

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 July 31, 2023

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 001-40166

Planet Labs PBC

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation or organization)

85-4299396

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

645 Harrison Street, Floor 4, San Francisco, California

94107

(Address of principal executive offices)

(Zip Code)

(415) 829-3313

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 | PL | New York Stock Exchange |
| Warrants to purchase Class A common stock, at an exercise price of \$11.50 per share | PL WS | 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 | <input checked="" type="checkbox"/> | Accelerated filer | <input type="checkbox"/> |
| Non-accelerated filer | <input type="checkbox"/> | Smaller reporting company | <input type="checkbox"/> |
| | | Emerging growth company | <input type="checkbox"/> |

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. ☐

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

The registrant had 264,502,208 outstanding shares of Class A common stock, and 21,157,586 shares of Class B common stock, as of September 1, 2023.

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Unless the context otherwise requires, the “Company”, “Planet”, “we,” “our,” “us” and similar terms refer to Planet Labs PBC, a Delaware public benefit corporation (f/k/a dMY Technology Group, Inc. IV, a Delaware corporation), and its consolidated subsidiaries.

Cautionary Note Regarding Forward Looking Information

This Quarterly Report on Form 10-Q for the quarter ended July 31, 2023 (the “Form 10-Q” or “this report”) includes statements that express Planet’s opinions, expectations, beliefs, plans, objectives, assumptions or projections regarding future events or future results and therefore are, or may be deemed to be, “forward-looking statements.” Words such as “expect,” “estimate,” “project,” “budget,” “forecast,” “anticipate,” “intend,” “plan,” “seek,” “may,” “will,” “could,” “can,” “should,” “would,” “believes,” “predicts,” “potential,” “strategy,” “opportunity,” “aim,” “continue,” and similar expressions or the negative thereof, or discussions of strategy, plans, objectives, intentions, estimates, forecasts, outlook, assumptions, or goals, are intended to identify such forward-looking statements. Forward-looking statements appear in a number of places throughout this report and include statements regarding our intentions, beliefs or current expectations concerning, among other things, our results of operations, financial condition, liquidity, prospects, growth, strategies and the markets in which Planet operates. Forward-looking statements contained in this report include statements about:

- our future financial performance, including expectations regarding our revenue, cost of revenue, operating expenses, capital expenditures, cash flows and our ability to achieve profitability;
- our ability to attract and retain customers, including our ability to renew existing contracts and expand our relationships with existing customers;
- our expectations regarding the value of our offerings to our customers over time;
- our expectations regarding market growth, including our ability to grow in existing markets and expand into new markets;
- our ability to continue to improve our data and offer software and analytic solutions to improve the value of our data;
- our ability to continue to invest in our sales and marketing, software platform development, machine learning and analytic tools as well as our applications and new satellite technologies;
- our relationships with third-party partners, vendors and solution providers;
- our ability to manage risks and challenges associated with our financial conditions and results of operations;
- our expectations regarding the future impact of seasonality on our business;
- our management of future growth and business operations, as well as the expected results of our workforce reduction;
- our expectations regarding the realization of our U.S. and foreign deferred tax assets;
- our ability to maintain, protect and enhance our intellectual property; and
- the increased expenses associated with being a public company.

The foregoing list may not contain all of the forward-looking statements made in this Form 10-Q. Such forward-looking statements are based on available current market material and our current expectations, beliefs and forecasts concerning future events and their potential effects on Planet. The outcome of the events described in these forward-looking statements is subject to known and unknown risks, uncertainties, and other factors, including those described in the “Risk Factors” section of our most recent Annual Report on Form 10-K, this Form 10-Q, as well as the other documents filed by us from time to time with the U.S. Securities and Exchange Commission (“SEC”). We operate in a rapidly changing environment. New risks and uncertainties emerge from time to time, and it is not possible for us to predict all risks and uncertainties that could have an impact on the forward-looking statements contained in this Form 10-Q. We cannot assure you that the results, events, and circumstances reflected in the forward-looking statements will be achieved or occur, and actual results, events, or circumstances could differ materially from those described in the forward-looking statements.

The forward-looking statements contained in this Form 10-Q are based on information available to us at the time of filing of this Form 10-Q and relate only to events as of the date on which the statements are made. We undertake no

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obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required under applicable securities laws.

Part I. - Financial Information

Item 1. Financial Statements

Planet Labs PBC

Condensed Consolidated Balance Sheets (Unaudited)

(In thousands, except share and par value amounts)

| | July 31, 2023 | January 31, 2023 |
|--|---------------|------------------|
| Assets | | |
| Current assets | | |
| Cash and cash equivalents | \$ 118,808 | \$ 181,892 |
| Short-term investments | 248,979 | 226,868 |
| Accounts receivable, net of allowance of \$786 and \$1,289, respectively | 40,349 | 38,952 |
| Prepaid expenses and other current assets | 19,725 | 27,943 |
| Total current assets | 427,861 | 475,655 |
| Property and equipment, net | 120,193 | 108,091 |
| Capitalized internal-use software, net | 12,992 | 11,417 |
| Goodwill | 112,750 | 112,748 |
| Intangible assets, net | 14,867 | 14,831 |
| Restricted cash and cash equivalents, non-current | 5,707 | 5,657 |
| Operating lease right-of-use assets | 23,485 | 20,403 |
| Other non-current assets | 2,562 | 3,921 |
| Total assets | \$ 720,417 | \$ 752,723 |
| Liabilities and Stockholders' Equity | | |
| Current liabilities | | |
| Accounts payable | \$ 3,825 | \$ 6,900 |
| Accrued and other current liabilities ⁽¹⁾ | 37,841 | 46,022 |
| Deferred revenue ⁽¹⁾ | 56,575 | 51,900 |
| Liability from early exercise of stock options | 10,757 | 12,550 |
| Operating lease liabilities, current | 7,261 | 4,885 |
| Total current liabilities | 116,259 | 122,257 |
| Deferred revenue ⁽¹⁾ | 18,186 | 2,882 |
| Deferred hosting costs ⁽¹⁾ | 9,605 | 8,679 |
| Public and private placement warrant liabilities | 9,499 | 16,670 |
| Operating lease liabilities, non-current | 19,139 | 17,145 |
| Contingent consideration | 5,926 | 7,499 |
| Other non-current liabilities | 2,235 | 1,487 |
| Total liabilities | 180,849 | 176,619 |
| Commitments and contingencies (Note 8) | | |
| Stockholders' equity | | |
| Common stock, \$0.0001 par value, 570,000,000, 30,000,000 and 30,000,000 Class A, Class B and Class C shares authorized at July 31, 2023 and January 31, 2023, 255,787,619 and 250,625,975 Class A shares issued and outstanding at July 31, 2023 and January 31, 2023, respectively, 21,157,586 Class B shares issued and outstanding at July 31, 2023 and January 31, 2023, 0 Class C shares issued and outstanding at July 31, 2023 and January 31, 2023 ⁽¹⁾ | 27 | 27 |
| Additional paid-in capital | 1,549,920 | 1,513,102 |
| Accumulated other comprehensive income | 1,336 | 2,271 |
| Accumulated deficit | (1,011,715) | (939,296) |
| Total stockholders' equity | 539,568 | 576,104 |
| Total liabilities and stockholders' equity | \$ 720,417 | \$ 752,723 |

(1) Balance includes related-party transactions entered into with Google, LLC ("Google"). See Note 10.

See accompanying notes to unaudited condensed consolidated financial statements.

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Planet Labs PBC

Condensed Consolidated Statements of Operations (Unaudited)

(In thousands, except share and per share amounts)

| | Three Months Ended July 31, | | Six Months Ended July 31, | |
|---|-----------------------------|-------------|---------------------------|-------------|
| | 2023 | 2022 | 2023 | 2022 |
| Revenue ⁽¹⁾ | \$ 53,761 | \$ 48,450 | \$ 106,464 | \$ 88,577 |
| Cost of revenue ⁽¹⁾ | 27,469 | 24,977 | 52,025 | 48,605 |
| Gross profit | 26,292 | 23,473 | 54,439 | 39,972 |
| Operating expenses | | | | |
| Research and development ⁽¹⁾ | 26,741 | 26,737 | 54,927 | 51,487 |
| Sales and marketing | 22,310 | 19,483 | 45,435 | 38,338 |
| General and administrative | 20,521 | 19,893 | 42,049 | 40,501 |
| Total operating expenses | 69,572 | 66,113 | 142,411 | 130,326 |
| Loss from operations | (43,280) | (42,640) | (87,972) | (90,354) |
| Interest income | 3,802 | 1,311 | 8,308 | 1,423 |
| Change in fair value of warrant liabilities | 1,226 | 2,112 | 7,171 | 5,388 |
| Other income (expense), net | 859 | (158) | 963 | 122 |
| Total other income (expense), net | 5,887 | 3,265 | 16,442 | 6,933 |
| Loss before provision for income taxes | (37,393) | (39,375) | (71,530) | (83,421) |
| Provision for income taxes | 582 | 154 | 889 | 468 |
| Net loss | \$ (37,975) | \$ (39,529) | \$ (72,419) | \$ (83,889) |
| Basic and diluted net loss per share attributable to common stockholders | \$ (0.14) | \$ (0.15) | \$ (0.26) | \$ (0.32) |
| Basic and diluted weighted-average common shares outstanding used in computing net loss per share attributable to common stockholders | 275,053,198 | 266,212,489 | 273,723,006 | 265,168,341 |

(1) Balance includes related-party transactions entered into with Google. See Note 10.

See accompanying notes to unaudited condensed consolidated financial statements.

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Planet Labs PBC

Condensed Consolidated Statements of Comprehensive Loss (Unaudited)

(In thousands)

| | Three Months Ended July 31, | | Six Months Ended July 31, | |
|---|-----------------------------|--------------------|---------------------------|--------------------|
| | 2023 | 2022 | 2023 | 2022 |
| Net loss | \$ (37,975) | \$ (39,529) | \$ (72,419) | \$ (83,889) |
| Other comprehensive income (loss), net of tax: | | | | |
| Foreign currency translation adjustment | 169 | 142 | 124 | 317 |
| Change in fair value of available-for-sale securities | (515) | 303 | (1,059) | 303 |
| Other comprehensive income (loss), net of tax | (346) | 445 | (935) | 620 |
| Comprehensive loss | <u>\$ (38,321)</u> | <u>\$ (39,084)</u> | <u>\$ (73,354)</u> | <u>\$ (83,269)</u> |

See accompanying notes to unaudited condensed consolidated financial statements.

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Planet Labs PBC

Condensed Consolidated Statements of Stockholders' Equity (Unaudited)

(In thousands, except share amounts)

| | Common Stock | | Additional Paid-in Capital | Accumulated Other Comprehensive Income | Accumulated Deficit | Total Stockholders' Equity |
|---|--------------|--------|----------------------------------|---|------------------------|----------------------------------|
| | Shares | Amount | | | | |
| Balances at January 31, 2022 | 262,175,273 | \$ 27 | \$ 1,423,151 | \$ 2,096 | \$ (777,029) | \$ 648,245 |
| Cumulative effect of adoption of ASU 2016-13 | — | — | — | — | (301) | (301) |
| Issuance of Class A common stock from the exercise of common stock options | 3,524,182 | — | 6,203 | — | — | 6,203 |
| Issuance of Class A common stock upon vesting of restricted stock units | 215,178 | — | — | — | — | — |
| Vesting of early exercised stock options | 91,911 | — | 896 | — | — | 896 |
| Class A common stock withheld to satisfy employee tax withholding obligations | (75,442) | — | (411) | — | — | (411) |
| Stock-based compensation | — | — | 20,259 | — | — | 20,259 |
| Change in translation | — | — | — | 175 | — | 175 |
| Net loss | — | — | — | — | (44,360) | (44,360) |
| Balances at April 30, 2022 | 265,931,102 | \$ 27 | \$ 1,450,098 | \$ 2,271 | \$ (821,690) | \$ 630,706 |
| Issuance of Class A common stock from the exercise of common stock options | 605,690 | — | 1,455 | — | — | 1,455 |
| Issuance of Class A common stock upon vesting of restricted stock units | 1,061,915 | — | — | — | — | — |
| Vesting of early exercised stock options | 91,911 | — | 896 | — | — | 896 |
| Class A common stock withheld to satisfy employee tax withholding obligations | (381,149) | — | (1,753) | — | — | (1,753) |
| Stock-based compensation | — | — | 21,033 | — | — | 21,033 |
| Net unrealized gain on available-for-sale securities, net of taxes | — | — | — | 303 | — | 303 |
| Other | — | — | 390 | — | — | 390 |
| Change in translation | — | — | — | 142 | — | 142 |
| Net loss | — | — | — | — | (39,529) | (39,529) |
| Balances at July 31, 2022 | 267,309,469 | \$ 27 | \$ 1,472,119 | \$ 2,716 | \$ (861,219) | \$ 613,643 |
| | Common Stock | | Additional Paid-in Capital | Accumulated Other Comprehensive Income | Accumulated Deficit | Total Stockholders' Equity |
| | Shares | Amount | | | | |
| Balances at January 31, 2023 | 271,783,561 | \$ 27 | \$ 1,513,102 | \$ 2,271 | \$ (939,296) | \$ 576,104 |
| Issuance of Class A common stock from the exercise of common stock options | 1,018,385 | — | 3,295 | — | — | 3,295 |
| Issuance of Class A common stock upon vesting of restricted stock units | 1,278,161 | — | — | — | — | — |
| Vesting of early exercised stock options | 91,911 | — | 896 | — | — | 896 |
| Class A common stock withheld to satisfy employee tax withholding obligations | (472,136) | — | (1,896) | — | — | (1,896) |
| Stock-based compensation | — | — | 15,983 | — | — | 15,983 |
| Net unrealized loss on available-for-sale securities, net of taxes | — | — | — | (544) | — | (544) |
| Change in translation | — | — | — | (45) | — | (45) |
| Net loss | — | — | — | — | (34,444) | (34,444) |
| Balances at April 30, 2023 | 273,699,882 | \$ 27 | \$ 1,531,380 | \$ 1,682 | \$ (973,740) | \$ 559,349 |
| Issuance of Class A common stock from the exercise of common stock options | 1,383,413 | — | 3,063 | — | — | 3,063 |
| Issuance of Class A common stock upon vesting of restricted stock units | 2,597,964 | — | — | — | — | — |
| Vesting of early exercised stock options | 91,910 | — | 896 | — | — | 896 |
| Class A common stock withheld to satisfy employee tax withholding obligations | (827,964) | — | (2,857) | — | — | (2,857) |
| Stock-based compensation | — | — | 17,438 | — | — | 17,438 |
| Net unrealized loss on available-for-sale securities, net of taxes | — | — | — | (515) | — | (515) |
| Change in translation | — | — | — | 169 | — | 169 |
| Net loss | — | — | — | — | (37,975) | (37,975) |
| Balances at July 31, 2023 | 276,945,205 | \$ 27 | \$ 1,549,920 | \$ 1,336 | \$ (1,011,715) | \$ 539,568 |

See accompanying notes to unaudited condensed consolidated financial statements.

