

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended September 30, 2025

OR

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from to
Commission file number 001-39113

BLACKSKY TECHNOLOGY INC.

(Exact name of registrant as specified in its charter)

Delaware

83-1833760

(State or other jurisdiction of
incorporation or organization)

(I.R.S. Employer
Identification No.)

2411 Dulles Corner Park

Suite 300

20171

Herndon, Virginia

(Address of Principal Executive Offices)

(Zip Code)

(703) 935-1930

Registrant's telephone number, including area code

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 \$0.0001 per share	BKSY	The New York Stock Exchange
Warrants, exercisable for shares of Class A common stock at an exercise price of \$92.00 per share	BKSY.W	The New York Stock Exchange

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports); and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer

☐ Accelerated filer

☐

Non-accelerated filer

☐ Smaller reporting company

☐

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. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of November 3, 2025, there were 35,992,596 shares of the registrant's Class A common stock, at \$0.0001 par value, outstanding.

TABLE OF CONTENTS

	Page
<u>Part I. Financial Information</u>	
<u>Item 1.</u> <u>Financial Statements</u>	<u>4</u>
<u>Condensed Consolidated Balance Sheets</u>	<u>5</u>
<u>Condensed Consolidated Statements of Operations and Comprehensive (Loss) Income</u>	<u>6</u>
<u>Condensed Consolidated Statements of Changes in Stockholders' Equity</u>	<u>7</u>
<u>Condensed Consolidated Statements of Cash Flows</u>	<u>9</u>
<u>Notes to Condensed Consolidated Financial Statements</u>	<u>11</u>
<u>Item 2.</u> <u>Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	<u>32</u>
<u>Item 3.</u> <u>Quantitative and Qualitative Disclosures about Market Risk</u>	<u>48</u>
<u>Item 4.</u> <u>Controls and Procedures</u>	<u>49</u>
<u>Part II. Other Information</u>	
<u>Item 1.</u> <u>Legal Proceedings</u>	<u>50</u>
<u>Item 1A.</u> <u>Risk Factors</u>	<u>50</u>
<u>Item 2.</u> <u>Unregistered Sales of Equity Securities and Use of Proceeds</u>	<u>57</u>
<u>Item 5.</u> <u>Other Information</u>	<u>57</u>
<u>Item 6.</u> <u>Exhibits</u>	<u>58</u>
<u>Signatures</u>	<u>59</u>

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q contains, and our officers and representatives may from time to time make, forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the “Securities Act”), and Section 21E of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), which statements involve substantial risks and uncertainties. All statements contained in this Quarterly Report on Form 10-Q other than statements of historical fact, including statements regarding our future results of operations and financial position, our business strategy and plans, and our objectives for future operations, are forward-looking statements. The words “believe,” “may,” “will,” “potentially,” “estimate,” “continue,” “anticipate,” “plan,” “intend,” “could,” “would,” “expect” and similar expressions that convey uncertainty of future events or outcomes are intended to identify forward-looking statements. Forward-looking statements included in this Quarterly Report on Form 10-Q include, but are not limited to, statements regarding:

- our ability to expand our services and offerings to customers both domestically and internationally;
- our ability to expand within our current customer base;
- our expectations about market trends and needs;
- the performance and capabilities of our next generation satellites (“Gen-3”) and related ground systems;
- our ability to add new satellites and sensors to our commercial operations;
- our ability to compete with legacy satellite imaging providers and other emergent geospatial intelligence providers;
- our ability to expand our product capabilities;
- our ability to effectively integrate BlackSky Satellite Systems LLC’s operations into our business and improve control over the Gen-3 satellite supply chain and production operations;
- the performance of our BlackSky Spectra® software platform;
- our ability to invest in our software, research and development capabilities;
- our ability to integrate proprietary and third-party sensor data;
- our ability to continue delivering data in a cost-effective manner;
- our ability to comply with laws and regulations applicable to our business;
- potential effects of the government shutdown and the federal government appropriations process;
- our ability to maintain and protect our brand;
- our ability to retain or recruit key employees;
- our ability to maintain intellectual property protection for our products or avoid or defend claims of infringement;
- our anticipated capital expenditures, liquidity, and our estimates regarding our capital requirements;
- our estimates of market growth, future revenue, expenses, cash flows, capital requirements and additional financing;
- our ability to manage the timing of capital expenditures to allow for additional flexibility to optimize our long-term liquidity requirements;
- our ability to optimize our cash spend to meet short- and long-term operational needs;
- the volatility of the trading price of our Class A common stock;
- the impact of local, regional, national and international economic conditions and events; and
- other factors including but not limited to those detailed under the sections entitled “Risk Factors” in this Quarterly Report on Form 10-Q and our Annual Report on Form 10-K for the year ended December 31, 2024 and filed by us with the Securities and Exchange Commission (the “SEC”).

We have based these forward-looking statements largely on our current expectations and projections about future events and trends that we believe may affect our financial condition, results of operations, business strategy, short-term and long-term business operations and objectives and financial needs. These forward-looking statements are subject to a number of risks, uncertainties and assumptions, including those described in Part II, Item 1A. “Risk Factors” in this Quarterly Report on Form 10-Q and Part I, Item 1A. “Risk Factors” in our Annual Report on Form 10-K for the year ended December 31, 2024. Moreover, we operate in a very competitive and rapidly changing environment. New risks emerge from time to time. It is not possible for us to predict all risks, nor can we assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements we may make. In light of these risks, uncertainties and assumptions, the forward-looking events and trends discussed in this Quarterly Report on Form 10-Q may not occur and actual results could differ materially and adversely from those anticipated or implied in the forward-looking statements.

You should not rely upon forward-looking statements as predictions of future events. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee that the future results, performance, or events and circumstances reflected in the forward-looking statements will be achieved or occur. We undertake no obligation to revise or publicly release the results of any revision to these forward-looking statements, whether written or oral, except as required by law.

PART I. FINANCIAL INFORMATION
ITEM 1. FINANCIAL STATEMENTS

BLACKSKY TECHNOLOGY INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(unaudited)
(in thousands, except par value)

	September 30, 2025	December 31, 2024
Assets		
Current assets:		
Cash and cash equivalents	\$ 28,815	\$ 13,056
Restricted cash	1,103	1,322
Short-term investments	117,674	39,406
Accounts receivable, net of allowance of \$9 and \$45, respectively	3,969	14,701
Contract assets	36,040	27,852
Inventories	—	6,043
Prepaid expenses and other current assets	13,441	4,356
Total current assets	201,042	106,736
Property and equipment - net	72,865	45,613
Operating lease right of use assets - net	3,571	4,029
Goodwill	10,279	10,260
Intangible assets - net	4,858	5,446
Satellite work in process	79,552	80,601
Other assets	8,690	1,461
Total assets	<u>\$ 380,857</u>	<u>\$ 254,146</u>
Liabilities and stockholders' equity		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 11,934	\$ 20,419
Contract liabilities - current	21,662	2,183
Debt - current portion	5,770	1,927
Other current liabilities	12,287	1,493
Total current liabilities	51,653	26,022
Operating lease liabilities	7,641	8,048
Derivative liabilities	26,784	17,964
Deferred revenue - long-term	14,063	—
Long-term debt - net of current portion	189,291	105,736
Other liabilities	369	2,387
Total liabilities	289,801	160,157
Commitments and contingencies (Note 17)		
Stockholders' equity:		
Class A common stock, \$0.0001 par value-authorized,300,000 shares; issued, 35,991 and 30,960 shares; outstanding, 35,695 shares and 30,663 shares as of September 30, 2025 and December 31, 2024, respectively.	4	3
Additional paid-in capital	816,632	750,174
Accumulated deficit	(725,580)	(656,188)
Total stockholders' equity	91,056	93,989
Total liabilities and stockholders' equity	<u>\$ 380,857</u>	<u>\$ 254,146</u>

See notes to unaudited condensed consolidated financial statements

BLACKSKY TECHNOLOGY INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
(unaudited)
(in thousands, except per share amounts)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Revenue				
Imagery & software analytical services	\$ 15,782	\$ 17,276	\$ 50,593	\$ 52,578
Professional & engineering services	3,836	5,273	20,768	19,145
Total revenue	19,618	22,549	71,361	71,723
Costs and expenses				
Imagery & software analytical service costs, excluding depreciation and amortization	4,329	3,682	11,607	10,559
Professional & engineering service costs, excluding depreciation and amortization	2,486	2,968	14,055	10,006
Selling, general and administrative	21,735	17,961	65,844	54,991
Research and development	30	43	292	785
Depreciation and amortization	7,864	11,125	22,308	33,586
Operating loss	(16,826)	(13,230)	(42,745)	(38,204)
Gain (loss) on derivatives	8,386	3,574	(14,148)	8,593
Loss on debt extinguishment	(4,140)	—	(4,140)	—
Interest income	1,324	257	2,574	987
Interest expense	(4,037)	(3,142)	(10,889)	(8,805)
Other (expense) income, net	(8)	(22)	60	(19)
Loss before income taxes	(15,301)	(12,563)	(69,288)	(37,448)
Income tax expense	(39)	(28)	(104)	(350)
Net loss	(15,340)	(12,591)	(69,392)	(37,798)
Other comprehensive income	—	—	—	—
Total comprehensive loss	\$ (15,340)	\$ (12,591)	\$ (69,392)	\$ (37,798)
Basic and diluted loss per share of common stock:				
Net loss per share of common stock	\$ (0.44)	\$ (0.66)	\$ (2.11)	\$ (2.05)

See notes to unaudited condensed consolidated financial statements

BLACKSKY TECHNOLOGY INC.
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
(unaudited)
(in thousands)

	Nine Months Ended September 30, 2025				
	Common Stock		Additional Paid-In	Accumulated	Total Stockholders'
	Shares	Amount	Capital	Deficit	Equity
Balance as of January 1, 2025	30,663	\$	3 \$ 750,174	\$ (656,188)	\$ 93,989
Stock-based compensation	—	—	3,054	—	3,054
Issuance of common stock upon exercise of stock options	3	—	—	—	—
Issuance of common stock upon vesting of restricted stock units	156	—	—	—	—
Issuance of common stock, net of equity issuance costs	592	—	5,111	—	5,111
Withholding of stock units to satisfy tax withholding obligations upon the vesting of restricted stock units and exercise of stock options	(58)	—	(492)	—	(492)
Net loss	—	—	—	(12,813)	(12,813)
Balance as of March 31, 2025	31,356	\$	3 \$ 757,847	\$ (669,001)	\$ 88,849
Stock-based compensation	—	—	3,599	—	3,599
Issuance of common stock upon exercise of stock options and ESPP shares purchased	32	—	180	—	180
Issuance of common stock upon vesting of restricted stock units	139	—	—	—	—
Issuance of common stock, net of equity issuance costs	3,081	—	35,766	—	35,766
Withholding of stock units to satisfy tax withholding obligations upon the vesting of restricted stock units and exercise of stock options	(51)	—	(595)	—	(595)
Net loss	—	—	—	(41,239)	(41,239)
Balance as of June 30, 2025	34,557	\$	3 \$ 796,797	\$ (710,240)	\$ 86,560
Stock-based compensation	—	—	3,812	—	3,812
Issuance of common stock upon exercise of stock options	2	—	—	—	—
Issuance of common stock upon exercise of common stock warrants	611	1	16,078	—	16,079
Issuance of common stock upon vesting of restricted stock units	525	—	—	—	—
Withholding of stock units to satisfy tax withholding obligations upon the vesting of restricted stock units and exercise of stock options	—	—	(55)	—	(55)
Net loss	—	—	—	(15,340)	(15,340)
Balance as of September 30, 2025	35,695	\$	4 \$ 816,632	\$ (725,580)	\$ 91,056

See notes to unaudited condensed consolidated financial statements

BLACKSKY TECHNOLOGY INC.

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
(unaudited)
(in thousands)

	Nine Months Ended September 30, 2024				
	Common Stock		Additional Paid-In	Accumulated	Total Stockholders'
	Shares	Amount	Capital	Deficit	Equity
Balance as of January 1, 2024	17,855	\$ 2	\$ 692,127	\$ (598,970)	\$ 93,159
Stock-based compensation	—	—	3,488	—	3,488
Issuance of common stock upon exercise of stock options	9	—	1	—	1
Issuance of common stock upon vesting of restricted stock awards	1	—	—	—	—
Issuance of common stock upon vesting of restricted stock units	107	—	—	—	—
Issuance of common stock, net of equity issuance costs	118	—	1,294	—	1,294
Withholding of stock units to satisfy tax withholding obligations upon the vesting of restricted stock units and exercise of stock options	(36)	—	(419)	—	(419)
Net loss	—	—	—	(15,810)	(15,810)
Balance as of March 31, 2024	18,054	\$ 2	\$ 696,491	\$ (614,780)	\$ 81,713
Stock-based compensation	—	—	2,515	—	2,515
Issuance of common stock upon exercise of stock options and ESPP shares purchased	27	—	156	—	156
Issuance of common stock upon vesting of restricted stock awards	1	—	—	—	—
Issuance of common stock upon vesting of restricted stock units	41	—	—	—	—
Issuance of common stock, net of equity issuance costs	205	—	1,649	—	1,649
Withholding of stock units to satisfy tax withholding obligations upon the vesting of restricted stock units and exercise of stock options	(12)	—	(105)	—	(105)
Net loss	—	—	—	(9,397)	(9,397)
Balance as of June 30, 2024	18,316	\$ 2	\$ 700,706	\$ (624,177)	\$ 76,531
Stock-based compensation	—	—	2,667	—	2,667
Issuance of common stock upon exercise of stock options	4	—	1	—	1
Issuance of common stock upon vesting of restricted stock awards	1	—	—	—	—
Issuance of common stock upon vesting of restricted stock units	547	—	—	—	—
Issuance of common stock, net of equity issuance costs	11,676	1	44,100	—	44,101
Withholding of stock units to satisfy tax withholding obligations upon the vesting of restricted stock units and exercise of stock options	(62)	—	(442)	—	(442)
Net loss	—	—	—	(12,591)	(12,591)
Balance as of September 30, 2024	30,482	\$ 3	\$ 747,032	\$ (636,768)	\$ 110,267

See notes to unaudited condensed consolidated financial statements

BLACKSKY TECHNOLOGY INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(unaudited)
(in thousands)

	Nine Months Ended September 30,	
	2025	2024
Cash flows from operating activities:		
Net loss	\$ (69,392)	\$ (37,798)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization expense	22,308	33,586
Operating lease right of use assets amortization	458	529
Loss on debt extinguishment	4,140	—
Bad debt expense	69	100
Stock-based compensation expense	10,005	8,244
Amortization of debt issuance costs and non-cash interest expense	3,581	6,727
Paid in kind interest at time of debt extinguishment	(29,079)	—
Capitalized interest	(484)	—
Loss (gain) on derivatives	14,148	(8,593)
Non-cash interest income	(1,760)	(630)
Loss on disposal of assets	203	44
Loss on impairment of assets	—	71
Changes in operating assets and liabilities:		
Accounts receivable	10,663	(3,313)
Contract assets - current and long-term	(15,012)	(5,133)
Inventories	5,997	—
Prepaid expenses and other current assets	(9,085)	(1,148)
Other assets	(409)	2,525
Accounts payable and accrued liabilities	(8,359)	(967)
Other current liabilities	9,979	194
Contract liabilities - current and long-term	33,233	1,005
Other liabilities	(196)	(10)
Net cash used in operating activities	(18,992)	(4,567)
Cash flows from investing activities:		
Purchase of property and equipment	(11,959)	(12,289)
Satellite work in process	(21,942)	(28,410)
Purchases of short-term investments	(120,509)	(13,488)
Proceeds from maturities of short-term investments	44,000	26,725
Net cash used in investing activities	(110,410)	(27,462)
Cash flows from financing activities:		
Proceeds from equity issuances, net of equity issuance costs	40,832	47,343
Proceeds from issuance of debt	185,000	20,000
Proceeds from options exercised and ESPP shares purchased	180	157
Proceeds from warrants exercised	10,753	—
Repayments of debt	(83,377)	(10,000)
Payments for debt issuance costs	(7,304)	(632)
Withholding tax payments on vesting of restricted stock units	(1,142)	(967)
Net cash provided by financing activities	144,942	55,901
Net increase in cash, cash equivalents, and restricted cash	15,540	23,872
Cash, cash equivalents, and restricted cash – beginning of year	14,378	33,434
Cash, cash equivalents, and restricted cash – end of period	\$ 29,918	\$ 57,306

See notes to unaudited condensed consolidated financial statements

The following table provides a reconciliation of cash, cash equivalents, and restricted cash reported within the unaudited condensed consolidated balance sheets that sum to the total of the same such amounts shown in the unaudited condensed consolidated statements of cash flows:

	September 30,	
	2025	2024
Cash and cash equivalents	\$ 28,815	\$ 56,159
Restricted cash	1,103	1,147
Total cash, cash equivalents, and restricted cash	<u>\$ 29,918</u>	<u>\$ 57,306</u>
	Nine Months Ended September 30,	
	2025	2024
(in thousands)		
Supplemental disclosures of cash flow information:		
Cash paid for interest	\$ 33,519	\$ 1,208
Cash paid for income taxes	136	377
Supplemental disclosures of non-cash financing and investing information:		
Vendor financed satellite launch costs	\$ 12,750	\$ 1,500
Increase of debt principal for paid-in-kind interest	—	4,105
Accretion of short-term investments' discounts and premiums	1,760	630
Additions of equipment and other satellite procurement costs accrued but not yet paid	1,670	1,606
Capitalized depreciation expense	875	—
Capitalized interest	484	—
Capitalized stock-based compensation	460	426
Deferred financing costs accrued but not yet paid	50	—
Adjustments to goodwill for changes in the preliminary purchase price allocation	19	—
Equity issuance costs accrued but not yet paid	—	313
Credits from LeoStella applied to satellite procurement costs	—	966

See notes to unaudited condensed consolidated financial statements

BLACKSKY TECHNOLOGY INC.
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
September 30, 2025

1. Organization and Business

BlackSky Technology Inc. ("BlackSky" or the "Company"), headquartered in Herndon, Virginia, is a space-based intelligence company that delivers real-time imagery, analytics and high-frequency monitoring. The Company owns and operates an advanced purpose-built commercial, real-time intelligence system that combines the power of the BlackSky Spectra tasking and analytics software platform and the Company's proprietary high-resolution low earth orbit ("LEO") small satellite constellation. The constellation is optimized to cost-efficiently capture imagery at high revisit rates where and when customers need it. The BlackSky Spectra software platform processes millions of observations a day by integrating data from the Company's proprietary satellite constellation and from other third-party sensors such as synthetic aperture radar and radio frequency satellites, millions of GPS-enabled terrestrial data sources and Internet of Things ("IoT") connected devices. BlackSky Spectra applies advanced, proprietary artificial intelligence ("AI") and machine learning ("ML") techniques to process, analyze, and transform these raw feeds into actionable intelligence via alerts, information, and insights. Customers can access BlackSky Spectra's data and analytics through easy-to-use web services or through platform application programming interfaces.

