Telesat Canada(Q3 2025 Results)

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Corporate Speakers:

- James Ratcliffe; Telesat Canada; Vice President of Investor Relations
- Daniel Goldberg; Telesat Canada; President, Chief Executive Officer
- Donald Tremblay; Telesat Canada; Chief Financial Officer

Participants:

- David McFadgen; ATB Cormark; Analyst
- Caleb Henry; Quilty Space; Analyst
- Laura Li; Deutsche Bank; Analyst
- Walter Piecyk; LightShed Ventures; Analyst

PRESENTATION

Operator^ Ladies and gentlemen, thank you for standing by. (Operator Instructions) At this time I would like to welcome everyone to the Telesat Fourth Quarter 2025 Financial Results. (Operator Instructions)

I would now like to turn the conference over to James Ratcliffe, Vice President of Investor Relations.

You may begin.

James Ratcliffe^ Thank you, [Desiree]. And good morning, everyone.

This morning we filed our annual report for the period ending December 31, 2025, on Form 20-F with the SEC and on SEDAR+.

Our remarks today may contain forward-looking statements.

There are risks that Telesat's actual results may differ materially from the results contemplated by the forward-looking statements as a result of known and unknown risks and uncertainties.

For a discussion of known risks, please see Telesat's annual report and updates filed with the SEC.

Telesat assumes no responsibility to update or revise these forward-looking statements.

I will now turn the call over to Dan Goldberg, Telesat's President and Chief Executive Officer.

Daniel Goldberg^ Okay. Thanks, James. And thank you all for joining us this morning.

I'll say a few words about the business and our focus for this year and then I'll hand over to Donald to speak to the numbers in more detail, and we'll then open the call up to questions.

I'm pleased with the results we achieved last year and the steps we've taken to position Telesat for significant growth and to capture the compelling opportunities we're seeing in the market today.

Our GEO business faces structural challenges we've discussed that before but we came in ahead of our adjusted EBITDA guidance for last year and within the constraints of what's essentially a fixed cost business, we've optimized our cost structure where we can to maximize the cash flow of that business.

Turning to LEO, I'm very pleased with the significant progress we've been making on Lightspeed including the very tangible progress on the development of the network, the satellites the multiple software platforms that power the constellation and support our customers and the development of the advanced user terminals and landing stations that comprise the terrestrial portion of the Lightspeed network.

It's very positive, and it's very exciting.

As we've said previously our first satellites are scheduled to launch at the end of this year, and then we have a very heavy launch cadence planned throughout next year, 2027. Although our expectation has been for Lightspeed to enter full global commercial service around the end of next year, and now it looks like we'll enter service about three months later than that.

So around the end of Q1, 2028.

The cause of the slight slip is the readiness of the chips, the ASICs which power the onboard processor and phased array antennas of the light speed satellites. These chips are being developed by SatixFy which some of you may know was acquired by MDA last year. The delivery of these chips is one of the key schedule risks are program faced and for that reason, we were pleased that MDA acquired SatixFy given that MDA has much greater financial and technical resources and is also our prime contractor for the Lightspeed satellites.

We're tracking the development of these chips pretty forensically. And based on that and the assurances we're getting from MDA we feel good that the chips will be available in time to support the program schedule.

Turning to the commercial landscape for Lightspeed.

It's absolutely the case that global market dynamics are evolving in ways that I believe are very accretive to the Lightspeed business case. And the fact of the matter is there's a

transition taking place across the verticals we serve toward LEO. The impressive progress Starlink has achieved is a clear testament to that. And so too are the very significant opportunities we're seeing for Telesat Lightspeed.

Last year, as you know we signed a substantial agreement with Viasat to use Lightspeed for a range of services, prominently among them broadband to commercial airlines. Airlines and business jet users around the world are showing a strong appetite for high-throughput, low-latency satellite connectivity and Lightspeed has been optimized to serve their fast-growing requirements.

But without a doubt, some of the most compelling near-term opportunities we're pursuing are in the government defense market.

