



AST SpaceMobile Provides Business Update and First Quarter 2024 Results

MIDLAND, TX, May 15, 2024 – [AST SpaceMobile, Inc.](#) ("AST SpaceMobile") (NASDAQ: ASTS), the company building the first and only space-based cellular broadband network accessible directly by everyday smartphones, and designed for both commercial and government applications, is providing its business update for the three months ended March 31, 2024.

"I am grateful for our global team's unwavering dedication and hard work as we prepare for the launch of our first five commercial satellites and initial commercial service," said Abel Avellan, Chairman and CEO of AST SpaceMobile. "We are set up for an exciting summer ahead as we push forward on all fronts of our business."

Business Update

- On target for July or August delivery of 5 Block 1 satellites to Cape Canaveral
- Signed milestone, 6-year definitive commercial agreement with AT&T for SpaceMobile Service
- First 5 satellites allow U.S. nationwide non-continuous service with 5,600+ cells in premium low-band spectrum
- Activities and discussions with government regulatory bodies, including FCC, are advancing as expected
- Continue to advance discussions with additional strategic partners, following the blueprint of commercial payments alongside commercial agreements

First Quarter 2024 Financial Highlights

- As of March 31, 2024, we had cash, cash equivalents, and restricted cash of \$212.4 million. We have additional liquidity of \$51.5 million in gross proceeds available to draw under the Senior Secured Credit Facility, subject to certain conditions and approvals
- Total operating expenses for the first quarter of 2024 were \$56.0 million, including \$24.9 million of depreciation and amortization and stock-based compensation expense. This represents a decrease of \$4.9 million as compared to \$60.9 million in the fourth quarter of 2023, due to a \$6.5 million decrease in research and development costs and a \$0.5 million decrease in engineering services costs, offset by a \$1.7 million increase in general and administrative costs and a \$0.4 million increase in depreciation and amortization expense
- Total Adjusted operating expenses for the first quarter of 2024 were \$31.1 million, a decrease of \$7.5 million as compared to \$38.6 million in the fourth quarter of 2023, due to a \$6.5 million decrease in research and development costs, a \$0.6 million decrease in Adjusted engineering services costs and a \$0.4 million decrease in Adjusted general and administrative costs⁽¹⁾

- As of March 31, 2024, we have incurred approximately \$326.4 million of gross capitalized property and equipment costs and accumulated depreciation and amortization of \$81.1 million. The capitalized costs include costs of satellite materials for BlueBird satellites, advance launch payments, BlueWalker 3 satellite, assembly and integration facilities including assembly and test equipment, and ground antennas

⁽¹⁾ See reconciliation of Adjusted operating expenses to Total operating expenses, Adjusted engineering services costs to Engineering services costs and Adjusted general and administrative costs to General and administrative costs in the tables accompanying this press release.

Non-GAAP Financial Measures

We refer to certain non-GAAP financial measures in this press release, including Adjusted operating expenses, Adjusted engineering services costs and Adjusted general and administrative costs. We believe these non-GAAP financial measures are useful measures across time in evaluating our operating performance as we use these measures to manage the business, including in preparing our annual operating budget and financial projections. These non-GAAP financial measures that have no standardized meaning prescribed by U.S. GAAP, and therefore have limits in their usefulness to investors. Because of the non-standardized definitions, these measures may not be comparable to the calculation of similar measures of other companies and are presented solely to provide investors with useful information to more fully understand how management assesses performance. These measures are not, and should not be viewed as, a substitute for their most directly comparable GAAP measures. Reconciliation of non-GAAP financial measures and the most directly comparable GAAP financial measures are included in the tables accompanying this press release.

Conference Call Information

AST SpaceMobile will hold a quarterly business update conference call at 5:00 p.m. (Eastern Time) on Wednesday, May 15, 2024. The call will be accessible via a live webcast on the Events page of AST SpaceMobile's Investor Relations website at <https://ast-science.com/investors/>. An archive of the webcast will be available shortly after the call.

