

FISCAL 1Q'26 UPDATE

June 4, 2025



SCHWETZINGEN PALACE • Schwetzingen, Germany • May 12, 2025 • Pelican

Disclaimers

All references to “Planet” or the “Company” in this presentation are references to Planet Labs PBC (NYSE: PL).

Forward-looking Statements

This presentation contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Forward-looking statements generally relate to future events or Planet’s future financial or operating performance. In some cases, you can identify forward looking statements because they contain words such as “expect,” “estimate,” “project,” “budget,” “forecast,” “target,” “anticipate,” “intend,” “develop,” “evolve,” “plan,” “seek,” “may,” “will,” “could,” “can,” “should,” “would,” “believes,” “predicts,” “potential,” “strategy,” “opportunity,” “aim,” “conviction,” “continue,” “positioned,” “structured” or the negative of these words or other similar terms or expressions that concern Planet’s expectations, strategy, priorities, plans or intentions. Forward-looking statements in this presentation include, but are not limited to, statements regarding Planet’s financial guidance and outlook, expected financial and operating results, the expected value of contracts that Planet has entered into and the timing and amount of revenue that Planet will recognize, Planet’s growth opportunities, Planet’s expectations regarding future product development and performance, including with respect to AI, Planet’s expectations regarding the launch and operations of its satellites, including with respect to timing, and Planet’s expectations regarding its strategies with respect to its markets and customers, including trends in customer demand. Planet’s expectations and beliefs regarding these matters may not materialize, and actual results in future periods are subject to risks and uncertainties that could cause actual results to differ materially from those projected, including risks related to the macroeconomic environment and risks regarding Planet’s ability to forecast Planet’s performance due to Planet’s limited operating history. The forward-looking statements contained in this presentation are also subject to other risks and uncertainties, including those more fully described in Planet’s filings with the Securities and Exchange Commission (“SEC”), including Planet’s Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, and any subsequent filings with the SEC that Planet may make. All forward-looking statements reflect Planet’s beliefs and assumptions only as of the date of this press presentation. Planet undertakes no obligation to update forward-looking statements to reflect future events or circumstances, except as may be required by law. Planet’s results for the quarter and full year ended January 31, 2025, are not necessarily indicative of its operating results for any future periods.



Disclaimers

Use of Non-GAAP Financial Measures

This presentation includes Non-GAAP Gross Profit, Non-GAAP Gross Margin, certain Non-GAAP expenses, Backlog, Free Cash Flow and Adjusted EBITDA, which are non-GAAP measures Planet uses to supplement its results presented in accordance with U.S. GAAP. Planet includes these Non-GAAP financial measures because they are used by management to evaluate Planet's core operating performance and trends and to make strategic decisions regarding the allocation of capital and new investments.

Planet presents these Non-GAAP financial measures because Planet believes these measures are frequently used by analysts, investors and other interested parties to evaluate companies in Planet's industry and facilitates comparisons on a consistent basis across reporting periods. Further, Planet believes these measures are helpful in highlighting trends in its operating results because they exclude items that are not indicative of Planet's core operating performance.

Non-GAAP financial measures have limitations as analytical tools and should not be considered in isolation from, as a substitute for, or superior to, measures of financial performance prepared in accordance with U.S. GAAP.

The Non-GAAP financial measures presented are not based on any standardized methodology prescribed by U.S. GAAP and are not necessarily comparable to similarly-titled measures presented by other companies, which may have different definitions from Planet's. Further, the non-GAAP financial measures presented exclude stock-based compensation expenses, which has recently been, and will continue to be for the foreseeable future, a significant recurring expense for Planet and an important part of its compensation strategy.

Definitions of these Non-GAAP financial measures and reconciliations to the most directly comparable U.S. GAAP financial measures are included in the appendix to this presentation.

Financial Outlook

Planet has not reconciled its Non-GAAP financial outlook to the most directly comparable GAAP measures because certain reconciling items, such as stock-based compensation expenses and depreciation and amortization, are uncertain or out of Planet's control and cannot be reasonably predicted. The actual amount of these expenses will have a significant impact on Planet's future GAAP financial results. Accordingly, a reconciliation of Planet's Non-GAAP outlook to the most comparable GAAP measures is not available without unreasonable efforts.

PLANET'S MISSION

To image the whole world every day and make global change visible, accessible, and actionable.



The Planet Opportunity

UNIQUE DATA



Daily, Global
Scanning



High Resolution
Tasking

New Addition



Hyperspectral

HIGHLY SCALABLE BUSINESS MODEL



One-to-Many
Data Model



Global Partner
Network

LARGE ADDRESSABLE MARKET



Agriculture



Defense &
Intelligence



Civil
Government



Natural Resource
Management



Energy



Insurance



Finance



Technology
and Services

Q1 at a Glance

Recent Highlights

- Generated \$17.3 M of net cash provided by operating activities and \$8.0 M of free cash flow
- Awarded eight-figure ACV contract by a European defense & intelligence customer
- Selected as the primary subcontractor for the California Air Resource Board's Satellite Data Purchase Program
- Announced expansion of seven-figure contract with the German government (BKG)
- Released new Aircraft Detection Analytic Feed
- Streamlined self-serve offering for small customers on the Planet Insights Platform
- Delivering approximately 300k sq-km of hyperspectral data every day with Tanager-1
- Completed commissioning, payload validation, and began providing data to select customers with Pelican-2