I've said on previous calls that we've become increasingly bullish on the government and defense opportunity for Telesat Lightspeed and the trends there only continue to get better. The geopolitical environment is driving once-in-a-generation increases in defense investments by Allied countries globally with defense organizations increasingly focused on the need for mission-critical resilient, reliable, high throughput and low latency satellite communication services from dependable providers.

Indeed, the government of Canada in its recently released defense industrial strategy, identified satellite communications as a critical sovereign capability, pledging in the first instance to procure these important services from Canadian companies like Telesat in order to meet its and Canada's allies sovereignty and security requirements with the Arctic, a particularly important area of focus.

And Canada certainly isn't alone in identifying the need for advanced LEO services for defense and sovereignty purposes. The U.S. the EU, Germany, Italy, South Korea are just a few of the governments that have plans to procure such capabilities. Given the fact that Lightspeed was designed from the very outset, to meet the demanding requirements of defense users, Telesat is well positioned to meet those needs.

To give you a few examples of those opportunities, Telesat Government Solutions, our U.S. subsidiary, has received an IDIQ contract under the U.S. Shield program, making us an approved supplier for the over $150 billion Golden Dome project in which robust and resilient connectivity plays a key role.

In Korea, we recently signed an MOU with Hanwha Systems a leading provider of defense equipment and services to the Korean and other governments to work together on leveraging the Telesat Lightspeed solution and Hanwha defense offerings as well as to develop user terminals compatible with Telesat Lightspeed.

And of course as we announced in December, Telesat and MDA have been selected by the Government of Canada to develop and deploy the enhanced satellite communications project Polar, known as Escape and next-generation satellite communications platform to provide connectivity for the Canadian armed forces in the far North.

This is a significant opportunity for us and we're working with our partners to get under contract for that as soon as possible.

In light of the order of magnitude of the opportunity to serve allied defense users, and as you may have seen in our separate release this morning, we're further optimizing Telesat Lightspeed for defense requirements by adding military Ka spectrum or KA as it's called, to our initial 156 Lightspeed satellites, and we fully expect additional satellites will add to the constellation in the future will also have NOK capability.

Specifically, we're dedicating 500 megahertz of our light speed capacity to Mil-Ka which is 25% of the total spectrum that Lightspeed will operate on because Mil-Ka Spectrum is adjacent to the commercial Ka-band spectrum used by Lightspeed, the change in frequency plan is a straightforward one, resulting in no adverse schedule impact and only a modest cost impact.

And when I say modest cost impact, the cost is around USD 25 million which is I don't know less than 0.5% of the total program cost for the first 156 satellites. The 500 megahertz of KA will replace the same amount of commercial Ka-band spectrum on the network's user link.

That's the link between the satellites and the user terminals that our customers will have.

With the Gateway Link, so that's the link between the satellites and our gateways located at various locations throughout the world. The Gateway link is unaffected by the spectrum change. Allied Defense users want Mil-Ka capability. And with this change to Lightspeed, we'll be able to offer a very substantial increase to the total current global supply of Mil-Ka with performance capabilities that are vastly superior to the Mil-Ka platforms that Allied governments have historically relied upon.

Specifically, because we're offering it from LEO on a highly flexible, highly advanced constellation, it will be more resilient, more secure, more high throughput and lower latency, and it will cover the entire planet including the poles which means, of course the Arctic.

As you can probably tell we're very excited about this change to Lightspeed and about the opportunities we're seeing out there.

We're very bullish on Lightspeed's prospects and I'd say now more than ever. Donald will take you through our financial expectations for 2026, but I wanted to say a few words about our key priorities for the year.

In LEO, naturally, we're laser-focused on successfully and timely deploying Telesat Lightspeed while expanding our revenue backlog in advance of global commercial availability.

Given the various opportunities we're pursuing, we're very optimistic we'll be successful in meaningfully growing our Lightspeed backlog this year.