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Planet Labs PBC Condensed Consolidated Statements of Cash Flows (Unaudited) (In thousands)

| | Six Months Ended July 31, | |
|--|---------------------------|-------------------|
| | 2023 | 2022 |
| Operating activities | | |
| Net loss | \$ (72,419) | \$ (83,889) |
| Adjustments to reconcile net loss to net cash used in operating activities | | |
| Depreciation and amortization | 22,408 | 23,213 |
| Stock-based compensation, net of capitalized cost of \$1,408 and \$889, respectively | 32,013 | 40,403 |
| Change in fair value of warrant liabilities | (7,171) | (5,388) |
| Change in fair value of contingent consideration | (527) | — |
| Other | (2,747) | 485 |
| Changes in operating assets and liabilities | | |
| Accounts receivable | (1,588) | 18,595 |
| Prepaid expenses and other assets | 5,152 | (4,432) |
| Accounts payable, accrued and other liabilities | (17,164) | (1,866) |
| Deferred revenue | 19,957 | (15,165) |
| Deferred hosting costs | 1,082 | (760) |
| Net cash used in operating activities | (21,004) | (28,804) |
| Investing activities | | |
| Purchases of property and equipment | (21,709) | (6,509) |
| Capitalized internal-use software | (1,998) | (1,271) |
| Maturities of available-for-sale securities | 106,762 | — |
| Sales of available-for-sale securities | 990 | — |
| Purchases of available-for-sale securities | (127,703) | (195,113) |
| Other | (644) | (293) |
| Net cash used in investing activities | (44,302) | (203,186) |
| Financing activities | | |
| Proceeds from the exercise of common stock options | 6,358 | 6,418 |
| Class A common stock withheld to satisfy employee tax withholding obligations | (4,753) | (2,164) |
| Payment of transaction costs related to the Business Combination | — | (326) |
| Other | (15) | 122 |
| Net cash provided by financing activities | 1,590 | 4,050 |
| Effect of exchange rate changes on cash and cash equivalents, and restricted cash and cash equivalents | 155 | (1,118) |
| Net decrease in cash and cash equivalents, and restricted cash and cash equivalents | (63,561) | (229,058) |
| Cash and cash equivalents, and restricted cash and cash equivalents at the beginning of the period | 188,076 | 496,814 |
| Cash and cash equivalents, and restricted cash and cash equivalents at the end of the period | \$ 124,515 | \$ 267,756 |

See accompanying notes to unaudited condensed consolidated financial statements.

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Planet Labs PBC

Notes to Unaudited Condensed Consolidated Financial Statements

(1) Organization

Planet Labs PBC (“Planet,” or the “Company”) was founded to design, construct, and launch constellations of satellites with the intent of providing high cadence geospatial data delivered to customers via an online platform. The Company’s mission is to use space to help life on Earth, by imaging the world every day and making global change visible, accessible, and actionable. The Company is headquartered in San Francisco, California, with operations throughout the United States (“U.S.”), Canada, Asia and Europe.

On July 7, 2021, Planet Labs Inc. (“Former Planet”) entered into an Agreement and Plan of Merger (the “Merger Agreement”) with dMY Technology Group, Inc. IV (“dMY IV”), a special purpose acquisition company (“SPAC”) incorporated in Delaware on December 15, 2020, Photon Merger Sub, Inc., a Delaware corporation and a direct wholly owned subsidiary of dMY IV (“First Merger Sub”), and Photon Merger Sub Two, LLC, a Delaware limited liability company and a direct wholly owned subsidiary of dMY IV (“Second Merger Sub”). Pursuant to the Merger Agreement, upon the favorable vote of dMY IV’s stockholders on December 3, 2021, on December 7, 2021, First Merger Sub merged with and into Former Planet (the “Surviving Corporation”), with Former Planet surviving the merger as a wholly owned subsidiary of dMY IV (the “First Merger”), and pursuant to Former Planet’s election immediately following the First Merger and as part of the same overall transaction as the First Merger, the Surviving Corporation merged with and into dMY IV, with dMY IV surviving the merger (the “Business Combination”). Following the completion of the Business Combination, dMY IV was renamed Planet Labs PBC.

Former Planet was incorporated in the state of Delaware on December 28, 2010. Former Planet was originally incorporated as Cosmogia Inc., and the name was subsequently changed to Planet Labs Inc. on June 24, 2013.

(2) Basis of Presentation and Summary of Significant Accounting Policies

Basis of Presentation and Principles of Consolidation

The accompanying condensed consolidated financial statements are unaudited; however, in the opinion of management they include all normal and recurring adjustments necessary for a fair presentation of the Company’s unaudited condensed consolidated financial statements for the periods presented. Operating results for the three and six months ended July 31, 2023 are not necessarily indicative of the results expected for the fiscal year ending January 31, 2024 or any other future period.

The unaudited condensed consolidated financial statements and accompanying notes have been prepared in accordance with accounting principles generally accepted in the U.S. (“U.S. GAAP”) and include the accounts of Planet Labs PBC and its wholly-owned subsidiaries. All intercompany transactions and balances have been eliminated in consolidation. The Company’s fiscal year end is January 31.

Certain notes or other information that are normally required by U.S. GAAP have been condensed or omitted if they substantially duplicate the disclosures contained in the Company’s annual audited consolidated financial statements. Accordingly, the unaudited condensed consolidated financial statements should be read in connection with the Company’s Annual Report on Form 10-K for the fiscal year ended January 31, 2023 (the “2023 Form 10-K”).

Liquidity

Since its inception, the Company has incurred net losses and negative cash flows from operations. The Company expects to incur additional operating losses and negative cash flows from operations as it seeks to expand its business. As of July 31, 2023 and January 31, 2023, the Company had \$118.8 million and \$181.9 million of cash and cash equivalents, respectively. Additionally, as of July 31, 2023 and January 31, 2023, the Company had short-term investments of \$249.0 million and \$226.9 million, respectively, which are highly liquid in nature and available for current operations.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. The significant estimates and assumptions that affect the Company’s unaudited condensed consolidated financial statements include, but are not limited to, the useful lives of property and equipment, capitalized internal-use software and intangible assets, allowances for credit losses for available for sale debt securities and accounts receivable, estimates related to revenue recognition, including the assessment of performance obligations within a contract and the

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determination of standalone selling price (“SSP”) for each performance obligation, assumptions used to measure stock-based compensation, the fair value of warrants, the fair value of assets acquired, and liabilities assumed from business combinations, the impairment of long-lived assets and goodwill, the recognition, measurement and valuation of current and deferred income taxes and uncertain tax positions, and contingencies.

These estimates and assumptions are based on management’s best estimates and judgment. Management regularly evaluates its estimates and assumptions using historical experience and other factors; however, due to the inherent uncertainties in making estimates, actual results could differ from those estimates and such differences may be material to the unaudited condensed consolidated financial statements.

Due to the COVID-19 Coronavirus pandemic (“COVID-19” or “COVID-19 pandemic”), and current events involving Russia and Ukraine, there is ongoing uncertainty and disruption in the global economy and financial markets. The Company is not aware of any specific event or circumstance that would require an update to its estimates or assumptions or a revision of the carrying value of its assets or liabilities. These estimates and assumptions may change in the future, as new events occur and additional information is obtained.

Segments

Operating segments are defined as components of an entity for which separate financial information is available and that is regularly reviewed by the Chief Operating Decision Maker (“CODM”) in deciding how to allocate resources to an individual segment and in assessing performance. The Company’s CODM is its Chief Executive Officer. The Company has determined that it operates in one operating segment and one reportable segment, as the CODM reviews financial information presented on a consolidated basis for purposes of making operating decisions, allocating resources, and evaluating financial performance.

See Note 3, *Revenue*, for revenue by geographic region. See Note 5, *Balance Sheet Components*, for long-lived assets by geographic region.

Concentration of Credit Risk and Other Risks and Uncertainties

Financial instruments that potentially subject the Company to a concentration of credit risk consist principally of cash, cash equivalents, short-term investments and accounts receivable. By their nature, all such financial instruments involve risks, including the credit risk of nonperformance by counterparties. The Company’s cash, cash equivalents and short-term investments are deposited with or held by financial institutions in the U.S., Canada, Germany, the Netherlands and Singapore. The Company generally does not require collateral to support the obligations of the counterparties and deposits at financial institutions may, at times, be in excess of federal or national insured limits or deposit-guarantee limits in each of the respective countries. The Company has not experienced material losses on its deposits. The maximum amount of loss at July 31, 2023 that the Company would incur if parties to cash, cash equivalents and short-term investments failed completely to perform according to the terms of the contracts is \$365.9 million.

Accounts receivable are typically unsecured and are derived from revenue earned from customers across various countries. One customer accounted for 11% and 15% of accounts receivable as of July 31, 2023 and January 31, 2023, respectively.

For the three and six months ended July 31, 2023, one customer accounted for 23% and 22% of revenue, respectively. For the three months ended July 31, 2022, one customer accounted for 19% of revenue. For the six months ended July 31, 2022, two customers accounted for 15% and 10% of revenue, respectively.

The Company’s offerings depend on continued and new approvals from the Federal Communications Commission (“FCC”), National Oceanic and Atmospheric Administration (“NOAA”), and other U.S. and international regulatory agencies for the Company to continue its operations. There can be no assurance that the Company’s operations will continue to receive the necessary approvals or that such operations will be supported by the U.S. government or other governments. If the Company was denied such approvals, if such approvals were delayed, or if the U.S. government’s or other governments’ policies change, these events may have a material adverse impact on the Company’s financial position and results of operations.

The Company contracts with certain third-party service providers to launch satellites. Service providers who provide these services are limited. The inability of launch service providers to contract with the Company could materially impact future operating results.

Significant Accounting Policies

The Company’s significant accounting policies are included in Note 2 of its Consolidated Financial Statements included in the 2023 Form 10-K.

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(3) Revenue

Deferred Revenue

During the six months ended July 31, 2023 and 2022, the Company recognized revenue of \$38.5 million and \$37.9 million, respectively, that had been included in deferred revenue as of January 31, 2023 and 2022, respectively.

Remaining Performance Obligations

The Company often enters into multi-year imagery licensing arrangements with its customers, whereby the Company generally invoices the amount for the first year of the contract at signing followed by subsequent annual invoices each year. 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. The Company's remaining performance obligations were \$153.9 million as of July 31, 2023, which consists of both deferred revenue of \$74.8 million and non-cancelable contracted revenue that will be invoiced in future periods of \$79.1 million. The Company expects to recognize approximately 74% of the remaining performance obligation over the next 12 months, approximately 96% of the remaining obligation over the next 24 months, and the remainder thereafter.

Remaining performance obligations do not include unexercised contract options, firm orders where funding has not been appropriated and contracts which provide the customer with a right to terminate for convenience without incurring a substantive termination penalty.

Disaggregation of Revenue

The following table disaggregates revenue by major geographic region:

| <i>(in thousands)</i> | Three Months Ended July 31, | | Six Months Ended July 31, | |
|-----------------------|-----------------------------|-----------|---------------------------|-----------|
| | 2023 | 2022 | 2023 | 2022 |
| United States | \$ 27,038 | \$ 25,729 | \$ 50,165 | \$ 44,481 |
| Rest of World | 26,723 | 22,721 | 56,299 | 44,096 |
| Total revenue | \$ 53,761 | \$ 48,450 | \$ 106,464 | \$ 88,577 |

No single country in the Rest of World accounted for more than 10% of revenue for the three and six months ended July 31, 2023 and July 31, 2022.

Costs to Obtain and Fulfill a Contract

Commissions paid to the Company's direct sales force are considered incremental costs of obtaining a contract with a customer. Accordingly, commissions are capitalized when incurred and amortized to sales and marketing expense over the period of benefit from the underlying contracts. The period of benefit from the underlying contract is consistent with the timing of transfer to the performance obligations to which the capitalized costs relate, and is generally consistent with the contract term.

During the three and six months ended July 31, 2023, the Company deferred \$0.4 million and \$0.6 million of commission expenditures to be amortized in future periods, respectively. The Company's amortization of commission expenditures was \$0.7 million and \$1.3 million for the three and six month periods ended July 31, 2023, respectively.

During the three and six months ended July 31, 2022, the Company deferred \$0.6 million and \$1.1 million of commission expenditures to be amortized in future periods, respectively. The Company's amortization of commission expenditures was \$1.5 million and \$1.8 million for the three and six month periods ended July 31, 2022, respectively.

As of July 31, 2023 and January 31, 2023, deferred commissions consisted of the following:

| <i>(in thousands)</i> | July 31, 2023 | January 31, 2023 |
|----------------------------------|---------------|------------------|
| Deferred commission, current | \$ 2,122 | \$ 2,405 |
| Deferred commission, non-current | 1,747 | 2,206 |
| Total deferred commission | \$ 3,869 | \$ 4,611 |

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The current portion of deferred commissions are included in prepaid expenses and other current assets on the condensed consolidated balance sheets. The non-current portion of deferred commissions are included in other non-current assets on the condensed consolidated balance sheets.

(4) Fair Value of Financial Assets and Liabilities

Assets and liabilities recognized or disclosed at fair value in the financial statements are categorized based upon the level of judgment associated with the inputs used to measure their respective fair values.

