
| Exclude stock-based compensation | 3,125 | 2,099 | 8,323 | 6,600 |
| Exclude merger and acquisition related expenses | - | 1,660 | 4,527 | 4,244 |
| Exclude amortization of purchased intangibles | 1,661 | - | 5,083 | - |
| Exclude other acquisition accounting amortization | 173 | - | 530 | - |
| Exclude other unusual one-time costs | - | - | - | 387 |
| Loss from operations (Non-GAAP) | <u>\$ (11,397)</u> | <u>\$ (13,613)</u> | <u>\$ (34,320)</u> | <u>\$ (32,561)</u> |
| Operating Margin (GAAP) | -80% | -182% | -91% | -154% |
| Adjustments: | | | | |
| Exclude stock-based compensation | 15% | 22% | 14% | 23% |
| Exclude merger and acquisition related expenses | 0% | 18% | 8% | 15% |
| Exclude amortization of purchased intangibles | 8% | 0% | 9% | 0% |
| Exclude other acquisition accounting amortization | 1% | 0% | 1% | 0% |
| Exclude other unusual one-time costs | 0% | 0% | 0% | 1% |
| Operating Margin (Non-GAAP) | <u>-56%</u> | <u>-142%</u> | <u>-59%</u> | <u>-115%</u> |

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| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|---|----------------------------------|--------------------|---------------------------------|---------------------|
| | 2022 | 2021 | 2022 | 2021 |
| (In thousands, except for share and per share amounts) | (Unaudited) | (Unaudited) | (Unaudited) | (Unaudited) |
| Net loss (GAAP) | \$ (21,811) | \$ (56,108) | \$ (71,868) | \$ (102,668) |
| Adjustments: | | | | |
| Exclude stock-based compensation | 3,125 | 2,099 | 8,323 | 6,600 |
| Exclude merger and acquisition related expenses | - | 1,660 | 4,527 | 4,244 |
| Exclude amortization of purchased intangibles | 1,661 | - | 5,083 | - |
| Exclude other acquisition accounting amortization | 173 | - | 530 | - |
| Exclude change in fair value of contingent earnout liability | (344) | 22,142 | (9,597) | 22,142 |
| Exclude change in fair value of warrant liabilities | (1,282) | 13,353 | (11,014) | 23,529 |
| Exclude loss on extinguishment of debt | - | - | 22,510 | 3,255 |
| Exclude Foreign exchange loss | 2,806 | 465 | 6,346 | 1,119 |
| Exclude other (expense) income, net | 660 | 119 | 1,165 | (399) |
| Exclude other unusual one-time costs | - | - | - | 387 |
| Net loss (Non-GAAP) | \$ (15,012) | \$ (16,270) | \$ (43,995) | \$ (41,791) |
| Net loss per share (GAAP) | \$ (0.16) | \$ (0.83) | \$ (0.51) | \$ (2.75) |
| Adjustments: | | | | |
| Exclude stock-based compensation | 0.02 | 0.03 | 0.06 | 0.18 |
| Exclude merger and acquisition related expenses and other unusual one-time costs | - | 0.02 | 0.03 | 0.12 |
| Exclude amortization of purchased intangibles and other acquisition accounting amortization | 0.01 | - | 0.04 | - |
| Exclude change in fair value of warrant liabilities and change in value of contingent earnout liability | (0.01) | 0.53 | (0.15) | 1.22 |
| Exclude loss on foreign exchange | 0.02 | 0.01 | 0.05 | 0.03 |
| Exclude loss on extinguishment of debt | - | - | 0.16 | 0.09 |
| Exclude other (expense) income, net | - | - | 0.01 | (0.01) |
| Net loss per share (Non-GAAP) | \$ (0.12) | \$ (0.24) | \$ (0.31) | \$ (1.12) |
| Weighted-average shares used in computing basic and diluted net loss per share | 139,942,968 | 67,348,269 | 139,637,442 | 37,389,424 |
| Net loss (GAAP) | \$ (21,811) | \$ (56,108) | \$ (71,868) | \$ (102,668) |
| Depreciation and amortization | 4,715 | 2,075 | 14,056 | 5,615 |
| Net Interest | 3,561 | 2,388 | 9,269 | 8,261 |
| Taxes | 54 | 269 | 406 | 969 |
| EBITDA | (13,481) | \$ (51,376) | (48,137) | (87,823) |
| Change in fair value of contingent earnout liability | (344) | 22,142 | (9,597) | 22,142 |
| Change in fair value of warrant liabilities | (1,282) | 13,353 | (11,014) | 23,529 |
| Loss on extinguishment of debt | - | - | 22,510 | 3,255 |
| Foreign exchange loss | 2,806 | 465 | 6,346 | 1,119 |
| Other (expense) income, net | 660 | 119 | 1,165 | (399) |
| Stock-based compensation | 3,125 | 2,099 | 8,323 | 6,600 |
| Mergers and acquisition related expenses | - | 1,660 | 4,527 | 4,244 |
| Other unusual one-time costs | - | - | - | 387 |
| Other acquisition accounting amortization | 173 | - | 530 | - |
| Adjusted EBITDA | \$ (8,343) | \$ (11,538) | \$ (25,347) | \$ (26,946) |