In our GEO business, our focus remains on maximizing the revenue we can generate from our existing satellite fleet, while at the same time being highly disciplined on costs in order to mitigate as much as possible the EBITDA and cash flow impact of the ongoing revenue decline in that business. And of course we remain very focused on refinancing the Telesat Canada debt, the debt that's tied to our legacy GEO business.

We continue to work closely with our advisers who are engaged with the advisers representing some of the larger lenders with the aim of reaching a successful result prior to the initial debt maturities in December of this year.

So I'll end my remarks there, and hand over to Donald to go over the numbers.

And while this is the first time you'll be hearing from Donald. He's already been on board since last October, and has come up to speed as we knew he would very quickly.

So Donald with that official welcome over to you.

Donald Tremblay^ Thank you, Dan. And good morning, everyone.

I'm very pleased to be joining you this morning and to do my first call as Telesat's CFO. My prepared remarks today will focus on highlights from this morning's press release and filings including our guidance for 2026. Telesat ended the year 2025 with reported revenue of $418 million adjusted EBITDA of $213 million and with $510 million of cash on the balance sheet.

In the fourth quarter of 2025, Telesat report revenue were $94 million and adjusted EBITDA was $40 million.

Revenue in 2025 were in line with our expectations and our guidance. Adjusted EBITDA of $213 million including $33 million in expense relating to our equity distribution in Q3 and our debt refinancing process was well above our guidance of $170 million to $190 million. Due to higher-than-anticipated capitalized labor to our Lightspeed project, lower-than-expected increase in our head count and except for the equity distribution and debt refinancing expense, lower OpEx in our legacy GEO business segment.

Interest expense for 2025 totaled $218 million down from $240 million in 2024 and $270 million in 2023, reflecting our buyback of USD 857 million of Telesat Canada debt.

Noncash interest expense of $29 million incurred on Tele satellite pitavastin was capitalized in 2025. Net loss for the year was $530 million compared to $302 million in 2024. The negative variance of $220 million was practically due to reduced revenue and EBITDA, the impairment of goodwill relating to our GEO business.

We also recorded an increase in the derivative liability relating to the Telesat Lightspeed financing warrants caused by the meaningful increase in the valuation of the project as we are making strong progress on the development of the constellation. This was partially offset by a foreign exchange gain associated with the impact of stronger can dollar on our U.S. dollar-denominated debt at the end of the year.

EBITDA from our legacy GEO business segment totaled $284 million or $370 million, excluding $33 million of expense related to the equity distribution and debt refinancing related costs, representing a margin of 77%, down from 80% in 2024. Leo loss before interest, tax, depreciation and amortization for the year was $67 million, driven by operating expense of $72 million which were slightly below our guidance updated in October 2025 of $75 million to $85 million reflecting either capitalized labor and slower pace of hiring in 2025.

Capital expenditure in 2025 on an accrued basis were $708 million, of which nearly all were related to Telesat Lightspeed. This was below our expectation and our guidance of $900 million to $1.1 billion for the year. This was mostly attributable to milestone payment we expect to make to MDA last year that we will be made in 2026.

In September, we distributed 62% of the equity of tele satellite speed to all young subsidiary of Telesat Corporation to provide us with more flexibility to raise capital in the future. Through our adviser, we are engaged with the adviser of the add-on group of lenders with the objective of successfully refinancing Telesat Canada debt before it matures in 2026 and 2027.

You will note enhanced disclosure in our financial statement and MD&A regarding liquidity given the need to refinance USD 1.7 billion of debt and Telesat Canada coming due in December 2026. Telesat Canada financial statements were prepared on a going concern basis, as usual.

I would now like to turn to our financial guidance for 2026 which were disclosed in our press release earlier this morning.

We've modified our disclosure in an effort to provide guidance that track the metric we focus on as we run the business.

We are therefore providing guidance for revenue and adjusted EBITDA of our legacy GEO business segment.

For the legal business segment, we're providing guidance for the total amount we will invest in Lightspeed in 2026 including operating costs incurred and capitalized labor and interest.

We believe this approach will provide investors with the information we need to track our investment and progress in the Lightspeed project.