The following table sets forth the Company's financial instruments that were measured at fair value on a recurring basis for recognition or disclosure purposes as of July 31, 2023 and January 31, 2023 by level within the fair value hierarchy. Assets and liabilities measured at fair value are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. The Company's assessment of the significance of a particular input to the fair value measurement in its entirety requires management to make judgments and considers factors specific to the asset or liability.

| (in thousands) | July 31, 2023 | | |
|--|------------------|------------|-----------|
| | Level 1 | Level 2 | Level 3 |
| Assets | | | |
| Cash equivalents: | | | |
| Money market funds | \$ 40,348 | \$ — | \$ — |
| Commercial paper | — | 995 | — |
| Restricted cash: money market funds | 5,533 | — | — |
| Short-term investments: | | | |
| U.S. Treasury securities | 64,008 | \$ — | \$ — |
| Commercial paper | \$ — | 12,868 | \$ — |
| Corporate bonds | \$ — | 159,094 | \$ — |
| U.S. government agency securities | \$ — | 13,009 | \$ — |
| Total assets | \$ 109,889 | \$ 185,966 | \$ — |
| Liabilities | | | |
| Public Warrants | \$ 4,485 | \$ — | \$ — |
| Private Placement Warrants | \$ — | \$ — | 5,014 |
| Contingent consideration for acquisition of business | \$ — | \$ — | 7,503 |
| Total liabilities | \$ 4,485 | \$ — | \$ 12,517 |
| | | | |
| (in thousands) | January 31, 2023 | | |
| | Level 1 | Level 2 | Level 3 |
| Assets | | | |
| Cash equivalents: | | | |
| Money market funds | 72,382 | — | — |
| Commercial paper | — | 999 | — |
| Restricted cash equivalents: money market funds | 5,486 | — | — |
| Short-term investments: | | | |
| U.S. Treasury securities | 59,433 | — | — |
| Commercial paper | — | 19,849 | — |
| Corporate bonds | — | 139,589 | — |
| U.S. government agency securities | — | 7,997 | — |
| Total assets | \$ 137,301 | \$ 168,434 | \$ — |
| Liabilities | | | |
| Public Warrants | 6,969 | — | — |
| Private Placement Warrants | — | — | 9,701 |
| Contingent consideration for acquisition of business | — | — | 8,030 |
| Total liabilities | \$ 6,969 | \$ — | \$ 17,731 |

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The fair value of cash held in banks and accrued liabilities approximate the stated carrying value due to the short time to maturity and are excluded from the tables above.

Money Market Funds

The fair value of the Company's money market funds is based on quoted active market prices for the funds and is determined using the market approach. There were no realized or unrealized gains or losses on money market funds for the three and six months ended July 31, 2023 and 2022.

Short-term Investments

The fair value of the Company's short-term investments classified within Level 2 are valued using third-party pricing services. The pricing services utilize industry standard valuation models. Inputs utilized include market pricing based on real-time trade data for the same or similar securities and other significant inputs derived from or corroborated by observable market data.

Public and Private Placement Warrants

The Public Warrants (as defined in Note 9 below) are classified within Level 1 as they are publicly traded and had an observable market price in an active market.

The Private Placement Warrants (excluding the Private Placement Vesting Warrants) (as defined in Note 9 below) were valued based on a Black-Scholes option pricing model. Due to the market condition vesting requirements, the fair value of the Private Placement Vesting Warrants were valued using a model based on multiple stock price paths developed through the use of a Monte Carlo simulation that incorporates into the valuation the possibility that the market condition targets may not be satisfied. The Private Placement Warrants were collectively classified as a Level 3 measurement within the fair value hierarchy because these valuation models involve the use of unobservable inputs relating to the Company's estimate of its expected stock volatility which was developed based on the historical volatility of a publicly traded set of peer companies. The expected volatility inputs utilized for the fair value measurements of the Private Placement Warrants as of July 31, 2023 and January 31, 2023 were 70.0% and 70.0%, respectively.

Contingent Consideration for Acquisition of Business

The Company recorded contingent consideration liabilities in connection with its acquisition of Salo Sciences, Inc. on January 3, 2023 (see Note 6 of the Company's Consolidated Financial Statements included in the 2023 Form 10-K). The Company measures the fair value of the contingent consideration liabilities based on significant inputs not observable in the market, which caused them to be classified as a Level 3 measurement within the fair value hierarchy.

The fair value of the contingent consideration liability for the technical milestone payments is determined based on the present value of the probability-weighted payments for each of the milestones. The significant unobservable inputs used in the fair value measurement are management's estimate of the probability to achieve the technical milestone criteria and the discount rate.

The fair value of the contingent consideration liability for customer contract earnout payments is determined using a Monte Carlo simulation. The fair value estimate involves a simulation of future customer contract cash collections during the four-year performance period, the probability of entering into contracts with the named customers and discounting the probability-weighted earnout payments to present value. The significant unobservable inputs used in the fair value measurement are management's estimate of obtaining the customer contracts, including probabilities, timing and contract values, and management's estimate of the discount rate.

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Level 3 Disclosures

The following is a rollforward of Level 3 liabilities measured at fair value for the three and six months ended July 31, 2023 and 2022:

| <i>(in thousands)</i> | Private Placement Warrants | Technical Milestone Contingent Consideration* | Customer Contract Earnout Contingent Consideration* |
|--|---------------------------------------|--|--|
| Fair value at end of year, January 31, 2022 | \$ 12,460 | \$ — | \$ — |
| Change in fair value | (1,068) | — | — |
| Fair value at April 30, 2022 | \$ 11,392 | \$ — | \$ — |
| Change in fair value | (801) | — | — |
| Fair value at July 31, 2022 | \$ 10,591 | \$ — | \$ — |
| Fair value at end of year, January 31, 2023 | \$ 9,701 | \$ 4,433 | \$ 3,597 |
| Change in fair value | (3,323) | 5 | (428) |
| Fair value at April 30, 2023 | \$ 6,378 | \$ 4,438 | \$ 3,169 |
| Change in fair value | (1,364) | 211 | (315) |
| Fair value at July 31, 2023 | \$ 5,014 | \$ 4,649 | \$ 2,854 |

* The current portion of the contingent consideration liabilities balances of \$1.6 million and \$0.5 million as of July 31, 2023 and January 31, 2023, respectively, are included within accrued and other current liabilities. Changes in fair value of the contingent consideration liability for technical milestone payments are included within research and development expenses. Changes in fair value of the contingent consideration liability for customer contract earnout payments are included within sales and marketing expenses.

Other

The Company measures certain non-financial assets including property and equipment, and other intangible assets at fair value on a non-recurring basis in periods after initial measurement in circumstances when the fair value of such assets are impaired below their recorded cost. As of July 31, 2023 and January 31, 2023, there were no material non-financial assets recorded at fair value.

(5) Balance Sheet Components

Cash and Cash Equivalents, and Restricted Cash and Cash Equivalents

Cash and cash equivalents include interest-bearing bank deposits, money market funds and other highly liquid investments with maturities of 90 days or less at the date of purchase.

The Company had restricted cash and cash equivalents balances of \$5.7 million and \$6.2 million as of July 31, 2023 and January 31, 2023, respectively. The restricted cash and cash equivalents balances as of July 31, 2023 primarily consisted of \$4.1 million of collateral money market investments for the Company's headquarters and other domestic office operating leases and \$1.6 million of performance guarantees required for the Company's foreign sales activities. The restricted cash and cash equivalents balances as of January 31, 2023 primarily consisted of \$4.1 million of collateral money market investments for the Company's headquarters and other domestic office operating leases and \$1.8 million of performance guarantees required for the Company's foreign sales activities.

A reconciliation of the Company's cash and cash equivalents and restricted cash and cash equivalents in the condensed consolidated balance sheets to total cash and cash equivalents, and restricted cash and cash equivalents in the condensed consolidated statements of cash flows as of July 31, 2023 and January 31, 2023 is as follows:

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| <i>(in thousands)</i> | July 31, 2023 | January 31, 2023 |
|--|---------------|------------------|
| Cash and cash equivalents | \$ 118,808 | \$ 181,892 |
| Restricted cash and cash equivalents, current | — | 527 |
| Restricted cash and cash equivalents, non-current | 5,707 | 5,657 |
| Total cash, cash equivalents, and restricted cash and cash equivalents | \$ 124,515 | \$ 188,076 |

The current restricted cash and cash equivalents balances as of January 31, 2023 are included in prepaid expenses and other current assets.

Short-term Investments

Short-term investments consisted of the following as of July 31, 2023 and January 31, 2023:

| <i>(in thousands)</i> | Cost or Amortized Cost | July 31, 2023 Gross Unrealized | | Fair Value |
|-----------------------------------|------------------------|-----------------------------------|----------|------------|
| | | Gains | Losses | |
| U.S Treasury securities | \$ 64,339 | \$ 5 | \$ (336) | \$ 64,008 |
| Commercial paper | 12,868 | — | — | 12,868 |
| Corporate bonds | 159,599 | 80 | (585) | 159,094 |
| U.S. government agency securities | 13,070 | — | (61) | 13,009 |
| Total short-term investments | \$ 249,876 | \$ 85 | \$ (982) | \$ 248,979 |

| <i>(in thousands)</i> | Cost or Amortized Cost | January 31, 2023 Gross Unrealized | | Fair Value |
|-----------------------------------|------------------------|--------------------------------------|----------|------------|
| | | Gains | Losses | |
| U.S Treasury securities | \$ 59,255 | \$ 296 | \$ (118) | \$ 59,433 |
| Commercial paper | 19,744 | 105 | — | 19,849 |
| Corporate bonds | 139,644 | 34 | (89) | 139,589 |
| U.S. government agency securities | 8,063 | — | (66) | 7,997 |
| Total short-term investments | \$ 226,706 | \$ 435 | \$ (273) | \$ 226,868 |

The following table summarizes the contracted maturities of the Company's short-term investments as of July 31, 2023 and January 31, 2023:

| <i>(in thousands)</i> | July 31, 2023 | | January 31, 2023 | |
|-----------------------|----------------|------------|------------------|------------|
| | Amortized Cost | Fair Value | Amortized Cost | Fair Value |
| Due in 1 year or less | \$ 147,878 | \$ 147,343 | \$ 124,068 | \$ 124,234 |
| Due in 1-2 years | 101,998 | 101,636 | 102,638 | 102,634 |
| | \$ 249,876 | \$ 248,979 | \$ 226,706 | \$ 226,868 |

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Property and Equipment, Net

Property and equipment, net consists of the following:

| <i>(in thousands)</i> | July 31, 2023 | January 31, 2023 |
|--|---------------|------------------|
| Satellites* | \$ 328,955 | \$ 307,720 |
| Leasehold improvements | 16,780 | 15,389 |
| Ground stations and ground station equipment | 17,491 | 15,113 |
| Office furniture, equipment and fixtures | 7,542 | 5,787 |
| Computer equipment and purchased software | 9,100 | 8,638 |
| Total property and equipment, gross | 379,868 | 352,647 |
| Less: Accumulated depreciation | (259,675) | (244,556) |
| Total property and equipment, net | \$ 120,193 | \$ 108,091 |

* Satellites include \$32.1 million and \$13.8 million of satellites in process and not placed into service as of July 31, 2023 and January 31, 2023, respectively.

The Company's long-lived assets by geographic region are as follows:

| <i>(in thousands)</i> | July 31, 2023 | January 31, 2023 |
|-----------------------------------|---------------|------------------|
| United States | \$ 114,969 | \$ 103,366 |
| Rest of World | 5,224 | 4,725 |
| Total property and equipment, net | \$ 120,193 | \$ 108,091 |

The Company concluded that satellites in service continue to be owned by the U.S. entity and accordingly are classified as U.S. assets in the table above. No single country other than the U.S. accounted for more than 10% of total property and equipment, net, as of July 31, 2023 and January 31, 2023.

Total depreciation expense for the three and six months ended July 31, 2023 was \$10.8 million and \$19.5 million, respectively, of which \$10.2 million and \$18.4 million, respectively, was depreciation expense specific to satellites. Total depreciation expense for the three and six months ended July 31, 2022 was \$10.2 million and \$20.5 million, respectively, of which \$9.1 million and \$18.2 million, respectively, was depreciation expense specific to satellites.

In April 2023, additional information specific to two high resolution satellites became available which indicated the useful lives of the two satellites will be less than originally estimated. The change in estimated useful lives for these satellites was accounted for prospectively beginning in April 2023 which resulted in an increase of depreciation expense of \$2.1 million and \$2.5 million, respectively, for the three and six months ended July 31, 2023. The change in estimate is expected to result in a \$5.0 million increase in depreciation expense for the fiscal year ended January 31, 2024.

Capitalized Internal-Use Software Development Costs

Capitalized internal-use software costs, net of accumulated amortization consists of the following:

| <i>(in thousands)</i> | July 31, 2023 | January 31, 2023 |
|--|---------------|------------------|
| Capitalized internal-use software | \$ 42,071 | \$ 39,535 |
| Less: Accumulated amortization | (29,079) | (28,118) |
| Capitalized internal-use software, net | \$ 12,992 | \$ 11,417 |

Amortization expense for capitalized internal-use software for the three and six months ended July 31, 2023 was \$0.5 million and \$0.9 million, respectively. Amortization expense for capitalized internal-use software for the three and six months ended July 31, 2022 was \$0.7 million and \$1.3 million, respectively.

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Goodwill and Intangible Assets

Goodwill and Intangible assets consist of the following:

| (in thousands) | July 31, 2023 | | | | January 31, 2023 | | | |
|-------------------------|-----------------------|--------------------------|------------------------------|---------------------|-----------------------|--------------------------|------------------------------|---------------------|
| | Gross Carrying Amount | Accumulated Amortization | Foreign Currency Translation | Net Carrying Amount | Gross Carrying Amount | Accumulated Amortization | Foreign Currency Translation | Net Carrying Amount |
| Developed technology | \$ 18,618 | \$ (9,617) | \$ (8) | \$ 8,993 | \$ 18,619 | \$ (8,871) | \$ (8) | \$ 9,740 |
| Image library | 13,025 | (11,538) | 175 | 1,662 | 12,384 | (11,004) | 231 | 1,611 |
| Customer relationships | 4,935 | (3,192) | 8 | 1,751 | 4,935 | (2,788) | 7 | 2,154 |
| Trade names and other | 5,979 | (3,557) | 39 | 2,461 | 4,551 | (3,264) | 39 | 1,326 |
| Total intangible assets | \$ 42,557 | \$ (27,904) | \$ 214 | \$ 14,867 | \$ 40,489 | \$ (25,927) | \$ 269 | \$ 14,831 |
| Goodwill | \$ 110,944 | \$ — | \$ 1,806 | \$ 112,750 | \$ 110,942 | \$ — | \$ 1,806 | \$ 112,748 |

Amortization expense for intangible assets for the three and six months ended July 31, 2023 was \$0.9 million and \$2.0 million, respectively. Amortization expense for intangible assets for the three and six months ended July 31, 2022 was \$0.7 million and \$1.4 million, respectively.