\$66.3 M

Record Revenue

in 1Q'26

59%

**Non-GAAP
Gross Margin⁽¹⁾**

in 1Q'26

\$1.2 M

**Adjusted
EBITDA⁽¹⁾**

in 1Q'26

>90%

**Annual or Multi-
Year Contracts**

EoP 1Q'26

\$8.0 M

Free Cash Flow⁽¹⁾

EoP 1Q'26

\$226.1 M

**Cash, Cash Equivalents,
and Short-Term
Investments**

EoP 1Q'26

Customer Highlights

DEFENSE & INTELLIGENCE



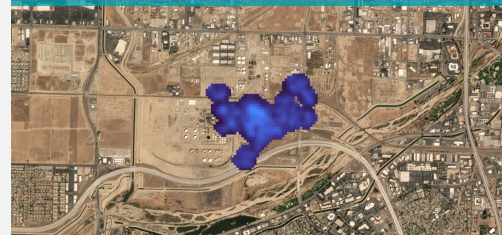
8-Figure ACV Expansion
European D&I Customer

CIVIL GOVERNMENT



7-Figure ACV Expansion
German Government
BKG & BMI

CIVIL GOVERNMENT



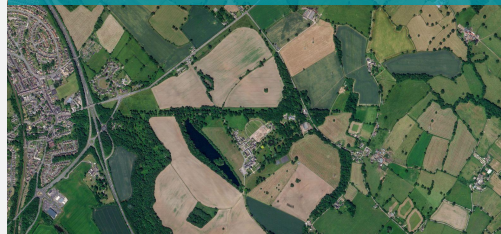
Multi-Year Hyperspectral Win
California Air Resource Board

COMMERCIAL



Commercial Expansion
OnX

CIVIL GOVERNMENT



Civil Government Expansion
Welsh Government



MONITORING GLOBAL COMMERCE

Planet's high-resolution satellite images, often combined with AI and machine learning, can count individual shipping containers in port yards. By analyzing stacked containers and changes over time, analysts can estimate congestion levels and cargo throughput, offering valuable insights into dynamic global commerce trends.



GLOBAL AIRCRAFT MONITORING

Planet released its new Aircraft Detection Analytic Feed, which automates detection of aircraft, including commercial, private, and military, at a global scale. This AI-powered product provides global insights and time series analytics to analyze patterns of life, geopolitical anomalies, and regional events based on Planet's high frequency scan of the Earth.

WILDFIRES

Spring 2025 wildfires across the UK, including a major blaze in the Mourne Mountains, Northern Ireland, burned over 33,072 hectares, exceeding the 2019 record. Planet's satellite imagery provided critical data for monitoring fire spread and ecological impact. Planet's high-resolution insights supported fire services and researchers, enhancing response strategies and environmental assessments.

DEFENSE & INTELLIGENCE

On May 21, 2025, a newly constructed 5,000-ton destroyer capsized during its launch at Chongjin Port, North Korea. The accident occurred when the vessel lost balance as it was launched sideways. Images taken by Planet show the warship lying on its side, with the bow of the vessel on land, while a large portion of the stern lies in the water. The stricken ship has since been covered by large blue tarpaulins.

DISASTER RESPONSE

May 16, 2025 brought a devastating tornado outbreak to Missouri and Kentucky. The powerful storms resulted in a tragic loss of life and widespread destruction, with initial assessments indicating thousands of structures damaged or destroyed across both states.

Planet provided data to Microsoft's AI for Good team, supporting rapid damage assessments and aid efforts.

TORNADO DAMAGE • Saint Louis, Missouri • May 20, 2025 • SkySat

INFRASTRUCTURE MONITORING

The Aramco Stadium in Khobar, Saudi Arabia, is a significant construction project currently underway. The stadium is a key part of Saudi Arabia's "Vision 2030" and its broader investment in sports infrastructure.

Imagery from Planet for urban planning and infrastructure development offers invaluable insights for decision-making and efficient resource allocation. By analyzing satellite images over time, governments can monitor the growth of facilities in their region. With Planet's analytic feeds data, users can see daily changes outside facilities, enabling facility managers to evaluate trends across time.



DISASTER RESPONSE

On May 28, 2025, a landslide buried much of Blatten, Switzerland. This satellite imagery from Planet helped experts assess the aftermath. By comparing "before" images of the village with "after" shots, experts immediately understood the scale of the disaster. Approximately 90% of Blatten covered by debris from a collapsing glacier. The imagery also quickly identified a critical secondary hazard: the landslide had dammed the Lonza River, creating a growing lake and posing a flood risk. This immediate, wide-area view from space enabled emergency responders to plan effective recovery efforts and monitor the evolving situation.

MAPPING GLOBAL SOLAR AND WIND INFRASTRUCTURE

Spring 2025 saw the launch of Global Renewables Watch, a public atlas by Planet, Microsoft, and The Nature Conservancy, mapping utility-scale solar and wind installations worldwide. Using Planet's high-cadence satellite imagery, it tracks energy transitions and land-use changes.

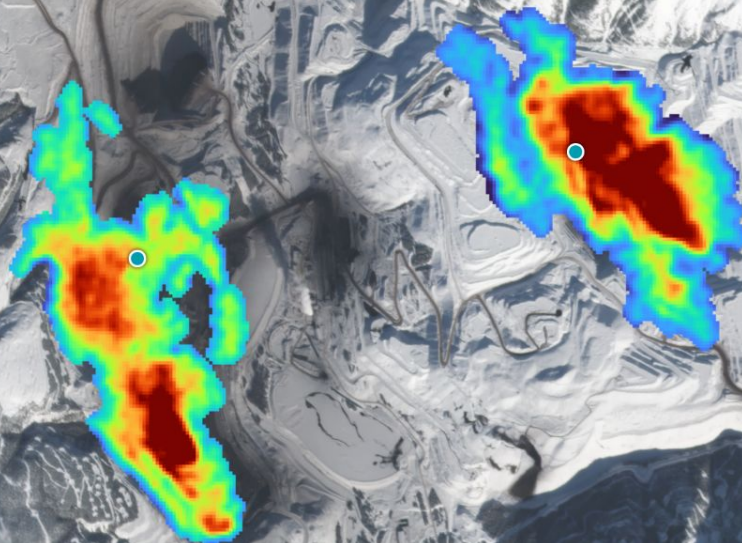
Planet's data empowers policymakers and researchers with insights into energy growth, supporting informed decisions for the future.