BlackSky has three primary operating subsidiaries, BlackSky Global LLC, BlackSky Geospatial Solutions, LLC, and BlackSky Satellite Systems LLC, fka LeoStella LLC, ("BlackSky Satellite Systems" or "LeoStella"). In November 2024, the Company acquired the remaining 50% of the common units of LeoStella, which was previously a joint venture with Thales Alenia Space US Investment LLC ("Thales") and accounted for as an equity method investment. BlackSky Satellite Systems is now a wholly-owned subsidiary of the Company. BlackSky Satellite Systems is a vertically-integrated small satellite design and manufacturer based in Tukwila, Washington and this acquisition allows the Company to improve its control over the Gen-3 supply chain and production operations and longer term to expand the Company's product offerings. See Note 8 - "Business Acquisition"- for further detail.

In July 2025, the Company issued \$185.0 million principal amount of Convertible Notes due August 1, 2033 (the "Convertible Notes") in a private offering. See Note 10 - "Debt and Other Financing"- for further detail.

During the nine months ended September 30, 2025, the Company issued and sold shares as part of the Company's at-the-market ("ATM") offering program. The Company sold 3.7 million shares from the ATM offering program at an average purchase price per share of \$11.56, resulting in gross proceeds of \$42.5 million during the nine months ended September 30, 2025. The transaction costs of \$1.6 million for the equity issuances incurred during the nine months ended September 30, 2025, which primarily consisted of commissions, have been recorded as a reduction to additional paid-in capital in the unaudited condensed consolidated statements of changes in stockholders' equity and consolidated balance sheets.

2. Basis of Presentation and Summary of Significant Accounting Policies

Basis of Preparation

The Company has prepared its unaudited condensed consolidated financial statements in accordance with Generally Accepted Accounting Principles in the United States of America ("GAAP") and the instructions to Form 10-Q and Article 8 of Regulation S-X of the Securities and Exchange Commission (the "SEC"). The accompanying unaudited condensed consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries. As noted in Note 1 - "Organization and Business" and Note 8 - "Business Acquisition", on November 6, 2024, the Company acquired the remaining 50% of the common units of BlackSky Satellite Systems, fka LeoStella, and it is now a wholly-owned subsidiary of BlackSky. Prior to the acquisition, the unaudited condensed consolidated financial statements included the Company's proportionate share of the earnings or losses of its equity method investments and a corresponding increase or decrease to its

investments, with recorded losses limited to the carrying value of the Company's investments. All intercompany transactions and balances have been eliminated upon consolidation.

The Company's unaudited condensed consolidated financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities, including derivative financial instruments, which are stated at fair value. Unless otherwise indicated, amounts presented in the Notes pertain to the Company's continuing operations.

Use of Estimates

The preparation of the unaudited condensed consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingencies at the reporting date, and the reported amounts of revenue and expenses during the reporting period. These estimates are based on management's best knowledge of current events and actions the Company may undertake in the future. Actual results could materially differ from these estimates. Significant estimates made by the Company include, but are not limited to, revenue and associated cost recognition, the collectability of accounts receivable, the recoverability and useful lives of property and equipment, the valuation of equity warrants and warrant liabilities, fair value estimates, the recoverability of goodwill and intangible assets, the provision for income taxes, the incremental borrowing rate to measure the operating lease right of use assets, the effective interest rate of the vendor financing agreement, the fair value of assets acquired and liabilities assumed of a business combination, the capitalization of interest, and stock-based compensation.

Investments

The Company invests in short-term investments, which generally consist of A-1, or higher, rated corporate debt and governmental securities. The investments are classified as held-to-maturity and have a stated maturity date of one year or less from the balance sheet date. Any investments with original maturities less than three months are considered cash equivalents.

As of September 30, 2025 and December 31, 2024, the Company's short-term investments had a carrying value of \$17.7 million and \$39.4 million, respectively, which represents amortized cost, and an aggregate fair value of \$117.8 million and \$39.4 million, respectively, which represents a Level 1 measurement based off of the fair value hierarchy.

Property and Equipment - net

Property and equipment are stated at cost, less accumulated depreciation. Depreciation expense is recognized in the unaudited condensed consolidated statements of operations and comprehensive loss on a straight-line basis over the estimated useful life of the related asset to its residual value. During the nine months ended September 30, 2025, the Company launched a new generation of satellites ("Gen-3") with a useful life of 5 years.

Fair Value of Financial Instruments

The Company accounts for certain assets and liabilities at fair value. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The process for analyzing the fair value measurement of certain financial instruments on a recurring, or non-recurring, basis includes significant judgment and estimates of inputs including, but not limited to, share price, volatility, discount for lack of marketability, application of an appropriate discount rate, and probability of liquidating events. The Company utilizes the market valuation methodology and specific option pricing

methodology, such as the Monte Carlo simulation, to value the more complex financial instruments and the Black-Scholes option-pricing model to value standard common stock warrants and common stock options.

The framework for measuring fair value specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect the Company's assumptions. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurement) and the lowest priority to unobservable inputs (Level 3 measurement).

The three levels of the fair value hierarchy are as follows:

Level 1 Inputs. Inputs are unadjusted quoted prices in active markets for identical assets or liabilities available at the measurement date.

Level 2 Inputs. Inputs are unadjusted quoted prices for similar assets and liabilities in active markets, quoted prices for identical or similar assets and liabilities in markets that are not active, inputs other than quoted prices that are observable, and inputs derived from or corroborated by observable market data.

Level 3 Inputs. Inputs are unobservable inputs which reflect the Company's own assumptions on what assumptions market participants would use in pricing the asset or liability based on the best available information.

Revenue Recognition

The Company generates revenue from the sale of imagery and software analytical services and professional and engineering services. Imagery and software analytical services revenue, which is mostly from subscription contracts from domestic and international government agencies, includes imagery, data, software, and analytics. This revenue is primarily recognized from services rendered under non-cancellable subscription order agreements or, in limited circumstances, variable not-to-exceed purchase orders. Professional and engineering services revenue is generated from time and materials basis, firm fixed price service solutions, and firm fixed price long-term engineering and development contracts.

In accordance with Accounting Standards Update No. 2014-09, "Revenue from Contracts with Customers (Topic 606)" ("Accounting Standards Codification ("ASC") 606"), the Company uses the five-step model of identifying the contract with a customer, identifying the performance obligations contained in a contract, determining the transaction price, allocating the transaction price, and determining when performance obligations are satisfied, which can require the application of significant judgment, as further discussed below.

Revenue is measured at the fair value of consideration received or receivable and net of discounts. The Company applies a policy election to exclude transaction taxes collected from customer sales when the tax is both imposed on and concurrent with a specific revenue-producing transaction. The Company estimates any variable consideration, and whether the transaction price is constrained, upon execution of each contract. Variable consideration is estimated as the most likely amount that is dependent upon the occurrence or non-occurrence of a future event. We continually review, and may reassess, the transaction price based on forecasted service level provisions within a limited amount of our customer purchase orders, costs incurred to date and historical experience. As a result, we may update our estimated constraints on revenue, which are generally on a prospective basis. The Company has contracts with significant variable consideration as of September 30, 2025.

Imagery & Software Analytical Services Revenue

Imagery

Imagery services include imagery delivered from the Company's proprietary satellite constellation and Spectra software platform and in limited cases directly uploaded to certain customers. Customers can directly task the Company's proprietary satellite constellation to collect and deliver imagery over specific locations, sites and regions that are critical to their operations. The Company offers customers several service level subscription options that include on-demand tasking or multi-year assured access programs, where customers can secure

priority access and imaging capacity at a premium over a region of interest on a take or pay basis. Imagery revenue is recognized ratably over the subscription period based on the promise to continuously provide contractual satellite capacity for tasked imagery or analytics at the discretion of the customer.

Data, Software, and Analytics

The Company leverages proprietary AI and ML algorithms to analyze data coming from both the Company's proprietary sensor network and third-party space and terrestrial sources to provide hard-to-get data, insights, and analytics for customers. The Company continues to integrate and enhance its offerings by performing contract development, while retaining the intellectual property rights. The Company also offers services related to object, change and anomaly detection, site monitoring, and enhanced analytics, through which the Company can detect key pattern of life changes in critical locations such as ports, airports, and construction sites; retail activity; commodities stockpiles; and other sites that contain critical commodities and supply chain inventory.

The Company's analytics services are also offered on a similar subscription basis and provide customers with access to the Company's site monitoring, event monitoring and global data services. Analogous with the recognition of revenue for imagery, software analytical services revenue is recognized ratably over the subscription period.

Professional and Engineering Services Revenue

The Company performs various professional services, that are highly-interrelated, including providing technology enabled professional service solutions to support customer-specific software development requests, integration, testing, and training. The Company also provides engineering services, which include developing and delivering advanced satellite and payload systems for a limited number of customers that leverage the Company's capabilities in mission systems engineering and operations, ground station operations, and software and systems development. These services, based on the context of the contract, are capable of being distinct performance obligations.

For firm fixed price professional and engineering service contracts, the Company recognizes revenue over time using the cost-to-complete method to measure progress to complete the performance obligation ("Estimate at Completion" or "EAC"). A performance obligation's EAC includes all direct costs such as labor, fringe, materials, subcontract costs and overhead. Significant judgment is used to estimate total costs at completion on a contract by contract basis including, but not limited to, labor productivity, program schedule, technical risk analysis, complexity, scope of the work to be performed and other identified risks. Due to the continuous nature of the work, as well as when a change in circumstances warrants a modification, the EAC is reviewed and may result in cumulative changes to the contract profit. The Company recognizes changes in estimated contract sales or costs and the resulting changes in contract profit on a cumulative basis in the period in which the change is identified. If, at any time, the estimate of contract profitability indicates a probable anticipated loss on the contract, the Company recognizes the total loss as and when known. The following table presents the effect of aggregate net EAC adjustments on the Company's professional and engineering services contracts:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024 ⁽¹⁾
	(in thousands)			
Revenue	\$ 758	\$ (785)	\$ (471)	\$ 218
Basic and diluted net loss per share	\$ 0.02	\$ (0.04)	\$ (0.01)	\$ 0.01

(1) For the nine months ended September 30, 2024, the Company had a favorable EAC adjustment of \$ 1.2 million for an existing individual professional services contract. The remaining EAC adjustments are not individually significant to the Company.

For contracts structured as cost-plus-fixed-fee or on a time and materials basis, the Company recognizes revenue based on the right-to-invoice when practically expedient, as the Company is contractually able to invoice the customer based on the control transferred to the customer in an amount that corresponds directly with the value to the customer of the Company's performance completed to date.

Imagery and Software Analytical Service and Professional and Engineering Service Costs

Imagery and software analytical service costs primarily include internal labor to support the ground station network and space operations, third-party data and imagery, and cloud computing and hosting services. The Company recognizes stock-based compensation expense for those employees whose work supports the imagery and software analytical service costs it provides to customers, under imagery and software analytical service costs, excluding depreciation and amortization. For those employees who provide these services to support customer-based programs, the stock-based compensation expense is classified under imagery and software analytical services costs.

Professional and engineering service costs primarily include the cost of internal labor for design and engineering in support of long-term development contracts for satellites and payload systems, as well as subcontract direct materials and external labor costs to build and test specific components, such as the communications system, payload demands, and sensor integration. In addition, the Company also recognizes internal labor costs and external subcontract labor costs for its customer-centric software service solutions. The Company recognizes stock-based compensation expense for those employees who provide professional and engineering services support to customers, under professional and engineering service costs, excluding depreciation and amortization.

Sponsor Shares

On September 9, 2021, BlackSky's predecessor company, Osprey Technology Acquisition Corp. ("Osprey"), completed its merger (the "Merger") with Osprey Technology Merger Sub, Inc., a wholly owned subsidiary of Osprey, and BlackSky Holdings, Inc. Osprey pre-Merger Class B common shares were exchanged for shares of the Company's Class A common stock (the "Sponsor Shares") upon completion of the Merger. The Company accounted for the Sponsor Shares in accordance with the guidance contained in ASC 815-40, under which the Sponsor Shares did not meet the criteria for equity treatment and were recorded as derivative liabilities in the Company's unaudited condensed consolidated balance sheets as of September 30, 2025. The Sponsor Shares are adjusted to fair value at each reporting period and the change in fair value is recognized in gain (loss) on derivatives in the Company's unaudited condensed consolidated statements of operations and comprehensive loss.

Stock-Based Compensation

Restricted Stock Units

The Company grants restricted stock units ("RSUs") to certain employees, for which the grant date fair value is equal to the fair value of the Class A common stock on the date of grant. In order to determine the fair value of its Class A common stock on the date of grant prior to the Merger, the Company historically performed a valuation analysis using a combination of market and income approaches. Subsequent to the Merger, the Company uses the New York Stock Exchange ("NYSE") trading price as the fair value of the Class A common stock for valuation purposes. For all awards for which vesting is only subject to a service condition, including those subject to graded vesting, the Company has elected to use the straight-line method to recognize the fair value as compensation cost over the requisite service period.

Certain of the Company's outstanding RSUs had performance vesting conditions that were triggered upon the consummation of the Merger. Therefore, since the performance conditions attributable to these RSUs had been met, the Company commenced recording the associated compensation expense, inclusive of a catch-up amount for the service period between their grant date and satisfaction of the performance condition, as of the

closing of the Merger. The fair value of the RSUs that include a performance condition is recognized as compensation expense over the requisite service period using the accelerated attribution method, which accounts for RSUs with discrete vesting dates as if they were separate awards. Expense related to stock-based payments is classified in the unaudited condensed consolidated statements of operations and comprehensive loss based upon the classification of each employee's cash compensation.

Stock Options

The Company uses the Black-Scholes option pricing model to value all options, including stock options and options under the 2021 Employee Stock Purchase Plan ("ESPP"), and the straight-line method to recognize the fair value as compensation cost over the requisite service period. The fair value of each option granted was estimated as of the date of grant. The Company granted stock options during the nine months ended September 30, 2025 and used the following inputs when applying the Black-Scholes option pricing model:

Expected Dividend Yield. The Black-Scholes valuation model requires an expected dividend yield as an input. The dividend yield is based on historical experience and expected future changes. The Company has not historically paid and currently has no plans to pay dividends on its Class A common stock.

Expected Volatility. The Company does not have sufficient historical share price history; therefore, the expected volatility was estimated based upon the historical share price volatility of guideline comparable companies.

Risk-free Interest Rate. The yield on actively traded non-inflation indexed U.S. Treasury notes was used to extrapolate an average risk-free interest rate based on the expected term of the underlying grants.

Expected Term. For options granted since 2021, as there is not a significant history of option exercises as a public company, the Company considered the stock option vesting terms and contractual period, as well as the demographics of the holders, in estimating the expected term. The Company will review its estimate in the future and adjust it, if necessary, due to changes in the Company's historical exercises.

The most significant assumption used to determine the fair value of the Legacy BlackSky equity-based awards was the estimated fair value of the Legacy BlackSky Class A common stock on the grant date. In order to determine the fair value of its Class A common stock on the date of grant prior to the Merger, Legacy BlackSky historically relied on a valuation analysis performed using a combination of market and income approaches. Subsequent to the Merger, the Company uses the NYSE trading price as the fair value of the Company's Class A common stock for valuation purposes.

3. Accounting Standards Updates ("ASU")

Accounting Standards Recently Adopted

In December 2023, the FASB issued ASU No. 2023-09 Income Taxes (Topic 740): Improvements to Income Tax Disclosures. ASU 2023-09 requires companies to disclose, on an annual basis, specific categories in the effective tax rate reconciliation and provide additional information for reconciling items that meet a quantitative threshold. In addition, ASU 2023-09 requires companies to disclose additional information about income taxes paid. ASU 2023-09 is effective for annual periods beginning January 1, 2025 and will be applied on a prospective basis with the option to apply the standard retrospectively. The Company plans to adopt ASU 2023-09 effective January 1, 2025 and the required disclosures will be included in the Company's Form 10-K that will be filed for the annual period ending December 31, 2025. The Company believes that the adoption will not have an impact on the financial position or results of operations. The Company is continuing to evaluate the impacts of this update and plans to use the prospective approach for annual disclosures in 2025.

Accounting Standards Recently Issued But Not Yet Adopted

In November 2024, the FASB issued ASU No. 2024-03 Disaggregation of Income Statement Expenses. ASU 2024-03 requires disaggregation of certain expense captions into specified categories in disclosures within the footnotes to the financial statements. ASU 2024-03 will be effective for annual periods beginning after

December 15, 2026 and interim periods beginning after December 15, 2027 and will be applied on a prospective basis with the option to apply the standard retrospectively. The Company is evaluating the disclosure impact of ASU 2024-03; however, it is not expected that the standard will have a material impact on the Company's consolidated financial position, results of operations and/or cash flows.