On the GEO side, we expect '26 revenue of between $300 million and $320 million, representing a year-on-year decline of $90 million to $110 million compared to 2025, roughly evenly split between our broadcast and enterprise segment.

In Broadcast, we expect revenue from DISH to decline due to the reduced usage of Nimiq five and the end of the Anik F3 contract in April 2025. Revenue from Bell are also expected to decline due to the expiration of its contract on Nimiq four satellite in October 2025.

On the enterprise side, the largest impact come from declining revenue under our restructured contract with EXPLORER the vast majority of which being noncash as well as our T 14R satellite reaching end of life.

With lower expected revenue, we expect GEO segment adjusted EBITDA to be between $210 million and $220 million in 2026, excluding any expense related to our debt refinancing process.

As a reminder, these costs plus the cost related to the transfer of 62% of Telesat's LEO amounted to $33 million in 2025.

In the LEO segment, we expect to spend between $1 billion and $1.2 billion on Telesat Lightspeed in 2026 including operating costs, capitalized labor and interest and capital expenditure incurred with third-party vendors and suppliers.

I'll note that our guidance assumes an average exchange rate of $1.38 per U.S.

Turning to our cash and liquidity position. We add approximately $206 million of cash on hand at the end of 2025 in our GEO business segment and the business continued to generate healthy cash flow.

We believe the combination of this cash online and the cash flow generated by our legacy GEO assets in 2026 to be sufficient to meet all the company obligation prior to Terascanada debt maturing in December.

In the LEO segment, we end the year with $337 million in cash online. This, combined with $1.82 billion available under our Telesat Lightspeed financing and $325 million available from our vendor financing is expected to be sufficient to fully fund the Telesat Lightspeed project until it achieved global commercial service.

Before I conclude my prepared remarks, I would like to confirm that we are in compliance with all covenants in our curated agreement and indenture.

I also want to remind everyone that Section five of our 20-F include the unaudited condensed consolidated financial information.

I will now turn the back -- the call back to the operator for the Q&A. Thank you.

QUESTIONS AND ANSWERS

Operator^ (Operator Instructions) And our first question comes from the line of David McFadgen with ATB Cormark.

David McFadgen^ So a couple of questions. Maybe I'll start off with the decision to put some of the light speed capacity on the military Ka band.

So I thought that when you would do that, you would also announced a deal with the Canadian Armed Force as kind of paid begin announced at the same time. Do you still expect the deal with the Canadian Armed Forces where would license part of that military Ka-band spectrum?

Daniel Goldberg^ David, its Dan.

So it was back in December that we announced -- we announced, we were joined by the government of Canada and MDA and it was announced that MDA Intelsat had been selected to form a strategic partnership with the Government of Canada to deliver escape. And what is known about Escape is a few things.

One, it's a multi frequency band constellation for support in the Arctic of Canada's kind of defense and sovereignty requirements.

It's Mil-Ka it is EXPAND and UHF, so all kind of spectrum that defense users frequently use.

And so while it was announced back in December, we're still not under contract which is not a surprise.

It would take some time to do that. And so we -- and by we, I mean Telesat and MDA are currently engaged with the government of Canada working on that.

We're focused on getting that done sooner than later. And so because we're still negotiating everything and it's not done yet, we can't say exactly what it is, the constellation will look like.

It is the case that by putting Mil-Ka on Lightspeed, Lightspeed is better situated to meet some of those requirements, but we're not in a position to say anything more about that right now.

But we are focused on getting that contract done certainly before the end of this year.

David McFadgen^ Okay.

So I would imagine that you could also sell that military Ka band capacity to other defense departments around the world, right retainers isn't going to take the entire 500 megahertz are is it?

Daniel Goldberg^ Yes. Listen, as I said in my remarks, the quantum of Mil-Ka capacity that we're bringing to market by proliferating it across all of our satellites is a massive increase.

It's a little hard to track this stuff because it's Mil-Ka, so you don't know everything.

But for instance, the U.S. and its allies use the WGS network.

