

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 March 31, 2025

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 No. 001-38202

Virgin Galactic Holdings, Inc.

(Exact name of registrant as specified in its charter)

Delaware

85-3608069

(State or other jurisdiction of
incorporation or organization)

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

**1700 Flight Way
Tustin California**

92782

(Address of Principal Executive Offices)

(Zip Code)

(949) 774-7640

(Registrant's telephone number, including area code)

N/A

(Former name, former address and former fiscal year, if changed since last report)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common stock, \$0.0001 par value per share	SPCE	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

☐

Accelerated filer

☐

Non-accelerated filer

☒

Smaller reporting company

☒

Emerging growth company

☐

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. ☐

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

As of May 8, 2025, there were 41,574,845 shares of the Company's common stock outstanding.

VIRGIN GALACTIC HOLDINGS, INC.

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Cautionary Note Regarding Forward-Looking Statements

This Quarterly Report on Form 10-Q contains forward-looking statements (including within the meaning of the Private Securities Litigation Reform Act of 1995) concerning us and other matters. These statements may discuss goals, intentions and expectations as to future plans, trends, events, results of operations or financial condition, or otherwise, based on current beliefs of management, as well as assumptions made by, and information currently available to management.

Forward-looking statements may be accompanied by words such as “achieve,” “anticipate,” “believe,” “can,” “continue,” “could,” “estimate,” “expect,” “future,” “grow,” “increase,” “intend,” “may,” “opportunity,” “plan,” “possible,” “potential,” “predict,” “project,” “should,” “strategy,” “target,” “will,” “would,” or similar words, phrases, or expressions. These forward-looking statements are subject to various risks and uncertainties, many of which are outside our control. Therefore, you should not place undue reliance on such statements. Factors that could cause actual results to differ materially from those in the forward-looking statements include, but are not limited to, the following:

- any delay in future commercial flights of our spaceflight fleet;
- our ability to successfully develop and test our next-generation vehicles, and the time and costs associated with doing so;
- the safety of our spaceflight systems;
- the development of the markets for commercial spaceflight and commercial research and development payloads;
- our ability to effectively market and sell spaceflights;
- our ability to convert our backlog or inbound inquiries into revenue;
- our anticipated full passenger capacity;
- our ability to achieve or maintain profitability;
- delay in development or the manufacture of spaceflight systems;
- our ability to supply our technology to additional market opportunities;
- our expected capital requirements and the availability of additional financing;
- our ability to attract or retain highly qualified personnel;
- the effect of terrorist activity, armed conflict (including any escalation of hostility arising out of the conflicts between Russia and Ukraine, Israel and Hamas, or other geopolitical conflicts), natural disasters or pandemic diseases on the economy generally, on our future financial or operational results, or our access to additional financing;
- consumer preferences and discretionary purchasing activity, which can be significantly adversely affected by unfavorable economic or market conditions;
- extensive and evolving government regulation that impact the way we operate, including the potential negative effects of changes in United States tariff and import/export regulations;
- risks associated with international expansion;
- our ability to maintain effective internal control over financial reporting and disclosure and procedures; and
- our ability to continue to use, maintain, enforce, protect and defend our owned and licensed intellectual property, including the Virgin brand.

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Additional factors that may cause actual results to differ materially from current expectations include, among other things, those set forth in Part I, Item 1. “Business,” Part I, Item 1A. “Risk Factors,” and Part II, Item 7. “Management's Discussion and Analysis of Financial Condition and Results of Operations” in our Annual Report on Form 10-K for the fiscal year ended December 31, 2024 (the “Annual Report on Form 10-K”) and in Part I, Item 2. “Management's Discussion and Analysis of Financial Condition and Results of Operations” in this Quarterly Report on Form 10-Q. Although we believe that the expectations reflected in the forward-looking statements are reasonable, our information may be incomplete or limited, and we cannot guarantee future results. Except as required by law, we assume no obligation to update or revise these forward-looking statements for any reason, even if new information becomes available in the future.

Each of the terms the “Company,” “Virgin Galactic,” “we,” “our,” “us” and similar terms used herein refer collectively to Virgin Galactic Holdings, Inc., a Delaware corporation, and its consolidated subsidiaries, unless otherwise stated.

PART I. FINANCIAL INFORMATION

VIRGIN GALACTIC HOLDINGS, INC.
Condensed Consolidated Balance Sheets
(Unaudited; in thousands, except share and per share amounts)

	March 31, 2025	December 31, 2024
Assets		
Current assets:		
Cash and cash equivalents	\$ 140,763	\$ 178,605
Restricted cash	31,391	32,280
Marketable securities, short-term	348,754	384,621
Other current assets	26,659	32,430
Total current assets	547,567	627,936
Marketable securities, long-term	45,605	61,280
Property, plant and equipment, net	249,219	209,114
Other non-current assets	61,542	62,895
Total assets	<u>\$ 903,933</u>	<u>\$ 961,225</u>
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	\$ 2,956	\$ 3,696
Customer deposits	82,197	84,493
Other current liabilities	58,671	61,821
Total current liabilities	143,824	150,010
Non-current liabilities:		
Convertible senior notes, net	420,689	420,120
Other long-term liabilities	67,249	68,815
Total liabilities	631,762	638,945
Commitments and contingencies (Note 12)		
Stockholders' Equity		
Preferred stock, \$0.0001 par value; 10,000,000 shares authorized; no shares issued and outstanding	—	—
Common stock, \$0.0001 par value; 700,000,000 shares authorized; 39,991,026 and 32,995,822 shares issued and outstanding as of March 31, 2025 and December 31, 2024, respectively	4	3
Additional paid-in capital	2,829,428	2,794,871
Accumulated deficit	(2,557,359)	(2,472,872)
Accumulated other comprehensive income	98	278
Total stockholders' equity	272,171	322,280
Total liabilities and stockholders' equity	<u>\$ 903,933</u>	<u>\$ 961,225</u>

See accompanying notes to condensed consolidated financial statements.

VIRGIN GALACTIC HOLDINGS, INC.
Condensed Consolidated Statements of Operations and Comprehensive Loss
(Unaudited; in thousands, except per share amounts)

	Three Months Ended March 31,	
	2025	2024
Revenue	\$ 461	\$ 1,985
Operating expenses:		
Spaceline operations	20,826	22,591
Research and development	33,310	58,969
Selling, general and administrative	30,550	27,884
Depreciation and amortization	4,223	3,699
Total operating expenses	88,909	113,143
Operating loss	(88,448)	(111,158)
Interest income	7,215	12,308
Interest expense	(3,240)	(3,227)
Other income, net	34	145
Loss before income taxes	(84,439)	(101,932)
Income tax expense	48	80
Net loss	(84,487)	(102,012)
Other comprehensive loss:		
Foreign currency translation adjustment	(4)	(8)
Unrealized loss on marketable securities	(176)	(864)
Total comprehensive loss	<u>\$ (84,667)</u>	<u>\$ (102,884)</u>
Net loss per share:		
Basic and diluted	<u>\$ (2.38)</u>	<u>\$ (5.10)</u>
Weighted-average shares outstanding:		
Basic and diluted	<u>35,440</u>	<u>20,019</u>

See accompanying notes to condensed consolidated financial statements.

VIRGIN GALACTIC HOLDINGS, INC.
Condensed Consolidated Statements of Stockholders' Equity
(Unaudited; in thousands, except share amounts)

	Common Stock		Additional Paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensive Income (Loss)	Total
	Shares	Amount				
Balance at December 31, 2023	19,995,449	\$ 2	\$ 2,631,235	\$ (2,126,132)	\$ 371	\$ 505,476
Net loss	—	—	—	(102,012)	—	(102,012)
Other comprehensive loss	—	—	—	—	(872)	(872)
Stock-based compensation for equity-classified awards	—	—	8,045	—	—	8,045
Issuance of common stock pursuant to stock-based awards, net of withholding taxes	13,735	—	(269)	—	—	(269)
Issuance of common stock pursuant to at-the-market offering	254,445	—	7,272	—	—	7,272
Transaction costs	—	—	(58)	—	—	(58)
Balance at March 31, 2024	<u>20,263,629</u>	<u>\$ 2</u>	<u>\$ 2,646,225</u>	<u>\$ (2,228,144)</u>	<u>\$ (501)</u>	<u>\$ 417,582</u>

	Common Stock		Additional Paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensive Income (Loss)	Total
	Shares	Amount				
Balance at December 31, 2024	32,995,822	\$ 3	\$ 2,794,871	\$ (2,472,872)	\$ 278	\$ 322,280
Net loss	—	—	—	(84,487)	—	(84,487)
Other comprehensive loss	—	—	—	—	(180)	(180)
Stock-based compensation for equity-classified awards	—	—	4,833	—	—	4,833
Issuance of common stock pursuant to stock-based awards, net of withholding taxes	49,040	—	(50)	—	—	(50)
Issuance of common stock pursuant to at-the-market offering	6,946,164	1	30,729	—	—	30,730
Transaction costs	—	—	(955)	—	—	(955)
Balance at March 31, 2025	<u>39,991,026</u>	<u>\$ 4</u>	<u>\$ 2,829,428</u>	<u>\$ (2,557,359)</u>	<u>\$ 98</u>	<u>\$ 272,171</u>

See accompanying notes to condensed consolidated financial statements.

