



**FOURTH QUARTER
AND
FULL YEAR 2022
EARNINGS UPDATE**

2.28.2023

VMS Eve flying over Mojave on the February 27, 2023 relocation flight.

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, completion of our Delta class spaceship and motherships, our objectives for future operations and the Company's financial forecasts, 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, 2022, 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

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 expenses, non-GAAP research and development expenses and free cash flow. The Company defines Adjusted EBITDA as earnings before interest expense, income 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 provided 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

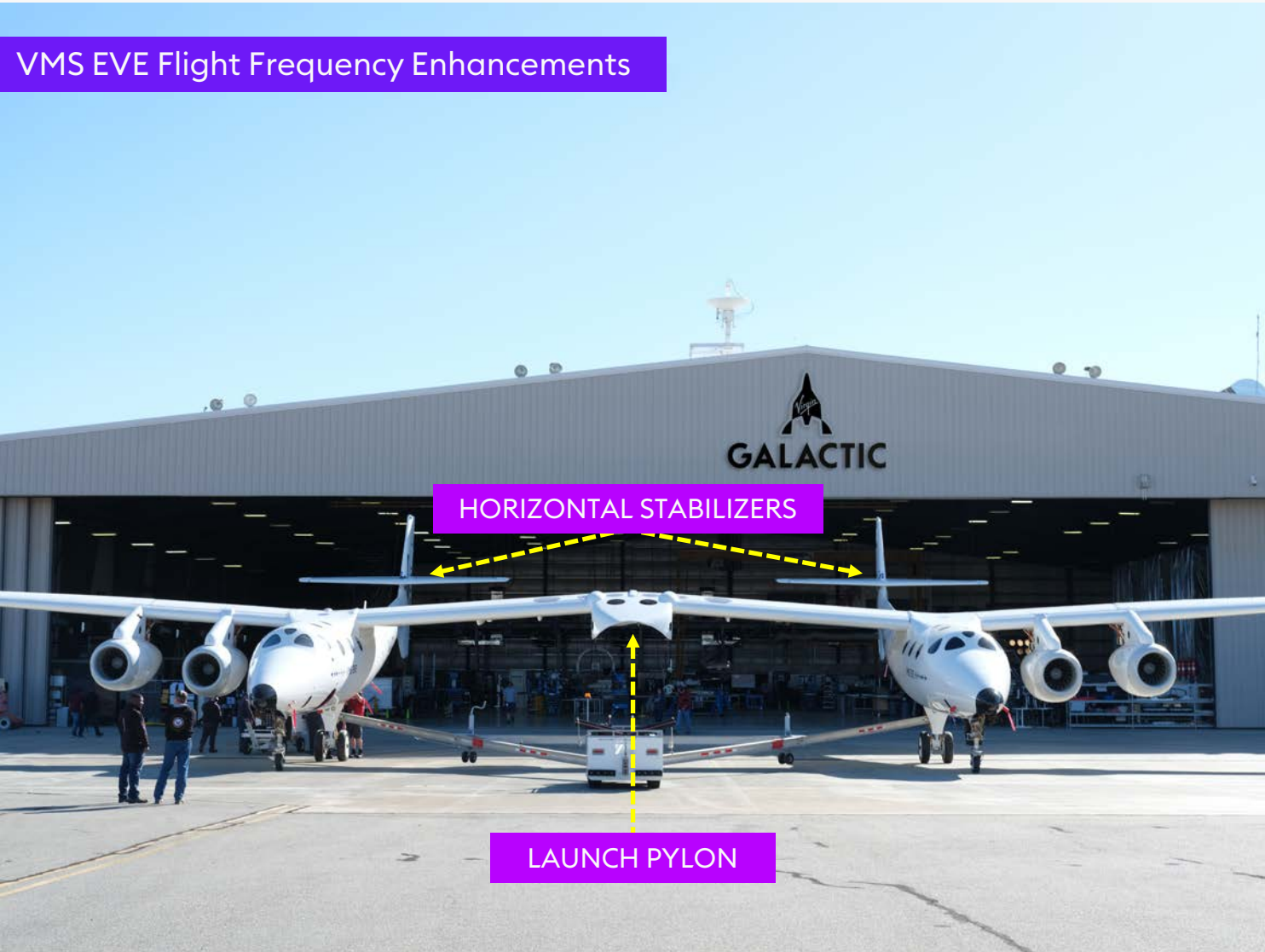
- **2022 Overview**
- **Commercial Readiness Efforts**
- **Future Fleet Development**
- **Financial Overview**