In September 2025, the FASB issued ASU No. 2025-06 Intangibles - Goodwill and Other - Internal-Use Software (Subtopic 350-40): Targeted Improvements to the Accounting for Internal-Use Software. ASU 2025-06 amends certain aspects of the accounting for and disclosure of software costs, primarily modernizing the guidance to reflect the software development approaches currently used. ASU 2025-06 will be effective for annual periods beginning after December 15, 2027 and interim reporting periods within those annual reporting periods. Early adoption is permitted as of the beginning of an annual reporting period. The Company is in the early stages of evaluating the adoption impact and cannot yet reasonably estimate the impact to the consolidated financial statements.

4. Segment Information

The Company's Chief Operating Decision Maker ("CODM") as defined under GAAP, who is the Company's Chief Executive Officer, has determined the allocation of resources and assessed performance based upon the unaudited condensed consolidated results of the Company. The CODM uses consolidated net loss to assess financial performance and allocate resources. Accordingly, the Company is currently deemed to be comprised of only one operating segment and one reportable segment. This segment, which comprises the continuing operations of the Company's single operating and reportable segment, provides geospatial intelligence, imagery and related data analytic products and services, of which the Company incurs costs and also recognizes revenue on professional and engineering services including but not limited to, the development, integration, and operation of satellites and software platforms, as well as ground systems, that support the Company's primary imagery service subscriptions. The following table presents selected financial information with respect to the Company's single reportable segment for the three and nine months ended September 30, 2025 and 2024:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Revenue				
Imagery & software analytical services	\$ 15,782	\$ 17,276	\$ 50,593	\$ 52,578
Professional & engineering services	3,836	5,273	20,768	19,145
Total revenue	19,618	22,549	71,361	71,723
Costs and Expenses				
Imagery & software analytical direct labor costs	748	577	1,976	1,957
Imagery & software analytical direct materials costs	3,581	3,105	9,631	8,602
Professional & engineering direct labor costs	2,262	1,914	6,655	6,919
Professional & engineering direct materials costs	224	1,054	7,400	3,087
Salaries and benefit costs	10,688	10,396	34,203	31,469
Stock-based compensation expense ⁽¹⁾	3,482	2,377	9,527	7,747
Other segment items ⁽²⁾	7,595	5,231	22,406	16,560
Depreciation and amortization	7,864	11,125	22,308	33,586
Loss (gain) on derivatives	(8,386)	(3,574)	14,148	(8,593)
Loss on debt extinguishment	4,140	—	4,140	—
Interest income	(1,324)	(257)	(2,574)	(987)
Interest expense	4,037	3,142	10,889	8,805
Other	8	22	(60)	19
Income tax expense	39	28	104	350
Net loss	\$ (15,340)	\$ (12,591)	\$ (69,392)	\$ (37,798)

⁽¹⁾ Relates to stock-based compensation within selling, general, and administrative costs.

⁽²⁾ Other segment items included in net loss primarily includes selling, general, and administrative costs and research and development costs.

As of September 30, 2025 and December 31, 2024, the Company's segment assets, which are equal to the Company's consolidated assets on the unaudited condensed consolidated balance sheets, are owned and operated by United States entities and are classified within the United States. See Note 5—"Revenue" for additional information about revenue by geographic region.

5. Revenue

Disaggregation of Revenue

The Company earns revenue through the sale of imagery and software analytical services and professional and engineering services. The Company's management primarily disaggregates revenue as follows: (i) imagery; (ii) data, software and analytics; (iii) professional services; and (iv) engineering services. This disaggregation allows the Company to evaluate market trends in certain imagery and software analytical services and professional and engineering services.

The following table disaggregates revenue by type for the three and nine months ended September 30, 2025 and 2024:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
	(in thousands)			
Imagery	\$ 13,571	\$ 15,565	\$ 44,495	\$ 46,783
Data, software, and analytics	2,211	1,711	6,098	5,795
Professional services	2,976	4,536	9,016	14,195
Engineering services ⁽¹⁾	860	737	11,752	4,950
Total revenue	\$ 19,618	\$ 22,549	\$ 71,361	\$ 71,723

⁽¹⁾ Engineering services includes \$ 0.4 million of product revenue for the three months ended September 30, 2025 and 2024 and \$ 11.1 million and \$ 3.9 million of product revenue for the nine months ended September 30, 2025 and 2024, respectively.

The approximate revenue based on geographic location of end customers was as follows for the three and nine months ended September 30, 2025 and 2024:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
	(in thousands)			
North America	\$ 10,339	\$ 13,392	\$ 36,196	\$ 43,613
Middle East ⁽¹⁾	3,190	3,385	7,644	10,029
Asia Pacific ⁽²⁾	5,541	5,549	26,376	17,323
Other	548	223	1,145	758
Total revenue	\$ 19,618	\$ 22,549	\$ 71,361	\$ 71,723

⁽¹⁾ For the three months ended September 30, 2025, Middle East revenue included \$ 2.4 million of revenue from Country A. For the three and nine months ended September 30, 2024, Middle East revenue included \$2.8 million and \$ 9.4 million, respectively, of revenue from Country A. The amount of revenue from Country A for the nine months ended September 30, 2025 was not individually significant to the Company. The remaining Middle East countries were not individually significant to the Company.

⁽²⁾ For the three and nine months ended September 30, 2025, Asia Pacific revenue included \$ 4.5 million and \$ 13.5 million, respectively, of revenue from Country B. For the three and nine months ended September 30, 2024, Asia Pacific revenue included \$4.4 million and \$ 11.9 million, respectively, of revenue from Country B. For the nine months ended September 30, 2025, Asia Pacific revenue included \$9.5 million of revenue from Country C; the amount of revenue from Country C for the three months ended September 30, 2025 and three and nine months ended September 30, 2024 was not individually significant to the Company. The remaining Asia Pacific countries were not individually significant to the Company.

Revenue from categories of end customers for the three and nine months ended September 30, 2025 and 2024 was as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
	(in thousands)			
U.S. federal government and agencies	\$ 9,998	\$ 12,903	\$ 35,181	\$ 41,608
International governments	8,976	9,048	34,030	28,095
Commercial and other	644	598	2,150	2,020
Total revenue	\$ 19,618	\$ 22,549	\$ 71,361	\$ 71,723

Backlog

Backlog represents the future sales the Company expects to recognize on firm orders it receives and is equivalent to the Company's remaining performance obligations at the end of each period. It comprises both funded backlog (firm orders for which funding is authorized and appropriated) and unfunded backlog. The Company's backlog excludes unexercised contract options. As of September 30, 2025, the Company had \$322.7 million of backlog, which represents the transaction price of executed contracts less inception to date revenue recognized. The Company expects to recognize revenue relating to its backlog, of which a portion is recorded in deferred revenue in the unaudited condensed consolidated balance sheets, of \$17.3 million, \$56.9 million, and \$248.5 million in the three months ended December 31, 2025, fiscal year 2026, and thereafter, respectively.

6. Contract Assets and Liabilities

The components of contract assets and contract liabilities consisted of the following:

	September 30, 2025	December 31, 2024
	(in thousands)	
Contract assets - current:		
Unbilled revenue	\$ 36,040	\$ 27,852
Total contract assets - current	\$ 36,040	\$ 27,852
Contract assets - long-term:		
Unbilled revenue - long-term	\$ 7,329	\$ 173
Other contract assets - long-term	605	937
Total contract assets - long-term ⁽¹⁾	\$ 7,934	\$ 1,110
Contract liabilities - current:		
Deferred revenue - current	\$ 21,662	\$ 2,160
Other contract liabilities - current	—	23
Total contract liabilities - current	\$ 21,662	\$ 2,183
Contract liabilities - long-term:		
Deferred revenue - long-term	\$ 14,063	\$ —
Other contract liabilities - long-term ⁽²⁾	369	678
Total contract liabilities - long-term	\$ 14,432	\$ 678

(1) Total contract assets - long term is included in other assets in the unaudited condensed consolidated balance sheets.

(2) Other contract liabilities - long term is included in other liabilities in the unaudited condensed consolidated balance sheets.

Contract liabilities include payments received and billings made in advance of the satisfaction of performance obligations under the contract and are realized when the associated revenue is recognized under the contract. Contract assets include (i) unbilled revenue, which is the amount of revenue recognized in excess of the amount billed to customers, where the rights to payment are not just subject to the passage of time; and (ii) costs incurred incremental to the contract and to fulfill contract obligations. Other contract assets and other contract liabilities primarily relate to contract commissions on customer contracts.

Changes in short-term and long-term contract assets and contract liabilities for the nine months ended September 30, 2025 were as follows:

	Contract Assets	Contract Liabilities
	(in thousands)	
Balance as of January 1, 2025	\$ 28,962	\$ 2,861
Billings or revenue recognized that was included in the beginning balance	(4,846)	(1,646)
Changes in contract assets or contract liabilities, net of reclassification to receivables	20,761	35,311
Cumulative catch-up adjustment arising from changes in estimates to complete during the year	(571)	(100)
Changes in costs to fulfill and amortization of commission costs	(332)	—
Changes in contract commission costs	—	(332)
Balance as of September 30, 2025	<u>\$ 43,974</u>	<u>\$ 36,094</u>

7. Prepaid Expenses and Other Current Assets

The components of prepaid expenses and other current assets were as follows:

	September 30, 2025	December 31, 2024
	(in thousands)	
Insurance recoveries	\$ 7,573	\$ —
Prepaid expenses	5,415	3,981
Other current assets	453	375
Total prepaid expenses and other current assets	<u>\$ 13,441</u>	<u>\$ 4,356</u>

The Company recognized a current asset for expected insurance recoveries as of September 30, 2025 related to a contingent liability for an ongoing claim for which the loss is expected to be within insurance limits.

8. Business Acquisition

In November 2024, the Company acquired the remaining 50% of the common units of BlackSky Satellite Systems, fka LeoStella, and it is now a wholly-owned subsidiary of the Company. Purchase consideration of \$0.8 million consisted of the value of the Company's 50% ownership in BlackSky Satellite Systems at the time of the business combination. The following table presents the final purchase price allocation as of September 30, 2025, which summarizes the fair values of the assets acquired and liabilities assumed at the date of acquisition.

	(in thousands)
Assets	
Current assets, including cash acquired of \$541	\$ 1,607
Property and equipment	4,963
Intangible assets:	
In-process research and development	3,500
Trade names and trademarks	1,200
Total intangible assets	4,700
Other assets	1,525
Total assets	\$ 12,795
Liabilities	
Current liabilities	\$ 11,709
Other liabilities	970
Total liabilities	\$ 12,679

Goodwill of \$0.9 million from the business acquisition was primarily attributed to the value expected from the workforce acquired from the acquisition. In addition, \$0.4 million of the goodwill recognized is deductible for income tax purposes.

The acquisition-date fair value was determined using a combination of cost approaches and discounted cash flow methods. With respect to intangible assets, the estimated fair values were determined based on relief from royalty and multi-period excess earnings methods. These models used primarily Level 3 inputs, including estimates of projected revenue growth rates, projected EBITDA margins, and an estimated discount rate.

Unaudited Pro Forma Financial Information

The following unaudited pro forma financial information summarizes the combined results of the Company and BlackSky Satellite Systems as if the acquisition had occurred on January 1, 2024. The pro forma results have been prepared for comparative purposes only, and do not necessarily represent what the results of operations would have been had the acquisition been completed on January 1, 2024. In addition, these pro forma results are not intended to be a projection of future operating results and do not reflect synergies that might be achieved.

The unaudited pro forma financial information includes adjustments for the pro forma impact of the Company's preliminary purchase price allocation, including the amortization of newly acquired intangible assets; the impact of transaction costs; and the alignment of accounting policies.

	Three Months Ended September 30, 2024	Nine Months Ended September 30, 2024
	(in thousands)	
Pro forma revenue	26,368	76,662
Pro forma net loss	(14,705)	(47,904)

9. Property and Equipment - net

The following summarizes property and equipment - net as of:

	September 30, 2025	December 31, 2024
	(in thousands)	
Satellites	\$ 133,498	\$ 107,004
Software	44,101	32,587
Office furniture and fixtures	9,028	9,171
Production and engineering equipment	3,033	2,986
Software development in process	2,783	3,656
Site equipment	2,533	2,502
Computer equipment	1,791	1,578
Other equipment	1,096	812
	197,863	160,296
Less: accumulated depreciation	(125,297)	(114,683)
Property and equipment not yet placed in service	299	—
Property and equipment — net	\$ 72,865	\$ 45,613

10. Debt and Other Financing

The carrying value of the Company's outstanding debt consisted of the following amounts:

	September 30, 2025	December 31, 2024
	(in thousands)	
Current portion of long-term debt	\$ 5,813	\$ 2,000
Non-current portion of long-term debt	196,250	107,034
Total long-term debt	202,063	109,034
Unamortized debt issuance costs	(7,002)	(1,371)
Outstanding balance	\$ 195,061	\$ 107,663

Name of Loan	Effective Interest Rate	September 30, 2025	December 31, 2024
		(in thousands)	
Convertible Notes	8.73%	\$ 185,000	\$ —
Satellite launch vendor financing	7.77% - 11.62%	17,063	6,000
Loans from related parties	12.23% - 12.57%	—	93,034
Commercial bank line	10.98%	—	10,000
Total		\$ 202,063	\$ 109,034

Convertible Notes

In July 2025, the Company issued \$185.0 million principal amount of Convertible Notes in a private offering. The Convertible Notes mature on August 1, 2033 unless earlier converted, redeemed or repurchased. The Convertible Notes bear interest at a rate of 8.25% per year, payable semiannually in arrears on February 1

and August 1 of each year, beginning on February 1, 2026. The following table summarizes the interest expense for the Convertible Notes for the three and nine months ended September 30, 2025.

	Three and Nine Months Ended September 30,	
	2025	
	(in thousands)	
Coupon interest	\$	2,926
Amortization of debt issuance costs		170
Total interest expense	\$	3,096

Holders may convert their Convertible Notes at their option at any time prior to the close of business on the second scheduled trading day immediately preceding the maturity date. Upon conversion, the Company will pay shares of the Company's Class A common stock, or deliver cash, or a combination of cash and shares of the Company's Class A common stock, at the Company's election. The conversion rate of the notes will initially be 27.1909 shares of BlackSky's Class A common stock per \$1,000 principal amount of notes (equivalent to an initial conversion price of approximately \$36.78 per share of Class A common stock). The Company may not redeem the Convertible Notes prior to August 4, 2028. The Company may redeem for cash all or any portion of the Convertible Notes, at the Company's option, on or after August 4, 2028 and prior to the 26th scheduled trading day immediately preceding the maturity date, if (1) the last reported sale price of the Company's Class A common stock has been at least 130% of the conversion price then in effect for at least 20 trading days (whether or not consecutive) during any 30 consecutive trading day period (including the last trading day of such period) ending on, and including, the trading day immediately preceding the date on which the Company provides notice of redemption and (2) certain liquidity conditions are satisfied, at a redemption price equal to 100% of the principal amount of the notes to be redeemed, plus accrued and unpaid interest to, but excluding, the redemption date.

Satellite Launch Vendor Financing

In November 2023, the Company entered into a vendor financing agreement for multiple satellite launches providing for \$27.0 million, of which a portion can be drawn down equally per satellite launch and will be repaid quarterly on a pro-rata basis across a three-year period after each successful launch milestone. Payments will accrue interest at 12.6% per annum, beginning on each launch date. The Company may prepay at any time until the maturity date without premium or penalty. The outstanding debt related to the vendor financing agreement is guaranteed by the Company's subsidiaries and secured by substantially all of the assets of the Company and its subsidiaries. During the nine months ended September 30, 2025, the Company incurred \$12.8 million of additional debt related to the satellite launch vendor financing agreement.

Loans from Related Parties

In May 2023, BlackSky and its subsidiaries entered into an Amendment to its Amended and Restated Loan and Security Agreement with Intelsat and Seahawk, dated October 31, 2019 and previously amended on September 9, 2021. In July 2025, the Company repaid these loans in their entirety plus accrued interest in the amount of \$100.2 million.

Commercial Bank Line

In April 2024, the Company, and certain subsidiaries of the Company, as co-borrowers, entered into a commercial bank line with Stifel Bank that provided for a \$20.0 million revolving credit facility. In July 2025, the Company repaid the amount owed under the revolving credit facility in its entirety plus accrued interest in the amount of \$10.0 million and closed the commercial bank line.

Debt Maturities

Under the Company's loan agreements, minimum required maturities are as follows:

For the years ending December 31,	(in thousands)
2025	\$ 1,125
2026	6,250
2027	6,250
2028	3,438
2029	—
Thereafter	185,000
Total outstanding	<u>\$ 202,063</u>

Fair Value of Debt

The following table presents the fair value hierarchy of the Company's outstanding long-term debt as of September 30, 2025:

September 30, 2025	Quoted Prices in Active Markets (Level 1)	Significant Other Observable Input (Level 2)	Significant Other Unobservable Inputs (Level 3)
	(in thousands)		
Liabilities			
Convertible Notes	\$ 207,283	\$ —	\$ —
Satellite launch vendor financing	—	—	17,052
	<u>\$ 207,283</u>	<u>\$ —</u>	<u>\$ 17,052</u>

The fair value of the satellite launch vendor financing was estimated using Level 3 inputs, based on interest rates available for debt with terms and maturities similar to the Company's existing debt arrangements and credit rating. The estimated fair value of the Company's outstanding long-term debt as of December 31, 2024 was \$120.3 million, which represents a Level 3 measurement based off of the fair value hierarchy.

11. Equity Warrants Classified as Derivative Liabilities

Warrant Valuation

Equity warrants that are classified as derivative liabilities must be measured at fair value upon issuance and re-valued at the end of each reporting period through expiration and are included in derivative liabilities in the Company's unaudited condensed consolidated balance sheets. Any change in fair value between the respective reporting dates is recognized as an unrealized gain or loss in the accompanying unaudited condensed consolidated statements of operations and comprehensive loss (see Note 16). The Company's derivative liabilities were made up of only equity warrants and the Sponsor Shares as of September 30, 2025 and 2024.