VIRGIN GALACTIC HOLDINGS, INC.
Condensed Consolidated Statements of Cash Flows
(Unaudited; in thousands)

	Three Months Ended March 31,	
	2025	2024
Cash flows from operating activities:		
Net loss	\$ (84,487)	\$ (102,012)
Stock-based compensation	4,769	8,244
Depreciation and amortization	4,223	3,699
Amortization of debt issuance costs	569	552
Accretion of marketable securities purchased at a discount	(2,193)	(5,328)
Other non-cash items	(14)	—
Change in operating assets and liabilities:		
Other current and non-current assets	5,749	3,835
Accounts payable	(751)	(7,480)
Customer deposits	(2,296)	(5,507)
Other current and non-current liabilities	(1,487)	(9,232)
Net cash used in operating activities	(75,918)	(113,229)
Cash flows from investing activities:		
Capital expenditures	(46,047)	(13,072)
Purchases of marketable securities	(104,607)	(161,843)
Proceeds from maturities and calls of marketable securities	158,121	257,414
Other investing activities	8	598
Net cash provided by investing activities	7,475	83,097
Cash flows from financing activities:		
Payments of finance lease obligations	(46)	(60)
Proceeds from issuance of common stock	30,730	7,272
Withholding taxes paid on behalf of employees on net settled stock-based awards	(50)	(269)
Transaction costs related to issuance of common stock	(922)	(52)
Net cash provided by financing activities	29,712	6,891
Net decrease in cash, cash equivalents and restricted cash	(38,731)	(23,241)
Cash, cash equivalents and restricted cash at beginning of period	210,885	253,592
Cash, cash equivalents and restricted cash at end of period	\$ 172,154	\$ 230,351
Cash and cash equivalents	\$ 140,763	\$ 195,433
Restricted cash	31,391	34,918
Cash, cash equivalents and restricted cash	\$ 172,154	\$ 230,351

See accompanying notes to condensed consolidated financial statements.

VIRGIN GALACTIC HOLDINGS, INC.
Notes to Condensed Consolidated Financial Statements

(1) Description of Business and Basis of Presentation

Virgin Galactic Holdings, Inc., together with its consolidated subsidiaries ("Virgin Galactic" or the "Company"), is an aerospace and space travel company focused on the development, manufacture and operation of spaceships and related technologies. The Company provides access to space for private individuals, researchers and government agencies. The Company's missions include flying passengers to space, as well as flying scientific payloads and researchers to space in order to conduct experiments for scientific and educational purposes.

The accompanying unaudited condensed consolidated financial statements have been prepared pursuant to the rules and regulations of the Securities and Exchange Commission for interim financial reporting. Certain information and footnote disclosures, normally included in annual consolidated financial statements prepared in accordance with U.S. generally accepted accounting principles ("GAAP"), have been condensed or omitted pursuant to such rules and regulations. However, in management's opinion, the condensed consolidated financial statements reflect all adjustments, including those of a normal recurring nature, necessary to present fairly the Company's financial position, results of operations and cash flows for the periods presented.

The operating results for the three months ended March 31, 2025 are not necessarily indicative of the results that may be expected for the entire fiscal year. The accompanying condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements contained in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2024. There have been no changes to the significant accounting policies presented in the audited consolidated financial statements contained in the Annual Report on Form 10-K that would have a material impact on the accompanying condensed consolidated financial statements.

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the condensed consolidated financial statements and accompanying notes. Actual results could differ materially from those estimates.

Reverse Stock Split

On June 14, 2024, the Company effected a 1-for-20 reverse stock split of the Company's common stock (the "Reverse Stock Split"). As a result of the Reverse Stock Split, every 20 shares of the Company's common stock issued or outstanding were automatically reclassified into one new share of common stock. Proportionate adjustments were also made to the exercise prices and the number of shares underlying the Company's outstanding equity awards, as applicable, as well as to the number of shares issuable under the Company's equity incentive plans and certain existing agreements. All shares of the Company's common stock, per-share data and related information included in the accompanying condensed consolidated financial statements have been retroactively adjusted as though the Reverse Stock Split had been effected prior to all periods presented.

(2) Cash, Cash Equivalents and Marketable Securities

The Company maintains certain cash balances restricted as to withdrawal or use. Restricted cash consists of cash deposits received from future astronauts that are contractually restricted for operational use until the condition of carriage is signed or the deposits are refunded.

The amortized cost, unrealized gain and estimated fair value of the Company's cash, cash equivalents and marketable securities are as follows:

VIRGIN GALACTIC HOLDINGS, INC.
Notes to Condensed Consolidated Financial Statements

March 31, 2025			
	Amortized Cost	Gross Unrealized Gain	Fair Value
	<i>(In thousands)</i>		
Cash and cash equivalents:			
Cash and restricted cash	\$ 7,794	\$ —	\$ 7,794
Money market	164,360	—	164,360
Marketable securities:			
U.S. treasuries	118,735	3	118,738
Corporate bonds	275,591	30	275,621
	<u>\$ 566,480</u>	<u>\$ 33</u>	<u>\$ 566,513</u>

December 31, 2024			
	Amortized Cost	Gross Unrealized Gain	Fair Value
	<i>(In thousands)</i>		
Cash and cash equivalents:			
Cash and restricted cash	\$ 8,232	\$ —	\$ 8,232
Money market	202,653	—	202,653
Marketable securities:			
U.S. treasuries	34,694	37	34,731
Corporate bonds	410,998	172	411,170
	<u>\$ 656,577</u>	<u>\$ 209</u>	<u>\$ 656,786</u>

Interest receivable of \$3.5 million and \$4.2 million is included in other current assets in the accompanying condensed consolidated balance sheets as of March 31, 2025 and December 31, 2024, respectively.

The Company recognizes amortization and accretion of purchase premiums and discounts on its marketable securities in interest income in the accompanying condensed consolidated statements of operations and comprehensive loss. The Company recognized \$2.2 million and \$5.3 million in accretion income, net for its marketable securities for the three months ended March 31, 2025 and 2024, respectively.

The following table presents the contractual maturities of the Company's marketable securities as of March 31, 2025:

	March 31, 2025	
	Amortized Cost	Fair Value
	(In thousands)	
Matures within one year	\$ 348,711	\$ 348,754
Matures between one to two years	45,615	45,605
	\$ 394,326	\$ 394,359

VIRGIN GALACTIC HOLDINGS, INC.
Notes to Condensed Consolidated Financial Statements

(3) Property, Plant and Equipment, Net

Property, plant and equipment consists of the following:

	March 31, 2025	December 31, 2024
	<i>(In thousands)</i>	
Land	\$ 1,302	\$ 1,302
Buildings	10,111	10,111
Flight vehicles and rotables	4,331	4,331
Machinery and equipment	42,948	42,792
Information technology software and equipment	47,314	45,553
Leasehold improvements	77,652	77,589
Construction in progress	160,084	117,810
	343,742	299,488
Less: accumulated depreciation and amortization	94,523	90,374
	<u>\$ 249,219</u>	<u>\$ 209,114</u>

(4) Leases

The components of expense related to leases are as follows:

	Three Months Ended March 31,	
	2025	2024
	<i>(In thousands)</i>	
Operating lease cost	\$ 3,399	\$ 3,459
Variable lease cost	707	1,144
Short-term lease cost	—	6
Finance lease cost:		
Amortization of assets under finance leases	51	67
Interest on finance lease liabilities	15	19
Total finance lease cost	66	86
Total lease cost	<u>\$ 4,172</u>	<u>\$ 4,695</u>

VIRGIN GALACTIC HOLDINGS, INC.
Notes to Condensed Consolidated Financial Statements

The components of supplemental cash flow information related to leases are as follows:

	Three Months Ended March 31,			
	2025		2024	
	(In thousands, except term and rate data)			
Cash Flow Information:				
Operating cash flows for operating leases	\$	3,455	\$	3,250
Operating cash flows for finance leases	\$	15	\$	19
Financing cash flows for finance leases	\$	46	\$	60
Non-cash Activity:				
Assets acquired in exchange for lease obligations:				
Operating leases	\$	—	\$	—
Finance leases	\$	5	\$	—
Other Information:				
Weighted-average remaining lease term:				
Operating leases (in years)		8.5		9.5
Finance leases (in years)		2.4		3.0
Weighted-average discount rates:				
Operating leases		12.2 %		12.1 %
Finance leases		13.3 %		13.1 %

The supplemental balance sheet information related to leases is as follows:

	March 31, 2025	December 31, 2024
	(In thousands)	
Operating Leases:		
Long-term right-of-use assets	\$ 56,719	\$ 58,039
Short-term operating lease liabilities	\$ 5,794	\$ 5,604
Long-term operating lease liabilities	65,872	67,394
Total operating lease liabilities	\$ 71,666	\$ 72,998

Right-of-use assets are included in other non-current assets, and lease liabilities are included in other current liabilities and other long-term liabilities in the accompanying condensed consolidated balance sheets.