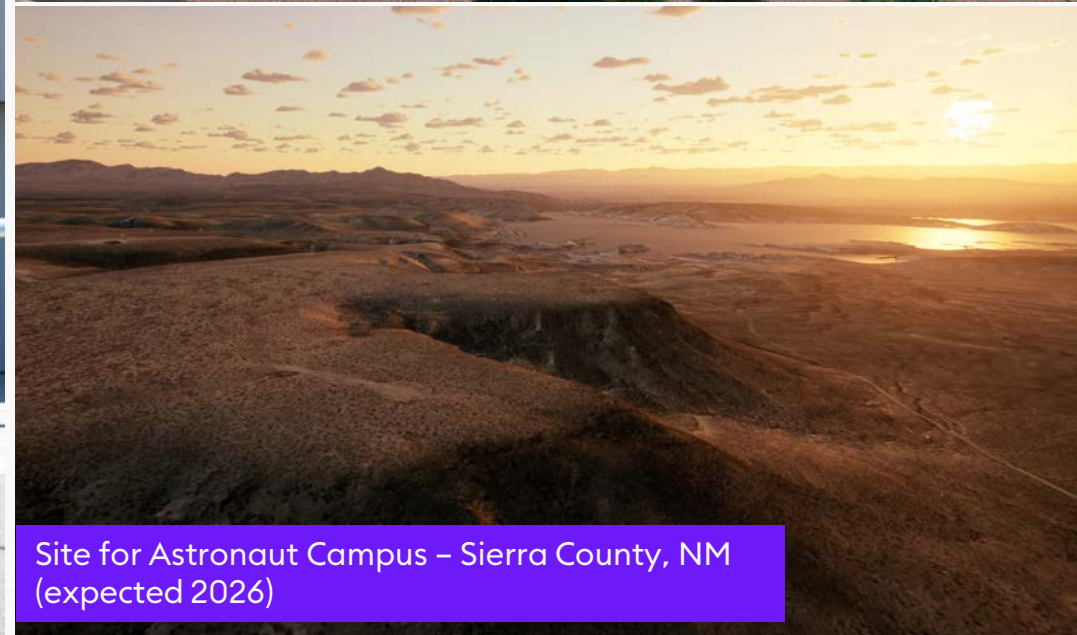
VSS UNITY showcasing its new livery at sunrise in Spaceport America, NM

2022 OVERVIEW

VMS EVE Flight Frequency Enhancements



Final Assembly Factory – Phoenix, AZ
(expected 2024)



Site for Astronaut Campus – Sierra County, NM
(expected 2026)