HIGH LATITUDE METHANE DETECTIONS

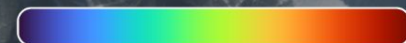
Carbon Mapper's mission is to make methane and CO2 emission data accessible for mitigation, particularly focusing on high-latitude methane observations. Planet's Tanager-1 satellite data was used to successfully detect numerous methane plumes in challenging high-latitude regions, such as Russia and Canada, linked to oil/gas production and coal mining. This crucial data, now available on Carbon Mapper's public portal, helps pinpoint and address significant emission sources.



CARBON
MAPPER



Methane (ppm-m)



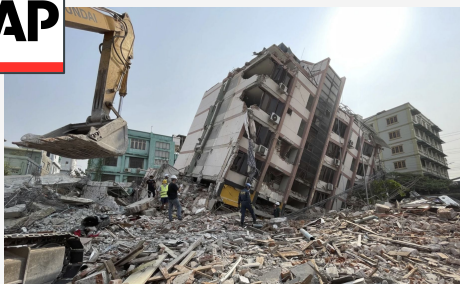
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6,000+



Planet Media Highlights

AP



Mar 31 | AI and satellites help aid workers respond to Myanmar earthquake damage

SAN FRANCISCO
BUSINESS TIMES



Apr 24 | A SoMa warehouse is producing the most sophisticated satellites in the world

FT



May 4 | Satellite images reveal Huawei's advanced chip production line in China

Handelsblatt



May 17 | Satellites instead of subculture – Berlin becomes a space city

The
New York
Times



May 19 | Russia Beefs Up Bases Near Finland's Border

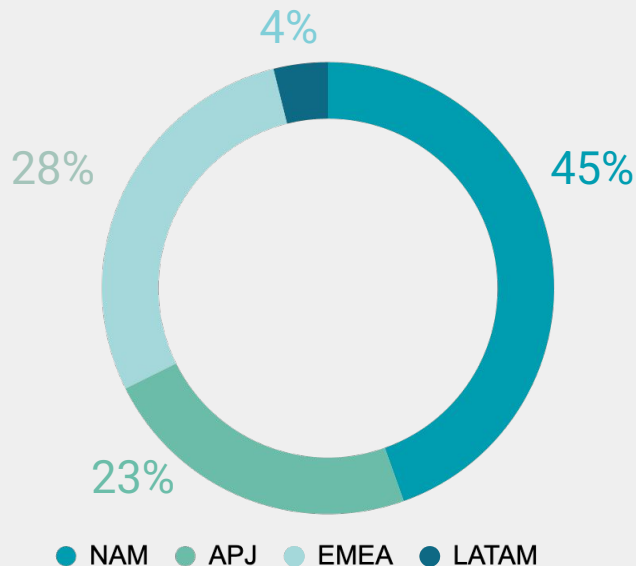
AXIOS



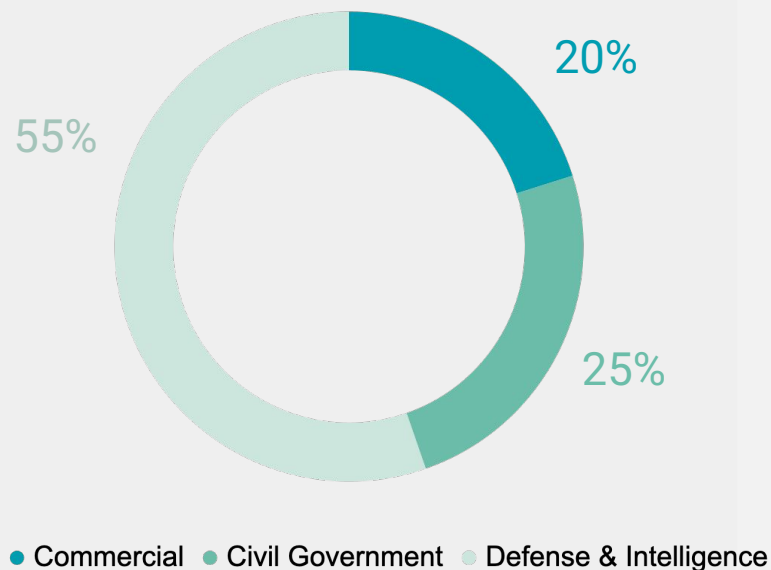
May 21 | Robert Cardillo: The world is "owned by those who ask"

Diversified Business Mix

1Q'26 REVENUE by Geography



1Q'26 REVENUE by Sector



Note: Planet has a Fiscal Year (FY) ending January 31.

Note: Estimations include rounding assumptions.