VIRGIN GALACTIC HOLDINGS, INC.
Notes to Condensed Consolidated Financial Statements

(5) Other Current Liabilities

The components of other current liabilities are as follows:

	March 31, 2025	December 31, 2024
	<i>(In thousands)</i>	
Accrued compensation	\$ 20,866	\$ 30,705
Accrued manufacturing sub-contractor and contract labor costs	20,763	18,827
Other	17,042	12,289
	<u>\$ 58,671</u>	<u>\$ 61,821</u>

(6) Convertible Senior Notes

In January 2022, the Company completed an offering of \$425 million aggregate principal amount of convertible senior notes (the "2027 Notes"). The 2027 Notes are senior unsecured obligations of the Company and bear interest at a fixed rate of 2.50% per year. Interest is payable in cash semi-annually in arrears on February 1 and August 1 of each year. The 2027 Notes mature on February 1, 2027 unless earlier repurchased, redeemed or converted.

The net carrying value of the 2027 Notes is as follows:

	March 31, 2025	December 31, 2024
	<i>(In thousands)</i>	
Principal	\$ 425,000	\$ 425,000
Less: unamortized debt issuance costs	4,311	4,880
Net carrying amount	<u>\$ 420,689</u>	<u>\$ 420,120</u>

During each of the three months ended March 31, 2025 and 2024, the Company recognized \$3.2 million of interest expense on the 2027 Notes. Interest expense included \$0.6 million of amortized debt issuance costs during each of the three months ended March 31, 2025 and 2024.

(7) Stockholders' Equity

In June 2023, the Company entered into a distribution agency agreement with Credit Suisse Securities (USA) LLC, Morgan Stanley & Co. LLC and Goldman Sachs & Co. LLC (each, an "Agent" and collectively, the "Agents") providing for the offer and sale of up to \$400 million of shares of the Company's common stock from time to time through the Agents, acting as sales agents, or directly to one or more of the Agents, acting as principal(s), through an "at-the-market offering" program (the "2023 ATM Program").

In November 2024, the Company terminated the 2023 ATM Program, having sold a total of 12.8 million shares of common stock and generating \$396.2 million in gross proceeds, before deducting \$3.9 million in underwriting discounts, commissions and other expenses.

In November 2024, the Company entered into an open market sale agreement with Jefferies LLC ("Jefferies") providing for the offer and sale of up to \$300 million of shares of the Company's common stock from time to time through Jefferies, acting as sales agent, or directly to Jefferies, acting as principal, through an "at-the-market offering" program (the "2024 ATM Program").

During the three months ended March 31, 2025, the Company sold 6.9 million shares of common stock under the 2024 ATM Program and generated \$30.7 million in gross proceeds, before deducting \$0.9 million in underwriting discounts, commissions and other expenses.

As of March 31, 2025, the Company sold a total of 11.1 million shares of common stock under the 2024 ATM Program, generating \$59.8 million in gross proceeds since its inception, before deducting \$1.8 million in underwriting discounts, commissions and other expenses.

VIRGIN GALACTIC HOLDINGS, INC.
Notes to Condensed Consolidated Financial Statements

(8) Stock-Based Compensation

The Company maintains two equity incentive plans -- the Second Amended and Restated Virgin Galactic Holdings, Inc. 2019 Incentive Award Plan (the "Second A&R Plan") and the Virgin Galactic Holdings, Inc. 2023 Employment Inducement Incentive Award Plan (the "Inducement Plan").

Pursuant to the Second A&R Plan and related predecessor plans, the Company has granted time-based stock options, performance-based stock options ("PSOs"), restricted stock units ("RSUs"), and performance stock units ("PSUs"). Pursuant to the Inducement Plan, the Company has granted RSUs.

A summary of the components of stock-based compensation expense included in the condensed consolidated statements of operations and comprehensive loss is as follows:

	Three Months Ended March 31,	
	2025	2024
	<i>(In thousands)</i>	
Stock option and PSO expense:		
Selling, general and administrative	\$ 441	\$ 617
RSU and PSU expense:		
Spaceline operations	435	1,168
Research and development	402	1,106
Selling, general and administrative	3,491	5,353
Total RSU and PSU expense	4,328	7,627
Total stock-based compensation expense	4,769	8,244
Less: stock-based compensation expense for liability-classified awards	(64)	199
Stock-based compensation expense for equity-classified awards	\$ 4,833	\$ 8,045

As of March 31, 2025, the Company had unrecognized stock-based compensation expense of \$0.7 million for stock options, which is expected to be recognized over a weighted-average period of 0.6 years. There was no unrecognized stock-based compensation expense for PSOs. Unrecognized stock-based compensation expense as of March 31, 2025 for RSUs and PSUs totaled \$38.7 million and \$1.4 million, respectively, which are expected to be recognized over weighted-average periods of 2.6 years and 1.0 years, respectively.

(9) Income Taxes

Income tax expense was \$48,000 and \$80,000 for the three months ended March 31, 2025 and 2024, respectively. The effective income tax rate was nil for each of the three months ended March 31, 2025 and 2024. The effective tax rate differs from the U.S. statutory rate primarily due to a full valuation allowance against net deferred tax assets where it is more likely than not that some or all of the deferred tax assets will not be realized.

VIRGIN GALACTIC HOLDINGS, INC.
Notes to Condensed Consolidated Financial Statements

(10) Earnings Per Share

The following table presents net loss per share and related information:

	Three Months Ended March 31,	
	2025	2024
<i>(In thousands, except per share amounts)</i>		
Basic and diluted:		
Net loss	\$ (84,487)	\$ (102,012)
Weighted-average common shares outstanding	35,440	20,019
Basic and diluted net loss per share	\$ (2.38)	\$ (5.10)

Basic and diluted net loss per share is computed using the weighted-average number of shares of common stock outstanding during the period. The computation of diluted net loss per share excludes the effect of all potential common shares outstanding as their impact would have been anti-dilutive.

The Company has excluded stock-based awards and shares issuable upon conversion of the 2027 Notes from the diluted loss per share calculation because their effect was anti-dilutive. The total number of shares excluded for the three months ended March 31, 2025 and 2024 were 7.0 million and 2.5 million, respectively.

(11) Fair Value Measurements

Assets and liabilities subject to fair value measurements are required to be disclosed within a fair value hierarchy. The fair value hierarchy ranks the quality and reliability of the information used to determine fair value. Accordingly, assets and liabilities carried at fair value are classified within the fair value hierarchy in one of the following categories:

- Level 1 inputs — Quoted prices in active markets for identical assets or liabilities.
- Level 2 inputs — Inputs other than Level 1 that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the asset or liability.
- Level 3 inputs — Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the asset or liability.

The following tables present the Company's financial assets that are recorded at fair value on a recurring basis, segregated among the appropriate levels within the fair value hierarchy:

	March 31, 2025			
	Level 1	Level 2	Level 3	Total
<i>(In thousands)</i>				
Assets:				
Money market	\$ 164,360	\$ —	\$ —	\$ 164,360
U.S. treasuries	118,738	—	—	118,738
Corporate bonds	—	275,621	—	275,621
Total assets at fair value	\$ 283,098	\$ 275,621	\$ —	\$ 558,719

VIRGIN GALACTIC HOLDINGS, INC.
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December 31, 2024				
	Level 1	Level 2	Level 3	Total
<i>(In thousands)</i>				
Assets:				
Money market	\$ 202,653	\$ —	\$ —	\$ 202,653
U.S. treasuries	34,731	—	—	34,731
Corporate bonds	—	411,170	—	411,170
Total assets at fair value	\$ 237,384	\$ 411,170	\$ —	\$ 648,554

The following tables present the Company's financial liabilities that are recorded at amortized cost, segregated among the appropriate levels within the fair value hierarchy:

March 31, 2025				
	Level 1	Level 2	Level 3	Total
<i>(In thousands)</i>				
Liabilities:				
2027 Notes	\$ —	\$ 174,450	\$ —	\$ 174,450
Total liabilities at fair value	\$ —	\$ 174,450	\$ —	\$ 174,450

December 31, 2024				
	Level 1	Level 2	Level 3	Total
<i>(In thousands)</i>				
Liabilities:				
2027 Notes	\$ —	\$ 186,252	\$ —	\$ 186,252
Total liabilities at fair value	\$ —	\$ 186,252	\$ —	\$ 186,252

The estimated fair value of the 2027 Notes, which are classified as Level 2 financial instruments, was determined based on the estimated or actual bid prices of the 2027 Notes in an over-the-counter market on the last business day of the period.