2023 FOCUS

COMMERCIAL SPACELINE OPERATIONS

Spaceline Missions and Safety



Spaceline Technical Operations

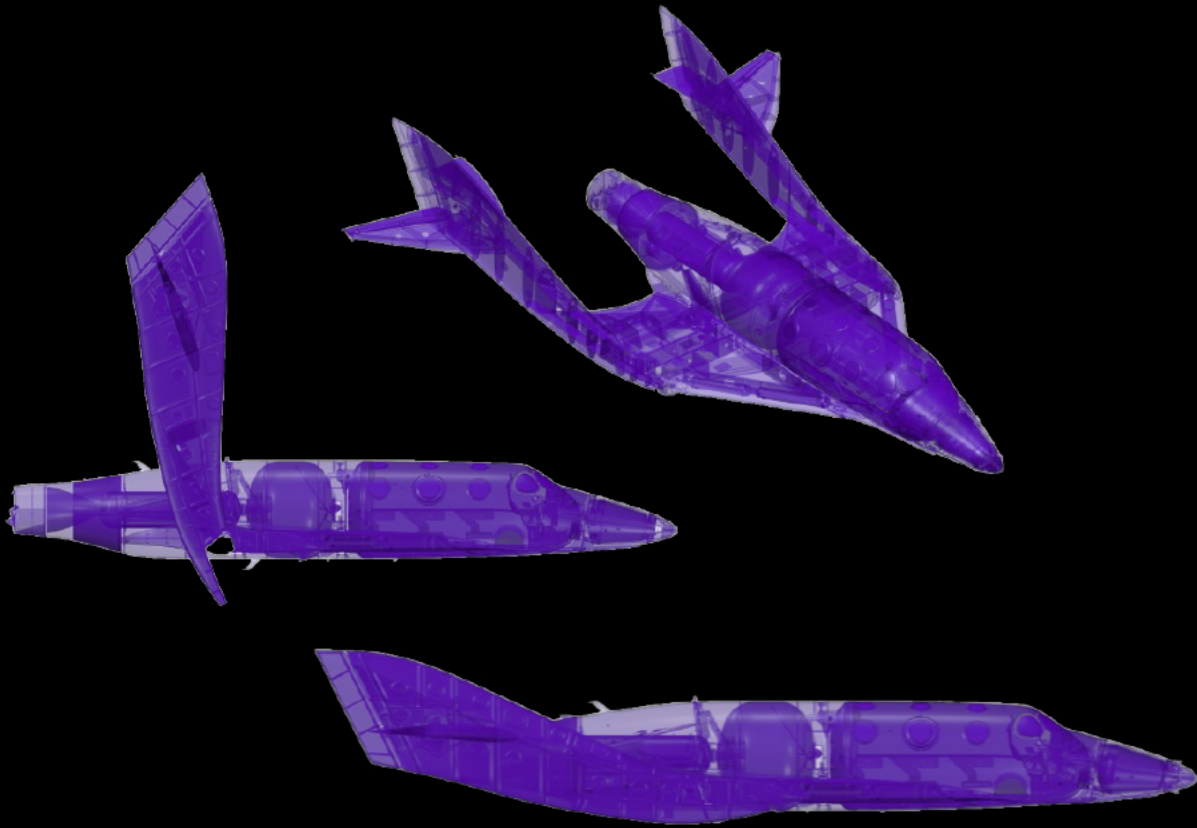


Customer Operations



FUTURE FLEET

“DELTA” CLASS SHIPS



NEXT GENERATION MOTHERSHIPS



2022 RESULTS

FOURTH QUARTER

Ended December 31, 2022

- Revenue of \$869,000, compared to \$141,000 in the prior year period
- Operating expenses were \$154 million, compared to \$81 million in the prior year period
- Net loss of \$151 million, compared to \$81 million in the prior year period
- Adjusted EBITDA of \$(133) million, compared to \$(65) million in the prior year period
- Raised \$3.8 million in gross proceeds through the issuance of 0.7 million shares of common stock as part of the at-the-market offering announced Aug. 4, 2022

FULL YEAR

Ended December 31, 2022

- Revenue of \$2.3 million, compared to \$3.3 million in the prior year period
- Operating expenses were \$502 million, compared to \$323 million in the prior year period
- Net loss of \$500 million, compared to \$353 million in the prior year period
- Adjusted EBITDA of \$(431) million, compared to \$(245) million in the prior year period
- Raised \$103.3 million in gross proceeds through the issuance of 16.3 million shares of common stock as part of the at-the-market offering announced Aug. 4, 2022