The following table is a summary of the number of shares of the Company's Class A common stock issuable upon exercise of warrants at September 30, 2025:

	Number of Shares	Exercise Price	Redemption Price	Expiration Date	Classification	Loss in Value for the Nine Months Ended September 30, 2025	Fair Value as of September 30, 2025
	(in thousands)					(in thousands)	
Public Warrants	1,977	\$ 92.00	\$ 144.00	9/9/2026	Liability	\$ 940	\$ 2,668
Private Placement Warrants - Issued October 2019	520	92.00	144.00	9/9/2026	Liability	193	677
Private Placement Warrants - Issued October 2019	520	160.00	144.00	9/9/2026	Liability	5	234
Private Placement Warrants - Issued March 2023	1,440	17.61	N/A	9/8/2028	Liability	9,947	19,650

In July 2025, 611 thousand of the March 2023 Private Placement Warrants were exercised, which resulted in proceeds of \$10.8 million to the Company in exchange for shares of Class A common stock. The Company recognized a net loss in value of \$ 1.2 million related to the exercised warrants during the nine months ended September 30, 2025, which was recorded to gain (loss) on derivatives in the unaudited condensed consolidated statements of operations and comprehensive loss.

In addition, the Company has 221 thousand Class A common stock warrants outstanding which have an exercise price of \$0.88 and expiration dates from June 27, 2028 to October 31, 2029. These warrants are equity classified and were included in additional paid-in capital in the Company's unaudited condensed consolidated balance sheets.

12. Other Current Liabilities

The components of other current liabilities were as follows:

	September 30, 2025	December 31, 2024
	(in thousands)	
Contingent liabilities	\$ 7,558	\$ 158
Accrued interest	3,709	378
Operating lease right-of-use liabilities	803	775
Other current liabilities	217	182
Total other current liabilities	\$ 12,287	\$ 1,493

The Company accrued a contingent liability and an offsetting current receivable as of September 30, 2025 related to an ongoing claim for which the loss is within insurance limits.

13. Net Loss Per Share of Class A Common Stock

The following table includes the calculation of basic and diluted net loss per share:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
	(in thousands except per share information)			
Net loss available to common stockholders - basic and diluted	\$ (15,340)	\$ (12,591)	\$ (69,392)	\$ (37,798)
Basic and diluted net loss per share	\$ (0.44)	\$ (0.66)	\$ (2.11)	\$ (2.05)
Shares used in the computation of basic and diluted net loss per share	35,194	19,120	32,843	18,394

The potentially dilutive securities listed below were not included in the calculation of diluted weighted average common shares outstanding, as their effect would have been anti-dilutive during the three and nine months ended September 30, 2025 and 2024.

	Three and Nine Months Ended September 30,	
	2025	2024
	(in thousands)	
Convertible Notes	6,539	—
Class A common stock warrants	221	221
Stock options	1,853	880
Restricted stock units	2,808	2,558
Public Warrants (exercisable for Class A common stock) treated as liability	1,977	1,977
Private Placement Warrants (exercisable for Class A common stock) treated as liability	2,480	3,091
Sponsor Shares	296	296

14. Stock-Based Compensation

The stock-based compensation expense attributable to continuing operations is included in the unaudited condensed consolidated statements of operations and comprehensive loss as indicated in the table below:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
	(in thousands)			
Imagery & software analytical service costs, excluding depreciation and amortization	\$ 40	\$ 34	\$ 112	\$ 138
Professional & engineering service costs, excluding depreciation and amortization	132	108	366	359
Selling, general and administrative	3,482	2,377	9,527	7,747
Total stock-based compensation expense	\$ 3,654	\$ 2,519	\$ 10,005	\$ 8,244

The Company recorded stock-based compensation related to capitalized internal labor for software development activities and satellite work in process of \$0.2 million and \$0.1 million during the three months

ended September 30, 2025 and 2024, respectively, and \$0.5 million and \$0.4 million during the nine months ended September 30, 2025 and 2024, respectively. These amounts were included in property, plant, and equipment - net and satellite work in process in the unaudited condensed consolidated balance sheets.

15. Related Party Transactions

A summary of the Company's related party transactions during the nine months ended September 30, 2025 and 2024 is presented below:

			Amount Due to Related Party as of			
			Total Payments in the Nine Months Ended September 30,		September 30,	December 31,
			2025	2024	2025	2024
Name	Nature of Relationship	Description of the Transactions	(in thousands)			
LeoStella	Former Joint Venture with Thales Alenia Space	The Company owned 50% of LeoStella, its joint venture with Thales. The Company contracted with LeoStella for the design, development and manufacture of satellites to operate its business. In November 2024, the Company acquired the remaining 50% of common units of BlackSky Satellite Systems, fka LeoStella, and it is now a wholly-owned subsidiary of BlackSky.	N/A	\$ 23,422	N/A	N/A
Ursa Space Systems	Strategic Partner	The chairman of the Company’s board of directors, Will Porteous, is also an investor and member of the board of directors of Ursa Space Systems. The Company has a non-cancelable operational commitment with Ursa Space Systems.	\$ 375	417	42	42
Thales Alenia Space	Shareholder and Parent of Wholly-owned Subsidiary, Seahawk	Design, development and manufacture of telescopes.	4,808	3,666	—	—
Seahawk	Subsidiary of Thales Alenia Space	In 2019, the Company raised and converted \$8.4 million from prior debt into new, outstanding debt and issued 13.5 million warrants to purchase Legacy BlackSky common stock. In July 2025, the Company repaid all debt outstanding and accrued interest to Seahawk.	28,101	277	—	25,072
Intelsat	Former debt Issuer	In 2019, the Company entered into a term loan facility for \$50.0 million and issued 20.2 million warrants to purchase Legacy BlackSky common stock. In July 2025, the Company repaid all debt outstanding and accrued interest to Intelsat.	\$ 76,391	1,050	N/A	67,962

The Company recorded revenue from related parties of \$0.5 million and \$0.4 million for the three months ended September 30, 2025 and 2024, respectively, and \$11.2 million and \$3.9 million for the nine months ended September 30, 2025 and 2024, respectively. As of September 30, 2025 and December 31, 2024, the Company had \$22.4 million and \$11.2 million, respectively, of contract assets from related parties, which the Company anticipates receiving as payments over the next 12 months. As of September 30, 2025 and December 31, 2024, the amounts invoiced by the Company and due from related parties were not significant.

Prior to repaying the term loan facility in July 2025, interest was accrued and due semi-annually. The Company made interest payments of \$2.7 million during the three months ended September 30, 2025 and interest payments of \$3.8 million and \$1.0 million during the nine months ended September 30, 2025 and 2024, respectively. The Company did not make any interest payments during the three months ended September 30, 2024. In July 2025, the Company repaid the term loan facility from related parties in its entirety plus accrued interest in the amount of \$100.2 million.

16. Fair Value of Financial Instruments

The following tables present information about the Company's liabilities that are measured at fair value on a recurring basis as of September 30, 2025 and December 31, 2024 and indicate the fair value hierarchy level of the valuation techniques and inputs that the Company utilized to determine such fair value:

September 30, 2025	Quoted Prices in Active Markets (Level 1)	Significant Other Observable Input (Level 2)	Significant Other Unobservable Inputs (Level 3)
(in thousands)			
Liabilities			
Public Warrants	\$ 2,668	\$ —	\$ —
Private Placement Warrants - Issued October 2019	—	—	911
Private Placement Warrants - Issued March 2023	—	—	19,650
Sponsor Shares	—	—	3,555
	<u>\$ 2,668</u>	<u>\$ —</u>	<u>\$ 24,116</u>
December 31, 2024	Quoted Prices in Active Markets (Level 1)	Significant Other Observable Input (Level 2)	Significant Other Unobservable Inputs (Level 3)
(in thousands)			
Liabilities			
Public Warrants	\$ 1,728	\$ —	\$ —
Private Placement Warrants - Issued October 2019	—	—	713
Private Placement Warrants - Issued March 2023	—	—	13,820
Sponsor Shares	—	—	1,703
	<u>\$ 1,728</u>	<u>\$ —</u>	<u>\$ 16,236</u>

The carrying values of the following financial instruments approximated their fair values as of September 30, 2025 and December 31, 2024 based on their short-term maturities: cash and cash equivalents, restricted cash, short-term investments, accounts receivable, prepaid expenses, other current assets, accounts payable, accrued liabilities, and other current liabilities. See Note 8—"Business Acquisition" for additional information on the fair value of assets acquired via business acquisition.

There were no transfers into or out of any of the levels of the fair value hierarchy during the nine months ended September 30, 2025 or 2024.

The following is a summary of changes in the fair value of the Level 3 liabilities during the nine months ended September 30, 2025 and 2024:

	Sponsor Shares	Private Placement Warrants - Issued October 2019	Private Placement Warrants - Issued March 2023
(in thousands)			
Balance as of January 1, 2025	\$ 1,703	\$ 713	\$ 13,820
Warrant exercises	—	—	(10,961)
Loss from changes in fair value	1,852	198	16,791
Balance as of September 30, 2025	<u>\$ 3,555</u>	<u>\$ 911</u>	<u>\$ 19,650</u>

	Sponsor Shares	Private Placement Warrants - Issued October 2019	Private Placement Warrants - Issued March 2023
	(in thousands)		
Balance as of January 1, 2024	\$ 1,304	\$ 583	\$ 12,467
Gain from changes in fair value	(687)	(375)	(7,218)
Balance as of September 30, 2024	\$ 617	\$ 208	\$ 5,249

17. Commitments and Contingencies

Legal Proceedings

From time to time, the Company may become involved in various claims and legal proceedings arising in the ordinary course of business, which, by their nature, are inherently unpredictable. Regardless of outcome, litigation and other legal proceedings can have an adverse impact on the Company because of defense and settlement costs, diversion of management resources and other factors.

On May 7, 2024, a putative class action relating to the Merger of Legacy BlackSky on September 9, 2021 with a wholly-owned subsidiary of Osprey was filed in the Delaware Court of Chancery. The action is captioned *Drulias v. Osprey Sponsor II, LLC, et al.* (“*Drulias*”) (Del. Ch. 2024). The *Drulias* complaint asserts breach of fiduciary duty and unjust enrichment claims against the former directors of Osprey (the “*Osprey Board*”); the former officers of Osprey; and Osprey Sponsor II, LLC (the “*Sponsor*”); and aiding and abetting breach of fiduciary duty claims against HEPCO Capital Management, LLC; JANA Partners LLC; and a director of Legacy BlackSky. The *Drulias* complaint seeks, among other things, damages and attorneys’ fees and costs. The terms of the Merger required the Company to indemnify the directors of Osprey.

On May 8, 2024, a putative class action relating to the Merger was filed in the Delaware Court of Chancery. The action is captioned *Cheriyala v. Osprey Sponsor II, LLC* (“*Cheriyala*”) (Del. Ch. 2024). The *Cheriyala* complaint asserts breach of fiduciary duty claims against the former directors of the Osprey Board, the former officers of Osprey, and the Sponsor; aiding and abetting breach of fiduciary duty claims against BlackSky Holdings, Inc. and certain directors and officers of Legacy BlackSky; and unjust enrichment claims against an Osprey director. The *Cheriyala* complaint seeks, among other things, damages and attorneys’ fees and costs.

The Court of Chancery granted *Drulias*’ motion to (i) consolidate the *Drulias* and *Cheriyala* actions, and (ii) appoint *Drulias* as lead plaintiff, and *Drulias*’ counsel as lead counsel, in the consolidated action. On April 15, 2025, *Drulias* sought to withdraw as the lead plaintiff. That same day, Patrick Plumley (“*Plumley*”) moved to intervene as a plaintiff in the consolidated action. The Court of Chancery granted *Cheriyala*’s and *Plumley*’s stipulation to (i) permit *Drulias* to withdraw as the lead plaintiff, (ii) permit *Plumley* to intervene as a plaintiff, and (iii) appoint *Cheriyala* and *Plumley* as co-lead plaintiffs, and *Cheriyala*’s and *Plumley*’s counsel as co-lead counsel, in the consolidated action.

The parties attended private mediation on September 9, 2025. The parties thereafter reached a settlement in principle, for which the parties are currently negotiating a stipulation of settlement. See Note 12—“Other Current Liabilities” of the notes to the unaudited condensed consolidated financial statements for further information on this settlement. Any settlement will be subject to Court approval. The costs of this case, including the pending settlement, if approved by the Court, will be substantially funded from insurance proceeds and are not expected to have a material impact on the Company’s operations or financial condition. See Note 7—“Prepaid Expenses and Other Current Assets” of the notes to the unaudited condensed consolidated financial statements for further information on the insurance proceeds.

Other Commitments

The Company has entered into service agreements for ground station services to be performed by third-parties of approximately \$5.5 million during the nine months ended September 30, 2025. As of September 30,

2025, the Company has entered into various operational agreements for the next several years with remaining minimum commitments of approximately \$1.0 million.

18. Concentrations, Risks, and Uncertainties

The Company has a concentration of contractual revenue arrangements with the U.S. federal government and agencies as well as with international governments. Accounts receivable related to U.S. federal government and agencies was \$2.5 million and \$11.2 million as of September 30, 2025 and December 31, 2024, respectively. The Company had the following customers whose revenue and accounts receivable balances individually represented 10% or more of the Company's total revenue:

	Revenue			
	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
	(in thousands)			
U.S. federal government and agencies	51%	57%	49%	58%
Customer B	*	*	16%	*
Customer C	23%	19%	19%	16%
Customer D	12%	12%	*	13%

	Accounts Receivable	
	As of September 30, 2025	As of December 31, 2024
	(in thousands)	
U.S. federal government and agencies	61%	76%
Customer B	*	*
Customer C	*	*
Customer D	*	*

* Revenue and/or accounts receivable from these customers were less than 10% of total revenue and/or accounts receivable during the period.

The Company generally extends credit on account, without collateral. Outstanding accounts receivable balances are evaluated by management, and accounts are reserved when it is determined collection is not probable. As of September 30, 2025 and December 31, 2024, the Company evaluated the realizability of the aged accounts receivable, giving consideration to each customer's financial history and liquidity position, credit rating and the facts and circumstances of collectability on each outstanding account, and did not have a significant reserve for uncollectible accounts.

19. Subsequent Events

The Company evaluated subsequent events through November 6, 2025 and determined that there have been no events that have occurred that would require adjustments to its disclosures or the consolidated financial statements.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our consolidated financial statements and related notes appearing elsewhere in this Quarterly Report on Form 10-Q. As discussed in the section titled "Special Note Regarding Forward-Looking Statements," the following discussion and analysis contains forward-looking statements that involve risks and uncertainties, as well as assumptions that, if they never materialize or prove incorrect, could cause our results to differ materially from those expressed or implied by such forward-looking statements. Factors that could cause or contribute to these differences include, but are not limited to, those discussed in the section titled "Risk Factors" under Part I, Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2024 and filed with the Securities and Exchange Commission (the "SEC"). Unless the context otherwise requires, references in this "Management's Discussion and Analysis of Financial Condition and Results of Operations" to "BlackSky," "the Company," "we," "us" and "our" refer to the business and operations of BlackSky Holdings, Inc. ("Legacy BlackSky") and its consolidated subsidiaries prior to the completion of its merger on September 9, 2021 with a wholly-owned subsidiary of Osprey Technology Acquisition Corp. (the "Merger") and of BlackSky Technology Inc. and its consolidated subsidiaries, following the closing of the Merger.

Company Overview

BlackSky is a space-based intelligence company that delivers real-time imagery, analytics and high-frequency monitoring of the world's most critical and strategic locations, economic assets, and events. BlackSky is trusted by many of the most demanding U.S. and international government agencies and commercial businesses around the world. We are defining a new category of space-based intelligence products and services with real-time imagery and automated analytics, delivered through an easy-to-use interface coupled with our high-revisit and low latency satellite constellation, which are designed to help customers see, understand and anticipate change for a decisive strategic advantage.

We own and operate one of the industry's leading high-performance low earth orbit ("LEO") small satellite constellations. Our constellation is optimized to cost-efficiently capture imagery at high revisit rates where and when our customers need it. Because of its orbital configuration, our constellation is able to image certain locations on average in under 90 minutes, from dawn-to-dusk, providing our customers with insights and situational awareness over specific locations of interest throughout the day. The constellation is optimized for agility and capacity and delivers high revisit imaging and analytic products without a dependency on an individual satellite. This approach enables us to strategically deploy capacity to meet customer needs and tailor the capability over time to meet market demand. We believe that our focus on critical strategic and economic infrastructure and our proprietary artificial intelligence ("AI")-enabled tasking methodology differentiates us from many of our competitors, who are primarily dedicated to mapping the entirety of the Earth on a routine basis. Our differentiated approach to space enables us to deliver highly targeted and valuable intelligence with a smaller constellation fleet that has the added benefit of greater operating and capital efficiencies.

BlackSky's constellation provides unique value with the ability to collect imagery and analytics from dawn-to-dusk at a higher cadence and at lower cost than traditional providers. U.S. and allied militaries rely on our services for high-revisit monitoring of airfields, vehicle depots, troop movements, and other high-value locations to detect changes in pattern-of-life. BlackSky can distinguish landscape features such as roads and buildings, and gauge commercial activities and patterns in ship or aircraft movements, progress at construction sites, and changes in production by estimating the number of cars in a parking lot.

Our proprietary constellation can produce high and very-high resolution electro-optical imagery and short-wave infrared imagery for expanded imaging capabilities in low-light or nighttime. The constellation also has advanced data communications capabilities that significantly increase the end-to-end delivery speed of intelligence products. We believe these advanced features improve our analytics and increase the value we can deliver to our customers.