VIRGIN GALACTIC HOLDINGS, INC.
Notes to Condensed Consolidated Financial Statements

(12) Commitments and Contingencies

Leases

Future minimum lease payments under non-cancellable operating leases and future minimum finance lease payments as of March 31, 2025 are as follows:

	Operating Leases	Finance Leases
	<i>(In thousands)</i>	
2025 (for the remaining period)	\$ 10,555	\$ 182
2026	14,012	192
2027	13,951	77
2028	13,340	38
2029	12,959	11
Thereafter	52,327	—
Total payments	117,144	500
Less: present value discount/imputed interest	45,478	73
Present value of lease liabilities	\$ 71,666	\$ 427

Legal Proceedings

From time to time, the Company is a party to various lawsuits, claims and other legal proceedings that arise in the ordinary course of business. The Company applies accounting for contingencies to determine when and how much to accrue for and disclose related to legal and other contingencies. Accordingly, the Company discloses contingencies deemed to be reasonably possible and accrues loss contingencies when, in consultation with legal advisors, it is concluded that a loss is probable and reasonably estimable. Although the ultimate aggregate amount of monetary liability or financial impact with respect to these matters is subject to many uncertainties and is therefore not predictable with assurance, management believes that any monetary liability or financial impact to the Company from these matters, individually and in the aggregate, beyond that provided at March 31, 2025, would not be material to the Company's consolidated financial position, results of operations or cash flows. However, there can be no assurance with respect to such result, and monetary liability or financial impact to the Company from legal proceedings, lawsuits and other claims could differ materially from those projected.

Lavin v. the Company

On May 28, 2021, a putative class action complaint was filed against the Company in the Eastern District of New York captioned Lavin v. Virgin Galactic Holdings, Inc. ("Lavin Action"), Case No. 1:21-cv-03070. In September 2021, the Court appointed Robert Scheele and Mark Kusnier as co-lead plaintiffs for the purported class. Co-lead plaintiffs amended the complaint in December 2021, asserting violations of Sections 10(b), 20(a) and 20A of the Exchange Act of 1934 against the Company and certain of its current and former officers and directors on behalf of a putative class of investors who purchased the Company's common stock between July 10, 2019 and October 14, 2021.

The amended complaint alleged, among other things, that the Company and certain of its current and former officers and directors made false and misleading statements and failed to disclose certain information regarding the safety of the Company's ships and success of its commercial flight program. Co-lead plaintiffs seek damages, interest, costs, expenses, attorneys' fees, and other unspecified equitable relief. The defendants moved to dismiss the amended complaint and, on November 7, 2022, the court granted in part and denied in part the defendants' motion and gave the plaintiffs leave to file a further amended complaint.

Plaintiffs filed a second amended complaint on December 12, 2022. The second amended complaint contains many of the same allegations as in the first amended complaint. The defendants moved to dismiss the second amended complaint and, on August 8, 2023, the court granted in part and denied in part the defendants' motion and did not give

VIRGIN GALACTIC HOLDINGS, INC.
Notes to Condensed Consolidated Financial Statements

plaintiffs leave to file a further amended complaint. Plaintiffs moved for reconsideration of the court's dismissal order and, on December 19, 2023, the court denied plaintiffs' motion. On March 27, 2024, the defendants moved for judgment on the pleadings as to the remaining Section 10(b) insider trading claim alleged against Branson. On April 2, 2024, the court stayed briefing on defendants' motion for judgment on the pleadings pending resolution of plaintiffs' anticipated motion for leave to add a new representative plaintiff, which plaintiffs' subsequently filed on May 1, 2024. The court granted plaintiffs' motion on July 2, 2024. On July 8, 2024, defendants withdrew their motion for judgment on the pleadings.

On August 21, 2024, plaintiffs filed a third amended complaint in which Xinqiang Cui, Justin Carlough, Jennifer Ortiz, Richard O'Keefe-Jones, Vipul Gupta, Maria Josephine Rosales, and Hesham Ibrahim (previously named plaintiffs), were designated by plaintiffs as lead plaintiffs (in addition to Robert Scheele and Mark Kusnier), and an additional named plaintiff, Montgomery Brantley, was added. The third amended complaint contains substantively the same allegations as in the second amended complaint. On September 11, 2024, defendants filed an answer to plaintiffs' third amended complaint.

On October 12, 2024, plaintiffs filed a motion to certify their proposed class. The defendants filed an opposition to plaintiffs' motion on December 20, 2024, plaintiffs filed their reply on January 24, 2025, and defendants filed a sur-reply on March 21, 2025. The motion is pending before the Court.

On February 12, 2025, plaintiffs submitted a letter request to the Court seeking permission to file a motion for leave to file a Fourth Amended Complaint. On March 17, 2025, the Court granted plaintiffs' request to file a motion for leave to amend, which plaintiffs did on March 26, 2025. Defendants filed their opposition on April 11, 2025, and plaintiffs filed their reply on April 23, 2025. The Company intends to continue to vigorously defend against this matter.

Spiteri, Grenier, Laidlaw, St. Jean, and Gera derivatively on behalf of the Company vs. Certain Current and Former Officers and Directors

On February 21, 2022, March 1, 2022, September 21, 2022, December 13, 2022, and July 11, 2024, five alleged shareholders filed separate derivative complaints purportedly on behalf of the Company against certain of the Company's current and former officers and directors in the Eastern District of New York captioned Spiteri v. Branson et al., Case No. 1:22-cv-00933 ("Spiteri Action"), Grenier v. Branson et al., Case No. 1:22-cv-01100 ("Grenier Action"), Laidlaw v. Branson et al., Case No. 1:22-cv-05634 ("Laidlaw Action"), St. Jean v. Branson et al., Case No. 1:22-cv-7551 ("St. Jean Action"), and Gera v. Branson et al., Case No. 24-cv-04795 ("Gera Action"), respectively. On May 4, 2022, the Spiteri and Grenier Actions were consolidated and recaptioned In re Virgin Galactic Holdings, Inc. Derivative Litigation, Case No. 1:22-cv-00933 ("Consolidated Derivative Action"). On September 30, 2023, the Laidlaw Action was consolidated into the Consolidated Derivative Action. On September 12, 2024, the Gera Action was consolidated into the Consolidated Derivative Action. Collectively, the complaints assert violations of Sections 10(b), 14(a), and 21D of the Exchange Act of 1934 and claims of breach of fiduciary duty, aiding and abetting breach of fiduciary duty, abuse of control, gross mismanagement, waste of corporate assets, contribution and indemnification, and unjust enrichment arising from substantially similar allegations as those contained in the securities class action described above. The complaints seek an unspecified sum of damages, interest, restitution, expenses, attorneys' fees and other equitable relief. Per Court orders adopting the parties' stipulations, the Consolidated Derivative Action and St. Jean Action are stayed until the close of fact discovery in the Lavin Action.

Abughazaleh derivatively on behalf of the Company vs. Certain Current and Former Officers and Directors

On February 13, 2023, alleged shareholder Yousef Abughazaleh filed a derivative complaint purportedly on behalf of the Company against certain of the Company's current and former officers and directors in the District of Delaware captioned Abughazaleh v. Branson et al., Case No. 23-156-MN. The complaint asserts violations of Section 14(a) of the Exchange Act of 1934 and SEC Rule 14a-9, and claims of breach of fiduciary duty, contribution and indemnification, and unjust enrichment arising from substantially similar allegations as those contained in the securities class action described above.

The complaint seeks an unspecified sum of damages, interest, restitution, expenses, attorneys' fees and other equitable relief. The case is at a preliminary stage.

VIRGIN GALACTIC HOLDINGS, INC.
Notes to Condensed Consolidated Financial Statements

Molnar and Tubbs derivatively on behalf of the Company vs. Certain Current and Former Officers and Directors

On April 9, 2024, alleged shareholders Crystal Molnar and Cleveland Tubbs filed a derivative complaint purportedly on behalf of the Company against certain of the Company's current and former officers and directors in the Central District of California captioned Molnar v. Branson et al., Case No. 8:24-cv-775. The complaint asserts violations of Section 10(b) and 21D of the Exchange Act of 1934, and claims of breach of fiduciary duty and unjust enrichment arising from substantially similar allegations as those contained in the securities class action described above.

The complaint seeks an unspecified sum of damages, restitution, expenses, attorneys' fees, and other equitable relief. Per the Court's order adopting the parties' stipulation, the case is stayed until the close of fact discovery in the Lavin Action.