About AST SpaceMobile

AST SpaceMobile is building the first and only global cellular broadband network in space to operate directly with standard, unmodified mobile devices based on our extensive IP and patent portfolio, and designed for both commercial and government applications. Our engineers and space scientists are on a mission to eliminate the connectivity gaps faced by today's five billion mobile subscribers and finally bring broadband to the billions who remain unconnected. For more information, follow AST SpaceMobile on [YouTube](#), [X \(Formerly Twitter\)](#), [LinkedIn](#) and [Facebook](#). Watch [this video](#) for an overview of the SpaceMobile mission.

Forward-Looking Statements

This communication contains "forward-looking statements" that are not historical facts, and involve risks and uncertainties that could cause actual results of AST SpaceMobile to differ materially from those expected and projected. These forward-looking statements can be identified by the use of forward-looking terminology, including the words "believes," "estimates," "anticipates," "expects," "intends," "plans," "may," "will," "would," "potential," "projects," "predicts," "continue," or "should," or, in each case, their negative or other variations or comparable terminology. These forward-looking statements involve significant risks and uncertainties that

could cause the actual results to differ materially from the expected results. Most of these factors are outside AST SpaceMobile's control and are difficult to predict.

Factors that may cause such differences include, but are not limited to: (i) expectations regarding AST SpaceMobile's strategies and future financial performance, including AST's future business plans or objectives, expected functionality of the SpaceMobile Service, anticipated timing of the launch of the Block 1 Bluebird satellites, anticipated demand and acceptance of mobile satellite services, prospective performance and commercial opportunities and competitors, the timing of obtaining regulatory approvals, ability to finance its research and development activities, commercial partnership acquisition and retention, products and services, pricing, marketing plans, operating expenses, market trends, revenues, liquidity, cash flows and uses of cash, capital expenditures, and AST's ability to invest in growth initiatives; (ii) the negotiation of definitive agreements with mobile network operators relating to the SpaceMobile service that would supersede preliminary agreements and memoranda of understanding and the ability to enter into commercial agreements with other parties or government entities; (iii) the ability of AST SpaceMobile to grow and manage growth profitably and retain its key employees and AST SpaceMobile's responses to actions of its competitors and its ability to effectively compete; (iv) changes in applicable laws or regulations; (v) the possibility that AST SpaceMobile may be adversely affected by other economic, business, and/or competitive factors; (vi) the outcome of any legal proceedings that may be instituted against AST SpaceMobile; and (vii) other risks and uncertainties indicated in the Company's filings with the SEC, including those in the Risk Factors section of AST SpaceMobile's Form 10-K filed with the SEC on April 1, 2024.

AST SpaceMobile cautions that the foregoing list of factors is not exclusive. AST SpaceMobile cautions readers not to place undue reliance upon any forward-looking statements, which speak only as of the date made. For information identifying important factors that could cause actual results to differ materially from those anticipated in the forward-looking statements, please refer to the Risk Factors incorporated by reference into AST SpaceMobile's Form 10-K filed with the SEC on April 1, 2024. AST SpaceMobile's securities filings can be accessed on the EDGAR section of the SEC's website at www.sec.gov. Except as expressly required by applicable securities law, AST SpaceMobile disclaims any intention or obligation to update or revise any forward-looking statements whether as a result of new information, future events or otherwise.

Investor Contact:

Scott Wisniewski

investors@ast-science.com

Media Contact:

Allison

Eva Murphy Ryan

917-547-7289

ASTSpaceMobile@allisonpr.com

First Quarter Financial Results

AST SPACEMOBILE, INC. CONDENSED CONSOLIDATED BALANCE SHEETS (UNAUDITED) (Dollars in thousands, except share data)