Our BlackSky Spectra software platform can, among other things, process millions of observations a day from our proprietary satellite constellation and from multiple external data sources including imaging, radar and radio frequency satellites, environmental sensors, asset tracking sensors, Internet-of-Things connected devices, internet-

enabled narrative sources, and a variety of geotemporal data feeds. BlackSky Spectra employs advanced, proprietary AI and machine learning (“ML”) techniques to process, analyze, and transform these data feeds into alerts, information, and insights that our customers receive, all fully automated. Customers can access BlackSky Spectra's data and analytics through easy-to-use web services or through platform APIs. The combination of our high-revisit, small satellite constellation, our BlackSky Spectra platform, and low constellation cost is transforming the market for real-time, space-based imagery and analytics.

Our operating strategy is to continue to enhance the capabilities of our satellite constellation, to increase the data processed by our BlackSky Spectra platform, and to expand our analytics offerings in order to increase the value we deliver to our customers. Our two strategic assets—our satellite constellation and our BlackSky Spectra platform—are mutually reinforcing: as we capture more information about the world's most important strategic and economic assets and locations, our proprietary database expands and increases its utility, enabling us to better detect, understand, and predict changes that matter most to our customers. As such, we believe that our business will benefit from a natural and powerful “flywheel” effect: the more data we collect and analyze, the more valuable the insights we can deliver to our customers.

Our current customer base and end market mix are weighted towards U.S. and international defense and intelligence customers and markets. We believe there are significant opportunities to expand our imagery and software analytical services, as well as our professional and engineering service offerings, to a broad set of customers both domestically and internationally. In addition, our services and products can benefit customers in a variety of commercial markets including, but not limited to, energy and utilities, insurance, commodities, mining, manufacturing, logistics, supply chain management, agriculture, environmental monitoring, disaster and risk management, engineering and construction, and retail and consumer behavior.

We generate revenue by selling subscription-based On-Demand and Assured product and service offerings that support national security, supply chain intelligence, crisis management, critical infrastructure monitoring, economic intelligence, and others. These offerings include a variety of pricing options accessible via our subscription plan through our BlackSky Spectra software platform, plus professional and engineering services provided to customers on a project-by-project basis. We offer a range of pricing tiers that enable the customer to manage collection priorities. During critical events, the customer can pay a premium to prioritize their monitoring and collection requirements, while selecting lower priority collections at other times for more economical utilization. Variable and fixed price plans allow our customers to choose what matters most to them—platform licensing-levels, priority for imagery tasking, and whether to apply analytics or monitoring capabilities overtop the imaging service.

In November 2024, we acquired the remaining 50% of common units of BlackSky Satellite Systems LLC, fka LeoStella LLC, (“BlackSky Satellite Systems” or “LeoStella”) and it is now a wholly-owned subsidiary of BlackSky. The acquisition allows us to improve control over the Gen-3 satellite supply chain and production operations. This vertical integration enables us to control our satellites through the entire design, manufacturing, and operation process and optimize performance per unit cost. BlackSky Satellite System's financial results have been included in our operating results for the periods following the acquisition date.

In July 2025, we issued \$185.0 million principal amount of Convertible Notes due August 1, 2033 (the “Convertible Notes”) in a private offering. In addition, we repaid all principal and accrued interest from the loans from related parties and the commercial bank line. See “—Liquidity” and Note 10 - “Debt and Other Financing” for further detail.

Components of Operating Results

Revenue

Our revenue is generated by selling imagery and software analytics services through our BlackSky Spectra platform and by providing professional and engineering services to strategic customers on a project basis.

- **Imagery and Software Analytical Services Revenue**

- **Imagery:** We offer our customers high-revisit, on-demand high resolution electro optical satellite imaging services. Through our BlackSky Spectra software platform, customers can directly task our proprietary satellite constellation to collect and deliver imagery over specific locations, sites, and regions that are critical to their operations. We offer customers several service level options that include annual plans for access to capacity subscriptions for on-demand tasking or multi-year assured access programs, where customers can secure priority access and imaging capacity at a premium over a region of interest on a take or pay basis.
- **Data, Software, and Analytics:** Our analytics services are also offered on a subscription basis and provide customers with access to our site monitoring, event monitoring and global data services. We leverage our proprietary AI and ML algorithms to analyze data coming from both our proprietary sensor network and third-party space sources in real-time to provide data, insights, and analytics for our customers. We provide services related to object, change and anomaly detection, site monitoring, and enhanced analytics through which we can detect key pattern of life changes in critical locations. These critical locations can include strategic locations and infrastructure such as ports, airports, and construction sites; retail activity; commodities stockpiles; and other sites that contain critical commodities and supply chain inventory.

We expect continued revenue growth in our offerings year over year as a result of increases in our sales orders with new customers and incremental sales orders driven by stronger customer demand with existing customers.

- **Professional and Engineering Services Revenue**—We develop and deliver advanced satellites and payload systems for specific strategic customers that desire to leverage our capabilities in mission systems engineering and operations, ground station operations, software, analytics and systems development. These systems are sold to government customers under fixed price contracts and are often sold with operating and imagery service subscriptions. We retain rights to intellectual property for developed technology of certain systems.

We also provide technology enabled professional service solutions, which are highly interrelated, to support customer-specific feature requests and to support the integration, testing, and training of our imagery and software analytical services into the customer's organizational processes and workflows. We also provide software systems engineering development services to support the integration of high volume and mass quantities of data in their operating platforms.

We expect continued meaningful contribution from our professional and engineering services revenue, which we expect will be primarily from contracts with existing U.S. and international defense and intelligence customers with whom we have contracted to perform development work prior to the implementation of their subscription service contracts.

Costs and Expenses

Our costs and expenses are incurred from the following categories:

- Imagery and software analytical services costs primarily include third-party data and imagery, ground station service payments, internal labor to support the ground stations and space operations, and compute/storage costs to facilitate our expanding AI/ML functionality. Costs are expensed as incurred except for incremental costs to obtain a contract, which are primarily sales commissions on contracts greater than one year and are capitalized and amortized to selling, general, and administrative expenses on a systematic basis consistent with the transfer of goods and services and directly identifiable costs to fulfill a contract. Expense related to stock-based payments is classified in the unaudited condensed consolidated statements

of operations and comprehensive loss based upon the classification of each employee's cash compensation. We recognize stock-based compensation expense for those employees whose work supports the imagery and software analytical services costs we provide to customers, under imagery and software analytical service costs, excluding depreciation and amortization.

- Professional and engineering service costs primarily include the cost of internal labor for design and engineering in support of long-term development contracts for customer satellites and payload systems as well as subcontract direct materials and external labor costs to build and test specific components, such as the communications system, payload demands, and sensor integration. In addition, we recognize internal labor costs and external subcontract labor costs for our customer-centric software service solutions. We also recognize stock-based compensation expense for those employees who provide professional and engineering services support to customers, under professional and engineering service costs, excluding depreciation and amortization.

Operating Expenses

Our operating expenses are incurred from the following categories:

- Selling, general, and administrative expense consists of salaries and benefit costs, development costs, professional fees, and other expenses which include other personnel-related costs, stock-based compensation expenses for those employees who generally support our business and operations, and occupancy costs.
- Research and development expense consists of employees' salaries, taxes, and benefits costs incurred while researching next generation space and ground architectures in support of our long-term strategy. With our acquisition of BlackSky Satellite Systems in November 2024, research and development expense also includes our investments in satellite design and functionality. Additionally, we employ and classify third-party vendors who help fulfill our strategic projects as research and development expense. We intend to continue to invest appropriate resources in research and development efforts, as we believe that investment is critical to maintaining our competitive position.
- Depreciation expense is related to property and equipment, which mainly consist of operational satellites. Amortization expense is related to intangible assets, which mainly consist of customer relationships.

Results of Operations for the Three and Nine Months Ended September 30, 2025 and 2024

The following table provides the components of results of operations for the three and nine months ended September 30, 2025 and 2024:

	Three Months Ended September 30,		\$	%	Nine Months Ended September 30,		\$	%
	2025	2024	Change	Change	2025	2024	Change	Change
(dollars in thousands)								
Revenue								
Imagery & software analytical services	\$ 15,782	\$ 17,276	\$ (1,494)	(8.6)%	\$ 50,593	\$ 52,578	\$ (1,985)	(3.8)%
Professional & engineering services	3,836	5,273	(1,437)	(27.3)%	20,768	19,145	1,623	8.5 %
Total revenue	19,618	22,549	(2,931)	(13.0)%	71,361	71,723	(362)	(0.5)%
Costs and expenses								
Imagery & software analytical service costs, excluding depreciation and amortization	4,329	3,682	647	17.6 %	11,607	10,559	1,048	9.9 %
Professional & engineering service costs, excluding depreciation and amortization	2,486	2,968	(482)	(16.2)%	14,055	10,006	4,049	40.5 %
Selling, general and administrative	21,735	17,961	3,774	21.0 %	65,844	54,991	10,853	19.7 %
Research and development	30	43	(13)	(30.2)%	292	785	(493)	(62.8)%
Depreciation and amortization	7,864	11,125	(3,261)	(29.3)%	22,308	33,586	(11,278)	(33.6)%
Operating loss	(16,826)	(13,230)	(3,596)	(27.2)%	(42,745)	(38,204)	(4,541)	(11.9)%
Gain (loss) on derivatives	8,386	3,574	4,812	134.6 %	(14,148)	8,593	(22,741)	(264.6)%
Loss on debt extinguishment	(4,140)	—	(4,140)	(100.0)%	(4,140)	—	(4,140)	(100.0)%
Interest income	1,324	257	1,067	415.2 %	2,574	987	1,587	160.8 %
Interest expense	(4,037)	(3,142)	(895)	(28.5)%	(10,889)	(8,805)	(2,084)	(23.7)%
Other (expense) income, net	(8)	(22)	14	63.6 %	60	(19)	79	415.8 %
Loss before income taxes	(15,301)	(12,563)	(2,738)	(21.8)%	(69,288)	(37,448)	(31,840)	(85.0)%
Income tax expense	(39)	(28)	(11)	(39.3)%	(104)	(350)	246	70.3 %
Net loss	\$ (15,340)	\$ (12,591)	\$ (2,749)	(21.8)%	\$ (69,392)	\$ (37,798)	\$ (31,594)	(83.6)%

Revenue

	Three Months Ended September 30,		\$	%	Nine Months Ended September 30,		\$	%
	2025	2024	Change	Change	2025	2024	Change	Change
(dollars in thousands)								
Imagery & software analytical revenue	\$ 15,782	\$ 17,276	\$ (1,494)	(8.6)%	\$ 50,593	\$ 52,578	\$ (1,985)	(3.8) %
% of total revenue	80.4 %	76.6 %			70.9 %	73.3 %		
Professional & engineering services revenue	3,836	5,273	(1,437)	(27.3)%	20,768	19,145	1,623	8.5 %
% of total revenue	19.6 %	23.4 %			29.1 %	26.7 %		
Total revenue	\$ 19,618	\$ 22,549	\$ (2,931)	(13.0)%	\$ 71,361	\$ 71,723	\$ (362)	(0.5) %

Imagery and Software Analytical Services Revenue

Imagery and software analytical services revenue decreased for the three and nine months ended September 30, 2025, as compared to the same periods in 2024, primarily from a reduction of imagery services from an existing customer's renewal partially offset by new short-term imagery and analytics subscription orders and renewals from other existing customers.

Professional and Engineering Services Revenue

Professional and engineering services revenue decreased for the three months ended September 30, 2025, as compared to the same period in 2024, primarily from the substantial completion of a long-term professional services contract. Professional and engineering services revenue contains estimates that can result in the recognition of revenue in a current period for performance obligations which were satisfied or partially satisfied in a prior period. For the impacts of changes in estimates on our contracts, see Note 2—"Basis of Presentation and Summary of Significant Accounting Policies" of the notes to the consolidated financial statements contained within this Quarterly Report on Form 10-Q.

Professional and engineering services revenue increased for the nine months ended September 30, 2025, as compared to the same period in 2024, primarily due to a new contract for the delivery of one Earth observation satellite.

Costs and Expenses

	Three Months Ended September 30,					Nine Months Ended September 30,				
	2025	2024	\$	%		2025	2024	\$	%	
			Change	Change				Change	Change	
	(dollars in thousands)									
Imagery & software analytical service costs, excluding depreciation and amortization	\$ 4,329	\$ 3,682	\$ 647	17.6 %		\$ 11,607	\$ 10,559	\$ 1,048	9.9 %	
Professional & engineering service costs, excluding depreciation and amortization	2,486	2,968	(482)	(16.2)%		14,055	10,006	4,049	40.5 %	
Total costs	\$ 6,815	\$ 6,650	\$ 165	2.5 %		\$ 25,662	\$ 20,565	\$ 5,097	24.8 %	

Imagery and Software Analytical Service Costs

Imagery & software analytical service costs, excluding depreciation and amortization, increased for the three and nine months ended September 30, 2025, due to an increase in third-party imagery fulfillment costs.

Professional and Engineering Service Costs

Professional & engineering service costs, excluding depreciation and amortization, decreased for the three months ended September 30, 2025 as compared to the same period in 2024, primarily due to the substantial completion of a long-term professional services contract during the third quarter of 2025.

Professional & engineering service costs, excluding depreciation and amortization, increased for the nine months ended September 30, 2025 as compared to the same period in 2024, primarily due to a one-time impact of incurred work in process costs under a satellite procurement contract that began in the first quarter of 2025. This increase was partially offset by fewer direct material costs incurred on a professional services contract, related to the program's maturity year-over-year.

Selling, General, and Administrative

	Three Months Ended September 30,				Nine Months Ended September 30,			
			\$	%			\$	%
	2025	2024	Change	Change	2025	2024	Change	Change
	(dollars in thousands)							
Salaries and benefit costs	\$ 10,688	\$ 10,396	\$ 292	2.8 %	\$ 34,203	\$ 31,469	\$ 2,734	8.7 %
Stock-based compensation expense	3,482	2,377	1,105	46.5 %	9,527	7,747	1,780	23.0 %
Information technology and other administrative expenses	3,485	2,235	1,250	55.9 %	8,975	6,421	2,554	39.8 %
Selling and marketing	1,047	947	100	10.6 %	3,349	2,846	503	17.7 %
Professional fees	1,478	875	603	68.9 %	5,038	2,922	2,116	72.4 %
Insurance	481	463	18	3.9 %	1,542	1,401	141	10.1 %
Rent expense	499	445	54	12.1 %	1,621	1,409	212	15.0 %
Development costs	575	223	352	157.8 %	1,589	776	813	104.8 %
Selling, general and administrative	\$ 21,735	\$ 17,961	\$ 3,774	21.0 %	\$ 65,844	\$ 54,991	\$ 10,853	19.7 %

Selling, general, and administrative expenses increased during the three and nine months ended September 30, 2025 as compared to the same periods in 2024. Salaries and benefit costs increased primarily due to workforce acquired in our acquisition in the fourth quarter of 2024. Information technology and other administrative expenses increased primarily due to costs associated with production operations from our acquisition in late 2024 as well as initiatives to optimize corporate business and operational systems during 2025. Professional fees increased as a result of transaction costs incurred during 2025 that were associated with finalizing the acquisition that closed in late 2024. Stock-based compensation increased as a result of the issuance of stock awards since September 30, 2024. We expect for selling, general, and administrative expenses to continue to trend higher through the remainder of 2025 as compared to what was incurred in 2024 due to the integration of BlackSky Satellite Systems into our operations.

The following is our forecast for total RSU expense as of September 30, 2025, which, in addition to the amounts recognized in selling, general, and administrative expenses, includes the portion that will be capitalized or classified in imagery and software analytical service costs and professional and engineering service costs:

	(in thousands)
For the years ending December 31,	
2025	\$ 3,619
2026	12,559
2027	8,512
2028	4,468
2029	421
	<u>\$ 29,579</u>

Research and Development

	Three Months Ended September 30,		\$	%	Nine Months Ended September 30,		\$	%
	2025	2024	Change	Change	2025	2024	Change	Change
	(dollars in thousands)							
Research and development	\$ 30	\$ 43	\$ (13)	(30.2)%	\$ 292	\$ 785	\$ (493)	(62.8)%

Research and development expense decreased for the three and nine months ended September 30, 2025, as compared to the same periods in 2024 due to the completion of development projects in 2024. We expect for research and development costs to increase as we explore new projects in future periods.

Depreciation and Amortization

	Three Months Ended				Nine Months Ended			
	September 30,		\$	%	September 30,		\$	%
	2025	2024	Change	Change	2025	2024	Change	Change
(dollars in thousands)								
Depreciation of satellites	\$ 3,940	\$ 8,221	\$ (4,281)	(52.1)%	\$ 11,141	\$ 25,693	\$ (14,552)	(56.6)%
Depreciation of all other property and equipment	3,724	2,764	960	34.7 %	10,580	7,472	3,108	41.6 %
Amortization	200	140	60	42.9 %	587	421	166	39.4 %
Depreciation and amortization	\$ 7,864	\$ 11,125	\$ (3,261)	(29.3)%	\$ 22,308	\$ 33,586	\$ (11,278)	(33.6)%

Depreciation expense from satellites decreased for the three and nine months ended September 30, 2025 as compared to the same periods in 2024 as a number of Gen-2 satellites became fully depreciated. These decreases were partially offset by increases related to depreciation expense for our Gen-3 satellites launched in the first half of 2025. We expect to incur additional depreciation expense when each Gen-3 satellite is launched and placed into service.

Depreciation expense from all other property and equipment increased for the three and nine months ended September 30, 2025 as compared to the same periods in 2024, primarily driven by the depreciation of increasing asset balances for internal-use software as we continue to invest in our BlackSky Spectra software platform, features for our Gen-3 constellation, and internal infrastructure.

Amortization expense increased for the three and nine months ended September 30, 2025 as compared to the same periods in 2024 as a result of intangible assets acquired by the Company in the fourth quarter of 2024.

