



GALACTIC

THIRD QUARTER 2022
EARNINGS UPDATE
11.03.2022

DISCLOSURES

FORWARD-LOOKING STATEMENTS

This presentation contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. We intend such forward-looking statements to be covered by the safe harbor provisions for forward-looking statements contained in Section 27A of the Securities Act of 1933, as amended (the "Securities Act") and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). All statements contained in this presentation other than statements of historical fact, including, without limitation, statements regarding our spaceflight systems, expected flight schedule, timing of commercial launch and payload flights, expected completion of the first Delta class spaceship, our objectives for future operations and the Company's financial forecast, are forward-looking statements. The words "believe," "may," "will," "estimate," "potential," "continue," "anticipate," "intend," "expect," "strategy," "future," "could," "would," "project," "plan," "target," and similar expressions are intended to identify forward-looking statements, though not all forward-looking statements use these words or expressions. These statements are neither promises nor guarantees, but involve known and unknown risks, uncertainties and other important factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements, including but not limited to the factors, risks and uncertainties included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2021, as such factors may be updated from time to time in our other filings with the Securities and Exchange Commission (the "SEC"), accessible on the SEC's website at www.sec.gov and the Investor Relations section of our website at www.virgingalactic.com, which could cause our actual results to differ materially from those indicated by the forward-looking statements made in this presentation. Any such forward-looking statements represent management's estimates as of the date of this presentation. While we may elect to update such forward-looking statements at some point in the future, we disclaim any obligation to do so, even if subsequent events cause our views to change.

USE OF NON-GAAP FINANCIAL MEASURES (UNAUDITED)

This presentation references certain financial measures that are not prepared in accordance with generally accepted accounting principles in the United States (GAAP), including Adjusted EBITDA, non-GAAP selling, general, and administrative expense, non-GAAP research and development expense and free cash flow. The Company defines Adjusted EBITDA as earnings before interest expense, taxes, depreciation and amortization, stock-based compensation, and certain other items the Company believes are not indicative of its core operating performance. It defines non-GAAP selling, general, and administrative expenses as selling, general, and administrative expenses other than stock-based compensation, and non-GAAP research and development expenses as research and development expenses other than stock-based compensation. It defines free cash flow as net cash used by operating activities less capital expenditures. None of these non-GAAP financial measures is a substitute for or superior to measures prepared in accordance with GAAP and should not be considered as an alternative to any other measures derived in accordance with GAAP.

The Company believes that presenting these non-GAAP financial measures provides useful supplemental information to investors about the Company in understanding and evaluating its operating results, enhancing the overall understanding of its past performance and future prospects, and allowing for greater transparency with respect to key financial metrics used by its management in financial and operational decision making. However, there are a number of limitations related to the use of non-GAAP measures and their nearest GAAP equivalents. For example, other companies may calculate non-GAAP measures differently, or may use other measures to calculate their financial performance, and therefore any non-GAAP measures the Company uses may not be directly comparable to similarly titled measures of other companies.

A reconciliation of these non-GAAP financial measures is included in the appendix to this presentation.