	March 31, 2024	December 31, 2023
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 209,973	\$ 85,622
Restricted cash	2,467	2,475
Prepaid expenses	5,033	4,591
Other current assets	22,036	14,194
Total current assets	239,509	106,882
Non-current assets:		
Property and equipment, net	245,284	238,478
Operating lease right-of-use assets, net	12,796	13,221
Other non-current assets	4,139	2,311
TOTAL ASSETS	\$ 501,728	\$ 360,892
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 14,528	\$ 20,575
Accrued expenses and other current liabilities	15,593	23,926
Current operating lease liabilities	1,505	1,468
Current portion of long-term debt	255	252
Total current liabilities	31,881	46,221
Non-current liabilities:		
Warrant liabilities	11,746	29,960
Non-current operating lease liabilities	11,429	11,900
Long-term debt, net	160,827	59,252
Total liabilities	215,883	147,333
Commitments and contingencies		
Stockholders' Equity:		
Class A Common Stock, \$.0001 par value; 800,000,000 shares authorized; 138,153,310 and 90,161,309 shares issued and outstanding as of March 31, 2024 and December 31, 2023, respectively.	14	9
Class B Common Stock, \$.0001 par value; 200,000,000 shares authorized; 39,747,447 and 50,041,757 shares issued and outstanding as of March 31, 2024 and December 31, 2023, respectively.	4	5
Class C Common Stock, \$.0001 par value; 125,000,000 shares authorized; 78,163,078 shares issued and outstanding as of March 31, 2024 and December 31, 2023, respectively.	8	8
Additional paid-in capital	373,773	288,404
Accumulated other comprehensive income	121	227
Accumulated deficit	(209,392)	(189,662)
Noncontrolling interest	121,317	114,568
Total stockholders' equity	285,845	213,559
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 501,728	\$ 360,892

AST SPACEMOBILE, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS (UNAUDITED)
(Dollars in thousands, except share and per share data)

	For the Three Months ended March 31,	
	2024	2023
Revenues	\$ 500	\$ -
<u>Operating expenses:</u>		
Engineering services costs	19,511	16,483
General and administrative costs	12,287	9,857
Research and development costs	4,257	16,381
Depreciation and amortization	19,945	1,733
Total operating expenses	56,000	44,454
<u>Other income (expense):</u>		
Gain on remeasurement of warrant liabilities	18,214	7,498
Interest (expense) income, net	(2,222)	2,093
Other (expense) income, net	(2)	(10,237)
Total other income (expense), net	15,990	(646)
Loss before income tax expense	(39,510)	(45,100)
Income tax expense	(294)	(116)
Net loss before allocation to noncontrolling interest	(39,804)	(45,216)
Net loss attributable to noncontrolling interest	(20,074)	(28,898)
Net loss attributable to common stockholders	\$ (19,730)	\$ (16,318)
Net loss per share attributable to holders of Class A Common Stock		
Basic and diluted	\$ (0.16)	\$ (0.23)
Weighted-average shares of Class A Common Stock outstanding		
Basic and diluted	121,447,138	71,845,206

AST SPACEMOBILE, INC.
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS (UNAUDITED)
(Dollars in thousands)

	For the Three Months ended March 31,	
	2024	2023
Net loss before allocation to noncontrolling interest	\$ (39,804)	\$ (45,216)
Other comprehensive loss		
Foreign currency translation adjustments	(216)	(128)
Total other comprehensive loss	(216)	(128)
Total comprehensive loss before allocation to noncontrolling interest	(40,020)	(45,344)
Comprehensive loss attributable to noncontrolling interest	(20,184)	(28,980)
Comprehensive loss attributable to common stockholders	\$ (19,836)	\$ (16,364)

AST SPACEMOBILE, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)
(Dollars in thousands)