Espinosa derivatively on behalf of the Company vs. Certain Current and Former Officers and Directors

On September 3, 2024, alleged shareholder Kimberly Espinosa filed a derivative complaint purportedly on behalf of the Company against certain of the Company's current and former officers and directors in the Delaware Court of Chancery captioned Espinosa v. Branson et al., Case No. 2024-0895-JTL. The complaint asserts claims of breach of fiduciary duty and unjust enrichment arising from substantially similar allegations as those contained in the securities class action described above.

The complaint seeks an unspecified sum of damages, interest, restitution, expenses, attorneys' fees and other equitable relief. The case is at a preliminary stage.

(13) Related Party Transactions

The Company licenses its brand name from certain entities affiliated with Virgin Enterprises Limited ("VEL"), a company incorporated in England. VEL is an affiliate of the Company. Under the trademark license, the Company has the exclusive right to operate under the brand name "Virgin Galactic" worldwide. Royalties payable, excluding sponsorship royalties, are the greater of (a) a low single-digit percentage of gross sales and (b) (i) prior to the first spaceflight for paying astronauts, a mid-five figure amount in dollars and (ii) from the first spaceflight for paying astronauts, a low-six figure amount in dollars, which increases to a low-seven figure amount in dollars over a four-year ramp up and thereafter increases in correlation with the consumer price index. Royalties payable on sponsorships are based on a mid-double-digit percentage of the related gross sales. During the three months ended March 31, 2025 and 2024, the Company incurred royalty expenses of \$0.5 million and \$0.3 million, respectively.

(14) Supplemental Cash Flow Information

	Three Months Ended March 31,	
	2025	2024
	(in thousands)	
Supplemental disclosure of cash flow information:		
Cash payments for:		
Income taxes	\$ —	\$ 94
Supplemental disclosure of non-cash investing and financing activities:		
Unpaid purchases of property, plant and equipment	\$ 9,276	\$ 7,951
Issuance of common stock through RSUs vested	173	585

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

Unless the context otherwise requires, all references in this section to the "Company," "Virgin Galactic," "we," "us," or "our" refer to Virgin Galactic Holdings, Inc. and its subsidiaries.

You should read the following discussion and analysis of our financial condition and results of operations together with the condensed consolidated financial statements and related notes included elsewhere in this Quarterly Report on Form 10-Q, as well as the audited financial statements and the related notes thereto, and the discussion under "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Business" included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2024 (the "Annual Report on Form 10-K"). This discussion contains forward-looking statements that reflect our plans, estimates, and beliefs that involve risks and uncertainties. As a result of many factors, such as those set forth under the "Risk Factors" section of our Annual Report on Form 10-K and under the "Cautionary Note Regarding Forward-Looking Statements" section and elsewhere in this Quarterly Report on Form 10-Q, our actual results may differ materially from those anticipated in these forward-looking statements.

Overview

We are an aerospace and space travel company offering access to space for private individuals, researchers and government agencies. Our missions include flying passengers to space, as well as flying scientific payloads and researchers to space in order to conduct experiments for scientific and educational purposes. Our operations include the design and development, manufacturing, ground and flight testing, spaceflight operation, and post-flight maintenance of our spaceflight system. Our spaceflight system was developed using our proprietary technology and processes and is focused on providing space travel experiences for private astronauts, researcher flights and professional astronaut training. We have also leveraged our knowledge and expertise in manufacturing spaceships to occasionally perform engineering services for third parties. To expand capacity, we are currently developing our next-generation spaceflight vehicles. These next-generation spaceflight vehicles, which include our Delta Class spaceships and additional launch vehicles, are expected to dramatically increase our annual flight rate. In addition, we are exploring the opportunity to use a derivative model of our launch vehicle as a High-Altitude, Long-Endurance ("HALE") aircraft, which we believe could be utilized for several types of government and research purposes.

Recent Developments

The development of our new Delta Class spaceships is on track. We are progressing through our build milestones with key tools and materials continuing to arrive at our spaceship final assembly facility. With our new Delta Class spaceships, we expect to commence commercial service with our first research spaceflight anticipated in the summer of 2026 and the first private astronaut spaceflight anticipated in the fall of 2026.

Factors Affecting Our Performance

We believe that our performance and future success depend on a number of factors that present significant opportunities for us but also pose risks and challenges, including those discussed below and in Part 1, Item 1A. of our Annual Report on Form 10-K titled "Risk Factors."

Customer Demand

We have already received significant interest from potential astronauts. Going forward, we expect the size of our backlog and the number of astronauts that have flown to space on our spaceflight system to be an important indicator of our future performance. Our sales remain paused, but we expect to open tranches of sales reservations in the first quarter of 2026 as we approach the start of commercial service. As of March 31, 2025, we have reservations for spaceflights for approximately 675 future astronauts, which represent approximately \$189 million in expected future spaceflight revenue upon completion of the spaceflights.

Safety Performance of Our Spaceflight Systems

Our spaceflight systems are highly specialized with sophisticated and complex technology. We have built operational processes to ensure that the design, manufacture, performance and service of our spaceflight systems meet rigorous quality standards. However, our spaceflight systems are still subject to operational and process risks, such as manufacturing and design issues, human errors, or cyber-attacks. Any actual or perceived safety issues may result in significant reputational harm to our business and our ability to generate spaceflight revenue.

Results of Operations

The following table sets forth our results of operations for the periods presented. The period-to-period comparisons of financial results are not necessarily indicative of future results.

	Three Months Ended March 31,	
	2025	2024
	<i>(In thousands)</i>	
Revenue	\$ 461	\$ 1,985
Operating expenses:		
Spaceline operations	20,826	22,591
Research and development	33,310	58,969
Selling, general and administrative	30,550	27,884
Depreciation and amortization	4,223	3,699
Total operating expenses	88,909	113,143
Operating loss	(88,448)	(111,158)
Interest income	7,215	12,308
Interest expense	(3,240)	(3,227)
Other income, net	34	145
Loss before income taxes	(84,439)	(101,932)
Income tax expense	48	80
Net loss	\$ (84,487)	\$ (102,012)

For the Three Months Ended March 31, 2025 Compared to the Three Months Ended March 31, 2024

Revenue

Revenue for the three months ended March 31, 2025 was primarily attributable to access fees related to our astronaut community. Revenue for the three months ended March 31, 2024 was primarily attributable to revenue generated from our commercial spaceflight and access fees related to our astronaut community. During the third quarter of 2024, we paused our Unity spaceflights and we expect to commence commercial service in the summer of 2026.

Spaceline Operations

	Three Months Ended March 31,		\$	%
	2025	2024	Change	Change
	<i>(In thousands, except %)</i>			
Spaceline operations	\$ 20,826	\$ 22,591	\$ (1,765)	(8)%

Spaceline operations expense includes costs to maintain and operate our spaceflight system; non-capitalizable costs to build our new vehicles and manufacture items required to support the making of our vehicles, such as rocket motors and spare parts; the consumption of rocket motors, fuel and other consumables; costs to maintain and support our astronaut community; and costs to provide payload cargo and engineering services.

Spaceline operations expense decreased from \$22.6 million for the three months ended March 31, 2024 to \$20.8 million for the three months ended March 31, 2025. The decrease was primarily driven by a \$2.5 million decrease in cash compensation and other employee benefit costs.

Research and Development

	Three Months Ended March 31,		\$	%
	2025	2024	Change	Change
	<i>(In thousands, except %)</i>			
Research and development	\$ 33,310	\$ 58,969	\$ (25,659)	(44)%

Research and development expenses represent costs incurred to support activities that advance our future fleet towards commercialization, including basic research, applied research, concept formulation studies, design, development, and related testing activities. Research and development costs consist primarily of equipment, material, and labor costs (including from third-party contractors) for designing the spaceflight system's structure, spaceflight propulsion system, and flight profiles for our next-generation spaceships and launch vehicles, as well as allocated facilities and other supporting overhead costs.

Research and development expenses decreased from \$59.0 million for the three months ended March 31, 2024 to \$33.3 million for the three months ended March 31, 2025. The decrease was primarily driven by a \$17.6 million decrease in sub-contractor and contract labor costs associated with the development of our next generation spaceflight vehicles and an \$8.6 million decrease in cash compensation and other employee benefit costs.

Selling, General and Administrative

	Three Months Ended March 31,		\$	%
	2025	2024	Change	Change
	<i>(In thousands, except %)</i>			
Selling, general and administrative	\$ 30,550	\$ 27,884	\$ 2,666	10 %

Selling, general and administrative expenses consist primarily of compensation and other employee benefit costs for employees involved in general corporate functions, including executive management and administration, accounting, finance, legal, information technology, sales and marketing, and human resources. Non-compensation components of selling, general and administrative expenses include accounting, legal and other professional fees, facilities expenses, and other corporate expenses.

Selling, general and administrative expenses increased from \$27.9 million for the three months ended March 31, 2024 to \$30.6 million for the three months ended March 31, 2025. The increase was primarily driven by a \$1.1 million increase in legal costs and a \$0.6 million increase in cash compensation and other employee benefit costs.