Estimated future amortization expense of intangible assets at July 31, 2023, is as follows:

| | |
|--|-----------|
| (in thousands) | |
| Remainder of Fiscal Year 2024 | \$ 1,753 |
| 2025 | 2,884 |
| 2026 | 2,515 |
| 2027 | 2,023 |
| 2028 | 1,908 |
| Thereafter | 3,784 |
| Total estimated future amortization expense of intangible assets | \$ 14,867 |

Accrued and Other Current Liabilities

Accrued liabilities and other current liabilities consist of the following:

| (in thousands) | July 31, 2023 | January 31, 2023 |
|---|---------------|------------------|
| Deferred R&D service liability (see Note 7) | \$ 9,855 | \$ 19,959 |
| Payroll and related expenses | 6,064 | 8,518 |
| Deferred hosting costs | 4,850 | 4,694 |
| Withholding taxes and other taxes payable | 2,298 | 2,272 |
| Other accruals | 14,774 | 10,579 |
| Total accrued and other current liabilities | \$ 37,841 | \$ 46,022 |

(6) Leases

The Company's leasing activities primarily consist of real estate leases for its operations, including office space, and certain ground station service agreements that convey the right to control the use of specified equipment and facilities. The Company assesses whether each lease is an operating or finance lease at the lease commencement date. As of July 31, 2023, the Company had no finance leases.

Operating lease costs were \$2.1 million and \$4.0 million for the three and six months ended July 31, 2023, respectively. Operating lease costs were \$1.4 million and \$2.9 million for the three and six months ended July 31, 2022, respectively. Variable lease expenses, short-term lease expenses and sublease income were immaterial for the three and six months ended July 31, 2023 and 2022.

Operating cash flows from operating leases were \$1.7 million and \$2.7 million for the three and six months ended July 31, 2023, respectively. Operating cash flows from operating leases were \$2.0 million and \$4.0 million for the three and six months ended July 31, 2022, respectively.

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Right of use assets obtained in exchange for operating lease liabilities were \$1.3 million and \$6.2 million for the three and six months ended July 31, 2023, respectively. There were no right of use assets obtained in exchange for operating lease liabilities for the three and six months ended July 31, 2022.

Maturities of operating lease liabilities as of July 31, 2023 were as follows:

(in thousands)

| | | |
|---|----|---------|
| Remainder of Fiscal Year 2024 | \$ | 4,531 |
| 2025 | | 8,986 |
| 2026 | | 8,746 |
| 2027 | | 5,606 |
| 2028 | | 1,421 |
| Thereafter | | 857 |
| Total lease payments | \$ | 30,147 |
| Less: Imputed interest | | (3,747) |
| Total lease liabilities | \$ | 26,400 |
| Weighted average remaining lease term (years) | | 3.6 |
| Weighted average discount rate | | 8.0 % |

(7) Research and Development Arrangements

Research and Development Services Agreement

In December 2020, the Company entered into a development services agreement, whereby the Company agreed to provide the technical knowledge and services to design and develop certain prototype satellites and deliver and test early data collected (the “*R&D Services Agreement*”). The R&D Services Agreement, including subsequent amendments to such agreement, provides for funding of \$45.8 million, to be paid to the Company as specified milestones are achieved over a three year period. The R&D Services Agreement is unrelated to the Company’s ordinary business activities. The Company has discretion in managing the activities under the R&D Services Agreement and retains all developed intellectual property. The Company has no obligation to repay any of the funds received regardless of the outcome of the development work; therefore, the arrangement is accounted for as funded research and development pursuant to ASC 730-20, *Research and Development*. As ASC 730-20 does not indicate the accounting model for research and development services, the Company determined the total transaction price is recognized over the agreement term as a reduction of research and development expenses based on a cost incurred method.

During the three and six months ended July 31, 2023, the Company recognized \$3.9 million and \$8.0 million of funding and incurred \$3.9 million and \$8.0 million of research and development expenses, respectively, in connection with the R&D Services Agreement. During the three and six months ended July 31, 2022, the Company recognized \$3.9 million and \$6.6 million of funding and incurred \$3.9 million and \$6.6 million of research and development expenses, respectively. As of July 31, 2023 and January 31, 2023, the Company had received total funding of \$36.9 million and \$36.3 million, respectively, under the R&D Services Agreement.

NASA Communication Services Project

In connection with its Communication Services Project (“CSP”), the National Aeronautics and Space Administration (“NASA”) selected certain satellite communications providers that NASA will fund to develop and demonstrate near-Earth space communication services that may support future NASA missions using commercial technology. In June 2022 and August 2022, the Company entered into separate agreements with two of the satellite communications providers selected by NASA whereby the Company agreed to participate in the NASA CSP as a subcontractor. The agreements provide for the Company to receive aggregate funding of \$40.5 million to be paid as milestones are completed. The Company determined that the agreements are in the scope of ASC 912-730, *Contractors – Federal Government – Research and Development* (“ASC 912-730”). In accordance with ASC 912-730, funding is recognized over the term of each agreement as a reduction of research and development expenses based on a cost incurred method.

During the three and six months ended July 31, 2023, the Company recognized \$4.9 million and \$8.0 million of funding, respectively, and incurred \$3.3 million and \$7.2 million of research and development expenses, respectively, in connection with the NASA CSP. The funding recognized and research and development expenses incurred were immaterial for the three and six months ended July 31, 2022. As of July 31, 2023 and January 31,

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2023, the Company had received total funding of \$12.5 million and \$6.5 million, respectively, in connection with the NASA CSP.

In July 2023, projected costs related to certain of our research and development arrangements were revised down as a result of operational decisions. This change in estimate resulted in a \$2.2 million cumulative increase of funding recognized for certain of our research and development arrangements for the three months ended July 31, 2023.

(8) Commitments and Contingencies

Launch Services

The Company has purchase commitments for future satellite launch services to be performed by third- parties subsequent to July 31, 2023. Future purchase commitments under noncancelable launch service contracts as of July 31, 2023 are as follows:

(in thousands)

| | | |
|-------------------------------|----|-----|
| Remainder of Fiscal Year 2024 | \$ | 245 |
| 2025 | | — |
| 2026 | | 50 |
| Total purchase commitments | \$ | 295 |

Other

The Company has minimum purchase commitments for hosting services from Google through January 31, 2028 (see Note 10). Future minimum purchase commitments under the noncancelable hosting service agreement with Google as of July 31, 2023 are as follows:

(in thousands)

| | | |
|-------------------------------|----|---------|
| Remainder of Fiscal Year 2024 | \$ | 11,644 |
| 2025 | | 30,120 |
| 2026 | | 31,190 |
| 2027 | | 32,725 |
| 2028 | | 33,427 |
| Total purchase commitments | \$ | 139,106 |

Contingencies

The Company is not a party to any material legal proceedings and is not aware of any pending or threatened claims, individually or in the aggregate, that are expected to have a material adverse impact on its condensed consolidated financial statements as of each reporting period. From time to time however, the Company may have certain contingent liabilities that arise in the ordinary course of business activities including those arising from disputes and claims and events arising from revenue contracts entered into by the Company. The Company accrues a liability for such matters when it is probable that future expenditures will be made and such expenditures can be reasonably estimated.

Indemnification

The Company enters into standard indemnification arrangements in the ordinary course of business. Pursuant to these arrangements, the Company indemnifies, holds harmless, and agrees to reimburse the indemnified parties for losses suffered or incurred by the indemnified party, in connection with any trade secret, copyright, patent, or other intellectual property infringement claim by any third-party with respect to its technology. The term of these indemnification agreements is generally perpetual after the execution of the agreement. The Company has not incurred costs to defend lawsuits or settle claims related to these indemnification agreements. In the event that one or more of these matters were to result in a claim against the Company, an adverse outcome, including a judgment or settlement, may cause a material adverse effect on the Company's future business, operating results or financial condition. It is not possible to determine the maximum potential amount under these contracts due to the limited history of prior indemnification claims and the unique facts and circumstances involved in each particular agreement.

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The Company has entered into indemnification agreements with its directors and officers that may require the Company to indemnify them against liabilities that may arise by reason of their status or service as directors or officers, other than liabilities arising from willful misconduct of the individual.

To date, we have not incurred any material costs, and have not accrued any liabilities in the consolidated financial statements as a result of these provisions.

(9) Warrants

Public and Private Placement Warrants

In connection with dMY IV's initial public offering, which occurred on March 9, 2021, dMY IV issued 34,500,000 units, each unit consisting of one share of Class A common stock of dMY IV and one-fifth of one redeemable warrant, at a price of \$10.00 per unit. Each whole warrant entitles the holder to purchase one share of Class A common stock at an exercise price of \$11.50 per share, subject to adjustment (the "Public Warrants"). Simultaneously with the closing of its initial public offering, dMY IV completed the private sale of 5,933,333 warrants to dMY Sponsor IV, LLC (the "dMY Sponsor") at a purchase price of \$1.50 per warrant (the "Private Placement Warrants"). Each Private Placement Warrant is exercisable for one share of Class A common stock at \$11.50 per share.

Additionally, pursuant to a lock-up agreement entered into with the dMY Sponsor in connection with the Business Combination, 2,966,667 of the Private Placement Warrants are subject to vesting conditions (the "Private Placement Vesting Warrants"). The Private Placement Vesting Warrants vest in four equal tranches (i) when the closing price of Class A common stock equals or exceeds \$15.00, \$17.00, \$19.00 and \$21.00, over any 20 trading days within any 30 days trading period prior to December 7, 2026 or (ii) when the Company consummates a change of control transaction prior to December 7, 2026 that entitles its stockholders to receive a per share consideration of at least \$15.00, \$17.00, \$19.00 and \$21.00. Any right to Private Placement Vesting Warrants that remains unvested on the first business day after five years from the closing of the Business Combination will be forfeited without any further consideration.

As of July 31, 2023 and January 31, 2023, there were 6,899,982 Public Warrants and 5,933,333 Private Placement Warrants, including 2,966,667 Private Placement Vesting Warrants, outstanding.

Warrants to Purchase Class A Common Stock

In addition to the Public and Private Placement Warrants, there were 1,065,594 warrants to purchase shares of Class A common stock with a weighted average exercise price of \$9.384 which were outstanding and exercisable as of July 31, 2023 and January 31, 2023. As of July 31, 2023, the outstanding warrants have a weighted average remaining term of 6.7 years.

(10) Related Party Transactions

As of July 31, 2023 and January 31, 2023, Google held 31,942,641 shares of the Company's Class A common stock, and, as such, owned greater than 10% of outstanding shares of the Company's Class A common stock.

In April 2017, the Company and Google entered into a five year content license agreement pursuant to which the Company licensed content to Google. In April 2022, the agreement automatically renewed for a period of one year and in April 2023, the agreement expired. As of January 31, 2023, the deferred revenue balance associated with the content license agreement was \$0.3 million. For the three months ended July 31, 2023, the Company did not recognize any revenue related to the content license agreement, and recognized revenue of \$0.3 million for the six months ended July 31, 2023. For the three and six months ended July 31, 2022, the Company recognized revenue of \$3.4 million and \$6.4 million, respectively, related to the content license agreement.

In July 2023, the Company and Google entered into a one year content license agreement pursuant to which the Company agreed to license content to Google and provide certain of its products and services in exchange for a \$1.0 million fee. The agreement also provides for the Company to receive up to \$2.0 million in value of Google cloud credits that the Company can apply against the cost of Google cloud services it utilizes to fulfill its obligations under the agreement. The Company determined that the Google cloud credits represent non-cash variable consideration which is included in the transaction price for the agreement, subject to the guidance on estimating variable consideration within ASC 606, *Revenue from Contracts with Customers*. The agreement does not include extension or renewal terms. For the three and six months ended July 31, 2023, the Company recognized revenue of \$1.0 million related to the content license agreement.

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The Company purchases hosting and other services from Google, of which \$14.5 million and \$13.4 million is deferred as of July 31, 2023 and January 31, 2023, respectively. For the three and six months ended July 31, 2023, the Company recorded hosting expense of \$7.7 million and \$14.1 million, respectively. For the three and six months ended July 31, 2022, the Company recorded hosting expense of \$6.2 million and \$11.6 million, respectively. As of July 31, 2023 and January 31, 2023, the Company's accounts payable and accrued liabilities balance included \$5.5 million and \$2.3 million related to hosting and other services provided by Google, respectively.

On June 28, 2021, the Company amended the terms of its hosting agreement with Google. The amendment, among other things, increases the aggregate purchase commitments to \$193.0 million. The amended agreement commenced on August 1, 2021 and extends through January 31, 2028. See Note 8 for future Google hosting purchase commitments, including the amended commitments, as of July 31, 2023.

(11) Stock-based Compensation

Prior to the Business Combination, the Company issued equity awards under the Planet Labs Inc. Amended and Restated 2011 Stock Incentive Plan (the "Legacy Incentive Plan"). In connection with the Business Combination, the Company adopted the Planet Labs PBC 2021 Incentive Award Plan (the "Incentive Plan"). No further awards will be granted under the Legacy Incentive Plan. Directors, employees and consultants are eligible to receive awards under the Incentive Plan; however, ISOs may only be granted to employees. The Company's equity incentive plans are described in Note 15, *Stock-based Compensation*, in the Notes to the Consolidated Financial Statements in the 2023 Form 10-K.

Stock-Based Compensation

The following table summarizes stock-based compensation expense recognized related to awards granted to employees and nonemployees, as follows:

| (in thousands) | Three Months Ended July 31, | | Six Months Ended July 31, | |
|---|-----------------------------|-----------|---------------------------|-----------|
| | 2023 | 2022 | 2023 | 2022 |
| Cost of revenue | \$ 1,147 | \$ 1,357 | \$ 2,064 | \$ 2,676 |
| Research and development | 7,626 | 8,955 | 14,211 | 17,621 |
| Sales and marketing | 3,121 | 3,757 | 6,201 | 7,394 |
| General and administrative | 5,544 | 6,964 | 10,945 | 13,601 |
| Total expense | 17,438 | 21,033 | 33,421 | 41,292 |
| Capitalized to internal-use software development costs and property and equipment | (781) | (452) | (1,408) | (889) |
| Total stock-based compensation expense | \$ 16,657 | \$ 20,581 | \$ 32,013 | \$ 40,403 |

Stock Options

A summary of stock option activity is as follows:

| | Options Outstanding | | | |
|--|---------------------|---------------------------------|---|--|
| | Number of Options | Weighted Average Exercise Price | Weighted Average Remaining Term (Years) | Aggregate Intrinsic Value (in thousands) |
| Balances at January 31, 2023 | 33,721,774 | \$ 5.08 | 6.3 | |
| Exercised | (2,401,798) | \$ 2.65 | | |
| Granted | — | \$ — | | |
| Forfeited | (1,340,876) | \$ 7.21 | | |
| Balances at July 31, 2023 | 29,979,100 | \$ 5.18 | 6.0 | \$ 6,904 |
| Vested and exercisable at July 31, 2023 | 24,378,637 | \$ 4.51 | 5.6 | \$ 6,904 |

As of July 31, 2023, total unrecognized compensation cost related to stock options was \$21.7 million, which is expected to be recognized over a period of 1.8 years.