The U.K. has Skynet. There are other kind of pockets of Mil-Ka elsewhere, historically, it's all been in GEO, but as you can imagine, the amount of capacity across those systems relative to what we're bringing on Lightspeed.

I mean whether it's an order of magnitude increase.

But it is dramatically higher.

And it's not just the sheer quantum of capacity we're bringing the capacity that we're bringing the performance characteristics are so much more compelling.

Its high throughput, low latency, distributed which makes it more resilient.

It covers the poles which there's a heavy focus on the Arctic right now for all sorts of reasons. And so yes, we will be able to make that capability available not just to the government of Canada, but to all of the outlied nations, NATO, and other outlied governments.

And not to go on for too long here, but there is a significant focus with military planners on having access to these kinds of capabilities given the nature of modern warfare given the nature of the fact that so many more of the platforms that they use or high bandwidth consumption platforms, many of which operate autonomously and need the high throughput, low latency, very resilient, very secure link.

So we think about this as a very significant opportunity for Telesat. And we caught this at a great time.

We caught it early enough in the build-out of Lightspeed so that it's not scheduled impactful.

As I mentioned in my remarks, the cost is pretty trivial.

But because we were already using the commercial Ka and because the military Ka-band is immediately adjacent, the changes that needed to be made to accommodate the Mil-Ka on Lightspeed we're very straightforward.

And look, this isn't something that we figured out last week. This is something that we have been thinking about for some time now.

So we were able to do some advanced planning work with MDA to make sure that this would be as easy, again from a schedule perspective, from a cost perspective as possible.

So we're really pleased about this.

David McFadgen^ Okay. And maybe I could just follow up on the comment you made, you're talking about Escape, right? Escape, the military wants to be able to have a translation running at and UHF it just on KA.

So do you envision another potential cancellation here that you would be able to offer up that were run on exact.

Is that a possibility?

Daniel Goldberg^ It's still a little premature to say.

I mean I really want us to get through the good work that's taking place right now with the government of Canada. And so again we're wanting to move quickly on that. The good news is the Government of Canada, as you probably heard, is very much wanting to streamline and accelerate their procurement processes.

So we've got a pretty -- yes, pretty motivated counterparty to move these discussions along.

So all I would say is just stay tuned on that.

David McFadgen^ And maybe if I can just ask one more, I don't want to have too much time but just for 2026 in the guidance, it would be really helpful if we can you give us an idea on the EBITDA loss as you would expect out of LEO because saying the --

Daniel Goldberg^ If you look at the guidance, I think what you have there is the total expenditures associated with Lightspeed to both CapEx and OpEx, but we can break it down, I think it's $777 million in total done all. And can you give kind of a range for what we think the OpEx piece of that.

Donald Tremblay^ Like including the $1 billion to $1.1 billion, there's probably somewhere between $90 million to $110 million of like OpEx in Lightspeed that will incur this year depending on how much labor we're capitalizing. And one of the reasons we decide to not show like the EBITDA specifically for Lightspeed is the like how much

labor are we capitalizing versus expensing, always difficult to predict when we're looking forward.

Daniel Goldberg^ But each quarter, we'll report on what it is so that everyone can tell what it is.

Operator^ Our next question comes from the line of Caleb Henry with Quilty Space.

Caleb Henry^ Just a question on the launch schedule with the 3-month delay. Do you have a sense of how many satellites will be launched by the end of 2027 now?

Daniel Goldberg^ Yes. I think we can probably give a sense of that.

So two things.

We are still holding our launch schedule for our initial launch.

So that is still of being focused towards the end of this year.

So that hasn't changed.

And then our expectation is our significant launch cadence will -- because we're going to launch those first satellites. And as we said before we're going to test them extensively before we start launching the rest of the satellite.

So by the time we launched the first two satellites do the orbit raising and then do the amount of testing that we -- and a bunch of our customers want to do it will be sort of mid-next year where we kick off with the heavy launch schedule.

So by the end of the year we will have enough satellites in orbit so that we can launch full global commercial coverage, but we slipped the date back a quarter because you still got to do the orbit raising and whatnot.