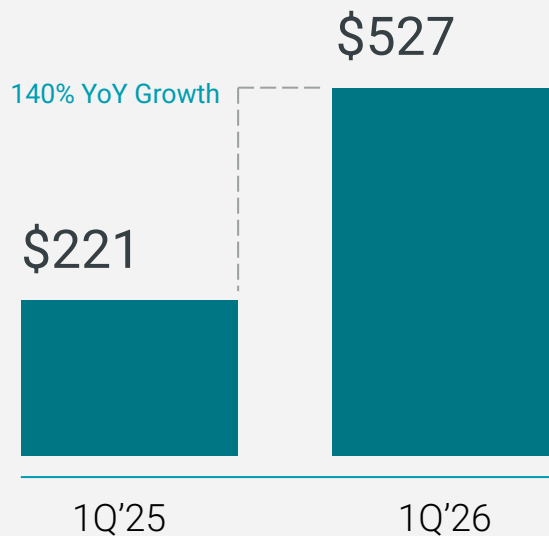
Note: North America ("NAM"); Asia Pacific & Japan ("APJ"); Europe, Middle East, and Africa ("EMEA"), and Latin America ("LATAM").

Note: From time to time, management conducts a review of the sector assignments of our customer accounts to ensure accuracy based on management's understanding of the end customer use cases at the time of evaluation. Based on management's determination, this review process may result in the re-assignment of certain customers.

Driving Growth

(\$ in millions)

BACKLOG¹



REVENUE



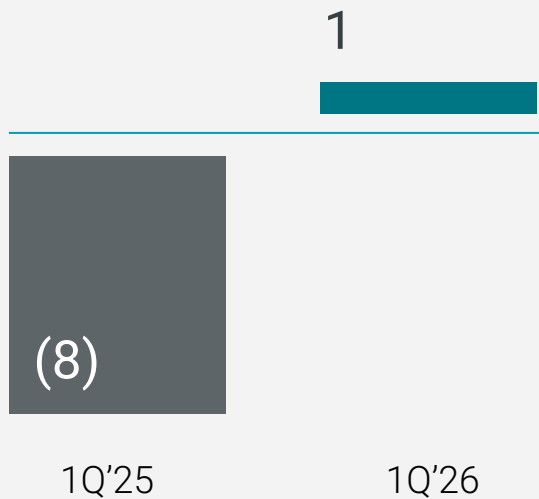
Note: Planet has a Fiscal Year (FY) ending January 31.

¹Non-GAAP financial measure. Please refer to the definitions and reconciliation to the most comparable GAAP measure at the end of this presentation.

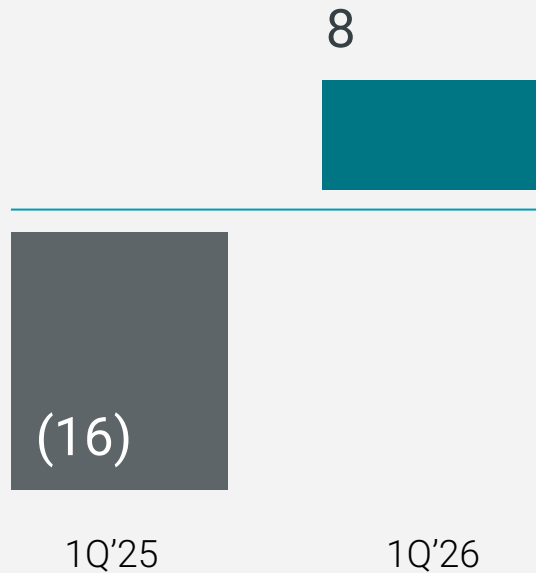
Driving Profits

(\$ in millions)

ADJUSTED EBITDA¹



FREE CASH FLOW¹

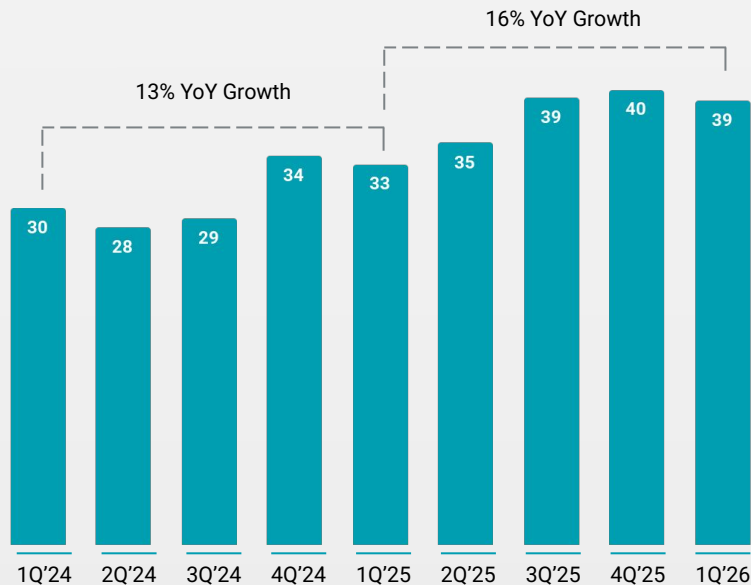


Note: Planet has a Fiscal Year (FY) ending January 31.

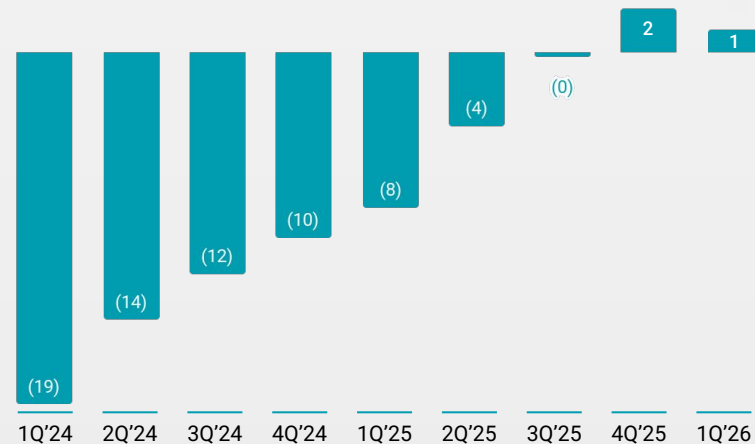
¹Non-GAAP financial measure. Please refer to the definitions and reconciliation to the most comparable GAAP measure at the end of this presentation.