AGENDA

- Commercial Readiness
- Future Fleet Development
- Financial Overview





COMMERCIAL READINESS



UNITY

Estimated Commercial Service: Q2 2023

Estimated to fly: 1x/month



INAUGURAL “SPACE FOR THE CURIOUS” FUTURE ASTRONAUT EVENT – WYOMING





FUTURE FLEET DEVELOPMENT

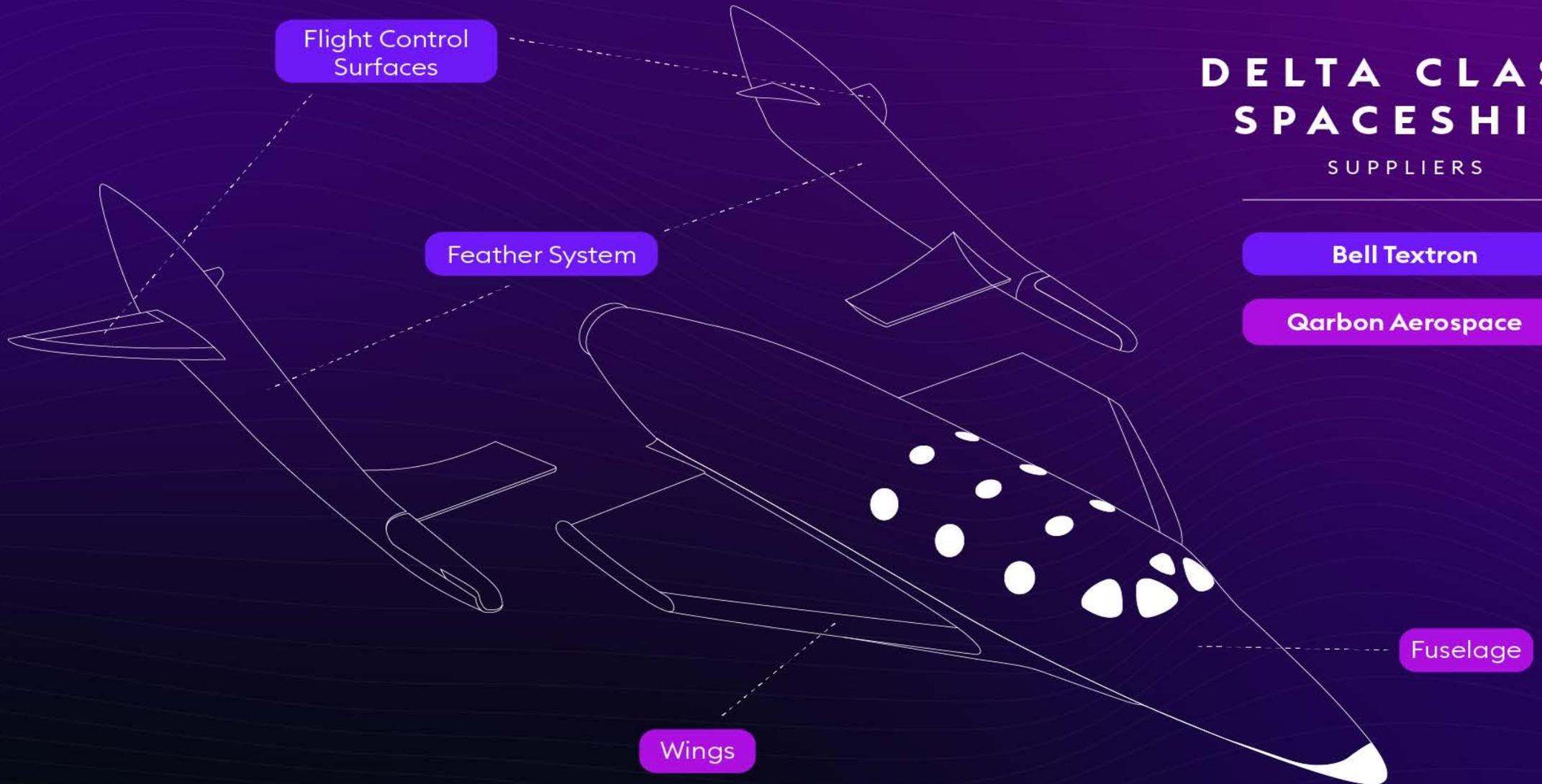


DELTA CLASS SPACESHIP

SUPPLIERS

Bell Textron

Qarbon Aerospace





FINANCIAL OVERVIEW



Q3 2022 RESULTS

THIRD QUARTER

Ended September 30, 2022

- Revenue of \$767,000, compared to \$2.6 million in the prior year period
- Operating expenses were \$146 million, compared to \$86 million in the prior year period
- Net loss of \$(146) million, compared to \$(48) million in the prior year period
- Adjusted EBITDA of \$(129) million, compared to \$(68) million in the prior year period
- Raised \$100M in gross proceeds through the issuance of 15.6 million shares of common stock as part of the at-the-market offering announced Aug. 04, 2022