Depreciation and Amortization

Depreciation and amortization expense increased from \$3.7 million for the three months ended March 31, 2024 to \$4.2 million for the three months ended March 31, 2025. The increase was primarily due to the acquisition of property, plant and equipment.

Interest Income

Interest income decreased from \$12.3 million for the three months ended March 31, 2024 to \$7.2 million for the three months ended March 31, 2025. The decrease was primarily driven by decreased average balances of marketable securities and deposits in interest-bearing accounts.

Interest Expense

Interest expense was \$3.2 million for each of the three months ended March 31, 2025 and 2024. Interest expense primarily consisted of interest expense and amortization of debt issuance costs related to our convertible senior notes.

Income Tax Expense

Income tax expense was immaterial for the three months ended March 31, 2025 and 2024. We have accumulated net operating losses at the U.S. federal and state levels. We maintain a full valuation allowance against our net U.S. federal and state deferred tax assets. The income tax expense was primarily related to corporate income taxes for our operations in the United Kingdom, which operates on a cost-plus arrangement.

Liquidity and Capital Resources

As of March 31, 2025, we had total cash, cash equivalents and restricted cash of \$172.2 million and total marketable securities of \$394.4 million. Our principal sources of liquidity have come from sales of our common stock and offering of convertible senior notes ("2027 Notes").

Historical Cash Flows

	Three Months Ended March 31,	
	2025	2024
	<i>(In thousands)</i>	
Net cash provided by (used in):		
Operating activities	\$ (75,918)	\$ (113,229)
Investing activities	7,475	83,097
Financing activities	29,712	6,891
Net decrease in cash, cash equivalents and restricted cash	<u>\$ (38,731)</u>	<u>\$ (23,241)</u>

Operating Activities

Net cash used in operating activities was \$75.9 million for the three months ended March 31, 2025, and consisted primarily of \$84.5 million of net losses, adjusted for non-cash items, which primarily included stock-based compensation expense of \$4.8 million and depreciation and amortization expense of \$4.2 million, partially offset by \$2.2 million of accretion of marketable securities purchased at a discount and \$1.2 million of net changes in operating assets and liabilities.

Net cash used in operating activities was \$113.2 million for the three months ended March 31, 2024, and consisted primarily of \$102.0 million of net losses, adjusted for non-cash items, which primarily included stock-based compensation expense of \$8.2 million and depreciation and amortization expense of \$3.7 million, partially offset by \$5.3 million of accretion of marketable securities purchased at a discount and \$18.4 million of net changes in operating assets and liabilities.

Investing Activities

Net cash provided by investing activities was \$7.5 million for the three months ended March 31, 2025, and consisted primarily of \$158.1 million in proceeds from maturities and calls of marketable securities, partially offset by \$104.6 million in purchases of marketable securities and \$46.0 million in capital expenditures.

Net cash provided by investing activities was \$83.1 million for the three months ended March 31, 2024, and consisted primarily of \$257.4 million in proceeds from maturities and calls of marketable securities, partially offset by \$161.8 million in purchases of marketable securities and \$13.1 million in capital expenditures.

Financing Activities

Net cash provided by financing activities was \$29.7 million for the three months ended March 31, 2025, and consisted primarily of net cash proceeds from the sale and issuance of common stock pursuant to our at-the-market offering program.

Net cash provided by financing activities was \$6.9 million for the three months ended March 31, 2024, and consisted primarily of net cash proceeds from the sale and issuance of common stock pursuant to our at-the-market offering program.

Funding Requirements

We expect our expenditures to fluctuate in connection with our ongoing activities, particularly as we continue to advance the development of our next-generation spaceflight system and leverage investments in capital expenditures.

As our fleet of spaceships expands, we expect our expenditures to increase as we scale our commercial operations. Specifically, our long-term expenditures will increase as we:

- scale up our manufacturing processes and capabilities to support expanding our fleet with additional spaceships, carrier aircraft and rocket motors in connection with commercialization;

- hire additional personnel in manufacturing operations, testing programs, maintenance operations and guest services as we increase the volume of our spaceflights; and
- scale up required operational facilities, such as hangars and warehouses.

We expect our arrangements with third-party providers to manufacture key subassemblies for our next-generation spaceships and for the design and manufacture of our next-generation carrier aircraft will require significant capital expenditures. Certain estimated amounts in connection with third-party arrangements are subject to future negotiations and cannot be estimated with reasonable certainty.

We believe that our current capital is adequate to sustain our operations for at least the next twelve months. Changing circumstances may cause us to consume capital significantly faster than we currently anticipate, and we may need to spend more money than currently expected because of circumstances beyond our control. While we have completed our initial commercial launch with a single spaceship, we are currently developing our next-generation spaceflight vehicles. We anticipate the costs to manufacture additional vehicles will begin to decrease as we continue to scale up our manufacturing processes and capabilities.

Issuances of Common Stock

In June 2023, we entered into a distribution agency agreement with Credit Suisse Securities (USA) LLC, Morgan Stanley & Co. LLC and Goldman Sachs & Co. LLC (each, an "Agent" and collectively, the "Agents") providing for the offer and sale of up to \$400 million of shares of our common stock from time to time through the Agents, acting as sales agents, or directly to one or more of the Agents, acting as principal(s), through an "at-the-market offering" program (the "2023 ATM Program").

In November 2024, we terminated the 2023 ATM Program, having sold a total of 12.8 million shares of common stock and generating \$396.2 million in gross proceeds, before deducting \$3.9 million in underwriting discounts, commissions and other expenses.

In November 2024, we entered into an open market sale agreement with Jefferies LLC ("Jefferies") providing for the offer and sale of up to \$300 million of shares of our common stock from time to time through Jefferies, acting as sales agent, or directly to Jefferies, acting as principal, through an "at-the-market offering" program (the "2024 ATM Program").

During the three months ended March 31, 2025, we sold 6.9 million shares of common stock under the 2024 ATM Program and generated \$30.7 million in gross proceeds, before deducting \$0.9 million in underwriting discounts, commissions and other expenses.

As of March 31, 2025, we sold a total of 11.1 million shares of common stock under the 2024 ATM Program, generating \$59.8 million in gross proceeds since its inception, before deducting \$1.8 million in underwriting discounts, commissions and other expenses.

Liquidity Outlook

For at least the next twelve months, we expect our principal demand for funds will be for our ongoing activities described above. We expect to meet our short-term liquidity requirements primarily through our cash, cash equivalents and marketable securities on hand. We believe we will have sufficient liquidity available to fund our business needs, commitments and contractual obligations for the next twelve months.

Beyond the next twelve months, our principal demand for funds will be to sustain our operations, operate our spaceline at Spaceport America in New Mexico, and expand our fleet of spaceships, launch vehicles, and supporting facilities. We expect to generate revenue from our spaceflight program, which is expected to restart in 2026. To the extent this source of capital as well as sources of capital described above are insufficient to meet our needs, we may need to seek additional debt or equity financing.

The commercial launch of our spaceflight program and the anticipated expansion of our fleet have unpredictable costs and are subject to significant risks, uncertainties and contingencies, many of which are beyond our control, that may affect the timing and magnitude of these anticipated expenditures. Some of these risk and uncertainties are described in more detail in our Annual Report on Form 10-K under the heading Item 1A. "*Risk Factors—Risks Related to Our Business.*"

Contractual Obligations and Commitments

Except as set forth in the notes to our condensed consolidated financial statements included elsewhere in this Quarterly Report on Form 10-Q, there have been no material changes outside the ordinary course of business to our contractual obligations and commitments as described in Part II, Item 7. *"Management's Discussion and Analysis of Financial Condition and Results of Operations"* in our Annual Report on Form 10-K.

Critical Accounting Policies and Estimates

Our discussion and analysis of our financial condition and results of operations are based upon our condensed consolidated financial statements, which have been prepared in accordance with U.S. generally accepted accounting principles. The preparation of our 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. We believe that the estimates, assumptions and judgments involved in the accounting policies referred to below have the greatest potential impact on our condensed consolidated financial statements and, therefore, we consider these to be our critical accounting policies. Accordingly, we evaluate our estimates and assumptions on an ongoing basis. Our actual results may differ from these estimates under different assumptions and conditions.

During the fiscal quarter ended March 31, 2025, there were no significant changes to our critical accounting policies and estimates compared to those previously disclosed in *"Critical Accounting Policies and Estimates"* included in Part II, Item 7. *"Management's Discussion and Analysis of Financial Condition and Results of Operations"* included in our 2024 Annual Report on Form 10-K.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

Not applicable for smaller reporting companies.

Item 4. Controls and Procedures

Limitations on Effectiveness of Controls and Procedures

In designing and evaluating our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act), management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives. In addition, the design of disclosure controls and procedures must reflect the fact that there are resource constraints and that management is required to apply judgment in evaluating the benefits of possible controls and procedures relative to their costs.