Driving Operational Efficiency

NON-GAAP GROSS PROFIT¹



ADJUSTED EBITDA¹ (\$ in millions)



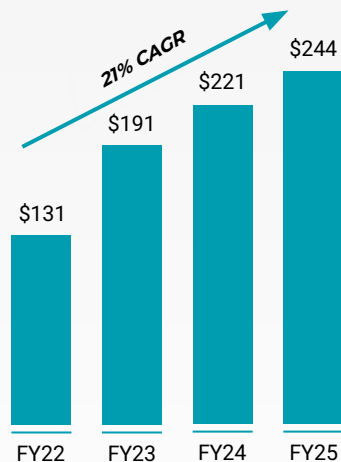
Note: Planet has a Fiscal Year (FY) ending January 31.

¹Non-GAAP financial measure. Please refer to the definitions and reconciliation to the most comparable GAAP measure at the end of this presentation.

Strong Execution Over Multiple Years

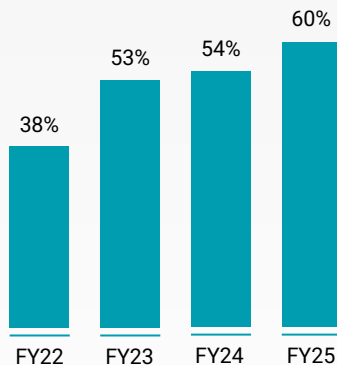
(\$ in millions)

ANNUAL REVENUE



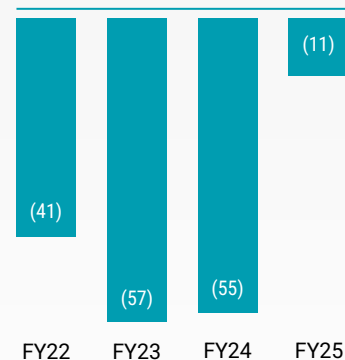
- + Revenue growth driven by Planet's disruptive broad area monitoring capabilities for government & commercial sectors

NON-GAAP GROSS MARGIN¹



- + Non-GAAP Gross Margin expansion driven by scaling one-to-many data subscription business with low cost to serve incremental customers

ADJUSTED EBITDA¹



- + Adjusted EBITDA improvement driven by operating leverage and financial discipline

Note: Planet has a Fiscal Year (FY) ending January 31.

¹Non-GAAP financial measure. Please refer to the definitions and reconciliation to the most comparable GAAP measure at the end of this presentation.

Focus and Prioritization



Product + R&D

- + Bring Next Gen High Res and Hyperspectral Data to Market
- + Drive Scale with Satellite Services
- + Bring New AI-Enabled Solutions to Market
- + Unleash AI on Planet's Deep Proprietary Datasets



Go-To-Market

- + Focus Direct Sales Force on Large Customers in Core Growth Verticals
- + Leverage Global Partners for Emerging Vertical Opportunities
- + Support Small Customer Opportunities on the Self Service Platform



Financial

- + Drive strong and predictable revenue growth
- + Expand gross margin with one-to-many data subscription model
- + Build the business for high margins and sustainable cash flow generation

Fiscal 2Q'26 and FY'26 Outlook

	2Q'26	FY'26
Revenue	\$65M - \$67M	\$265M - \$280M
Non-GAAP Gross Margin % ⁽¹⁾⁽²⁾	56% - 57%	55% - 57%
Adjusted EBITDA ⁽¹⁾⁽²⁾	(\$4M) - (\$2M)	(\$12M) - (\$7M)
Capital Expenditures	\$17M - \$22M	\$50M - \$65M