Q3 2022 RESULTS

FREE CASH FLOW ⁽¹⁾

Q3 2022

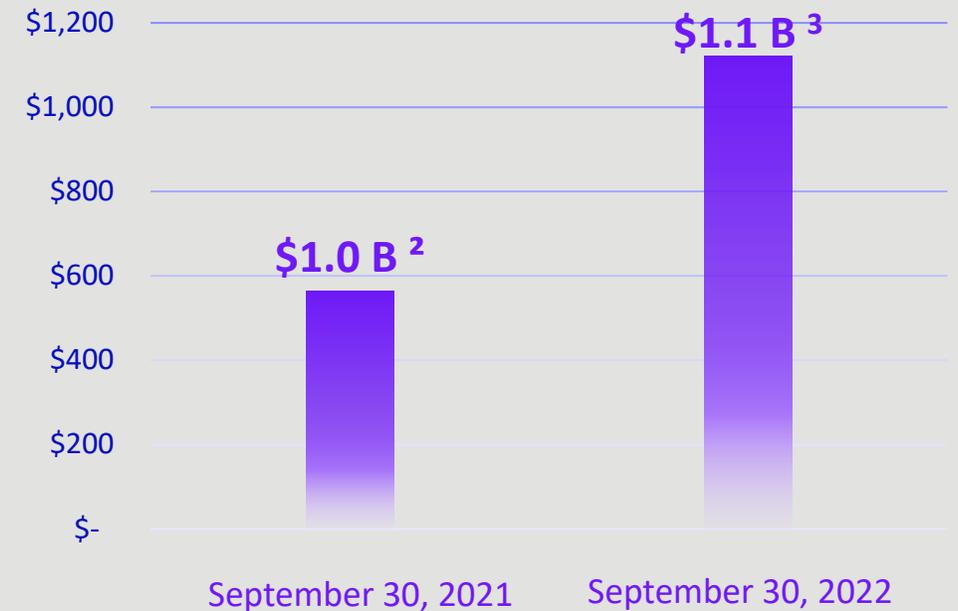
\$(107) million

Q4 2022 Guidance

Expected to be in the range of

\$(120) million to \$(130) million

CASH, CASH EQUIVALENTS, AND MARKETABLE SECURITIES



1. Virgin Galactic uses Free Cash Flow as a key measure of its performance. Free Cash Flow is defined as cash flows from operating activities less capital expenditures. Refer to the appendix of this presentation for a reconciliation to GAAP.

2. Amount includes \$18M of restricted cash.

3. Amount includes \$40M of restricted cash.



APPENDIX



RECONCILIATION TO NON-GAAP MEASURES

(Amounts in thousands)	THREE MONTHS ENDED	
	September 30, 2022	September 30, 2021
Net Loss	\$ (145,554)	\$ (48,368)
Income tax expense	21	25
Interest expense	3,293	6
Depreciation & amortization	2,214	2,895
Stock-based compensation	11,510	12,169
Change in fair value of warrants	--	(34,432)
Adjusted EBITDA	\$ (128,516)	\$ (67,705)

RECONCILIATION TO NON-GAAP MEASURES

(Amounts in thousands)	THREE MONTHS ENDED	
	September 30, 2022	September 30, 2021
Selling, general, and administrative expenses	\$ 46,113	\$ 48,268
Stock-based compensation	8,158	8,540
Non-GAAP selling, general, administration expenses	\$ 37,955	\$ 39,728

(Amounts in thousands)	THREE MONTHS ENDED	
	September 30, 2022	September 30, 2021
Research and development expenses	\$97,411	\$ 34,289
Stock-based compensation	3,352	3,629
Non-GAAP research and development expenses	\$ 94,059	\$ 30,660

RECONCILIATION TO NON-GAAP MEASURES

(Amounts in thousands)	THREE MONTHS ENDED	
	September 30, 2022	September 30, 2021
Net cash used in operating activities	\$ (101,183)	\$ (52,165)
Capital expenditures	(6,013)	(805)
Free cash flow	(107,144)	(52,970)

RECONCILIATION TO NON-GAAP MEASURES – Q4 2022 GUIDANCE

(Amounts in thousands)	FORECASTED RANGE
Net cash used in operating activities	\$ (118,000) – (125,000)
Capital expenditures	\$ (2,000) – (5,000)
Free cash flow	\$ (120,000) – (130,000)