So -- and for us to do full global coverage, that's about 96 satellites.

So we still have 96 satellites, at least in orbit by the end of next year. And then we're just going to just keep going. And so that's the plan.

Caleb Henry^ Okay. And then on the Mil-Ka, you talked about the spacecraft side.

Can you just share any updates on -- does that require any new gateway infrastructure. And then on the user terminal side, will those Mil-Ka user terminals be available at the same time as the commercial ones? Or where is that in the development cycle?

Daniel Goldberg^ Yes. Good question.

So the gateway because I mentioned in the opening remarks that the spectrum that we use for the gateway frequencies isn't changing.

So the gateways are totally unimpacted. And then on the user terminal side, yes, there will be Mil-Ka compatible user terminals for a variety of different platforms, ships, planes, drones, manpacks, that will be available.

One of the great things about operating in commercial Ka is up the Mil-Ka is adjacent. And so the user terminal partners that we've already been working with their flat panel antennas, the modems and whatnot can accommodate the addition of the Mil-Ka. And so we'll be engaging with all of our customers, defense and commercial alike with a good family of advanced flat panel antennas. And by the way we talk a lot about flat panel antennas. The parabolic antennas are still out there and they are quite efficient.

So those will be available too because they are good for certain applications.

But yes, those will be all available when we go into service.

Operator^ Question comes from the line of Edison Yu with Deutsche Bank.

Laura Li^ This is Laura on for Edison, and I want to follow up on that Canadian Arctic communication consolidation topic.

So could you provide more sense on the backlog potentials from both the Canadian military and the others. And any additional spend you anticipate not just from the spectrum perspective, but for the overall required compared to the baseline Lightspeed?

Daniel Goldberg^ So on Escape, first off, there's a lot of information about escape that it's kind of publicly available.

It's been a program of record for the Department of Defense here for many, many years.

But I won't speculate just now on potential backlog impact nor on kind of impacts to our broader plan, whether that's spending or revenue profile and whatnot.

We need to get through this contract negotiation with the government of Canada.

But I will say on backlog creation less about Escape, but just a broader observation, as I mentioned, in our opening remarks, the pipeline of activities for Lightspeed is robust.

And a lot of that right now in this environment relates to kind of defense applications, defense and sovereignty applications. And because of that, we are very bullish about our ability to significantly grow our backlog for Lightspeed this year.

So our expectation is this time next year, our backlog tied to LEO is fairly dramatically higher than it is today.

With the caveat, we've got to sign these deals. And with the caveat also that because many of those opportunities are government-related, government opportunities often kind of the life of their own in terms of closing them.

But notwithstanding that, that's our expectation that we will be closing significant opportunities for Lightspeed this year and that will have a very significant favorable impact on backlog for Lightspeed.

Operator^ (Operator Instructions) We do have our next question comes from the line of Walter Piecyk with LightShed Ventures.

Walter Piecyk^ Dan, on the spectrum change, this is probably like a technical walking question that I'm not fully understanding because if I went back to like, I think with third quarter of 2024, as you may recall I was asking about adding additional spectrums and you refer to that as payloads.

And I think at the time you like for the first 198 satellites, the ship is sales and that it didn't seem -- and I think I've asked this question a couple of times on earnings calls that you couldn't add spectrum because there was obviously some available that was out there to the constellation to broaden out the services.

So I'm guessing there's something different because there's a swap out in Ka or whatever it is.

But can you explain why that's the case? Or maybe there's -- if there's some update that this late in the game, you can actually change the spectrum that's in the constellation?

Daniel Goldberg^ Yes. Yes. My -- first off, thanks for the question, Walter. My recollection is when you and others have asked that question in the past, it's mostly been in the context of like D-to-D.

So can you add spectrum for direct-to-device applications, whether that's L-band or S-band or C-band or whatnot.

And there because that spectrum is so far away from the 28 gigahertz band that the commercial Ka band is in you do. You would need a different payload to transmit on those frequencies, and that would be a very significant change to the satellite.