Key Drivers

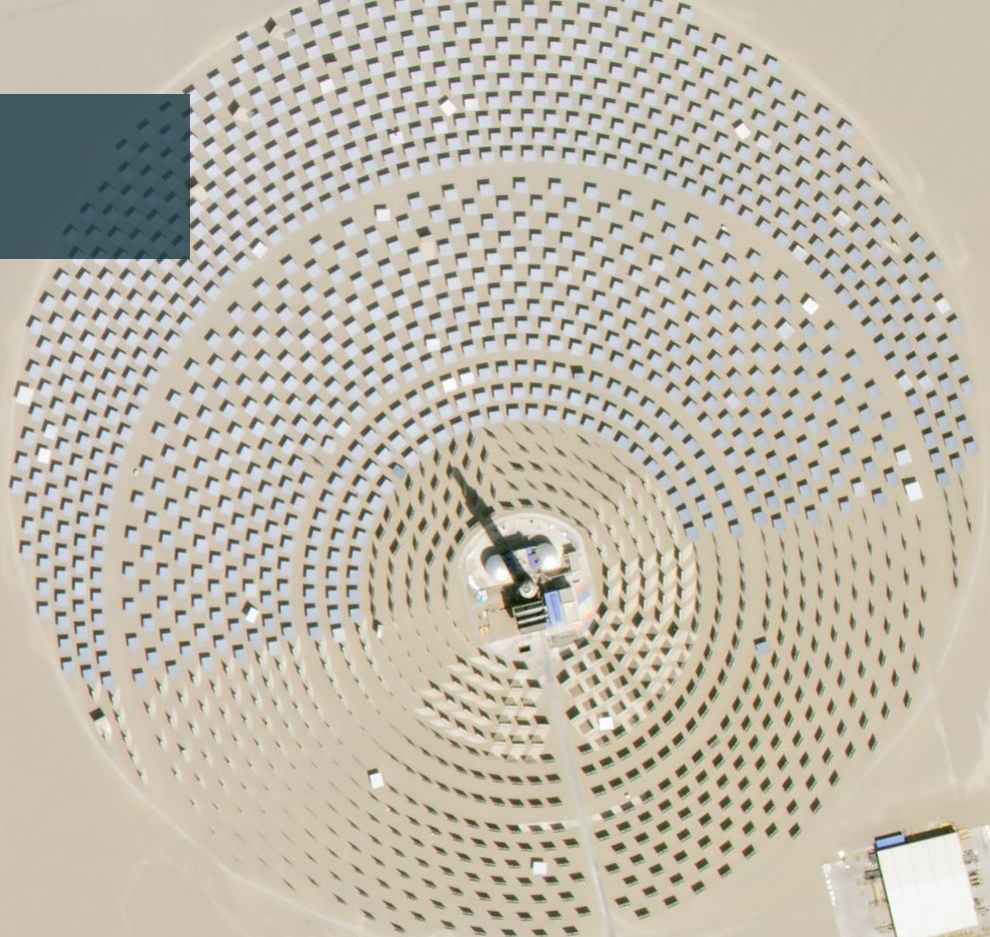
- Large government sales opportunities
- Bringing new AI-enabled solutions to market
- Bringing next generation high resolution and hyperspectral data to market
- Scaling in the satellite services market
- R&D investments in 1) space systems capabilities and 2) new AI-enabled solutions
- Capex to 1) build and launch next generation Pelican and Tanager fleets and 2) ongoing maintenance capex for PlanetScope
- Cost management and operating efficiency focus

Note: Planet has a Fiscal Year (FY) ending January 31.

¹ Non-GAAP financial metric. Please refer to the definitions and reconciliation to the most comparable GAAP measure at the end of this presentation.

² Planet has not reconciled its Non-GAAP financial outlook to the most directly comparable GAAP measures because certain reconciling items, such as stock-based compensation expenses and depreciation and amortization are uncertain or out of Planet's control and cannot be reasonably predicted. The actual amount of these expenses during the second quarter of fiscal year 2025 will have a significant impact on Planet's future GAAP financial results. Accordingly, a reconciliation of Planet's Non-GAAP outlook to the most comparable GAAP measures is not available without unreasonable efforts.

APPENDIX



SOLAR FARM • Pelican • Gansu, China • March 20, 2025

Reconciliation of Non-GAAP Financial Measures

Non-GAAP Gross Margin %

(\$ in millions)

	<u>Three Months Ended</u>								
	April 30, 2023	July 31, 2023	October 31, 2023	January 31, 2024	April 30, 2024	July 31, 2024	October 31, 2024	January 31, 2025	April 30, 2025
GAAP Gross Profit	\$ 28.1	\$ 26.3	\$ 26.0	\$ 32.5	\$ 31.7	\$ 32.3	\$ 37.5	\$ 38.2	\$ 36.6
(+) Stock-Based Compensation	0.9	1.1	0.9	0.8	0.8	0.9	0.7	0.9	1.5
(+) Amortization of Acquired Intangible Assets	0.4	0.4	0.8	0.8	0.8	0.8	0.8	0.7	0.7
(+) Restructuring costs	–	–	0.6	–	–	1.2	0.1	–	–
(+) Employee transaction bonuses in connection with business combination	–	–	0.3	–	–	–	–	–	–
Non-GAAP Gross Profit	\$ 29.5	\$ 27.8	\$ 28.5	\$ 34.0	\$ 33.3	\$ 35.2	\$ 39.1	\$ 39.8	\$ 38.8
GAAP Gross Margin %	53%	49%	47%	55%	52%	53%	61%	62%	55%
Non-GAAP Gross Margin %	56%	52%	52%	58%	55%	58%	64%	65%	59%

Reconciliation of Non-GAAP Financial Measures

Non-GAAP Gross Margin %

(\$ in millions)

	<u>Year Ended January 31,</u>			
	2022	2023	2024	2025
GAAP Gross Profit	\$ 48.2	\$ 94.0	\$ 113.0	\$ 139.7
(+) Stock-Based Compensation	2.3	5.1	3.6	3.5
(+) Amortization of Acquired Intangible Assets	–	1.6	2.4	3.0
(+) Restructuring costs	–	–	0.6	1.3
(+) Employee transaction bonuses in connection with business combination	–	–	0.3	–
Non-GAAP Gross Profit	\$ 50.5	\$ 100.7	\$ 119.9	\$ 147.5
GAAP Gross Margin %	37%	49%	51%	57%
Non-GAAP Gross Margin %	38%	53%	54%	60%

Reconciliation of Non-GAAP Financial Measures

(\$ in thousands)