Non-Operating Expenses

	Three Months Ended September 30,		\$	%	Nine Months Ended September 30,		\$	%
	2025	2024	Change	Change	2025	2024	Change	Change
	(dollars in thousands)							
Gain (loss) on derivatives	\$ 8,386	\$ 3,574	\$ 4,812	134.6 %	\$ (14,148)	\$ 8,593	\$ (22,741)	(264.6)%
Loss on debt extinguishment	(4,140)	—	(4,140)	(100.0)%	(4,140)	—	(4,140)	(100.0)%
Interest income	1,324	257	1,067	415.2 %	2,574	987	1,587	160.8 %
Interest expense	(4,037)	(3,142)	(895)	(28.5)%	(10,889)	(8,805)	(2,084)	(23.7)%
Other (expense) income, net	(8)	(22)	14	63.6 %	60	(19)	79	415.8 %

Gain (loss) on derivatives

Fluctuations in our equity warrants and other equity instruments that we classify as derivative liabilities in our unaudited condensed consolidated balance sheets and measure at fair value are significantly driven by our common stock price. Fluctuations to these instruments are inversely related to changes in our common stock price, the volatility of the markets, and the duration of the equity warrants.

Outstanding derivative liabilities are re-measured to fair value at each reporting date. The gains or losses recognized in the applicable period are non-cash fair value adjustments. In July 2025, 611 thousand of our March 2023 Private Placement Warrants were exercised and the exercised warrants were re-measured to fair value on their exercise dates. These re-measurements of derivative liabilities generated gains during the three months ended September 30, 2025 and the three and nine months ended September 30, 2024 versus a loss during the nine months ended September 30, 2025.

Loss on debt extinguishment

The loss on debt extinguishment incurred during the three and nine months ended September 30, 2025 was due to the early repayment of the related party debt and commercial bank line in July 2025.

Interest income

Interest income increased during the three and nine months ended September 30, 2025 as a result of higher short-term investment balances during the period as compared to the same periods in 2024.

Interest expense

Interest expense increased during the three and nine months ended September 30, 2025, as compared to the three and nine months ended September 30, 2024, as a result of more debt outstanding despite a decrease in the interest rates during the three and nine months ended September 30, 2025, as compared to the same periods in 2024. Our outstanding debt increased due to the Convertible Notes issued in July 2025 and the financing of launch invoices during the past twelve months.

Non-GAAP Financial Measures

In addition to our results determined in accordance with GAAP, management utilizes certain non-GAAP performance measures, such as Adjusted EBITDA, for purposes of evaluating our ongoing operations and for internal planning and forecasting purposes. Our management and board of directors believe that this non-GAAP operating measure, when reviewed with our GAAP financial information, provides useful supplemental information to investors in assessing our operating performance.

Adjusted EBITDA

Adjusted EBITDA is defined as net income or loss attributable to us before interest income, interest expense, income tax expense or benefit, depreciation and amortization, as well as significant non-cash and/or non-recurring expenses as our management believes these items are not useful in evaluating our 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; loss on debt extinguishment, non-recurring transaction costs; litigation, settlements, and related costs; severance; and impairment and asset disposals. We have presented Adjusted EBITDA because it is a key measure used by our management and board of directors to understand and evaluate our operating performance, generate future operating plans and make strategic decisions regarding the allocation of capital. In particular, we believe that the exclusion of certain items in calculating Adjusted EBITDA can produce a useful measure for period-to-period comparisons of our business. Accordingly, we believe that Adjusted EBITDA provides useful information in understanding and evaluating our operating results. In addition, we believe that Adjusted EBITDA provides additional information for investors to use in evaluating our ongoing operating results and trends. This non-GAAP measure provides investors with incremental information for the evaluation of our performance after isolation of certain items deemed unrelated to our core business operations.

Adjusted EBITDA is presented as a supplemental measure to our GAAP measures of performance. When evaluating Adjusted EBITDA, you should be aware that we may incur future expenses similar to those excluded when calculating this measure. In addition, our presentation of this measure should not be construed as an inference that our future results will be unaffected by unusual or non-recurring items. Furthermore, our computation of Adjusted EBITDA may not be directly comparable to similarly titled measures computed by other companies, as the nature of the adjustments that other companies may include or exclude when calculating Adjusted EBITDA may differ from the adjustments reflected in our measure. Because of these limitations, Adjusted EBITDA should not be considered in isolation, nor should this measure be viewed as a substitute for the most directly comparable GAAP measure, which is net loss. We compensate for the limitations of non-GAAP measures by relying primarily on our GAAP results. You should review the reconciliation of our net loss to Adjusted EBITDA below and not rely on any single financial measure to evaluate our performance.

The table below reconciles our net loss to Adjusted EBITDA for the three and nine months ended September 30, 2025 and 2024. As noted above, in November 2024, we acquired the remaining 50% of the common units of BlackSky Satellite Systems, fka LeoStella, and it is now a wholly-owned subsidiary of BlackSky. Prior to the acquisition, our unaudited condensed consolidated financial statements included our proportionate share of BlackSky Satellite System's, fka LeoStella's, earnings or losses, which was included as an adjusting item for equity method investments in the table below; we did not record any percentage of BlackSky Satellite System's, fka LeoStella's, estimated net loss during the three and nine months ended September 30, 2024 since our investment in LeoStella was \$0 as of December 31, 2023. Subsequent to the acquisition in the fourth quarter of 2024, BlackSky

Satellite System's financial results are fully consolidated in our unaudited condensed consolidated financial statements.

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
	(in thousands)			
Net loss	\$ (15,340)	\$ (12,591)	\$ (69,392)	\$ (37,798)
Interest income	(1,324)	(257)	(2,574)	(987)
Interest expense	4,037	3,142	10,889	8,805
Income tax expense	39	28	104	350
Depreciation and amortization	7,864	11,125	22,308	33,586
Stock-based compensation expense	3,654	2,519	10,005	8,244
(Gain) loss on derivatives	(8,386)	(3,574)	14,148	(8,593)
Loss on debt extinguishment	4,140	—	4,140	—
Non-recurring transaction costs	224	228	1,255	228
Severance	77	78	409	219
Litigation, settlements, and related costs	485	(28)	700	137
Impairment and asset disposals	46	71	90	71
Adjusted EBITDA	\$ (4,484)	\$ 741	\$ (7,918)	\$ 4,262

Liquidity and Capital Resources

As of September 30, 2025, our existing sources of liquidity included cash and cash equivalents and short-term investments. Our cash and cash equivalents excluding restricted cash totaled \$28.8 million and \$13.1 million as of September 30, 2025 and December 31, 2024, respectively, and our short-term investments totaled \$117.7 million and \$39.4 million as of September 30, 2025 and December 31, 2024, respectively. We have incurred year to date losses and generated negative cash flows from operations since our inception in September 2014. As of September 30, 2025, we had an accumulated deficit of \$725.6 million.

Our short-term liquidity as of September 30, 2025 was comprised of the following:

	(in thousands)
Cash and cash equivalents	\$ 28,815
Restricted cash	1,103
Short-term investments ⁽¹⁾	117,674
	<u>\$ 147,592</u>

⁽¹⁾ Short-term investments were included in cash flows from investing activities in the unaudited condensed consolidated statements of cash flows.

Our short-term liquidity as of September 30, 2025 was \$147.6 million. We expect cash and cash equivalents and cash generated from operating activities to be sufficient to meet our working capital and capital expenditure needs for the foreseeable future. Our future long-term capital requirements will depend on many factors, including our Gen-3 satellite production needs, launch costs and insurance costs, as well as our growth rate, customer demand for capacity, the timing and extent of spending to support solution development efforts, the expansion of sales and marketing activities, the ongoing investments in technology infrastructure, the introduction of new and enhanced solutions, and the continuing market acceptance of our solutions.

In July 2025, we issued \$185.0 million principal amount of Convertible Notes in a private offering. The Convertible Notes will mature on August 1, 2033 unless earlier converted, redeemed or repurchased. The

Convertible Notes will bear interest at a rate of 8.25% per year, payable semiannually in arrears on February 1 and August 1 of each year, beginning on February 1, 2026.

Holders may convert their Convertible Notes at their option at any time prior to the close of business on the second scheduled trading day immediately preceding the maturity date. Upon conversion, we will pay or deliver, as the case may be shares of our Class A common stock, cash, or a combination of cash and shares of our Class A common stock, at our election. The conversion rate of the notes will initially be 27.1909 shares of BlackSky's Class A common stock per \$1,000 principal amount of notes (equivalent to an initial conversion price of approximately \$36.78 per share of Class A common stock). We may not redeem the Convertible Notes prior to August 4, 2028. We may redeem for cash all or any portion of the Convertible Notes, at our option, on or after August 4, 2028 and prior to the 26th scheduled trading day immediately preceding the maturity date, if (1) the last reported sale price of our Class A common stock has been at least 130% of the conversion price then in effect for at least 20 trading days (whether or not consecutive) during any 30 consecutive trading day period (including the last trading day of such period) ending on, and including, the trading day immediately preceding the date on which we provide notice of redemption and (2) certain liquidity conditions are satisfied, at a redemption price equal to 100% of the principal amount of the notes to be redeemed, plus accrued and unpaid interest to, but excluding, the redemption date.

We also have a vendor financing agreement for multiple satellite launches providing for \$27.0 million, of which a portion will be drawn down equally per satellite launch and will be repaid quarterly on a pro-rata basis across a three-year period after each successful launch milestone. Payments will accrue interest at 12.6% per annum, beginning on each launch date. As of September 30, 2025, we have financed \$18.8 million out of our \$27.0 million vendor financing agreement, and we estimate we will repay approximately \$5.8 million of short-term debt related to the agreement in the next 12 months. We may prepay at any time until the maturity date without premium or penalty.

During the nine months ended September 30, 2025, we issued and sold shares as a part of the Company's at-the-market ("ATM") offering. We have the ability to offer and sell from time to time up to \$75.0 million of newly issued shares in open trading windows at market prices through a designated broker dealer pursuant to an ATM offering program, of which we sold \$42.5 million during the nine months ended September 30, 2025.

We have current contract assets of \$36.0 million and we anticipate receiving this amount in payments over the next 12 months as interim milestones on a few major customer contracts are met and expected to be billed, further enhancing our liquidity.

From time to time, we may seek additional equity or debt financing to fund capital expenditures, strategic initiatives or investments and our ongoing operations. If we decide, or are required, to seek additional financing from outside sources, we may not be able to raise it on terms acceptable to us or at all. If we are unable to raise additional capital when desired, our business, financial condition and results of operations could be adversely affected.

Funding Requirements

We cannot be sure our revenues will exceed expenses in the near term due to the ongoing investments we are making in sales, marketing and products to increase our market share. We expect to continue to incur capital expenditures as we procure, build, and launch Gen-3 satellites, as well as invest in our BlackSky Spectra software platform to significantly expand our product capabilities in the future.

Short-Term Liquidity Requirements

As of September 30, 2025, our current assets were \$201.0 million, consisting primarily of short-term investments, contract assets, and cash and cash equivalents.

As of September 30, 2025, our current liabilities were \$51.7 million, consisting primarily of contract liabilities, other current liabilities, and accounts payable and accrued liabilities. Accordingly, we have sufficient cash and working capital to fund our short-term liquidity requirements.

Long-Term Liquidity Requirements

We anticipate that our most significant long-term liquidity and capital needs will relate to continued funding of operations, satellite development capital expenditures, launch capital expenditures, and ongoing investments to optimize our BlackSky Spectra software platform and corporate business and operational systems that will enable us to continue to scale the business efficiently and securely. These ongoing investments in our operational systems include a multi-year enterprise minimum commitment that is aligned with efforts to improve our operational infrastructure.

Upcoming satellite development capital expenditures will include plans to expand our current high frequency monitoring constellation with multispectral, large-area collection satellites. These new satellites will be designed to support country scale digital mapping, navigation, maritime and 3D digital twin applications. We can manage the timing for a large part of our capital expenditures, including the design, build, and launch of our new satellites currently under development, to provide us with additional flexibility to optimize our long-term liquidity requirements. Macroeconomic conditions and credit markets could also impact the availability and/or the cost of potential future debt or equity financing.

Cash Flow Analysis

The following table provides a summary of cash flow data for the nine months ended September 30, 2025 and 2024. Our short-term liquidity at September 30, 2025 was \$147.6 million. Short-term investments of \$117.7 million are not classified as cash, cash equivalents, or restricted cash.

	Nine Months Ended September 30,		\$
	2025	2024	Change
	(in thousands)		
Net cash used in operating activities	\$ (18,992)	\$ (4,567)	\$ (14,425)
Net cash used in investing activities	(110,410)	(27,462)	(82,948)
Net cash provided by financing activities	144,942	55,901	89,041
Net increase in cash, cash equivalents, and restricted cash	15,540	23,872	(8,332)
Cash, cash equivalents, and restricted cash – beginning of year	14,378	33,434	(19,056)
Cash, cash equivalents, and restricted cash – end of period	\$ 29,918	\$ 57,306	\$ (27,388)

Operating activities

For the nine months ended September 30, 2025, net cash used in operating activities was \$19.0 million, which is an increase compared to the same period in 2024. The increase reflected in the nine months ended September 30, 2025 includes the operating loss, adjusted for depreciation, amortization, stock-based compensation expense, gain (loss) on derivatives, and other non-cash items inclusive of our BlackSky Satellite Systems operations. As noted above, in November 2024, we acquired the remaining 50% of the common units of BlackSky Satellite Systems, fka LeoStella, and it is now a wholly-owned subsidiary of BlackSky. Prior to the acquisition, the unaudited condensed consolidated statements of cash flows included the income on equity method investment as a non-cash adjustment to reconcile net loss to net cash used in operating activities. Subsequent to the acquisition, BlackSky Satellite System's financial results are fully consolidated in our unaudited condensed consolidated financial statements.

In addition, included in net cash used in operating activities for the nine months ended September 30, 2025 is \$29.1 million of paid in kind interest associated with our related party notes that we repaid utilizing the proceeds from our Convertible Notes issued in July 2025. See "Financing activities" below for further detail on the remainder of the cash inflows and outflows related to our debt transactions during the nine months ended September 30, 2025. We also incurred increased cash interest expense during nine months ended September 30, 2025 as compared to the same period in 2024 as a result of more debt outstanding during the period. The increases in net cash used in

operating activities were partially offset by a cash receipt for capacity for future purchase orders that is recorded as a contract liability as of September 30, 2025 in our unaudited condensed consolidated balance sheets.

Investing activities

The change in net cash used in investing activities was primarily due to increased purchases of short-term investments in government securities of \$120.5 million during the nine months ended September 30, 2025 compared to \$13.5 million of purchases during the nine months ended September 30, 2024.

We continue to have significant cash outflows for satellite procurement and launch related services and incur labor costs for internally developed capitalized software as we add innovative new services and tools to our BlackSky Spectra software platform and our corporate business and operational systems. The total amount paid for capital expenditures decreased during the nine months ended September 30, 2025 as compared to the nine months ended September 30, 2024. The decrease resulted from payments to BlackSky Satellite Systems, fka LeoStella, as a third party in 2024 as compared to the internal operation costs once the company was included in consolidated results in 2025 following the acquisition in the fourth quarter of 2024. We expect for cash outflows for satellite production to increase as we continue to build out our Gen-3 constellation.

Financing activities

The most significant impacts on the change in net cash provided by financing activities during the nine months ended September 30, 2025 as compared to the nine months ended September 30, 2024 was the receipt of \$185.0 million in proceeds from the issuance of our Convertible Notes in July 2025 which was partially offset by debt repayments of \$110.3 million and \$7.3 million of debt issuance costs. The debt repayments included \$81.2 million of principal and accrued interest as well as paid in kind interest of \$29.1 million, which is included in net cash used in operating activities.

Additionally, we received \$40.8 million in proceeds from our equity issuances, net of equity issuance costs, in the nine months ended September 30, 2025 as compared to \$47.3 million in the nine months ended September 30, 2024. Our equity issuances during the nine months ended September 30, 2025 consisted of the sale of 3.7 million shares under our ATM offering program which resulted in \$42.5 million in gross proceeds, as compared to the sale of 0.5 million shares in the nine months ended September 30, 2024, which resulted in \$4.8 million in gross proceeds. Our equity issuances during the nine months ended September 30, 2024 also included a public offering of 11.5 million shares of common stock resulting in \$46.0 million in gross proceeds. We also received \$10.8 million of proceeds from warrant exercises during the nine months ended September 30, 2025.

Critical Accounting Estimates

The preparation of our unaudited condensed consolidated financial statements and related notes requires management to make judgments, estimates, and assumptions that affect the reported amounts of assets, liabilities, revenue, and expenses. Management has based its estimates on historical experience and on various other assumptions that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions.

For a description of our significant accounting policies, see Note 2—“Basis of Presentation and Summary of Significant Accounting Policies” of the notes to the unaudited condensed consolidated financial statements. An accounting policy is considered to be critical if it requires an accounting estimate to be made based on assumptions about matters that are highly uncertain at the time the estimate is made, and if different estimates that reasonably could have been used, or changes in the accounting estimates that are reasonably likely to occur periodically, could materially impact the unaudited condensed consolidated financial statements. Management believes the following critical accounting policies reflect the more significant estimates and assumptions used in the preparation of our unaudited condensed consolidated financial statements.

Revenue Recognition

The recognition and measurement of revenue requires the use of judgments and estimates. Specifically, judgment is used in interpreting complex arrangements with nonstandard terms and conditions and determining when all criteria for revenue recognition have been met, as further discussed below.

We generate revenue from the sale of imagery, data, software, and analytics, as well as professional and engineering services.

Identifying the Contract with the Customer

We evidence approval of the contract with the customer with dual signatures or approved purchase orders that detail the rights of each party and define payment terms. We have never had significant collection issues on contracts with new or recurring domestic and international government customers and we consider this historical trend when assessing the collectability risk for contracts with bespoke effective terms. We also consider the probability of the customer's funding the total contract value as a component of the collectability risk.