It would -- if we wanted to support our existing mission, broadband connectivity in Ka-band, we -- and to add a direct-to-device payload, for instance, we would need a bigger satellite.

I mean it would be a very different thing. And so what's different here is the military Ka band, as I said, it's also in the 28 gigahertz.

It is contiguous with the commercial Ka band.

So we've really just shifted the frequency plan up by 500 megahertz for the user link. And that's a pretty a pretty easy modification. And so that's the difference.

Walter Piecyk^ That was very understandable and a lot less technical than it was expected.

So I appreciate that.

Daniel Goldberg^ The great news is, Walter, you're talking to somebody who is a history major.

So if I had asked our CTO to explain it, you might not have followed. No I'm kidding.

Walter Piecyk^ (Multiple Speakers) CTO get on those guys go on forever.

Let's just hear on Amazon.

I mean it feels like there's a slower rollout. They're getting hazed a little bit by the FCC Chairman about their rollout.

But for you guys, I mean obviously with the progress you're heading towards this first launch end of next year.

Daniel Goldberg^ No. I'm sorry, it's end of this year, Walter.

Walter Piecyk^ Yes. That's what I said.

I thought I said, maybe I misspoke. And my point -- my question though is like because of the -- what's going on in Amazon and your progress, have you found it easier to get the attention of some of these enterprise government customers? Are you seeing more kind of fluidity there and getting towards contracts than maybe six months ago, both from your progress and also perhaps from Amazon's lack thereof?

Daniel Goldberg^ I think -- well I won't -- so we're certainly getting more engagement with the customer base. And I'd say particularly the defense, the government customer base, part of that is we're just getting, as you point out, closer to being in service. A big part of it is demand for this kind of capability has grown dramatically over the last, call it, 12-plus months because of the changes in the geopolitical environment.

And so some of that's been a function of everybody seeing how the Ukraine hostilities have unfolded and how consequential access to Starlink is in a modern conflict. And when I say Starlink, I really mean in advanced LEO constellation that can support all sorts of things in a battlefield domain, whether that's, again flying drones, communications with forward operating units, fighter jets, just all of that.

So part of it is we're getting closer. Part of it is there's a much greater focus on the need to have these kinds of capabilities from a diversity of suppliers.

I think all these governments want to be able to work with a range of different constellation providers in part just to have more resilience, more diversity, less vendor lock, that kind of rationale.

With respect to Amazon, there -- as far as I can tell they're coming.

It's taken them, I think longer than they had anticipated. They point to the lack of launch opportunities, and we understand that.

So -- but I think the forward progress that -- in the traction that we're getting in the market has a lot less to do about their schedule and just a whole lot more to do about the capabilities that we're bringing and this moment in time in terms of the geopolitical environment, and what customers want. And then I've spoken a lot about defense.

But these other verticals that we're focused on also are embracing LEO, whether that's aero, whether that's maritime whether that's fixed enterprise backhaul for MNOs.

You're seeing significant traction in all those markets with LEO. And so they are, for sure, as we get closer to being in service, all of these things have been very favorable tailwinds.

Walter Piecyk^ That's very comprehensive. And I'm hoping you're planning on some type of launch party because Florida is a lovely place to be in December, especially for (multiple speakers).

Daniel Goldberg^ Florida is lovely, but our launches will be coming out of Vandenberg that...

Walter Piecyk^ I guess California, that's fine. Even better.

Daniel Goldberg^ But we will. Listen, we're going to be having a lot of launches in the next months. And so we'll have a lot of opportunity to celebrate that.

Operator^ That concludes the question and answer session.

I would like to turn the call back over to our CEO, Dan Goldberg for closing remarks.

Daniel Goldberg^ Okay.

Well operator, thank you very much. And thank you all for joining us this morning and we look forward to speaking with you shortly when we release our first quarter results.

So thank you very much.

Operator^ Ladies and gentlemen, that concludes today's call. Thank you all for joining us.

You may now disconnect.