CASH FLOW AND BALANCE SHEET

FREE CASH FLOW ⁽¹⁾

Q4 2022

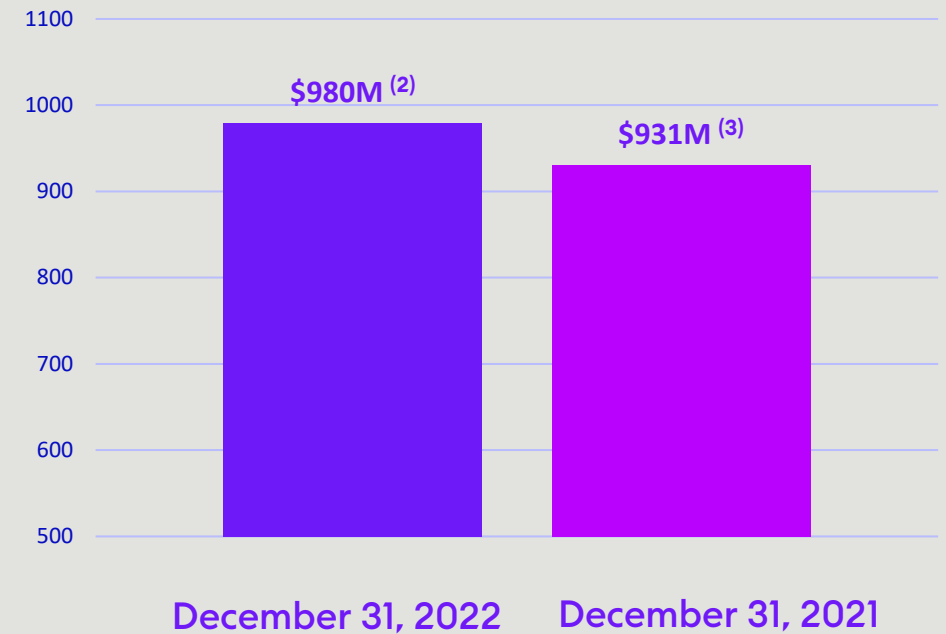
\$(135) million

Q1 2023 Guidance

Expected to be in the range of

\$(135) million to \$(145) 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 \$40M of restricted cash.

3. Amount includes \$26M of restricted cash.

2023 FOCUS

COMMERCIAL SPACELINE OPERATIONS

- Recurring flights of VMS Eve and VSS Unity
- Continue to progress development of future fleet to scale business



VSS UNITY and VMS EVE together at Spaceport America on February 27, 2023

APPENDIX



RECONCILIATION TO NON-GAAP MEASURES

(In thousands)	THREE MONTHS ENDED	
	December 31, 2022	December 31, 2021
Net Loss	\$ (150,820)	\$ (80,797)
Income tax expense	529	5
Interest expense	3,206	6
Depreciation and amortization	3,117	2,883
Stock-based compensation	11,221	13,101
Adjusted EBITDA	\$ (132,747)	\$ (64,802)

RECONCILIATION TO NON-GAAP MEASURES

(In thousands)	THREE MONTHS ENDED	
	December 31, 2022	December 31, 2021
Selling, general and administrative expenses	\$ 47,298	\$ 38,311
Stock-based compensation	7,887	9,177
Non-GAAP selling, general and administrative expenses	\$ 39,411	\$ 29,134

(In thousands)	THREE MONTHS ENDED	
	December 31, 2022	December 31, 2021
Research and development expenses	\$102,596	\$ 40,226
Stock-based compensation	3,334	3,924
Non-GAAP research and development expenses	\$ 99,262	\$ 36,302

RECONCILIATION TO NON-GAAP MEASURES

(In thousands)	THREE MONTHS ENDED	
	December 31, 2022	December 31, 2021
Net cash used in operating activities	\$ (131,242)	\$ (65,126)
Capital expenditures	(4,183)	(2,183)
Free cash flow	(135,425)	(67,309)

RECONCILIATION TO NON-GAAP MEASURES – Q1 2023 GUIDANCE

(In thousands)	FORECASTED RANGE
Net cash used in operating activities	\$ (127,000) – (133,000)
Capital expenditures	\$ (8,000) – (12,000)
Free cash flow	\$ (135,000) – (145,000)



GALACTIC

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