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Restricted Stock Units

A summary of restricted stock unit (“RSU”) activity is as follows:

| | Number of RSUs | Weighted Average Grant Date Fair Value |
|-------------------------------------|-------------------|---|
| Balances at January 31, 2023 | 16,972,601 | \$ 5.90 |
| Vested | (3,876,125) | \$ 5.48 |
| Granted | 18,357,985 | \$ 4.00 |
| Forfeited | (1,400,245) | \$ 5.02 |
| Balances at July 31, 2023 | <u>30,054,216</u> | <u>\$ 4.83</u> |

During the six months ended July 31, 2023, the Company granted 18,357,985 RSUs, which generally vest over four years, subject to the recipient’s continued service through each applicable vesting date.

Stock-based compensation expense recognized for RSUs during the three and six months ended July 31, 2023 was \$11.3 million and \$20.6 million, respectively. Stock-based compensation expense recognized for RSUs during the three and six months ended July 31, 2022 was \$9.2 million and \$17.7 million, respectively. As of July 31, 2023, total unrecognized compensation cost related to RSUs was \$121.2 million, which is expected to be recognized over a period of approximately 3.1 years.

Performance Vesting Restricted Stock Units

On April 24, 2023, the Company granted 265,825 performance vesting restricted stock units (“PSUs”) to certain members of the Company’s senior management. A portion of the PSUs are subject to vesting requirements related to the achievement of certain revenue and adjusted EBITDA targets for the first half of the fiscal year ended January 31, 2024 and the remaining portion is subject to vesting requirements related to the achievement of certain revenue and adjusted EBITDA targets for the entire fiscal year ended January 31, 2024. Vesting is also subject to continued service through the applicable vesting dates, and the actual number of PSUs that may vest ranges from 0% to 125% of the PSUs granted based on achievement of the targets.

Stock-based compensation expense recognized for PSUs during the three and six months ended July 31, 2023 was \$0.4 million. As of July 31, 2023, total unrecognized compensation cost related to PSUs was \$0.6 million, which is expected to be recognized over a period of approximately 0.7 years.

Early Exercises of Stock Options

The Legacy Incentive Plan provided for the early exercise of stock options for certain individuals as determined by the Company’s board of directors. Shares of common stock issued upon early exercises of unvested options are not deemed, for accounting purposes, to be issued until those shares vest according to their respective vesting schedules and accordingly, the consideration received for early exercises is initially recorded as a liability and reclassified to common stock and additional paid-in capital as the underlying awards vest. As of July 31, 2023, the Company had a \$10.8 million liability recorded for the early exercise of unvested stock options, and the related number of unvested shares subject to repurchase was 1,102,920.

Earn-out Shares

Pursuant to the Merger Agreement, Former Planet equity award holders have the right to receive Earn-out Shares that are contingently issuable in shares of Class A common stock. The Earn-out Shares may be earned in four equal tranches (i) when the closing price of Class A common stock equals or exceeds \$15.00, \$17.00, \$19.00 and \$21.00, over any 20 trading days within any 30 day trading period prior to December 7, 2026 or (ii) when the Company consummates a change of control transaction prior to December 7, 2026 that entitles its stockholders to receive a per share consideration of at least \$15.00, \$17.00, \$19.00 and \$21.00.

No Earn-out Shares vested during the three and six months ended July 31, 2023. As of July 31, 2023, there were 3,927,270 Earn-out Shares outstanding relating to Former Planet equity award holders.

During the three and six months ended July 31, 2023, the Company recognized \$1.6 million and \$3.9 million of stock-based compensation expense related to the Earn-out Shares, respectively. During the three and six months ended July 31, 2022, the Company recognized \$7.1 million and \$14.3 million of stock-based compensation expense related to the Earn-out Shares, respectively. As of July 31, 2023, total unrecognized compensation cost related to the Earn-out Shares was \$0.8 million. These costs are expected to be recognized over a period of approximately 0.3 years.

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Other Stock-based Compensation

In connection with the acquisition of VanderSat B.V. (“VanderSat”) on December 13, 2021, the Company issued 543,391 shares of Class A common stock to an employee and former owner of VanderSat which are accounted for as stock-based compensation because the shares are subject to forfeiture based on post-acquisition time-based service vesting. The shares vest in quarterly increments over two years commencing on December 13, 2021. During the three and six months ended July 31, 2023, the Company recognized \$0.6 million and \$1.3 million of stock-based compensation expense related to these shares, respectively. During the three and six months ended July 31, 2022, the Company recognized \$0.6 million and \$1.3 million of stock-based compensation expense related to these shares, respectively. As of July 31, 2023, unrecognized compensation cost related to these shares was \$1.0 million. These costs are expected to be recognized over a period of approximately 0.4 years.

(12) Income Taxes

The Company recorded income tax expense of \$0.6 million and \$0.9 million for the three and six months ended July 31, 2023. The Company recorded income tax expense of \$0.2 million and \$0.5 million for the three and six months ended July 31, 2022. For the three and six months ended July 31, 2023 and 2022, the income tax expense was primarily driven by the current tax on foreign earnings. The effective tax rates for the three and six months ended July 31, 2023 and 2022 differed from the federal statutory tax rate primarily due to the valuation allowance on the majority of the Company’s U.S. and foreign deferred tax assets and foreign rate differences.

The Company evaluates its tax positions on a quarterly basis and revises its estimates accordingly. Gross unrecognized tax benefits were \$7.5 million and \$6.9 million as of July 31, 2023 and January 31, 2023, respectively. The gross unrecognized tax benefits, if recognized, would not affect the effective tax rate due to the valuation allowance against the deferred tax assets. The Company determined that no accrual for interest and penalties was required as of July 31, 2023 and January 31, 2023 and no such expenses were incurred in the periods presented.

The Company does not anticipate the total amounts of unrecognized tax benefits to significantly increase or decrease in the next twelve months.

The Company files U.S. federal, various state and foreign income tax returns. The Company is not currently under audit by any taxing authorities. All tax years remain open to examination by taxing jurisdictions to which the Company is subject.

(13) Net Loss Per Share Attributable to Common Stockholders

The Company computes net loss per share of the Class A common stock and Class B common stock using the two-class method required for participating securities. Basic and diluted net loss per share are the same for each class of common stock because they are entitled to the same liquidation and dividend rights. The following table sets forth the computation of basic and diluted loss per Class A common stock and Class B common stock (amounts in thousands, except share and per share amounts):

| | Three Months Ended July 31, | | Six Months Ended July 31, | |
|---|-----------------------------|-------------|---------------------------|-------------|
| | 2023 | 2022 | 2023 | 2022 |
| Numerator: | | | | |
| Net loss attributable to common stockholders | \$ (37,975) | \$ (39,529) | \$ (72,419) | \$ (83,889) |
| Denominator: | | | | |
| Basic and diluted weighted-average common shares outstanding used in computing net loss per share attributable to common stockholders | 275,053,198 | 266,212,489 | 273,723,006 | 265,168,341 |
| Basic and diluted net loss per share attributable to common stockholders | \$ (0.14) | \$ (0.15) | \$ (0.26) | \$ (0.32) |

Basic and diluted net loss per share was the same for each period presented as the inclusion of all potential Class A common stock and Class B common stock outstanding would have been anti-dilutive.

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The following table presents the potential common stock outstanding that was excluded from the computation of diluted net loss per share of common stock as of the periods presented because including them would have been antidilutive:

| | As of July 31, | |
|---|----------------|------------|
| | 2023 | 2022 |
| Warrants to purchase Class A common stock | 1,065,594 | 1,065,594 |
| Common stock options | 29,979,100 | 38,134,476 |
| Restricted Stock Units | 30,054,216 | 15,650,675 |
| Earn-out Shares | 25,386,280 | 26,106,585 |
| dMY Sponsor Earn-out Shares | 862,500 | 862,500 |
| Public Warrants | 6,899,982 | 6,899,982 |
| Private Placement Warrants | 5,933,333 | 5,933,333 |
| Early exercised common stock options, subject to future vesting | 1,102,920 | 1,470,565 |
| Shares issued in connection with acquisition, subject to future vesting | 135,847 | 407,543 |
| Total | 101,419,772 | 96,531,253 |

(14) Subsequent Events

Sinergise Asset Purchase Agreement

On March 26, 2023, the Company entered into an asset purchase agreement with Holding Sinergise d.o.o., a company existing under the laws of Slovenia (“Sinergise”), and its subsidiaries and certain shareholders of Sinergise, to acquire from Sinergise its cloud-based geo-spatial analysis products, platforms and solutions business.

On August 4, 2023, the Company completed the acquisition. The acquisition is expected to expand the Company’s data analysis platform and allow customers to extract insights from earth observation data more easily. The purchase price consisted of approximately \$22.4 million of cash and the issuance of 6,745,438 shares of the Company’s Class A common stock.

The Company expects to account for the acquisition as a business combination in accordance with ASC 805, *Business Combinations* (“ASC 805”). Due to the proximity of the acquisition date to the Company’s filing of its quarterly report on Form 10-Q for the period ended July 31, 2023, the initial accounting for the Sinergise business combination is incomplete, and therefore the Company is unable to disclose certain information required by ASC 805, including the provisional amounts recognized as of the acquisition date for fair value of consideration transferred, each major class of assets acquired and liabilities assumed and goodwill.

Headcount Reduction

On August 1, 2023, the Company announced a plan to reduce its global headcount by approximately 117 employees, which represents approximately 10% of the Company’s total number of employees prior to the reduction (the “headcount reduction”).

As a result of the headcount reduction, the Company currently estimates that it will incur non-recurring charges of approximately \$7 million to \$8 million in aggregate pre-tax costs in connection with the reduction, consisting of one-time severance and other termination benefit costs. The Company expects that the majority of these charges will be incurred in the third quarter of fiscal 2024, and that the headcount reductions, including related cash payments, will be substantially complete by the end of the fiscal year ending January 31, 2024. The foregoing amounts do not include any non-cash charges associated with stock-based compensation.

Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations

MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS OF PLANET

The following Management’s Discussion and Analysis of Financial Condition and Results of Operations (“MD&A”) is intended to help the reader understand the results of operations and financial condition of Planet Labs PBC. The MD&A should be read in conjunction with the unaudited condensed consolidated financial statements and related notes included in Part I, Item I of this Quarterly Report on Form 10-Q, as well as our audited annual consolidated financial statements and related notes as disclosed in our Annual Report on Form 10-K for the fiscal year ended January 31, 2023 (the “2023 Form 10-K”). This discussion contains forward-looking statements and involves numerous risks and uncertainties, including, but not limited to, those described in Part II, Item 1A, “Risk Factors” in this Quarterly Report and Part I, Item 1A, “Risk Factors” of our 2023 Form 10-K. Actual results may differ materially from those contained in any forward-looking statements. Our historical results are not necessarily indicative of the results that may be expected for any period in the future.

Business and Overview

Our mission is to use space to help life on Earth, by imaging the world every day and making global change visible, accessible, and actionable. Our platform includes imagery, insights, and machine learning that empower companies, governments, and communities around the world to make timely decisions about our evolving world.

As a public benefit corporation, our purpose is to accelerate humanity toward a more sustainable, secure, and prosperous world, by illuminating the most important forms of environmental and social change.

We deliver a differentiated data set: a new image of the entire Earth’s landmass, constantly refreshed. To collect this powerful data set, we design, build and operate hundreds of satellites, making our fleet the largest Earth observation fleet of satellites in history. Our daily stream of proprietary data and machine learning analytics, delivered through our cloud-native platform, helps companies, governments and civil society use satellite imagery to discover insights as change happens.

To help further our mission, we have developed advanced satellite technology that increases the cost performance of each satellite. This has enabled us to launch large fleets of satellites at lower cost and in turn record over 2,400 images on average for every point on Earth’s landmass, a non-replicable historical archive for analytics, machine learning, and insights. We have advanced data processing capabilities that enable us to produce “AI-ready” data sets. As this data set continues to grow, we believe its value to our customers will further increase.

We currently serve over 900 customers across large commercial and government verticals, including agriculture, mapping, forestry, finance and insurance, as well as federal, state, and local government bodies. Our products serve a variety of diverse customer needs. For example, our products have helped farmers make decisions that result in significant increases in their harvests, while using fewer resources, by timely alerting them to changes happening within their fields. Governments use our data to help deliver public services more effectively in disaster response. Mapping companies use our data to keep online maps up to date. Also, journalists and human rights organizations use our data to uncover and report the truth about events in hard-to-reach places.

Our proprietary data set and analytics are delivered pursuant to subscription and usage-based data licensing agreements and are accessed by our customers through our online platform and subscription APIs. We believe our efficient cost structure, one-to-many business model and differentiated data set have enabled us to grow our customer base across multiple vertical markets. As of July 31, 2023, our EoP Customer Count was 944 customers, which represented a 10% year-over-year growth when compared to July 31, 2022. Our EoP Customer Count has grown quarter-over-quarter for every quarter in the prior three years. For a definition of EoP Customer Count see the section titled “Key Operational and Business Metrics.” Over 90% of our customers sign annual or multiyear contracts, with an average contract length of approximately two years, weighted on an annual contract value basis.

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Our Business Model

We primarily generate revenue through selling licenses to our data and analytics to customers over an entirely cloud-based platform via fixed price subscription and usage-based contracts. Data licensing subscriptions and minimum commitment usage-based contracts provide a large recurring revenue base for our business with a low incremental cost to serve each additional customer. Payment terms of our customer agreements are most commonly in advance on an either quarterly or annual basis, although a small number of large contracts have required payment terms that are monthly or quarterly in arrears. We also generate an immaterial amount of revenue from sales of third-party imagery, professional services, and customer support.

We employ a “land-and-expand” go-to-market strategy with the goal to deliver increasing value to our customers and generate more revenue with each customer over time by expanding the scope of the services we offer. We work closely with our customers and partners to enable their early success, both from an account management and technical management perspective. Deeper adoption from our customers comes in many forms, including more users, more area coverage, and more advanced software analytics capabilities.

Two key elements of our growth strategy include scaling in existing verticals and expanding into new verticals.

Scaling in Existing Verticals:

We plan to invest in sales, marketing and software solutions to drive our expansion within our existing customer base and further penetrate verticals that are early adopters of geospatial data, such as Civil Government, Agriculture, Defense & Intelligence, and Mapping. In addition, we plan to invest in expanding the analytic tools we make available to these customers with the goal of increasing the services we provide to these customers and more deeply embed our data and analytics into their business intelligence systems.