Evaluation of Disclosure Controls and Procedures

Our management, with the participation of our Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of our disclosure controls and procedures as of the end of the period covered by this Quarterly Report on Form 10-Q. Based on this evaluation, our Chief Executive Officer and our Chief Financial Officer concluded that, as of March 31, 2025, our disclosure controls and procedures were effective at the reasonable assurance level.

Changes in Internal Control Over Financial Reporting

There were no changes in our internal control over financial reporting during the three months ended March 31, 2025 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings

We are from time to time subject to various claims, lawsuits and other legal and administrative proceedings arising in the ordinary course of business. Some of these claims, lawsuits and other proceedings may involve highly complex issues that are subject to substantial uncertainties, and could result in damages, fines, penalties, non-monetary sanctions or relief. However, we do not consider any such claims, lawsuits or proceedings that are currently pending, individually or in the aggregate, to be material to our business or likely to result in a material adverse effect on our future operating results, financial condition or cash flows. See Note 12 in our condensed consolidated financial statements included elsewhere in this Quarterly Report on Form 10-Q for additional information.

Item 1A. Risk Factors

Our business, financial condition and operating results can be affected by a number of factors, whether currently known or unknown, including but not limited to those described as risk factors, any one or more of which could, directly or indirectly, cause our actual operating results and financial condition to vary materially from past, or anticipated future, operating results and financial condition. For a discussion of our potential risks and uncertainties, see the risk factors previously disclosed in Part I, Item 1. *“Business,”* Part I, Item 1A. *“Risk Factors,”* and Part II, Item 7. *“Management's Discussion and Analysis of Financial Condition and Results of Operations”* in our 2024 Annual Report on Form 10-K and in Part I, Item 2. *“Management's Discussion and Analysis of Financial Condition and Results of Operations”* in this Quarterly Report on Form 10-Q. There have been no material changes to the risk factors disclosed in our 2024 Annual Report on Form 10-K other than to update the Risk Factor below.

Changes to United States tariff and import/export regulations may have a negative effect on us.

While most of our suppliers and operations are located within the U.S., we cannot give assurance that we will not be negatively impacted by any of the following factors relating to tariffs and other trade-related policies that could depress economic activity and restrict our access to suppliers or customers in the future. The United States has enacted, and continues to consider, a range of trade-related measures, including tariffs, export controls, and other policies. The President of the United States has directed agencies to reassess key aspects of U.S. trade policy, and there has been ongoing debate and uncertainty surrounding potential changes to trade agreements, tariff structures, and foreign investment regulations. Shifts in trade policy—whether through legislation, executive action, or international negotiation—could alter the global trade landscape and affect supply chains, pricing, and demand for goods and services. These developments, or the perception that such changes may occur, have and could continue to have a material adverse effect on global economic conditions, contribute to volatility in financial markets, and disrupt international trade, including trade between the U.S. and its key partners.

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

None.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

Ratification of Prior Shares Issued

On March 14, 2025, our board of directors (the “Board”) adopted resolutions (the “Resolutions”) approving the ratification of the issuance of 351,313 shares of common stock (the “Specified Shares”) that were sold pursuant to an “at-the-market offering” as defined in Rule 415 of the Securities Act of 1933, as amended (the “ATM Program”), which may constitute shares of putative stock pursuant to Section 204 of the Delaware General Corporation Law (the “DGCL”) (the “Ratification”). The issuance of such shares occurred between the dates of March 4, 2025 and March 6, 2025 and, due to the Specified Shares being sold to the public pursuant to the ATM Program at a price per share that was below the floor price that had been previously established by the Board, the Board determined that (i) the failure to obtain approval of the Board to sell the Specified Shares at such prices constituted a “failure of authorization” (as defined in Section 204(h) of the DGCL) causing a “defective corporate act” (as defined in Section 204(h) of the DGCL), and (ii) the Specified Shares constitute putative stock. Any claim that any defective corporate act or putative stock ratified pursuant to the Ratification is void or voidable due to the failure of authorization specified in the Resolutions, or that the Delaware Court of Chancery should declare in its discretion that the Ratification in accordance with Section 204 of the DGCL not be effective or be effective only on certain conditions, must be brought within 120 days from the giving of this notice (which is deemed given on the date that this Quarterly Report on Form 10-Q is filed with the SEC).

10b5-1 Trading Plans

During the three months ended March 31, 2025, none of our officers or directors adopted or terminated any contract, instruction or written plan for the purchase or sale of our securities that was intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) or any “non Rule 10b5-1 trading arrangement.”

Item 6. Exhibits

The following documents are filed as part of this report:

(1) Exhibits. The following exhibits are filed, furnished or incorporated by reference as part of this Quarterly Report on Form 10-Q.

Exhibit No.	Exhibit Description	Incorporated by Reference					Filed/Furnished Herewith
		Form	File No.	Exhibit	Filing Date		
3.1	Certificate of Incorporation of the Registrant	8-K	001-38202	3.1	10/29/2019		
3.1(a)	Certificate of Amendment to Certificate of Incorporation of the Registrant	8-K	001-38202	3.1	06/14/2024		
3.2	Amended and Restated By-Laws of the Registrant	8-K	001-38202	3.1	03/14/2024		
10.1	Form of Long-Term Incentive Performance Award Agreement under the 2019 Incentive Award Plan					*	
31.1	Certification of Principal Executive Officer Pursuant to Securities Exchange Act Rules 13a-14(a) and 15(d)-14(a), as adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002					*	
31.2	Certification of Principal Financial Officer Pursuant to Securities Exchange Act Rules 13a-14(a) and 15(d)-14(a), as adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002					*	
32.1	Certification of Principal Executive Officer Pursuant to 18 U.S.C. Section 1350, as adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002					**	
32.2	Certification of Principal Financial Officer Pursuant to 18 U.S.C. Section 1350, as adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002					**	
101.INS	Inline XBRL Instance Document – the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document					*	
101.SCH	Inline XBRL Taxonomy Extension Schema Document					*	

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			Incorporated by Reference			
Exhibit No.	Exhibit Description	Form	File No.	Exhibit	Filing Date	Filed/Furnished Herewith
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document					*
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document					*
101.LAB	Inline XBRL Taxonomy Extension Labels Linkbase Document					*
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document					*
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)					*

* Filed herewith.

** 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.

Virgin Galactic Holdings, Inc.

Date: May 15, 2025

/s/ Michael Colglazier

Name: Michael Colglazier
Title: Chief Executive Officer
(Principal Executive Officer)

Date: May 15, 2025

/s/ Douglas Ahrens

Name: Douglas Ahrens
Title: Chief Financial Officer
(Principal Financial and Accounting Officer)

SECOND AMENDED AND RESTATED VIRGIN GALACTIC HOLDINGS, INC.

2019 INCENTIVE AWARD PLAN

2025 LONG TERM INCENTIVE PERFORMANCE AWARD GRANT NOTICE

Virgin Galactic Holdings, Inc., a Delaware corporation (the “**Company**”), has granted to the participant listed below (“**Participant**”) the cash based performance award (the “**Award**”) described in this Long Term Incentive Performance Award Grant Notice (this “**Grant Notice**”), subject to the terms and conditions of the Second Amended and Restated Virgin Galactic Holdings, Inc. 2019 Incentive Award Plan (as amended from time to time, the “**Plan**”) and the Long Term Incentive Performance Award Agreement attached hereto as **Exhibit A** (the “**Agreement**”), both of which are incorporated into this Grant Notice by reference. The Award constitutes an Other Stock or Cash Based Award for purposes of the Plan. Capitalized terms not specifically defined in this Grant Notice or the Agreement have the meanings given to them in the Plan.

Participant: _____

Grant Date: _____

Target Value: \$_____

Vesting Schedule: The Award will become earned (the “**Earned Award**”) based on achievement of the Performance Condition with respect to the Performance Period, as set forth below.

Performance Period: _____.

Performance Condition:

The value of the Earned Award (the “**Earned Award Value**”) shall be based on the achievement of the Performance Conditions set forth below, with the Earned Award Value equal to (x) the target value of Award multiplied by (y) the applicable Percentage of Award Earned (calculated as set forth below, rounded up to the nearest whole dollar).

[To come.]

The Company may, in its good faith discretion, make such adjustments to the applicable “Threshold,” “Target” or “Maximum” goals in the event of any material changes to strategy, acquisitions, divestures or unforeseen circumstances that were not contemplated at the outset of the Performance Period, subject in each case, to approval by the Compensation Committee of the Company’s Board of Directors (the “**Compensation Committee**”).