Identifying the Performance Obligations in a Contract

We execute contracts for a single promise or multiple promises. Specifically, our firm-fixed price contracts may include multiple promises which may be accounted for as separate performance obligations if they are capable of being distinct within the context of the contract. Significant judgment is required in determining performance obligations, including if some of the customized services are highly-interrelated, and these decisions could change the amount of revenue and profit or loss recorded in each period.

Classification of Revenue

We classify revenue as imagery and software analytical services, and professional and engineering services in our unaudited condensed consolidated statements of operations and comprehensive loss based on the predominant attributes of the performance obligations.

Determination of and Allocation of Transaction Price

Each customer contract sets forth the transaction price for the products and services purchased under the arrangement. We estimate any variable consideration, and whether the transaction price is constrained, upon execution of each contract. Variable consideration is estimated as the most likely amount that is dependent upon the occurrence or non-occurrence of a future event. We continually review, and may reassess, the transaction price based on forecasted service level provisions within a limited amount of our customer purchase orders, costs incurred to date and historical experience. As a result, we may update our estimated constraints on revenue, which are generally on a prospective basis. For contracts with multiple performance obligations, we evaluate whether the stated selling prices for the products or services represent their standalone selling prices. When it is necessary to allocate the transaction price to multiple performance obligations, management uses the volume adjusted list price for imagery and analytics subscriptions and the expected cost plus a reasonable profit margin to estimate the standalone selling price of each product or service, which is mostly professional services.

Determination of when Performance Obligations are Satisfied

Imagery and analytics revenue is recognized ratably over the subscription period based on the promise to continuously provide contractual satellite capacity for tasked imagery or software analytical services at the discretion of the customer. Professional and engineering services revenue is generated from time and materials basis contracts, cost-plus contracts, firm-fixed price service solutions contracts and firm-fixed price long-term engineering and construction contracts. Due to the long-term nature of some of our engineering and construction contracts, we recognize revenue over time using a cost-to-complete measure of progress because it best depicts the transfer of control to the customer as we incur costs on the contracts. Under this measure of progress, the extent of progress towards completion is measured based on the ratio of costs incurred to date to the total estimated costs to complete the performance obligation(s). The estimation of total estimated costs at completion is subject to many variables and requires significant judgment. We recognize changes in the estimation of total costs at completion on a cumulative catch-up basis in the period in which the changes are identified. Such changes in estimates can result in the recognition of revenue in a current period for performance obligations which were satisfied or partially satisfied in a

prior period. If at any time, the estimate of contract profitability indicates a probable anticipated loss on the contract, we recognize the total loss as and when known.

Equity Valuations

Equity valuations impact various amounts and accounting conclusions reflected in our unaudited condensed consolidated financial statements, including the recognition of equity-based compensation and warrant valuations. The following discussion provides additional details regarding the significant estimates, assumptions, and judgments that impacted the determination of the fair values of equity-based compensation awards, warrants, and the common stock that comprise our capital structure. The following discussion also explains why these estimates, assumptions, and judgments could be subject to uncertainties and future variability.

Equity-Based Compensation

We have equity and equity-based awards outstanding under our 2021 Equity Incentive Plan ("2021 Plan") and our 2014 Equity Incentive Plan ("2014 Plan"). Outstanding awards issued include stock options and restricted stock units ("RSUs"). In addition, our eligible employees are able to participate in our 2021 Employee Stock Purchase Plan ("ESPP") pursuant to purchase right offerings that are established under the ESPP.

For purposes of recognizing equity-based compensation related to RSUs and stock options granted to employees and other service providers, management estimates the grant date fair values of such awards to measure the costs to be recognized as services are received. For awards with time-based vesting conditions, we recognize compensation costs based upon the straight-line amortization of the grant date fair value of the awards over the requisite service period. When equity-based compensation awards include a performance condition, no compensation is recognized until the performance condition is deemed probable to occur; we then recognize compensation costs based on the accelerated attribution method, which accounts for awards with discrete vesting dates as if they were separate awards.

Stock Option and Class A Common Stock Warrant Valuations

We use the Black-Scholes option-pricing model to value all options, including options under our ESPP, and Class A common stock warrants. Estimating the fair value of stock options using the Black-Scholes option-pricing model requires the application of significant assumptions, such as the estimated term of the options, risk-free interest rates, the expected volatility of the price of our Class A common stock, and an expected dividend yield. Each of these assumptions is subjective, requires significant judgment, and is based upon management's best estimates. If any of these assumptions were to change significantly in the future, equity-based compensation related to future awards may differ significantly, as compared with awards previously granted.

We have largely moved towards granting RSUs to the bulk of our employees, for which the grant date fair value is equal to the trading price fair value of our Class A common stock on the date of grant. For stock options, which are primarily granted to certain management employees, we use the following inputs under Black-Scholes as follows:

Expected Dividend Yield—The Black-Scholes valuation model requires an expected dividend yield as an input. The dividend yield is based on historical experience and expected future changes. We historically have not paid, and currently have no plans to pay dividends on our Class A common stock and, accordingly, have assumed no dividend yield upon valuation of our stock options.

Expected Volatility—As there was no observable volatility with respect to Legacy BlackSky Class A common stock and due to the lack of sufficient history of BlackSky Class A common stock, the expected volatility of Legacy BlackSky and BlackSky Class A common stock was estimated based upon the historical share price volatility of guideline comparable companies.

Risk-free Interest Rate—The yield on actively traded, non-inflation indexed U.S. Treasury notes was used to extrapolate an average risk-free interest rate based on the expected term of the underlying grants.

Expected Term—For options granted since 2021, as there is not a significant history of option exercises as a public company, we consider the option vesting terms and contractual period, as well as the demographics of the

holders, in estimating the expected term. We will continue to review our estimate in the future and adjust it, if necessary, due to changes in our historical exercises.

Private Placement Warrants and Sponsor Shares

We have classified the Private Placement Warrants issued in October 2019 and March 2023 and the Osprey pre-merger Class B common shares that were exchanged for shares of our Class A common stock (the "Sponsor Shares") as long-term liabilities in our unaudited condensed consolidated balance sheets as of September 30, 2025 and 2024. The Private Placement Warrants issued in October 2019 and the Sponsor Shares were initially recorded at fair value on the date of the merger and the Private Placement Warrants issued in March 2023 were recorded at fair value on the date of issuance. The Private Placement Warrants were recorded at fair value using a Black-Scholes option pricing model and the Sponsor Shares were recorded at fair value using a Monte Carlo simulation model. These liabilities are re-measured to fair value at each subsequent reporting date and immediately prior to each warrant exercise date. The remeasurements are recorded to gain (loss) on derivatives in our unaudited condensed consolidated statements of operations and comprehensive loss. We will continue to adjust the liability for changes in fair value until the financial instruments are exercised, redeemed, cancelled or released.

The fair value models require inputs including, but not limited to, the fair value of our Class A common stock, the risk-free interest rate, expected term, expected dividend yield and expected volatility. The fair value of our Class A common stock is the closing stock price on the NYSE as of the measurement date. The risk-free interest rate assumption is determined by using U.S. Treasury rates for the same period as the expected terms of the financial instruments. The dividend yield assumption is based on the dividends expected to be paid over the expected life of the financial instruments. Expected stock volatility is based on our public warrant historical volatility. Changes in these assumptions can materially affect the estimate of the fair value of these instruments and ultimately the change in fair value.

Business Combination

Upon acquisition of a company, we determine if the transaction is a business combination, which is accounted for using the acquisition method of accounting. Under the acquisition method, once control is obtained of a business, the assets acquired, and liabilities assumed, are recorded at fair value.

The most significant estimates and assumptions evaluated in a business combination relate to the determination of (1) the enterprise value of the acquired company using an income approach, (2) the fair values of identified intangible assets, (3) the allocation of the fair value acquired to the net assets acquired and (4) the period and pattern of amortization for intangible assets that are assigned a definite life. The enterprise value is determined based on projected cash flows attributable to the operations of the acquiree. The projected cash flows include various assumptions, including estimated revenue growth rates, operating margins, R&D expenditures, capital expenditures, royalty rates, and appropriate risk-adjusted discount rates used to discount the projected cash flows. The usage of different assumptions would result in the assignment of different fair values to the acquired identifiable intangible assets and, accordingly, could also impact the amount of purchase consideration assigned to goodwill. Similarly, changes in the planned usage of the acquired identifiable intangible assets and/or their estimated economic lives, if any, could impact the recoverability of the assets and/or amortization period and expense attributable to the assets in the future.

Measurement period adjustments are reflected at the time identified, up through the conclusion of the measurement period, which is the time at which all information for determination of the values of assets acquired and liabilities assumed is received, and is not to exceed one year from the acquisition date. We may continue to record adjustments to the fair value of these tangible and intangible assets acquired and liabilities assumed, with the corresponding offset to goodwill.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Not applicable.

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

Disclosure controls are procedures that are designed with the objective of ensuring that information required to be disclosed in our reports filed under the Exchange Act, such as this Quarterly Report on Form 10-Q, is recorded, processed, summarized, and reported within the time period specified in the SEC's rules and forms. Disclosure controls are also designed with the objective of reasonably ensuring that such information is accumulated and communicated to our management, including the chief executive officer and chief financial officer, as appropriate to allow timely decisions regarding required disclosure. Our management evaluated, with the participation of our Chief Executive Officer and Chief Financial Officer (our "Certifying Officers"), the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) as of September 30, 2025. Based upon that evaluation, our Certifying Officers concluded that, as of September 30, 2025, our disclosure controls and procedures were effective at a reasonable assurance level.

In designing and evaluating the disclosure controls and procedures, management recognized that controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives. Further, because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that misstatements due to error or fraud will not occur or that all control issues and instances of fraud, if any, within the Company will be detected.

Changes in Internal Control Over Financial Reporting

In November 2024, we acquired the remaining 50% of common units of BlackSky Satellite Systems, fka LeoStella, and it is now a wholly-owned subsidiary of BlackSky. In conducting our evaluation of our internal control over financial reporting, we excluded BlackSky Satellite Systems from our evaluation for periods prior to this quarter. As of September 2025, we have integrated BlackSky Satellite Systems into our system of internal control over financial reporting.

Other than the acquisition above, there was no change in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during the quarter ended September 30, 2025 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II - OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

From time to time, we may be involved in claims and proceedings arising in the course of our business. The outcome of any such claims or proceedings, regardless of the merits, is inherently uncertain.

On May 7, 2024, a putative class action relating to the merger (the “Merger”) of BlackSky Holdings, Inc. (“Legacy BlackSky”) on September 9, 2021 with a wholly-owned subsidiary of Osprey Technology Acquisition Corp. (“Osprey”) was filed in the Delaware Court of Chancery. The action is captioned *Drulias v. Osprey Sponsor II, LLC, et al.* (“*Drulias*”) (Del. Ch. 2024). The *Drulias* complaint asserts breach of fiduciary duty and unjust enrichment claims against the former directors of Osprey (the “Osprey Board”); the former officers of Osprey; and Osprey Sponsor II, LLC (the “Sponsor”); and aiding and abetting breach of fiduciary duty claims against HEPSCO Capital Management, LLC; JANA Partners LLC; and a director of Legacy BlackSky. The *Drulias* complaint alleges the Sponsor and Osprey Board faced conflicts of interests with respect to the Merger, caused Osprey to pay an unfair price to acquire Legacy BlackSky, and made false or misleading disclosure of facts in the proxy statement disseminated in connection with the approval of the Merger (the “Merger Proxy”). The *Drulias* complaint further alleges that a Legacy BlackSky director aided and abetted breaches of fiduciary duty by the Osprey Directors by conspiring with them to provide misleading financial information in connection with the Merger Proxy. The *Drulias* complaint seeks, among other things, damages and attorneys’ fees and costs. The terms of the Merger required us to indemnify the directors of Osprey.

On May 8, 2024, a putative class action relating to the Merger was filed in the Delaware Court of Chancery. The action is captioned *Cheriyala v. Osprey Sponsor II, LLC* (“*Cheriyala*”) (Del. Ch. 2024). The *Cheriyala* complaint asserts breach of fiduciary duty claims against the Osprey Board, the former officers of Osprey, and the Sponsor; aiding and abetting breach of fiduciary duty claims against Legacy BlackSky and certain directors and officers of Legacy BlackSky; and unjust enrichment claims against the Sponsor and an Osprey director. The *Cheriyala* complaint alleges the Sponsor and Osprey Board faced conflicts of interests with respect to the Merger, caused Osprey to pay an unfair price to acquire Legacy BlackSky, and made false or misleading disclosure of facts in the Merger Proxy. The *Cheriyala* complaint further alleges that Legacy BlackSky and certain of its directors and officers prepared misleading projections that did not accurately reflect Legacy BlackSky’s financial prospects, which aided and abetted the Sponsor’s and Osprey Board’s dissemination of misleading information in the Merger Proxy. The *Cheriyala* complaint seeks, among other things, damages and attorneys’ fees and costs.

The Court of Chancery granted Drulias’ motion to (i) consolidate the Drulias and Cheriyala actions, and (ii) appoint Drulias as lead plaintiff, and Drulias’ counsel as lead counsel, in the consolidated action. On April 15, 2025, Drulias sought to withdraw as the lead plaintiff. That same day, Patrick Plumley (“Plumley”) moved to intervene as a plaintiff in the consolidated action. The Court of Chancery granted Cheriyala’s and Plumley’s stipulation to (i) permit Drulias to withdraw as the lead plaintiff, (ii) permit Plumley to intervene as a plaintiff, and (iii) appoint Cheriyala and Plumley as co-lead plaintiffs, and Cheriyala’s and Plumley’s counsel as co-lead counsel, in the consolidated action.

The parties attended private mediation on September 9, 2025. The parties thereafter reached a settlement in principle, for which the parties are currently negotiating a stipulation of settlement. Any settlement will be subject to Court approval. The costs of this case, including the pending settlement, if approved by the Court, will be substantially funded from insurance proceeds and are not expected to have a material impact on our operations or financial condition.

ITEM 1A. RISK FACTORS

For risk factors relating to our business, please refer to the section entitled “Risk Factors” in our Annual Report on Form 10-K for the year ended December 31, 2024 and filed by us with the SEC. Any of those factors could result in a significant or material adverse effect on our results of operations or financial condition. Additional risk factors not presently known to us or that we currently deem immaterial may also impair our business or results of

operations. We may disclose changes to such factors or disclose additional factors from time to time in our future filings with the SEC.

The following risk factors supplement and should be read in conjunction with those risk factors referenced above.

Risks Related to Our Government Contracts

Our business with various governmental entities is subject to the policies, priorities, regulations, mandates, and funding levels of such governmental entities and may be negatively impacted by any change thereto.

We have contracts with the U.S. government, and we may enter into additional contracts with the U.S. government in the future, and this subjects a large part of our business to statutes and regulations applicable to companies doing business with the government, including the Federal Acquisition Regulation (“FAR”). These government contracts customarily contain provisions that give the government substantial, and sometimes unilateral, rights and remedies, many of which are not typically found in commercial contracts and which are unfavorable to contractors. The provisions in U.S. government contracts must be complied with in order for the contract to be awarded and provide for government audits and reviews of contract procurement, performance and administration.

For instance, the U.S. government will often have the right to unilaterally modify contracts and always has the option to terminate contracts for convenience, and in that event, the counterparty to the contract may generally recover only its incurred or committed costs and settlement expenses and profit on work completed prior to the termination. If the government terminates a contract for default, the defaulting party may be liable for any extra costs incurred by the government in procuring undelivered items from another source.

Government contracts often also contain provisions and are subject to laws and regulations that provide government customers with additional rights and remedies not typically found in commercial contracts. These rights and remedies allow government customers, among other things, to:

- Terminate existing contracts for convenience with no prior notice;
- Reduce orders under or otherwise modify contracts unilaterally;
- For contracts subject to the Truthful Cost or Pricing Data Act, reduce the contract price or cost where it was increased because a contractor or subcontractor furnished cost or pricing data during negotiations that was not current, accurate, and complete;
- For some contracts, (i) demand a refund, make a forward price adjustment, or terminate a contract for default if a contractor provided inaccurate or incomplete data during the contract negotiation process and (ii) reduce the contract price under triggering circumstances, including the revision of price lists or other documents upon which the contract award was predicated;
- Cancel multi-year contracts and related orders if funds for contract performance for any subsequent year become unavailable, or if government programs are subject to a continuing resolution;
- Decline to exercise an option on a multi-year contract;
- Claim rights in solutions, systems, or technology produced by us, appropriate such work-product for their continued use without continuing to contract for our services, and disclose such work-product to third parties, including other government agencies and our competitors, which could harm our competitive position;
- Prohibit future procurement awards with a particular agency due to a finding of organizational conflicts of interest;
- Subject the award of contracts to protest by competitors, which may require the contracting federal agency or department to suspend our performance pending the outcome of the protest and may also result in a

requirement to resubmit offers for the contract or in the termination, reduction, or modification of the awarded contract;

- Suspend or debar us from doing business with the applicable government; and
- Control or prohibit the export of our products, intellectual property or services.

In addition, government contracts normally contain additional requirements that may increase our costs of doing business, reduce our gross margins, and expose us to liability for failure to comply with these terms and conditions.

These requirements include, for example:

- specialized disclosure and accounting requirements unique to government contracts;
- financial and compliance audits that may result in potential liability or price adjustments, recoupment of government funds for misapplication or identification of costs, civil and criminal penalties, or administrative sanctions such as suspension or debarment from doing business with the U.S. government;
- public disclosures of certain contract and company information;
- mandatory socioeconomic compliance requirements, including labor requirements, non-discrimination and affirmative action programs and environmental compliance requirements; and
- requirements to procure certain materials, components and parts from specific countries or supply sources approved by the customer.