Expansion into New Verticals:

We plan to invest in our software engineering teams to develop solutions to address use cases in emerging markets in our industry such as Energy & Infrastructure, Finance & Insurance, Forestry and ESG-related Industrial / Consumer Packaged Goods. In addition, to expand our reach within vertical markets, we intend to leverage our open data platform with specific vertical partners to deliver vertical market-specific solutions. We believe our increased investment in developing software analytics solutions has the potential to accelerate the usage of our data and analytics across broader audiences.

Factors Affecting the Results of Operations

We believe that our financial condition and result of operations have been, and will continue to be, affected by a number of factors that present significant opportunities for us but also pose risks and challenges, including those discussed below, in Part II, Item 1A “Risk Factors” of this Quarterly Report and in Part I, Item 1A, “Risk Factors” of our 2023 Form 10-K.

Continuing to Acquire New Customers

Attracting new customers is an important factor affecting our future growth and operating performance. We believe our ability to attract customers will be driven by our ability to continue to improve our data and offer software and analytic solutions that make our data easier to consume and integrate into our customers’ workflows, our success in offering new data sets and products to solve customer problems, increases in our global sales presence and increases in our marketing investments. In addition, the timing of securing new customer contracts, including when it occurs during the year and the length of the sales cycle, as well as the size of the contracts, can impact our operating performance. We plan to invest in making our data more digestible and accessible to non-technical business users and build solutions to address more use cases and expand our addressable market. As a result of this strategy, we anticipate our research and development expenditures will increase in the near term. In addition, to expand our reach with customers, we intend to partner with independent software vendors and solution providers who are building vertical market-specific solutions. While we have customers and partners today in many markets, we believe that our increased investment in developing software analytics solutions has the potential to accelerate the usage of our data and analytics across broader audiences.

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Retention and Expansion of Existing Customers

We are focused on increasing customer retention and expanding revenue with existing customers because this will affect our financial results, including revenues, gross profit, operating loss, and operating cash flows. To increase customer retention and expansion of revenue from existing customers, we are making a number of investments in our operations. Areas of investment that affect customer retention and expansion include our customer success function, continuous improvements to our existing data, and the software tools and analytic tools that make our data easier to consume. Additionally, customer retention and expansion is driven by the speed with which our customers realize the value of our data once they become customers, our ability to cross-sell our different products to our existing customers and our ability to offer new products to our customers. As a result of the foregoing, we anticipate our cost of revenue, operating expenses, and capital expenditures will continue to increase and consequently, we are likely to experience losses in the near term, delaying our ability to achieve profitability and adversely affecting cash flows.

Developing New Sensors and Data Sets

We expect that our ability to provide new data sets through new sensors and new proprietary data will be an important factor for our long-term growth and future market penetration. We believe offering new data sets and fusing new data sets with our existing data sets will enable us to deliver greater value to our existing customers and help us attract new customers. This may require significant investment in technology and personnel and result in increased research and development costs as well as costs of revenue.

Investment Decisions

We regularly review our existing customers and target markets to determine where we should invest in our product and technology roadmap, both for our space systems engineering to enable new geospatial coverage models, as well as our software engineering focused on providing sophisticated analytics models and tools to service an expanding set of markets and use cases. Our financial performance relies heavily on effective balance between driving continued growth, maintaining technology leadership, and improving margins across the business.

Seasonality

We have experienced, and expect to continue to experience, seasonality in our business and fluctuations in our operating results due to customer behavior, buying patterns and usage-based contracts. For example, we typically have customers who increase their usage of our data services when they need more frequent data monitoring over broader areas during peak agricultural seasons, during natural disasters or other global events, or when commodity prices are at certain levels. These customers may expand their usage and then subsequently scale back. We believe that the seasonal trends that we have experienced in the past may occur in the future. To the extent that we experience seasonality, it may impact our operating results and financial metrics, as well as our ability to forecast future operating results and financial metrics. Additionally, when we introduce new products to the market, we may not have sufficient experience in selling certain products to determine if demand for these products are or will be subject to material seasonality.

Key Operational and Business Metrics

In addition to the measures presented in our consolidated financial statements, we use the following key operational and business metrics to evaluate our business, measure our performance, develop financial forecasts, and make strategic decisions.

ACV and EoP ACV Book of Business

In connection with the calculation of several of the key operational and business metrics we utilize, we calculate 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. For short-term contracts (contracts less than 12 months), ACV is equal to total contract value.

We also calculate EoP ACV Book of Business in connection with the calculation of several of the key operational and business metrics we utilize. We define 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. 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

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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. We do not annualize short-term contracts in calculating our EoP ACV Book of Business. We calculate 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.

Net Dollar Retention Rate

| | Six Months Ended July 31, | |
|---------------------------|---------------------------|-------|
| | 2023 | 2022 |
| Net Dollar Retention Rate | 102 % | 125 % |

We define 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. We define existing customers as customers with an active contract with Planet. We believe our Net Dollar Retention Rate is a useful metric for investors as it can be used to measure our ability to retain and grow revenue generated from our existing customers, on which our ability to drive long-term growth and profitability is, in part, dependent. We use Net Dollar Retention Rate to assess customer adoption of new products, inform opportunities to make improvements across our 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 above. Net Dollar Retention Rate decreased to 102% for the six months ended July 31, 2023, as compared to 125% for the six months ended July 31, 2022, primarily due to higher renewal and expansion values of large government contracts in the prior six months ended July 31, 2022 compared to impact from delays in renewals of some government contracts and contractions of some commercial contracts in the six months ended July 31, 2023.

Net Dollar Retention Rate including Winbacks

| | Six Months Ended July 31, | |
|--|---------------------------|-------|
| | 2023 | 2022 |
| Net Dollar Retention Rate including Winbacks | 103 % | 127 % |

We assess two metrics for net dollar retention—net retention excluding winbacks and including winbacks. A winback is a previously existing customer who was inactive at the start of the current fiscal year, but has reactivated during the current fiscal year. 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. We define 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. We believe this metric is useful to investors as it captures the value of customer contracts that resume business with Planet after being inactive and thereby provides a quantification of Planet'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 set forth above, there are no additional assumptions or estimates made in connection with Net Dollar Retention Rate including winbacks. Net Dollar Retention Rate including winbacks decreased to 103% for the six months ended July 31, 2023, as compared to 127% for the six months ended July 31, 2022, primarily due to higher renewal and expansion values of large government contracts in the prior six months ended July 31, 2022 while delays in renewal value of government contracts in the six months ended July 31, 2023.

EoP Customer Count

| | As of July 31, | |
|--------------------|----------------|------|
| | 2023 | 2022 |
| EoP Customer Count | 944 | 855 |

We define EoP Customer Count as the total count of all existing customers at the end of the period. We define existing customers as customers with an active contract with us at the end of the reported period. For the purpose of this metric, we define a customer as a distinct entity that uses our data or services. We sell directly to customers, as

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well as indirectly through our partner network. If a partner does not provide the end customer's name, then the partner is reported as the customer. Each customer, regardless of the number of active opportunities with us, is counted only once. For example, if a customer utilizes multiple products of Planet, we only count that customer once for purposes of EoP Customer Count. A customer with multiple divisions, segments, or subsidiaries are also counted as a single unique customer based on the parent organization or parent account. We believe EoP Customer Count is a useful metric for investors and management to track as it is an important indicator of the broader adoption of our platform and is a measure of our success in growing our market presence and penetration. Management applies judgment as to which customers are deemed to have an active contract in a period, as well as whether a customer is a distinct entity that uses our data or services. The EoP Customer Count increased to 944 as of July 31, 2023, as compared to 855 as of July 31, 2022. The increase was primarily attributable to the increased demand for our data.

Percent of Recurring ACV

| | As of July 31, | |
|-----------------|----------------|------|
| | 2023 | 2022 |
| % Recurring ACV | 92 % | 93 % |

Percent of Recurring ACV is the portion of the total EoP ACV Book of Business that is recurring in nature. We define Percent of Recurring ACV as the dollar value of all data subscription contracts and the committed portion of usage-based contracts divided by the total dollar value of all contracts in our ACV Book of Business at a specific point in time. We believe Percent of Recurring ACV is useful to investors to better understand how much of our revenue is from customers that have the potential to renew their contracts over multiple years rather than being one-time in nature. We track 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 ACV Book of Business, which is used as part of the calculation of Percent of Recurring ACV. Percent of Recurring ACV decreased to 92% for the six months ended July 31, 2023, as compared to 93% for the six months ended July 31, 2022.

Capital Expenditures as a Percentage of Revenue

| | Three Months Ended July 31, | | Six Months Ended July 31, | |
|---|-----------------------------|------|---------------------------|------|
| | 2023 | 2022 | 2023 | 2022 |
| Capital Expenditures as Percentage of Revenue | 31 % | 9 % | 22 % | 9 % |

We define 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. We define 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 our data services and related revenue, and to provide a comparable view of our performance relative to other earth observation companies, which may invest significantly greater amounts in their satellites to deliver their data to customers. We use 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 our data to clients. As a result of our strategy and our business model, our capital expenditures may be more similar to software companies with large data center infrastructure costs. Therefore, we believe it is important to look at our level of capital expenditure investments relative to revenue when evaluating our performance relative to other earth observation companies or to other software and data companies with significant data center infrastructure investment requirements. We believe 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 our business and our relative capital efficiency. Capital Expenditures as a Percentage of Revenue increased to 31% and 22% for the three and six months ended July 31, 2023, as compared to 9% for the three and six months ended July 31, 2022. These increases were primarily attributable to an increase in capitalized labor and material related to the build of high resolution and medium resolution satellites.

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Components of Results of Operations

Revenue

We derive revenue principally from licensing rights to use our imagery that is delivered digitally through our online platform in addition to providing related services. Imagery licensing agreements vary by contract, but generally have annual or multi-year contractual terms. The data licenses are generally purchased via a fixed price contract on a subscription or usage basis, whereby a customer pays for access to our imagery or derived imagery data that may be downloaded over a specific period of time, or, less frequently, on a transactional basis, whereby the customer pays for individual content licenses.

We also provide an immaterial amount of other services to customers, including professional services such as training, analytical services, research and development services to third parties, and other value-added activities related to our imagery, data and technology. These revenues are recognized as the services are rendered, on a proportional performance basis for fixed price contracts or ratably over the contract term for subscription professional services and analytics contracts. Training revenues are recognized as the services are performed.

Cost of Revenue

Cost of revenue consists of employee related costs of performing account and data provisioning, customer support, satellite and engineering operations, as well as the costs of operating and retrieving information from the satellites, processing and storing the data retrieved, third party imagery expenses, depreciation of satellites and ground stations, amortization of acquired intangibles and amortization of capitalized internal-use software related to creating imagery provided to customers. Employee related costs include salaries, benefits, bonuses and stock-based compensation. To a lesser extent, cost of revenue includes costs from professional services, including costs paid to subcontractors and certain third-party fees.

We expect cost of revenue to continue to increase as we invest in our delivery organization and future product sets that will likely require higher compute capacity. As we continue to grow our subscription revenue contracts and increase the revenue associated with our analytic capabilities, we anticipate further economies of scale on our satellites and other infrastructure costs as we incur lower marginal cost with each new customer we add to our platform.

Research and Development

Research and development expenditures primarily include personnel related expenses for employees and consultants, hardware costs, supplies costs, contractor fees and administrative expenses. Employee related costs include salaries, benefits, bonuses and stock-based compensation. Expenses classified as research and development are expensed as incurred and attributable to advancing technology research, platform and infrastructure development and the research and development of new product iterations. Funding for our performance of research and development services under certain arrangements are recognized as a reduction of research and development expenses based on a cost incurred method.

We continue to iterate on the design of our satellites and the capabilities of our automated operations to optimize for efficiency and technical capability of each satellite. Costs associated with satellite and other space related research development activities are expensed as incurred.

We intend to continue to invest in our software platform development, machine learning and analytic tools and applications and new satellite technologies for both the satellite fleet operations and data collection capabilities to drive incremental value to our existing customers and to enable us to expand our traction in emerging markets and with new customers. As a result of the foregoing, we expect research and development expenditures to increase in future periods.

Sales and Marketing

Sales and marketing expenditures primarily include costs incurred to market and distribute our products. Such costs include expenses related to advertising and conferences, sales commissions, salaries, benefits and stock-based compensation for our sales and marketing personnel and sales office expenses. Sales and marketing expenses also include fees for professional and consulting services principally consisting of public relations and independent contractor expenses. Sales and marketing costs are expensed as incurred.

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We intend to continue to invest in our selling and marketing capabilities in the future and expect this expense to increase in future periods as we look to upsell new product features and expand into new market verticals. Selling and marketing expenses as a percentage of total revenue may fluctuate from period to period based on total revenue and the timing of our investments.

General and Administrative

General and administrative expenses include personnel-related expenses and facilities-related costs primarily for our executive, finance, accounting, legal and human resources functions. General and administrative expenses also include fees for professional services principally consisting of legal, audit, tax, and insurance, as well as executive management expenses. General and administrative expenses are expensed as incurred.

We expect to incur additional general and administrative expenses as a result of operating as a public company, including expenses related to compliance and reporting obligations of public companies, and increased costs for insurance, investor relations, and professional services. As a result, we expect that our general and administrative expenses will increase in future periods and vary from period to period as a percentage of revenue, but we expect to realize operating scale with respect to these expenses over time as we grow our revenue.

Interest Income

Interest income primarily consists of interest earned on our cash, cash equivalents and short-term investments. Our cash equivalent and short-term investment portfolio is invested with a goal of preserving our access to capital, and generally consists of money market funds, commercial paper, corporate debt securities and U.S. government and U.S. government agency debt securities.

Change in fair value of warrant liabilities

The change in fair value of warrant liabilities consists of the change in fair value of the public and private placement warrants. We expect to incur other incremental income or expense for fair value adjustments resulting from warrant liabilities that remain outstanding.

Other Income (Expenses), net

Other income (expenses), net, primarily consists of net gains or losses on foreign currency.

Provision for Income Taxes

Our income tax provision consists of an estimate for U.S. federal and state income taxes, as well as those foreign jurisdictions where we have business operations, based on enacted tax rates, as adjusted for allowable credits, deductions, uncertain tax positions, changes in deferred tax assets and liabilities, and changes in the tax law. We believe that it is more likely than not that the majority of the U.S. and foreign deferred tax assets will not be realized. Accordingly, we recorded a valuation allowance against our deferred tax assets in these jurisdictions.