Adjusted EBITDA

	<u>Three Months Ended</u>								
	April 30, 2023	July 31, 2023	October 31, 2023	January 31, 2024	April 30, 2024	July 31, 2024	October 31, 2024	January 31, 2025	April 30, 2025
Net Loss	\$ (34,444)	\$ (37,975)	\$ (38,004)	\$ (30,086)	\$ (29,293)	\$ (38,668)	\$ (20,081)	\$ (35,154)	\$ (12,628)
(+) Interest Income	(4,506)	(3,802)	(3,445)	(3,661)	(3,107)	(2,771)	(2,414)	(1,965)	(1,884)
(+) Income tax provision	307	582	355	(429)	442	897	25	1,096	928
(+) Depreciation and amortization	10,248	12,160	13,625	11,606	13,103	13,145	10,117	9,272	11,082
(+) Change in fair value of warrant liabilities	(5,945)	(1,226)	(6,833)	295	(1,530)	602	(198)	16,242	(10,387)
(+) Stock-based compensation	15,356	16,657	12,598	12,521	13,072	11,566	11,829	12,018	12,542
(+) Restructuring costs	–	–	7,341	35	–	10,499	25	50	20
(+) Employee transaction bonuses in connection with business combination	–	–	2,317	–	–	–	–	–	–
(+) Certain litigation expenses	–	–	–	–	–	–	395	404	326
(+) Other (income) expense, net	(104)	(859)	69	(37)	(1,083)	363	60	415	1,200
Adjusted EBITDA	\$ (19,088)	\$ (14,463)	\$ (11,977)	\$ (9,756)	\$ (8,396)	\$ (4,367)	\$ (242)	\$ 2,378	\$ 1,199

Note: Planet has a Fiscal Year (FY) ending January 31.

Reconciliation of Non-GAAP Financial Measures

(\$ in thousands)

Adjusted EBITDA

Year Ended January 31,

	2022	2023	2024	2025
Net Loss	\$ (137,124)	\$ (161,966)	\$ (140,509)	\$ (123,196)
(+) Interest expense	8,772	–	–	–
(+) Interest Income	(21)	(7,672)	(15,414)	(10,257)
(+) Income tax provision	2,110	847	815	2,460
(+) Depreciation and amortization	45,043	43,330	47,639	45,637
(+) Debt extinguishment (gain) loss	1,690	–	–	–
(+) Change in fair value of convertible notes and warrant liabilities	(5,726)	(6,554)	(13,709)	15,116
(+) Stock-based compensation	41,956	75,544	57,132	48,485
(+) Restructuring costs	–	–	7,376	10,574
(+) Employee transaction bonuses in connection with business combination	–	–	2,317	–
(+) Certain litigation expenses	–	–	–	799
(+) Other (income) expense, net	2,248	(330)	(931)	(245)

Adjusted EBITDA

\$ (41,052)

\$ (56,801)

\$ (55,284)

\$ (10,627)

Reconciliation of Non-GAAP Financial Measures

Backlog

(\$ in thousands)

	April 30, 2024	April 30, 2025
Remaining performance obligations	\$ 124,942	\$ 451,928
Cancelable amount of contract value	94,831	75,119
Backlog	\$ 219,773	\$ 527,047

Reconciliation of Non-GAAP Financial Measures

Free Cash Flow

(\$ in thousands)

	<u>Three Months Ended</u>	
	April 30, 2024	April 30, 2025
Net cash provided by (used in) operating activities	\$ (4,297)	\$ 17,346
(-) Purchases of property and equipment	(9,938)	(8,119)
(-) Capitalized internal-use software	(1,418)	(1,225)
Free cash flow	\$ (15,653)	\$ 8,002

Definitions

Non-GAAP Financial Measures

Non-GAAP Gross Profit and Non-GAAP Gross Margin: The Company defines and calculates Non-GAAP Gross Profit as gross profit adjusted for stock-based compensation, amortization of acquired intangible assets, restructuring costs, and employee transaction bonuses in connection with the Sinergise business combination. The Company defines Non-GAAP Gross Margin as Non-GAAP Gross Profit divided by revenue.

Adjusted EBITDA: The Company defines and calculates Adjusted EBITDA as net income (loss) before the impact of interest income and expense, income tax provision and depreciation and amortization, and further adjusted for the following items: stock-based compensation, change in fair value of warrant liabilities, other income (expense), net, restructuring costs, certain litigation expenses, and employee transaction bonuses in connection with the Sinergise business combination.

Backlog: The Company defines and calculates Backlog as remaining performance obligations plus the cancelable portion of the contract value for contracts that provide the customer with a right to terminate for convenience without incurring a substantive termination penalty and written orders where funding has not been appropriated. Backlog does not include unexercised contract options. Remaining performance obligations represent the amount of contracted future revenue that has not yet been recognized, which includes both deferred revenue and non-cancelable contracted revenue that will be invoiced and recognized in revenue in future periods. Remaining performance obligations do not include contracts which provide the customer with a right to terminate for convenience without incurring a substantive termination penalty, written orders where funding has not been appropriated and unexercised contract options.

An increasing and meaningful portion of the Company's revenue is generated from contracts with the U.S. government and other government customers. Cancellation provisions, such as termination for convenience clauses, are common in contracts with the U.S. government and certain other government customers. The Company presents Backlog because the portion of its customer contracts with such cancellation provisions represents a meaningful amount of the Company's expected future revenues. Management uses backlog to more effectively forecast the Company's future business and results, which supports decisions around capital allocation. It also helps the Company identify future growth or operating trends that may not otherwise be apparent. The Company also believes Backlog is useful for investors in forecasting the Company's future results and understanding the growth of its business. Customer cancellation provisions relating to termination for convenience clauses and funding appropriation requirements are outside of the Company's control, and as a result, the Company may fail to realize the full value of such contracts.

Free Cash Flow: The Company defines and calculates free cash flow as cash provided by (used in) operating activities less purchases of property and equipment and capitalized internal-use software costs.

The Company presents free cash flow because it believes free cash flow provides useful supplemental information to help investors understand underlying trends in the Company's business and liquidity. Management uses free cash flow, in addition to GAAP measures, to help manage our business, prepare budgets, and for annual planning.