Calculation of Percentage of Award Earned: If actual performance is between the (i) “Threshold” and “Target” or the (ii) “Target” and

“Maximum” levels of achievement, the Percentage of Award Earned shall be determined using straight line linear interpolation between the applicable levels. In the event that actual performance does not meet the Threshold Level of Achievement, the “Percentage of Award Earned” shall be zero percent (0%). All determinations with respect to whether and the extent to which a Performance Condition has been achieved shall be made by the Compensation Committee in its sole discretion. The Award will become earned as of the date that the applicable Performance Condition is achieved, subject to the Compensation Committee certifying in writing the extent to which the Performance Condition has been met.

Level of Achievement	Percentage of Award Earned
Below Threshold	0%
Threshold	50%
Target	100%
Maximum	200%
Above Maximum	200%

The portion of the Award which does not become earned based on actual performance during the Performance Period shall be forfeited as of the last day of the Performance Period.

The Earned Award will remain outstanding and will vest on the third anniversary of the Grant Date, subject to Participant’s continued service as a Service Provider through such date.

By accepting (whether in writing, electronically or otherwise) the Award, Participant agrees to be bound by the terms of this Grant Notice, the Plan and the Agreement. Participant has reviewed the Plan, this Grant Notice and the Agreement in their entirety, has had an opportunity to obtain the advice of counsel prior to executing this Grant Notice and fully understands all provisions of the Plan, this Grant Notice and the Agreement. Participant hereby agrees to accept as binding, conclusive and final all decisions or interpretations of the Administrator upon any questions arising under the Plan, this Grant Notice or the Agreement.

VIRGIN GALACTIC HOLDINGS, INC.

By: —
Name: Doug Ahrens
Title: Chief Financial Officer

PARTICIPANT

—
[Participant Name]

LONG TERM INCENTIVE PERFORMANCE AWARD AGREEMENT

Capitalized terms not specifically defined in this Long Term Incentive Performance Award Agreement (this “***Agreement***”) have the meanings specified in the Grant Notice or, if not defined in the Grant Notice, in the Plan.

Article I. GENERAL

1.1 **Award.** The Company has granted the Award to Participant effective as of the Grant Date set forth in the Grant Notice (the “***Grant Date***”). The Award represents the right to receive an amount in cash equal to the Earned Award Value, as set forth in the Grant Notice and this Agreement.

1.2 **Incorporation of Terms of Plan.** The Award is subject to the terms and conditions set forth in this Agreement and the Plan, which is incorporated herein by reference. In the event of any inconsistency between the Plan and this Agreement, the terms of the Plan will control.

1.3 **Unsecured Promise.** The Award will at all times prior to settlement represent an unsecured Company obligation payable only from the Company’s general assets.

Article II. VESTING; FORFEITURE AND SETTLEMENT

2.1 Vesting; Forfeiture.

(a) Subject to the conditions contained herein and in the Plan, the Award shall vest as provided in the Grant Notice. [In addition, if Participant experiences a Qualifying Termination (as defined in the Employment Agreement) following the completion of the Performance Period, then the Earned Award (if any) may be subject to accelerated vesting in accordance with Section [4(b)] of that certain Employment Agreement by and between Participant, Galactic Co., LLC and the Company (the “***Employment Agreement***”) as though the Award was a time-vesting equity award for purposes of the Employment Agreement. The accelerated vesting in this Section 2.1(a) is subject to Participant’s continued compliance with the applicable restrictive covenants and timely execution and non-revocation of a general release of claims, as described in the Employment Agreement.]

(b) Notwithstanding the foregoing, in the event of Participant’s Termination of Service for any reason, the Award will immediately and automatically be cancelled and forfeited (after taking into consideration any accelerated vesting which may occur in connection with such Termination of Service), except as otherwise determined by the Administrator or provided in a binding written agreement between Participant and the Company (including, without limitation, the Employment Agreement).

2.2 Payment; Taxes.

(a) The Earned Award will be paid in cash, as soon as administratively practicable after the vesting of the Earned Award but in no event later than the March 15 of the year following the year in which the vesting date occurs, subject to applicable taxes and other authorized withholdings.

(b) Notwithstanding the foregoing, the Company may delay any payment under this Agreement that the Company reasonably determines would violate Applicable Law until the earliest date the Company reasonably determines the making of the payment will not cause such a violation (in accordance with Treasury Regulation Section 1.409A-2(b)(7)(ii)); provided the Company reasonably believes the delay will not result in the imposition of excise taxes under Section 409A.

Article III. OTHER PROVISIONS

3.1 Notices. Any notice to be given under the terms of this Agreement to the Company must be in writing and addressed to the Company in care of the Company's Secretary at the Company's principal office or the Secretary's then-current email address or facsimile number. Any notice to be given under the terms of this Agreement to Participant must be in writing and addressed to Participant (or, if Participant is then deceased, to the Designated Beneficiary) at Participant's last known mailing address, email address or facsimile number in the Company's personnel files. By a notice given pursuant to this Section, either party may designate a different address for notices to be given to that party. Any notice will be deemed duly given when actually received, when sent by email, when sent by certified mail (return receipt requested) and deposited with postage prepaid in a post office or branch post office regularly maintained by the United States Postal Service, when delivered by a nationally recognized express shipping company or upon receipt of a facsimile transmission confirmation.

3.2 Titles. Titles are provided herein for convenience only and are not to serve as a basis for interpretation or construction of this Agreement.

3.3 Conformity to Applicable Laws. Participant acknowledges that the Plan, the Grant Notice and this Agreement are intended to conform to the extent necessary with all Applicable Laws and, to the extent Applicable Laws permit, will be deemed amended as necessary to conform to Applicable Laws.

3.4 Successors and Assigns. The Company may assign any of its rights under this Agreement to single or multiple assignees, and this Agreement will inure to the benefit of the successors and assigns of the Company. Subject to the restrictions on transfer set forth in this Agreement or the Plan, this Agreement will be binding upon and inure to the benefit of the heirs, legatees, legal representatives, successors and assigns of the parties hereto.

3.5 Entire Agreement. The Plan, the Grant Notice and this Agreement (including any exhibit hereto) constitute the entire agreement of the parties and supersede in their entirety all prior undertakings and agreements of the Company and Participant with respect to the subject matter hereof.

3.6 Agreement Severable. In the event that any provision of the Grant Notice or this Agreement is held illegal or invalid, the provision will be severable from, and the illegality or invalidity of the provision will not be construed to have any effect on, the remaining provisions of the Grant Notice or this Agreement.

3.7 Limitation on Participant's Rights. Participation in the Plan confers no rights or interests other than as herein provided. This Agreement creates only a contractual obligation on the part of the Company as to amounts payable and may not be construed as creating a trust. Neither the Plan nor any underlying program, in and of itself, has any assets. Participant will have only the rights of a general unsecured creditor of the Company with respect to amounts credited and benefits payable, if any, with respect to the Award, and rights no greater than the right to receive cash as a general unsecured creditor with respect to the Award, as and when settled pursuant to the terms of this Agreement.

3.8 Not a Contract of Employment. Nothing in the Plan, the Grant Notice or this Agreement confers upon Participant any right to continue in the employ or service of the Company or any Subsidiary or interferes with or restricts in any way the rights of the Company and its Subsidiaries, which rights are hereby expressly reserved, to discharge or terminate the services of Participant at any time for any reason whatsoever, with or without cause, except to the extent expressly provided otherwise in a written agreement between the Company or a Subsidiary and Participant.

3.9 Counterparts. The Grant Notice may be executed in one or more counterparts, including by way of any electronic signature, subject to Applicable Law, each of which will be deemed an original and all of which together will constitute one instrument.

* * * * *

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

I, Michael Colglazier, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Virgin Galactic Holdings, Inc.;
 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 15d-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.
-

May 15, 2025

/s/ Michael Colglazier

Michael Colglazier
Chief Executive Officer
(Principal Executive Officer)

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

I, Douglas Ahrens, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Virgin Galactic Holdings, Inc.;
 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 15d-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.
-

May 15, 2025

/s/ Douglas Ahrens

Douglas Ahrens

Chief Financial Officer

(Principal Financial and Accounting Officer)

**CERTIFICATION 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 of Virgin Galactic Holdings, Inc. (the “Company”) on Form 10-Q for the period ended March 31, 2025, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Michael Colglazier, Chief Executive Officer (Principal Executive Officer), certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company as of and for the period covered by the Report.

May 15, 2025

/s/ Michael Colglazier

Michael Colglazier

Chief Executive Officer

(Principal Executive Officer)

This certification shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such a filing.

**CERTIFICATION 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 of Virgin Galactic Holdings, Inc. (the “Company”) on Form 10-Q for the period ended March 31, 2025, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Douglas Ahrens, Chief Financial Officer (Principal Financial Officer), certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company as of and for the period covered by the Report.

May 15, 2025

/s/ Douglas Ahrens

Douglas Ahrens

Chief Financial Officer

(Principal Financial and Accounting Officer)

This certification shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such a filing.