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Results of Operations

Three months ended July 31, 2023 compared to three months ended July 31, 2022

The following table sets forth a summary of our consolidated results of operations for the interim periods indicated and the changes between such periods.

| <i>(in thousands, except percentages)</i> | Three Months Ended July 31, | | \$ | % |
|---|-----------------------------|-------------|----------|--------|
| | 2023 | 2022 | Change | Change |
| Revenue | \$ 53,761 | \$ 48,450 | \$ 5,311 | 11 % |
| Cost of revenue | 27,469 | 24,977 | 2,492 | 10 % |
| Gross profit | 26,292 | 23,473 | 2,819 | 12 % |
| Operating expenses | | | | |
| Research and development | 26,741 | 26,737 | 4 | — % |
| Sales and marketing | 22,310 | 19,483 | 2,827 | 15 % |
| General and administrative | 20,521 | 19,893 | 628 | 3 % |
| Total operating expenses | 69,572 | 66,113 | 3,459 | 5 % |
| Loss from operations | (43,280) | (42,640) | (640) | 2 % |
| Interest income | 3,802 | 1,311 | 2,491 | 190 % |
| Change in fair value of warrant liabilities | 1,226 | 2,112 | (886) | (42)% |
| Other income (expense), net | 859 | (158) | 1,017 | (644)% |
| Total other income (expense), net | 5,887 | 3,265 | 2,622 | 80 % |
| Loss before provision for income taxes | (37,393) | (39,375) | 1,982 | (5)% |
| Provision for income taxes | 582 | 154 | 428 | 278 % |
| Net loss | \$ (37,975) | \$ (39,529) | \$ 1,554 | (4)% |

Revenue

Revenue increased \$5.3 million, or 11%, to \$53.8 million for the three months ended July 31, 2023 from \$48.5 million for the three months ended July 31, 2022. The increase was primarily due to a \$6.2 million increase from total customer growth worldwide, which was partially offset by a \$0.9 million reduction of existing customer contracts. EoP Customer Count increased approximately 10% to 944 as of July 31, 2023 from 855 as of July 31, 2022. The increase in revenue from new customers was driven by the continued focus from our sales teams around Government and Analytics customers.

Cost of Revenue

Cost of revenue increased \$2.5 million, or 10%, to \$27.5 million for the three months ended July 31, 2023, from \$25.0 million for the three months ended July 31, 2022. The increase was primarily due to a \$1.5 million increase in hosting costs associated with an increase in archive data and growth in our customer base and a \$0.7 million increase in depreciation expense related to satellites. The increase in depreciation expense related to satellites was primarily due to a \$2.1 million increase resulting from a change in estimated useful lives for two high resolution satellites as described further below which was partially offset by a \$1.4 million decrease resulting from a high resolution satellite that became fully depreciated during the fiscal year ended January 31, 2023.

In April 2023, additional information specific to two high resolution satellites became available which indicated the useful lives of the two satellites will be less than originally estimated. The change in estimated useful lives for these satellites was accounted for prospectively beginning in April 2023 which resulted in an increase of depreciation expense classified as cost of revenue of \$2.1 million for the three months ended July 31, 2023. The change in estimate is expected to result in a \$5.0 million increase in depreciation expense classified as cost of revenue for the fiscal year ended January 31, 2024.

Research and Development

Research and development expenses were \$26.7 million for both the three month periods ended July 31, 2023 and 2022. There was an increase of \$6.3 million in employee related costs during the three months ended July 31, 2023, which was primarily due to increased headcount. This increase was partially offset by a \$4.6 million increase in

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funding recognized for our research and development arrangements and a \$1.6 million decrease in stock based compensation expense, which was primarily due to a decline in expense related to earn-out shares.

In July 2023, projected costs related to certain of our research and development arrangements were revised down as a result of operational decisions. This change in estimate resulted in a \$2.2 million cumulative increase of funding recognized for certain of our research and development arrangements for the three months ended July 31, 2023.

Sales and Marketing

Sales and marketing expenses increased \$2.8 million, or 15%, to \$22.3 million, for the three months ended July 31, 2023, from \$19.5 million for the three months ended July 31, 2022. The increase was primarily due to an increase of \$2.4 million in employee related costs, which was primarily due to increased headcount. The increase was also partially due to a \$1.0 million increase in sales commissions expense and a \$0.5 million increase in marketing expenses driven by increased events. These increases were partially offset by a \$1.0 decrease in professional and consulting expenses and a \$0.6 million decrease in stock based compensation expense, which was primarily due to a decline in expense related to earn-out shares.

General and Administrative

General and administrative expenses increased \$0.6 million, or 3%, to \$20.5 million for the three months ended July 31, 2023, from \$19.9 million for the three months ended July 31, 2022. The increase was primarily due to an increase of \$1.7 million in employee related costs, which was primarily due to increased headcount. This increase was partially offset by a \$1.4 million decrease in stock based compensation expense, which was primarily due to a decline in expense related to earn-out shares.

Interest Income

Interest income increased \$2.5 million to \$3.8 million for the three months ended July 31, 2023, from \$1.3 million for the three months ended July 31, 2022. The increase was primarily due to our short-term investment balances and an increase in interest rates.

Change in fair value of warrant liabilities

The change in fair value of warrant liabilities for both the three months ended July 31, 2023 and 2022 represents the change in fair value of the public and private placement warrants.

Other Income (Expense), net

Other income (expense), net of \$0.9 million for the three months ended July 31, 2023 primarily reflects the recognition of an insurance claim recovery of \$0.8 million associated with a high resolution satellite. Other income (expense), net of \$(0.2) million for the three months ended July 31, 2022, primarily reflects realized and unrealized foreign currency exchange gains and losses.

Provision for Income Taxes

Provision for income taxes was \$0.6 million and \$0.2 million for the three months ended July 31, 2023 and 2022, respectively. For the three months ended July 31, 2023 and 2022, the income tax expense was primarily driven by the current tax on foreign earnings. The effective tax rate for the three months ended July 31, 2023 and 2022 differed from the federal statutory tax rate primarily due to the valuation allowance on the majority of our U.S. and foreign deferred tax assets and foreign rate differences.

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Six months ended July 31, 2023 compared to six months ended July 31, 2022

The following table sets forth a summary of our consolidated results of operations for the interim periods indicated and the changes between such periods.

| <i>(in thousands, except percentages)</i> | Six Months Ended July 31, | | \$ | % |
|---|---------------------------|-------------|-----------|--------|
| | 2023 | 2022 | Change | Change |
| Revenue | \$ 106,464 | \$ 88,577 | \$ 17,887 | 20 % |
| Cost of revenue | 52,025 | 48,605 | 3,420 | 7 % |
| Gross profit | 54,439 | 39,972 | 14,467 | 36 % |
| Operating expenses | | | | |
| Research and development | 54,927 | 51,487 | 3,440 | 7 % |
| Sales and marketing | 45,435 | 38,338 | 7,097 | 19 % |
| General and administrative | 42,049 | 40,501 | 1,548 | 4 % |
| Total operating expenses | 142,411 | 130,326 | 12,085 | 9 % |
| Loss from operations | (87,972) | (90,354) | 2,382 | (3)% |
| Interest income | 8,308 | 1,423 | 6,885 | 484 % |
| Change in fair value of warrant liabilities | 7,171 | 5,388 | 1,783 | 33 % |
| Other income (expense), net | 963 | 122 | 841 | 689 % |
| Total other income (expense), net | 16,442 | 6,933 | 9,509 | 137 % |
| Loss before provision for income taxes | (71,530) | (83,421) | 11,891 | (14)% |
| Provision for income taxes | 889 | 468 | 421 | 90 % |
| Net loss | \$ (72,419) | \$ (83,889) | \$ 11,470 | (14)% |

Revenue

Revenue increased \$17.9 million, or 20%, to \$106.5 million for the six months ended July 31, 2023 from \$88.6 million for the six months ended July 31, 2022. The increase was primarily due to a \$9.3 million increase from total customer growth worldwide and net expansion of existing customer contracts of \$8.6 million. EoP Customer Count increased approximately 10% to 944 as of July 31, 2023 from 855 as of July 31, 2022. The increase in revenue from new customers was driven by the continued focus from our sales teams around Government and Analytics customers.

Cost of Revenue

Cost of revenue increased \$3.4 million, or 7%, to \$52.0 million for the six months ended July 31, 2023, from \$48.6 million for the six months ended July 31, 2022. The increase was primarily due to a \$2.6 million increase in hosting costs associated with an increase in archive data and growth in our customer base. The increase was also partially due to a \$1.2 million increase in employee related costs, which was primarily due to increased headcount. These increases were partially offset by a \$0.7 million decrease in stock based compensation expense, which was primarily due to a decline in expense related to earn-out shares, and a \$0.5 million decrease in depreciation expense related to satellites. The decrease in satellite depreciation expense was primarily due to a \$2.7 million decrease resulting from a high resolution satellite that became fully depreciated during the fiscal year ended January 31, 2023, which was partially offset by a \$2.5 million increase resulting from a change in estimated useful lives for two high resolution satellites in April 2023 as discussed further above.

Research and Development

Research and development expenses increased \$3.4 million, or 7%, to \$54.9 million for the six months ended July 31, 2023, from \$51.5 million for the six months ended July 31, 2022. The increase was primarily due to an increase of \$12.1 million in employee related costs, which was primarily due to increased headcount. The increase was also partially due to an increase in contractor costs of \$1.1 million to support various research and development initiatives. These increases were partially offset by a \$8.9 million increase in funding recognized for our research and development arrangements and a \$3.9 million decrease in stock based compensation expense, which was primarily to a decline in expense related to earn-out shares.

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Sales and Marketing

Sales and marketing expenses increased \$7.1 million, or 19%, to \$45.4 million, for the six months ended July 31, 2023, from \$38.3 million for the six months ended July 31, 2022. The increase was primarily due to an increase of \$5.3 million in employee related costs, which was primarily due to increased headcount. The increase was also partially due to a \$2.9 million increase in marketing expenses driven by increased events and a \$1.0 million increase in sales commissions. These increases were partially offset by a \$1.5 decrease in professional and consulting expenses and a \$1.2 million decrease in stock based compensation expense, which was primarily due to a decline in expense related to earn-out shares.

General and Administrative

General and administrative expenses increased \$1.5 million, or 4%, to \$42.0 million for the six months ended July 31, 2023, from \$40.5 million for the six months ended July 31, 2022. The increase was primarily due to an increase of \$3.2 million in employee related costs, as a result of increased headcount. The increase was also partially due to a \$1.1 million increase in rent costs related to new facility leases and a \$1.1 million increase in legal fees, primarily due to our acquisition of Sinergise. These increases were partially offset by a \$2.7 million decrease in stock based compensation expense, which was primarily due to a decline in expense related to earn-out shares, and \$1.3 decrease in depreciation and amortization, primarily related to our office facilities.

Interest Income

Interest income increased \$6.9 million, to \$8.3 million for the six months ended July 31, 2023, from \$1.4 million for the six months ended July 31, 2022. The increase was primarily due to our short-term investment balances and an increase in interest rates.

Change in fair value of warrant liabilities

The change in fair value of warrant liabilities for both the six months ended July 31, 2023 and 2022 represents the change in fair value of the public and private placement warrants.

Other Income (Expense), net

Other income (expense), net of \$1.0 million for the six months ended July 31, 2023 primarily reflects the recognition of an insurance claim recovery of \$0.8 million associated with a high resolution satellite. Other income (expense), net of \$0.1 million for the six months ended July 31, 2022 primarily reflects realized and unrealized foreign currency exchange gains and losses.

Provision for Income Taxes

Provision for income taxes was \$0.9 million and \$0.5 million for the six months ended July 31, 2023 and 2022, respectively. For the six months ended July 31, 2023 and 2022, the income tax expense was primarily driven by the current tax on foreign earnings. The effective tax rate for the six months ended July 31, 2023 and 2022 differed from the federal statutory tax rate primarily due to the valuation allowance on the majority of our U.S. and foreign deferred tax assets and foreign rate differences.

Non-GAAP Information

This Quarterly Report on Form 10-Q includes Non-GAAP Gross Profit, Non-GAAP Gross Margin and Adjusted EBITDA, which are non-GAAP performance measures that we use to supplement our results presented in accordance with U.S. GAAP. We believe Non-GAAP Gross Profit, Non-GAAP Gross Margin and Adjusted EBITDA are useful in evaluating our operating performance, as they are similar to measures reported by our public competitors and are regularly used by security analysts, institutional investors, and other interested parties in analyzing operating performance and prospects.

Non-GAAP Gross Profit, Non-GAAP Gross Margin and Adjusted EBITDA are non-GAAP measures, and are additions, and not substitutes for or superior to, measures of financial performance prepared in accordance with U.S. GAAP and should not be considered as an alternative to measures derived in accordance with U.S. GAAP. Further, Non-GAAP Gross Profit, Non-GAAP Gross Margin and Adjusted EBITDA 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. We present Adjusted EBITDA because we believe it is frequently used by analysts, investors and other interested parties to evaluate companies in our industry and facilitates comparisons on a consistent basis across

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reporting periods. Further, we believe it is helpful in highlighting trends in our operating results because it excludes items that are not indicative of our core operating performance.

We include these non-GAAP financial measures because they are used by management to evaluate our core operating performance and trends and to make strategic decisions regarding the allocation of capital and new investments.

Non-GAAP Gross Profit excludes stock-based compensation expenses that are classified as cost of revenue from gross profit, which is required in accordance with U.S. GAAP. Non-GAAP Gross Profit also excludes amortization of acquired intangible assets related to business combinations, which is a non-cash expense required in accordance with U.S. GAAP. Adjusted EBITDA excludes certain expenses from net income (loss) that are required in accordance with U.S. GAAP. We exclude in Non-GAAP calculations certain non-cash expenses, such as depreciation and amortization, stock-based compensation and change in fair value of warrant liabilities, and income and expenses that are considered unrelated to our underlying business performance, such as restructuring charges, interest income, interest expense and taxes.

Non-GAAP Gross Profit and Non-GAAP Gross Margin

We define and calculate Non-GAAP Gross Profit as gross profit adjusted for stock-based compensation, amortization of acquired intangible assets classified as cost of revenue, and other expenses that are considered unrelated to our underlying business performance and Non-GAAP Gross Margin as Non-GAAP Gross Profit divided by revenue.