Definitions

Other Key Metrics

ACV and EoP ACV Book of Business: In connection with the calculation of several of the key operational and business metrics we utilize, the Company calculates Annual Contract Value (“ACV”) for contracts of one year or greater as the total amount of value that a customer has contracted to pay for the most recent 12 month period for the contract, excluding customers that are exclusively Planet Insights Platform (which has integrated the former Sentinel Hub platform) self-service paying users, as well as the value of any satellite services contracts. For short-term contracts (contracts less than 12 months), ACV is equal to total contract value. The Company calculates EoP ACV Book of Business in connection with the calculation of several of the key operational and business metrics we utilize. The Company defines EoP ACV Book of Business as the sum of the ACV of all contracts that are active on the last day of the period pursuant to the effective dates and end dates of such contracts, excluding customers that are exclusively Planet Insights Platform self-service paying users. Active contracts exclude any contract that has been canceled, expired prior to the last day of the period without renewing, or for any other reason is not expected to generate revenue in the subsequent period. For contracts ending on the last day of the period, the ACV is either updated to reflect the ACV of the renewed contract or, if the contract has not yet renewed or extended, the ACV is excluded from the EoP ACV Book of Business. The Company does not annualize short-term contracts in calculating its EoP ACV Book of Business. The Company calculates the ACV of usage-based contracts based on the committed contracted revenue or the revenue achieved on the usage-based contract in the prior 12-month period.

Percent of Recurring ACV: Percent of Recurring ACV is the portion of the total EoP ACV Book of Business that is recurring in nature. The Company defines EoP ACV Book of Business as the sum of the ACV of all contracts that are active on the last day of the period pursuant to the effective dates and end dates of such contracts, excluding customers that are exclusively Planet Insights Platform (which has integrated the former Sentinel Hub platform) self-service paying users. The Company defines Percent of Recurring ACV as the dollar value of all data subscription contracts and the committed portion of usage-based contracts (excluding customers that are exclusively Planet Insights Platform self-service paying users) divided by the total dollar value of all contracts in our EoP ACV Book of Business. The Company believes Percent of Recurring ACV is useful to investors to better understand how much of the Company's revenue is from customers that have the potential to renew their contracts over multiple years rather than being one-time in nature. The Company tracks Percent of Recurring ACV to inform estimates for the future revenue growth potential of our business and improve the predictability of our financial results. There are no significant estimates underlying management's calculation of Percent of Recurring ACV, but management applies judgment as to which customers have an active contract at a period end for the purpose of determining EoP ACV Book of Business, which is used as part of the calculation of Percent of Recurring ACV.

Definitions

Capital Expenditures as a Percentage of Revenue: The Company defines capital expenditures as purchases of property and equipment plus capitalized internally developed software development costs, which are included in our statements of cash flows from investing activities. The Company defines Capital Expenditures as a Percentage of Revenue as the total amount of capital expenditures divided by total revenue in the reported period. Capital Expenditures as a Percentage of Revenue is a performance measure that we use to evaluate the appropriate level of capital expenditures needed to support demand for the Company's data services and related revenue, and to provide a comparable view of the Company's performance relative to other earth observation companies, which may invest significantly greater amounts in their satellites to deliver their data to customers. The Company uses an agile space systems strategy, which means we invest in a larger number of significantly lower cost satellites and software infrastructure to automate the management of the satellites and to deliver the Company's data to clients. As a result of the Company's strategy and business model, the Company's capital expenditures may be more similar to software companies with large data center infrastructure costs. Therefore, the Company believes it is important to look at the level of capital expenditure investments relative to revenue when evaluating the Company's performance relative to other earth observation companies or to other software and data companies with significant data center infrastructure investment requirements. The Company believes Capital Expenditures as a Percentage of Revenue is a useful metric for investors because it provides visibility to the level of capital expenditures required to operate the Company and the Company's relative capital efficiency.

Definitions

Net Dollar Retention Rate: The Company defines Net Dollar Retention Rate as the percentage of ACV generated by existing customers in a given period as compared to the ACV of all contracts at the beginning of the fiscal year from the same set of existing customers. The Company defines existing customers as customers with an active contract with the Company. The Company believes Net Dollar Retention Rate is a useful metric for investors as it can be used to measure its ability to retain and grow revenue generated from its existing customers, on which its ability to drive long-term growth and profitability is, in part, dependent. The Company uses Net Dollar Retention Rate to assess customer adoption of new products, inform opportunities to make improvements across its products, identify opportunities to improve operations, and manage go to market functions, as well as to understand how much future growth may come from cross-selling and up-selling customers. Management applies judgment in determining the value of active contracts in a given period, as set forth in the definition of ACV.

Net Dollar Retention Rate including Winbacks: The Company assesses two metrics for net dollar retention—Net Dollar Retention Rate, as described above, and Net Dollar Retention Rate including winbacks. A winback is a previously existing customer that was inactive at the start of the measurement period but has reactivated during the measurement period. The reactivation period must be within 24 months from the last active contract with the customer; otherwise, the customer is counted as a new customer and therefore excluded from the retention rate metrics. The Company defines Net Dollar Retention Rate including winbacks as the percentage of ACV generated by existing customers and winbacks in a given period as compared to the ACV of all contracts at the beginning of the fiscal year from the same set of existing customers. The Company believes this metric is useful to investors as it captures the value of customer contracts that resume business with the Company after being inactive and thereby provides a quantification of the Company's ability to recapture lost business. Management uses this metric to understand the adoption of our products and long-term customer retention, as well as the success of marketing campaigns and sales initiatives in re-engaging inactive customers. Beyond the judgments underlying managements' calculation of Net Dollar Retention Rate set forth above, there are no additional assumptions or estimates made in connection with Net Dollar Retention Rate including winbacks.

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