Government contracts are also generally subject to greater scrutiny by the government, which can initiate reviews, audits and investigations regarding our compliance with government contract requirements. New regulations or procurement requirements (including, for example regulations regarding counterfeit and corrupt parts, supply chain diligence and cybersecurity) or changes to current requirements could increase our costs and risk of non-compliance. In addition, if we fail to comply with government contracting laws, regulations and contract requirements, our contracts may be subject to termination, and we may be subject to financial and/or other liability under our contracts, the Federal Civil False Claims Act (including treble damages and other penalties), or criminal law. In particular, the False Claims Act's "whistleblower" provisions also allow private individuals, including present and former employees, to sue on behalf of the U.S. government. Any penalties, damages, fines, suspension, or damages could adversely affect our ability to operate our business and our financial results.

Our role as a contractor to agencies and departments of the U.S. government results in our being routinely subject to investigations and reviews relating to compliance with various laws and regulations, including those associated with organizational conflicts of interest, procurement integrity, bid integrity and claim presentation, among others. These investigations may be conducted without our knowledge. Adverse findings in these investigations or reviews can lead to criminal, civil or administrative proceedings, and we could face civil and criminal penalties and administrative sanctions, including termination of contracts, forfeiture of profits, suspension of payments, fines and suspension or debarment from doing business with U.S. government agencies. In addition, we could suffer serious harm to our reputation and competitive position if allegations of impropriety were made against us, whether or not true, and as a result there could be an adverse impact on our revenue, earnings and cash flow.

Further, changes in government policies, priorities, regulations, use of other commercial data providers to meet U.S. government imagery needs, government agency mandates, funding levels through agency budget reductions, the imposition of budgetary constraints or a decline in government support or deferment of funding for programs in which we or our customers participate could result in contract terminations, delays in contract awards, reduction in contract scope and/or value, the failure to exercise contract options or issue new delivery orders, the cancellation of planned procurements and fewer new business opportunities, all of which could negatively impact our business, financial condition, results of operations and cash flows. In addition, continued uncertainty related to recent and future disruptions in U.S. federal government operations, such as government shutdowns, the U.S. budget and/or failure of the U.S. government to enact annual appropriations, could have an adverse impact on our revenue,

earnings and cash flow and may negatively impact regulatory approvals and guidance that are important to our operations. For example, in Q3 2025, due to a reduction in funds available to certain government programs, certain of our government contracts were reduced in value and/or experienced a decline in new delivery orders. As a result of the government shutdown, delays in enacting an annual FY26 federal government appropriation, or otherwise, we may experience additional reduction in contract value and/or delivery orders in the future.

Our customers also include non-U.S. governments. Similar procurement, budgetary, contract, and audit risks that apply in the context of U.S. government contracting may also apply to our doing business with these entities. In addition, compliance with complex regulations and contracting provisions in a variety of jurisdictions can be expensive and consume significant management resources.

Risks Related to Our Indebtedness and Alternative Financings

Our ability to generate the amount of cash needed to pay interest and principal on our outstanding indebtedness and our ability to refinance all or a portion of our indebtedness or obtain additional financing depend on many factors beyond our control.

Our ability to make scheduled payments on, or to refinance our obligations under, our existing debt agreements including convertible notes, depends on our financial and operating performance and prevailing economic and competitive conditions.

If our cash flows and capital resources are insufficient to fund our debt service obligations, we may be forced to reduce or delay capital expenditures, sell assets, restructure our debt, or obtain additional equity capital or debt financing on terms that may be onerous or highly dilutive. However, there is no assurance that such alternative measures may be successful or permitted under the agreements governing our indebtedness and, as a result, we may not be able to meet our scheduled debt service obligations. In the absence of such results of operations and resources, we could face substantial liquidity problems and might be required to dispose of material assets or operations to meet our debt service and other obligations, which could harm our business, financial condition, and results of operations.

We cannot guarantee that we will be able to refinance our indebtedness or obtain additional financing on satisfactory terms or at all, including due to existing liens on our assets or our level of indebtedness and the debt incurrence restrictions imposed by the agreements governing our indebtedness. In addition, any of our future debt agreements may contain restrictive covenants that may prohibit us from adopting any of these alternatives. Our failure to comply with these covenants could result in an event of default which, if not cured or waived, could result in the acceleration of our debt.

Further, the cost and availability of credit are subject to changes in the economic and business environment. If conditions in major credit markets deteriorate, our ability to refinance our indebtedness or obtain additional financing on satisfactory terms, or at all, may be negatively affected.

In addition, upon conversion of the notes, unless we elect to deliver solely shares of our Class A common stock to settle such conversion (other than paying cash in lieu of delivering any fractional share), we will be required to make cash payments in respect of the notes being converted. However, we may not have enough available cash or be able to obtain financing at the time we are required to make repurchases of notes surrendered therefor or pay cash with respect to notes being converted. In addition, our ability to repurchase the notes or to pay cash upon conversions of the notes may be limited by law, by regulatory authority or by agreements governing our then-existing indebtedness. Our failure to repurchase notes at a time when the repurchase is required by the indenture covering the notes (the “Indenture”) or to pay any cash payable on future conversions of the notes as required by the Indenture would constitute a default under the Indenture. A default under the Indenture or the fundamental change itself could also lead to a default under agreements governing our then-existing indebtedness. If the repayment of the related indebtedness were to be accelerated after any applicable notice or grace periods, we may not have sufficient funds to repay the indebtedness and repurchase the notes or make cash payments upon conversions thereof.

The agreements governing our debt permit us, under some circumstances, to incur certain additional indebtedness or obligations. To the extent that we incur additional indebtedness or such other obligations, the risks associated with our leverage described above, including our possible inability to service our debt, would increase.

Conversion of the notes may dilute the ownership interest of our stockholders or may otherwise depress the price of our Class A common stock.

The conversion of some or all of the convertible notes may dilute the ownership interests of our stockholders. Upon conversion of the notes, we have the option to pay or deliver, as the case may be, cash, shares of our Class A common stock, or a combination of cash and shares of our Class A common stock. If we elect to settle our conversion obligation in shares of our Class A common stock or a combination of cash and shares of our Class A common stock, any sales in the public market of our Class A common stock issuable upon such conversion could adversely affect prevailing market prices of our Class A common stock. In addition, the existence of the notes may encourage short selling by market participants because the conversion of the notes could be used to satisfy short positions, or anticipated conversion of the notes into shares of our Class A common stock could depress the price of our Class A common stock.

Risks Relating to Ownership of Our Class A Common Stock

Our stock price may fluctuate significantly and you could lose all or part of your investment as a result.

The trading price of our Class A common stock has been, and may continue to be, volatile. The stock market has experienced extreme volatility in the past and may experience similar volatility moving forward. This volatility often has been unrelated or disproportionate to the operating performance of particular companies. You may not be able to resell your shares at an attractive price due to a number of factors such as those listed in this Risk Factors section and the following:

- results of operations that vary from the expectations of securities analysts and investors;
- results of operations that vary from those of our competitors;
- changes in expectations as to our future financial performance, including financial estimates and investment recommendations by securities analysts and investors;
- declines in the market prices of stocks generally;
- recent and future disruptions in U.S. federal government operations and continued uncertainty regarding government policies, budget and appropriation decisions and processes, including with respect to defense spending, as a result of administration changes, recent Executive Orders and newly enacted laws, geopolitical events and macroeconomic conditions;
- strategic actions by us or our competitors;
- announcements by us or our competitors of significant contracts, acquisitions, joint ventures, other strategic relationships or capital commitments;
- any significant change in our management;
- changes in general economic or market conditions or trends in our industry or markets;
- changes in business or regulatory conditions, including new laws or regulations or new interpretations of existing laws or regulations applicable to our business;
- future sales of our Class A common stock or other securities;
- investor perceptions or the investment opportunity associated with our Class A common stock relative to other investment alternatives;
- the public's response to press releases or other public announcements by us or third parties, including our filings with the SEC;
- litigation involving us, our industry, or both, or investigations by regulators into our operations or those of our competitors;
- guidance, if any, that we provide to the public, any changes in this guidance or our failure to meet this guidance;
- the development and sustainability of an active trading market for our stock;
- actions by institutional or activist stockholders;

- changes in accounting standards, policies, guidelines, interpretations or principles;
- general economic and political conditions such as recessions, interest rates, fuel prices, changes in laws and policies affecting trade, including tariffs and trade wars, pandemics, currency fluctuations and acts of war (including ongoing geopolitical tensions, resulting sanctions imposed by the United States and other countries, and retaliatory actions taken by other countries in response to such sanctions) or terrorism; and
- the effects of natural disasters, terrorist attacks and the spread and/or abatement of infectious diseases, including with respect to potential operational disruptions, labor disruptions, increased costs, and impacts to demand related thereto.

These broad market and industry fluctuations may adversely affect the market price of our Class A common stock, regardless of our actual operating performance. In addition, price volatility may be greater if the public float and trading volume of our Class A common stock is low.

In the past, following periods of market volatility, stockholders have instituted securities class action litigation. If we are involved in securities litigation, it could have a substantial cost and divert resources and the attention of our executive management from our business regardless of the outcome of such litigation. See Item 3. Legal Proceedings and Note 15 —“Commitments and Contingencies” of the notes to the consolidated financial statements for a discussion of current litigation.

If the estimates we make, or the assumptions on which we rely, in preparing our condensed consolidated financial statements are incorrect, our actual results may vary from those reflected in our projections and accruals.

Our condensed consolidated financial statements have been prepared in accordance with Generally Accepted Accounting Principles in the United States of America (“GAAP”). The preparation of these condensed consolidated financial statements requires us to make estimates and judgments that affect the reported amounts of our assets, liabilities, revenues and expenses, and related disclosure of contingent assets and liabilities. We base our estimates on historical experience and on various other assumptions that we believe to be reasonable under the circumstances. We cannot assure you, however, that our estimates, or the assumptions underlying them, will be correct.

Further, from time to time we issue financial guidance relating to our expectations for certain financial measures, which guidance is based on estimates and the judgment of management. If, for any reason, our expectations differ materially from our guidance, we may have to adjust our publicly announced financial guidance. If we fail to meet, or if we are required to change or update any element of, our publicly disclosed financial guidance or other expectations about our business, our Class A common stock price could decline.

We currently benefit from smaller reporting company status pursuant to the rules and regulations promulgated under the Exchange Act, and the reduced disclosure requirements applicable to smaller reporting companies could make it more difficult to compare our performance with other public companies and make our Class A common stock less attractive to investors.

We currently benefit from smaller reporting company (“SRC”) status and we currently are a non-accelerated filer; therefore, we are eligible for and have in the past taken advantage of exemptions from various reporting requirements that are applicable to other public companies that are not SRCs or non-accelerated filers, including:

- reduced disclosure obligations regarding executive compensation in our periodic reports, including our Annual Report on Form 10-K, and proxy statements; and
 - providing only two years of audited financial statements in our periodic reports, including our Annual Report on Form 10-K.
- We will continue to benefit from SRC status until the earlier of:
- the last day of the fiscal year in which the market value of our Class A common stock held by non-affiliates is equal to or exceeds \$250 million as of the end of that fiscal year’s second quarter; or

- our annual revenue for the prior fiscal year was equal to or exceeded \$100 million; or the last day of the fiscal year in which the market value of our Class A common stock held by non-affiliates is equal to or exceeds \$700 million as of the end of that fiscal year's second quarter.

To the extent we take advantage of the exemptions afforded SRCs and non-accelerated filers, our stockholders may not have access to certain information that they may deem important and a comparison of our financial statements to those of other public companies may be difficult or impossible. We cannot predict if investors will find our Class A common stock less attractive if we choose to rely on any of these exemptions. If some investors find our Class A common stock less attractive because we rely on any of these exemptions, there may be a less active trading market for our Class A common stock and our stock price may be more volatile and may decline. We will no longer be able to benefit from SRC status for filings for periods beginning with January 1, 2026.

Anti-takeover provisions in our organizational documents and in the Indenture could delay or prevent a change of control.

Certain provisions of our amended and restated certificate of incorporation and amended and restated bylaws may have an anti-takeover effect and may delay, defer or prevent a merger, acquisition, tender offer, takeover attempt or other change of control transaction that a stockholder might consider in its best interest, including those attempts that might result in a premium over the market price for the shares held by our stockholders.

These provisions provide for, among other things:

- a classified board of directors whose members serve staggered three-year terms;
- the ability of our board of directors to issue one or more series of preferred stock;
- advance notice for nominations of directors by stockholders and for stockholders to include matters to be considered at our annual meetings;
- certain limitations on convening special stockholder meetings;
- limiting the ability of stockholders to act by written consent;
- providing that our board of directors is expressly authorized to make, alter or repeal our bylaws; and
- the removal of directors only for cause and only upon the affirmative vote of holders of at least 66 2/3% of the voting power of our issued and outstanding capital stock entitled to vote in the election of directors, voting together as a single class.

Certain provisions in the Indenture may also make it more difficult or expensive for a third party to acquire us. For example, the Indenture requires us, in certain circumstances, to repurchase the notes for cash upon the occurrence of a fundamental change and, in certain circumstances, to increase the conversion rate for a holder that converts its notes in connection with a make-whole fundamental change. A takeover of us may trigger the requirement that we repurchase the notes and/or increase the conversion rate, which could make it more costly for a potential acquirer to engage in such takeover. Such additional costs may have the effect of delaying or preventing a takeover of us that would otherwise be beneficial to investors.

These anti-takeover provisions could make it more difficult for a third party to acquire us, even if the third-party's offer may be considered beneficial by many of our stockholders. As a result, our stockholders may be limited in their ability to obtain a premium for their shares. These provisions could also discourage proxy contests and make it more difficult for you and other stockholders to elect directors of your choosing and to cause us to take other corporate actions you desire. See "Description of Securities" filed as an Exhibit to our Annual Report on Form 10-K and the "Indenture" filed as an Exhibit to this Quarterly Report on Form 10-Q for more information.

Because there are no current plans to pay cash dividends on our Class A common stock for the foreseeable future, you may not receive any return on investment unless you sell your Class A common stock for a price greater than that which you effectively paid for it.

We intend to retain future earnings, if any, for future operations, expansion and debt repayment and there are no current plans to pay any cash dividends for the foreseeable future. The declaration, amount and payment of any

future dividends on shares of our Class A common stock will be at the sole discretion of our board of directors. Our board of directors may take into account general and economic conditions, our financial condition and results of operations, our available cash and current and anticipated cash needs, capital requirements, contractual, legal, tax, and regulatory restrictions, implications on the payment of dividends by us to our stockholders or by our subsidiaries to us and such other factors as our board of directors may deem relevant. In addition, our ability to pay dividends is limited by covenants of our existing and outstanding indebtedness and may be limited by covenants of any future indebtedness we incur. As a result, you may not receive any return on an investment in our Class A common stock unless you sell our Class A common stock for a price greater than that which you effectively paid for it.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

None.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

Not applicable.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

ITEM 5. OTHER INFORMATION

During the three months ended September 30, 2025, none of our directors or officers adopted or terminated a “Rule 10b5-1 trading arrangement” or a “non-Rule 10b5-1 trading arrangement” (each as defined in Item 408 of Regulation S-K).

ITEM 6. EXHIBITS

The documents listed below are incorporated by reference or are filed with this report, in each case as indicated therein.

Exhibit No.	Exhibit Description	Form	SEC File No.	Exhibit No.	Filing Date	Filed or Furnished Herewith
4.1	Indenture, dated as of July 22, 2025, by and between BlackSky Technology Inc. and U.S. Bank Trust Company, National Association, as Trustee.	8-K	001-39113	4.1	July 22, 2025	
4.2	Form of Global Note, representing BlackSky Technology Inc.'s 8.25% Convertible Senior Notes due 2033 (included as Exhibit A to the Indenture filed as Exhibit 4.1).	8-K	001-39113	4.2	July 22, 2025	
31.1	Certification of the Company's Chief Executive Officer, Brian O'Toole, pursuant to Section 302 of the Sarbanes-Oxley Act of 2002					X
31.2	Certification of the Company's Chief Financial Officer, Henry Dubois, pursuant to Section 302 of the Sarbanes-Oxley Act of 2002					X
32.1*	Certification of the Company's Chief Executive Officer, Brian O'Toole, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002					X
32.2*	Certification of the Company's Chief Financial Officer, Henry Dubois, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002					X
101.INS	Inline XBRL Instance Document					X
101.SCH	Inline XBRL Taxonomy Extension Schema Document					X
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document					X
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document					X
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document					X
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document					X
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)					X

* This certification is deemed not filed for purposes of Section 18 of the Exchange Act, or otherwise subject to the liability of that section, nor shall it be deemed incorporated by reference into any filing under the Securities Act or the Exchange Act.

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.

November 6, 2025

BlackSky Technology Inc.

By: /s/ Brian E. O'Toole
Brian E. O'Toole
Chief Executive Officer and Director
(Principal Executive Officer)

By: /s/ Henry Dubois
Henry Dubois
Chief Financial Officer
(Principal Financial Officer)

By: /s/ Tracy Ward
Tracy Ward
Senior Vice President and Controller
(Principal Accounting Officer)

**CERTIFICATION PURSUANT TO
RULES 13a-14(a) AND 15d-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934,
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Brian O'Toole, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2025 of BlackSky Technology Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 6, 2025

/s/ Brian O'Toole

Brian O'Toole

President and Chief Executive Officer
(Principal Executive Officer)

**CERTIFICATION PURSUANT TO
RULES 13a-14(a) AND 15d-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934,
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Henry Dubois, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2025 of BlackSky Technology Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 6, 2025

/s/ Henry Dubois

Henry Dubois

Chief Financial Officer

(Principal Financial Officer)

**CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER PURSUANT TO
18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of BlackSky Technology Inc. (the “Company”) on Form 10-Q for the quarter ended September 30, 2025 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Brian O’Toole, hereby certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Brian O’Toole

Brian O’Toole

President, Chief Executive Officer

(Principal Executive Officer)

Date: November 6, 2025

**CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER PURSUANT TO
18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of BlackSky Technology Inc. (the "Company") on Form 10-Q for the quarter ended September 30, 2025 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Henry Dubois, hereby certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Henry Dubois

Henry Dubois

Chief Financial Officer

(Principal Financial Officer)

Date: November 6, 2025