	For the Three Months ended March 31,	
	2024	2023
Cash flows from operating activities:		
Net loss before allocation to noncontrolling interest	\$ (39,804)	\$ (45,216)
Adjustments to reconcile net loss before noncontrolling interest to cash used in operating activities:		
Depreciation and amortization	19,945	1,733
Gain on remeasurement of warrant liabilities	(18,214)	(7,498)
Amortization of debt issuance costs	900	-
Stock-based compensation	4,933	2,474
Changes in operating assets and liabilities:	-	-
Prepaid expenses and other current assets	(8,306)	(12,168)
Accounts payable and accrued expenses	(8,396)	5,553
Operating lease right-of-use assets and operating lease liabilities	(8)	6
Other assets and liabilities	828	17,383
Net cash used in operating activities	(48,122)	(37,733)
Cash flows from investing activities:		
Purchase of property and equipment and advance launch payments	(39,568)	(15,388)
Net cash used in investing activities	(39,568)	(15,388)
Cash flows from financing activities:		
Proceeds from debt	110,000	-
Repayments of debt	(62)	(60)
Payment for debt issuance costs	(5,162)	-
Proceeds from issuance of common stock, net of issuance costs	107,718	-
Issuance of equity under employee stock plan	-	96
Employee taxes paid for stock-based compensation awards	(314)	-
Net cash provided by financing activities	212,180	36
Effect of exchange rate changes on cash, cash equivalents and restricted cash	(147)	(475)
Net increase (decrease) in cash, cash equivalents and restricted cash	124,343	(53,560)
Cash, cash equivalents and restricted cash, beginning of period	88,097	239,256
Cash, cash equivalents and restricted cash, end of period	\$ 212,440	\$ 185,696
Supplemental disclosure of cash flow information:		
Non-cash transactions:		
Purchases of property and equipment in accounts payable and accrued expenses	\$ 5,734	\$ 4,077
Right-of-use assets obtained in exchange for operating lease liabilities	-	5,507
Cash paid for:		
Interest	\$ 2,205	\$ 52
Income taxes, net	710	282

AST SPACEMOBILE, INC.
RECONCILIATION OF GAAP REPORTED TO NON-GAAP ADJUSTED MEASURES (UNAUDITED)
(Dollars in thousands)

For the Three Months Ended March 31, 2024

	GAAP Reported	Stock-Based Compensation Expense	Adjusted
Engineering services costs	\$ 19,511	\$ (1,607)	\$ 17,904
General and administrative costs	12,287	(3,326)	8,961
Research and development costs	4,257		4,257
Depreciation and amortization	19,945		19,945
Total operating expenses	\$ 56,000	\$ (4,933)	\$ 51,067
Less: Depreciation and amortization			(19,945)
Adjusted operating expenses			\$ 31,122

For the Three Months Ended December 31, 2023

	GAAP Reported	Stock-Based Compensation Expense	Adjusted
Engineering services costs	\$ 19,992	\$ (1,475)	\$ 18,517
General and administrative costs	10,528	(1,219)	9,309
Research and development costs	10,766		10,766
Depreciation and amortization	19,592		19,592
Total operating expenses	\$ 60,878	\$ (2,694)	\$ 58,184
Less: Depreciation and amortization			(19,592)
Adjusted operating expenses			\$ 38,592

Adjusted operating expenses, Adjusted engineering services costs and Adjusted general and administrative costs are alternative financial measures used by management to evaluate our operating performance as a supplement to our most directly comparable U.S. GAAP financial measure. We define Adjusted operating expense as Total operating expenses adjusted to exclude amounts of stock-based compensation expense and depreciation and amortization expense and define Adjusted engineering services costs and Adjusted general and administrative costs as engineering services costs and general and administrative costs adjusted to exclude stock-based compensation expenses.

We believe Adjusted operating expenses, Adjusted engineering services costs and Adjusted general and administrative costs are useful measures across time in evaluating our operating performance as we use these measures to manage the business, including in preparing our annual operating budget and financial projections. Adjusted operating expenses, Adjusted engineering services costs, and Adjusted general and administrative costs are non-GAAP financial measures that have no standardized meaning prescribed by U.S. GAAP, and therefore have limits in their usefulness to investors. Because of the non-standardized definitions, these measures may not be comparable to the calculation of similar measures of other companies and are presented solely to provide investors with useful information to more fully understand how management assesses performance. These measures are not, and should not be viewed as, a substitute for their most directly comparable GAAP measure of Total operating expenses, Engineering services costs and General and administrative costs.