The table below reconciles our Gross Profit (the most directly comparable U.S. GAAP measure) to Non-GAAP Gross Profit, for the periods indicated:

| (in thousands, except percentages) | Three Months Ended July 31, | | Six Months Ended July 31, | |
|--|-----------------------------|-----------|---------------------------|-----------|
| | 2023 | 2022 | 2023 | 2022 |
| Gross Profit | \$ 26,292 | \$ 23,473 | \$ 54,439 | \$ 39,972 |
| Cost of revenue—Stock-based compensation | 1,063 | 1,357 | 1,968 | 2,676 |
| Amortization of acquired intangible assets | 439 | 366 | 878 | 797 |
| Non-GAAP Gross Profit | \$ 27,794 | \$ 25,196 | \$ 57,285 | \$ 43,445 |
| Gross Margin | 49 % | 48 % | 51 % | 45 % |
| Non-GAAP Gross Margin | 52 % | 52 % | 54 % | 49 % |

Adjusted EBITDA

We define and calculate Adjusted EBITDA as net income (loss) before the impact of interest income and expense, income tax expense and depreciation and amortization, and further adjusted for the following items: stock-based compensation, change in fair value of warrant liabilities, gain or loss on the extinguishment of debt and non-operating income, expenses such as foreign currency exchange gain or loss, and other expenses that are considered unrelated to our underlying business performance.

The table below reconciles our net loss (the most directly comparable U.S. GAAP measure) to Adjusted EBITDA for the periods indicated:

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| (in thousands) | Three Months Ended July 31, | | Six Months Ended July 31, | |
|---|-----------------------------|-------------|---------------------------|-------------|
| | 2023 | 2022 | 2023 | 2022 |
| Net loss | \$ (37,975) | \$ (39,529) | \$ (72,419) | \$ (83,889) |
| Interest income | (3,802) | (1,311) | (8,308) | (1,423) |
| Income tax provision | 582 | 154 | 889 | 468 |
| Depreciation and amortization | 12,160 | 11,588 | 22,408 | 23,213 |
| Change in fair value of warrant liabilities | (1,226) | (2,112) | (7,171) | (5,388) |
| Stock-based compensation | 16,657 | 20,581 | 32,013 | 40,403 |
| Other (income) expense, net | (859) | 158 | (963) | (122) |
| Adjusted EBITDA | \$ (14,463) | \$ (10,471) | \$ (33,551) | \$ (26,738) |

There are a number of limitations related to the use of Adjusted EBITDA, including:

- Adjusted EBITDA excludes stock-based compensation, which has recently been, and will continue to be for the foreseeable future, a significant recurring expense for our business and an important part of our compensation strategy;
- Adjusted EBITDA excludes depreciation and amortization expense and, although these are non-cash expenses, the assets being depreciated and amortized will have to be replaced in the future;
- Adjusted EBITDA does not reflect interest expense, or the cash requirements necessary to service interest or principal payments on our debt, which reduces cash available to us;
- Adjusted EBITDA does not reflect income tax expense that reduces cash available to us; and
- the expenses and other items that we exclude in our calculation of Adjusted EBITDA may differ from the expenses and other items, if any, that other companies may exclude from similar measures when they report their operating results.

Liquidity and Capital Resources

Since inception, we have incurred net losses and negative cash flows from operations. Our operations have historically been primarily funded by the net proceeds from the sale of our equity securities and borrowings under credit facilities, as well as cash received from our customers. We currently have no debt outstanding.

We measure liquidity in terms of our ability to fund the cash requirements of our business operations, including working capital and capital expenditure needs, contractual obligations, including debt obligations, and other commitments, with cash flows from operations and other sources of funding. Our current working capital needs relate mainly to our continued development of our platform and product offerings in new markets, as well as compensation and benefits of our employees. Our ability to expand and grow our business will depend on many factors, including our working capital needs and the evolution of our operating cash flows.

As of July 31, 2023 and January 31, 2023, we had \$118.8 million and \$181.9 million, respectively, in cash and cash equivalents. Additionally, as of July 31, 2023 and January 31, 2023, we had short-term investments of \$249.0 million and \$226.9 million, respectively, which are highly liquid in nature and available for current operations. We believe our anticipated operating cash flows together with our cash on hand provide us with the ability to meet our obligations as they become due during the next 12 months.

We expect our capital expenditures and working capital requirements to continue to increase in the foreseeable future as we seek to grow our business. We could also need additional cash resources due to significant acquisitions, an accelerated manufacturing timeline for new satellites, competitive pressures or regulatory requirements. We may need to seek additional equity, equity-linked or debt financing. The issuance of additional shares may create additional dilution to our stockholders. The incurrence of debt financing would result in debt service obligations and the instruments governing such debt could provide for operating or financial covenants that would restrict our operations. We cannot assure you that any such financing will be available on favorable terms, or at all. If needed financing is not available, or if the terms of financing are less desirable than we expect, we may be forced to decrease our level of investment in software and market expansion efforts or to scale back our existing operations, which could have an adverse impact on our business and financial prospects.

As of July 31, 2023, our principal contractual obligations and commitments include lease obligations for real estate and ground stations, purchase commitments for future satellite launch services, and minimum purchase commitments for hosting services from Google, LLC. Refer to Notes 6, 8, and 10 to our unaudited condensed

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consolidated financial statements in Part I, Item 1 of this Quarterly Report on Form 10-Q for more information regarding these cash requirements.

We do not engage in any off-balance sheet activities or have any arrangements or relationships with unconsolidated entities, such as variable interest, special purpose, and structured finance entities.

Statement of Cash Flows

The following tables present a summary of cash flows from operating, investing and financing activities for the following comparative periods. For additional detail, please see the unaudited condensed consolidated statements of cash flows as presented within the unaudited condensed consolidated financial statements.

| <i>(in thousands)</i> | Six Months Ended July 31, | |
|--------------------------------|---------------------------|--------------|
| | 2023 | 2022 |
| Net cash provided by (used in) | | |
| Operating activities | \$ (21,004) | \$ (28,804) |
| Investing activities | \$ (44,302) | \$ (203,186) |
| Financing activities | \$ 1,590 | \$ 4,050 |

Net cash used in operating activities

Net cash used in operating activities for the six months ended July 31, 2023, primarily consisted of the net loss of \$72.4 million, adjusted for non-cash items and changes in operating assets and liabilities. Non-cash items primarily included stock-based compensation expense of \$32.0 million and depreciation and amortization expense of \$22.4 million, which were partially offset by a change in fair value of warrant liabilities of \$7.2 million. The net change in operating assets and liabilities primarily consisted of a \$20.0 million increase in deferred revenue, which was partially offset by a \$17.2 million decrease in accounts payable, accrued and other liabilities, and a \$1.6 million increase in accounts receivable.

Net cash used in operating activities for the six months ended July 31, 2022, primarily consisted of the net loss of \$83.9 million, adjusted for non-cash items and changes in operating assets and liabilities. Non-cash items primarily included stock-based compensation expense of \$40.4 million and depreciation and amortization expense of \$23.2 million, which were partially offset by a change in fair value of warrant liabilities of \$5.4 million. The net change in operating assets and liabilities primarily consisted of a \$15.2 million decrease in deferred revenue, a \$4.4 million increase in prepaid expenses and other assets and a \$1.9 million decrease in accounts payable, accrued and other liabilities, which were partially offset by a \$18.6 million decrease in accounts receivable.

Net cash used in investing activities

Net cash used in investing activities for the six months ended July 31, 2023, primarily consisted of purchases of available-for-sale securities of \$127.7 million, purchases of property and equipment of \$21.7 million, and capitalized internal-use software costs of \$2.0 million, which were partially offset by maturities of available-for-sale securities of \$106.8 million and sales of available-for-sale securities of \$1.0 million.

Net cash used in investing activities for the six months ended July 31, 2022, primarily consisted of purchases of available-for-sale securities of \$195.1 million, purchases of property and equipment of \$6.5 million, and capitalized internal-use software costs of \$1.3 million.

Net cash provided by financing activities

Net cash provided by financing activities for the six months ended July 31, 2023, primarily consisted of proceeds from the exercise of common stock options of \$6.4 million, partially offset by payment of tax withholding obligations for vesting of restricted stock units of \$4.8 million.

Net cash provided by financing activities for the six months ended July 31, 2022, primarily consisted of proceeds from the exercise of common stock options of \$6.4 million, offset by payment of tax withholding obligations for vesting of restricted stock units of \$2.2 million.

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Critical Accounting Policies and Estimates

Our discussion and analysis of our financial condition and results of operations are based upon our unaudited condensed consolidated financial statements, which have been prepared in accordance with U.S. GAAP. The preparation of our unaudited condensed consolidated financial statements and related disclosures requires us to make estimates, assumptions and judgments that affect the reported amounts of assets, liabilities, revenues, costs and expenses and related disclosures. The accounting policies that have been identified as critical to our business operations and to understanding the results of our operations pertain to revenue recognition, stock-based compensation, public and private placement warrant liabilities, property and equipment and long-lived assets, business combinations, goodwill, and income taxes. The application of each of these critical accounting policies and estimates is discussed in Part II, Item 7, “Management’s Discussion and Analysis of Financial Condition and Results of Operations” of our 2023 Form 10-K.

Recent Accounting Pronouncements

Refer to Note 2 in our unaudited condensed consolidated financial statements included in Part I, Item 1 of this Form 10-Q for more information regarding recently issued accounting pronouncements.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

We have in the past and may in the future be exposed to certain market risks, including foreign currency exchange risk, interest rate risk and inflation risk, in the ordinary course of our business. For information relating to quantitative and qualitative disclosures about these market risks, refer to Item 7A “Quantitative and Qualitative Disclosures About Market Risk” contained in Part II of our 2023 Form 10-K. Our exposure to market risk has not changed materially since January 31, 2023.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Our management, with the participation of our principal executive officer and principal financial officer, evaluated the effectiveness of our disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) as of the end of the period covered by this Quarterly Report on Form 10-Q. Based on such evaluation, our principal executive officer and principal financial officer have concluded that our disclosure controls and procedures were effective as of July 31, 2023 at the reasonable assurance level.

Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting identified in connection with the evaluation required by Rule 13a-15(d) and 15d-15(d) of the Exchange Act that occurred during the three months ended July 31, 2023 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Limitations on the Effectiveness of Disclosure Controls and Procedures

Our management, including our Chief Executive Officer and Chief Financial Officer, does not expect that our disclosure controls and procedures or internal control over financial reporting will prevent all errors and all fraud. A control system, no matter how well designed and implemented, can provide only reasonable, not absolute, assurance that the control system’s objectives will be met. Further, the design of a control system must reflect the fact that there are resource constraints and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues within a company are detected. The inherent limitations include the realities that judgments in decision-making can be faulty and that breakdowns can occur because of simple errors or mistakes. Controls can also be circumvented by the individual acts of some persons, by collusion of two or more people, or by management override of the controls. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions or that the degree of compliance with the policies or procedures may deteriorate. Because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and may not be detected.

Part II - Other Information

Item 1. Legal Proceedings

In the ordinary course of business, we are involved in various pending and threatened litigation matters. In the future, we may be subject to additional legal proceedings, the scope and severity of which is unknown and could adversely affect our business. In addition, from time to time, we may receive letters or other forms of communication asserting claims against us. We are not currently a party to any material legal proceedings.

Item 1A. Risk Factors

There have been no material changes to our assessment of the risk factors disclosed in our 2023 Form 10-K.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

None, other than the shares repurchased pursuant to net settlement by employees in satisfaction of income tax withholding obligations incurred through the vesting of restricted stock units.

Item 3. Defaults Upon Senior Securities

Not applicable.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

Securities Trading Plans of Directors and Executive Officers

During our last fiscal quarter, no director or officer, as defined in Rule 16a-1(f), adopted or terminated a “Rule 10b5-1 trading arrangement” or a “non-Rule 10b5-1 trading arrangement,” each as defined in Regulation S-K Item 408.

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Item 6. Exhibits

| Exhibit | Description |
|----------------|--|
| 31.1 | <u>Certification by Chief Executive Officer pursuant to Rule 13a-14(a) or 15d-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002</u> |
| 31.2 | <u>Certification by Chief Financial Officer pursuant to Rule 13a-14(a) or 15d-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002</u> |
| 32.1* | <u>Certification by Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002</u> |
| 32.2* | <u>Certification by Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002</u> |
| 101.INS | Inline XBRL Instance Document (the instance document does not appear in the Interactive Data File because iXBRL tags are embedded within the Inline XBRL document). |
| 101.SCH | Inline XBRL Taxonomy Extension Schema Document |
| 101.CAL | Inline XBRL Taxonomy Calculation Linkbase Document |
| 101.DEF | Inline XBRL Taxonomy Definition Linkbase Document |
| 101.LAB | Inline XBRL Taxonomy Extension Label Linkbase Document |
| 101.PRE | Inline XBRL Taxonomy Extension Presentation Linkbase Document |
| 104 | Cover Page Interactive Data File (formatted as Inline XBRL) |

* Furnished herewith.

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.

Date: September 7, 2023

PLANET LABS PBC

By: /s/ Ashley Johnson

Ashley Johnson

Chief Financial and Operating Officer

(Duly Authorized Officer, Principal Financial Officer and Principal Accounting Officer)

**CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER PURSUANT TO
EXCHANGE ACT RULES 13a-14(a) AND 15d-14(a) AS ADOPTED PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, William Marshall, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Planet Labs PBC;
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 15(d)-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.

Dated: September 7, 2023

By: /s/William Marshall
William Marshall
Chief Executive Officer
(Principal Executive Officer)

**CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER PURSUANT TO
EXCHANGE ACT RULES 13a-14(a) AND 15d-14(a) AS ADOPTED PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Ashley Johnson, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Planet Labs PBC;
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 15(d)-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.

Dated: September 7, 2023

By: /s/Ashley Johnson

Ashley Johnson

Chief Financial and Operating Officer

(Principal Financial Officer)

**CERTIFICATION OF CHIEF 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 on Form 10-Q (the “Form 10-Q”) of Planet Labs PBC (the “Company”) for the period ended July 31, 2023, William Marshall, as Chief Executive Officer of the Company, hereby certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of his knowledge:

1. the Company’s Form 10-Q 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 such Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: September 7, 2023

By: /s/William Marshall
William Marshall
Chief Executive Officer
(Principal Executive Officer)

**CERTIFICATION OF CHIEF 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 on Form 10-Q (the “Form 10-Q”) of Planet Labs PBC (the “Company”) for the period ended July 31, 2023, Ashley Johnson, as Chief Financial Officer of the Company, hereby certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of her knowledge:

1. the Company’s Form 10-Q 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 such Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: September 7, 2023

By: /s/ Ashley Johnson

Ashley Johnson

Chief Financial and Operating Officer

(Principal Financial Officer)