GAAP to Non-GAAP Reconciliations – Q4 2022 and Full Year 2022 Financial Outlook

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

| | Q4'22 Ranges | |
|---|--------------------|--------------------|
| | Low | High |
| Revenue | \$ 22,100 | \$ 24,100 |
| | Low | High |
| Loss from operations (GAAP) | \$ (15,117) | \$ (13,117) |
| Adjustments: | | |
| Exclude stock-based compensation | 3,156 | 3,156 |
| Exclude amortization of purchased intangibles | 1,389 | 1,389 |
| Exclude other acquisition accounting amortization | 172 | 172 |
| Loss from operations (Non-GAAP) | <u>\$ (10,400)</u> | <u>\$ (8,400)</u> |
| | Low | High |
| Operating Margin (GAAP) | -68% | -54% |
| Adjustments: | | |
| Exclude stock-based compensation | 14% | 13% |
| Exclude amortization of purchased intangibles | 6% | 5% |
| Exclude other acquisition accounting amortization | 1% | 1% |
| Operating Margin (Non-GAAP) | <u>-47%</u> | <u>-35%</u> |
| | Low | High |
| Net loss per share (GAAP) | \$ (0.14) | \$ (0.12) |
| Adjustments: | | |
| Exclude stock-based compensation | 0.02 | 0.02 |
| Exclude purch intangibles and other purch acctg amortization | 0.01 | 0.01 |
| Net loss per share (Non-GAAP) | <u>\$ (0.11)</u> | <u>\$ (0.09)</u> |
| Weighted-average shares used in computing basic and diluted net loss per share | <u>140,157,152</u> | <u>140,157,152</u> |
| | Low | High |
| Net loss (GAAP) | \$ (19,505) | \$ (17,505) |
| Depreciation and amortization | 4,612 | 4,612 |
| Net Interest | 4,274 | 4,274 |
| Taxes | 91 | 91 |
| EBITDA | <u>\$ (10,528)</u> | <u>\$ (8,528)</u> |
| Stock-based compensation | 3,156 | 3,156 |
| Other acquisition accounting amortization | 172 | 172 |
| Adjusted EBITDA | <u>\$ (7,200)</u> | <u>\$ (5,200)</u> |

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

| FY 2022 Ranges | | |
|---|--------------------|--------------------|
| | Low | High |
| Revenue | 80,000 | 82,000 |
| | | |
| | Low | High |
| Loss from operations (GAAP) | \$ (67,883) | \$ (65,883) |
| Adjustments: | | |
| Exclude stock-based compensation | 11,480 | 11,480 |
| Exclude merger and acquisition related expenses | 4,528 | 4,528 |
| Exclude amortization of purchased intangibles | 6,473 | 6,473 |
| Exclude other acquisition accounting amortization | 702 | 702 |
| Loss from operations (Non-GAAP) | <u>\$ (44,700)</u> | <u>\$ (42,700)</u> |
| | | |
| | Low | High |
| Operating Margin (GAAP) | -85% | -80% |
| Adjustments: | | |
| Exclude stock-based compensation | 14% | 14% |
| Exclude merger and acquisition related expenses | 6% | 5% |
| Exclude amortization of purchased intangibles | 8% | 8% |
| Exclude other acquisition accounting amortization | 1% | 1% |
| Operating Margin (Non-GAAP) | <u>-56%</u> | <u>-52%</u> |
| | | |
| | Low | High |
| Net loss per share (GAAP) | \$ (0.65) | \$ (0.64) |
| Adjustments: | | |
| Exclude stock-based compensation | 0.08 | 0.08 |
| Exclude merger and acquisition related expenses | 0.03 | 0.03 |
| Exclude purch intangibles and other acq acctg amortization | 0.05 | 0.05 |
| Exclude change in fair value of contingent earnout liability | (0.07) | (0.07) |
| Exclude change in fair value of warrant liabilities | (0.08) | (0.08) |
| Exclude loss on extinguishment of debt | 0.16 | 0.16 |
| Exclude foreign exchange loss | 0.05 | 0.05 |
| Exclude other (expense) income, net | 0.01 | 0.01 |
| Net loss per share (Non-GAAP) | <u>\$ (0.42)</u> | <u>\$ (0.41)</u> |
| | | |
| Weighted-average shares used in computing basic and diluted net loss per share | <u>139,733,051</u> | <u>139,733,051</u> |
| | | |
| | Low | High |
| Net loss (GAAP) | \$ (91,328) | \$ (89,328) |
| Depreciation and amortization | 18,668 | 18,668 |
| Net Interest | 13,543 | 13,543 |
| Taxes | 497 | 497 |
| EBITDA | <u>\$ (58,620)</u> | <u>\$ (56,620)</u> |
| Change in fair value of contingent earnout liability | \$ (9,597) | \$ (9,597) |
| Change in fair value of warrant liabilities | (11,014) | (11,014) |
| Loss on extinguishment of debt | 22,510 | 22,510 |
| Foreign exchange loss | 6,346 | 6,346 |
| Other (expense) income, net | 1,165 | 1,165 |
| Stock-based compensation | 11,480 | 11,480 |
| Mergers and acquisition related expenses | 4,528 | 4,528 |
| Other acquisition accounting amortization | 702 | 702 |
| Adjusted EBITDA | <u>\$ (32,500)</u> | <u>\$ (30,500)</u> |

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