



Virgin

Virgin Galactic:  
The leader in human spaceflight

# Disclaimer

This investor presentation (this "presentation") is for informational purposes only. This presentation has been prepared to assist interested parties in making their own evaluation with respect to the proposed transaction (the "Transaction") between Social Capital Holdings Corp. ("SCH") and Vieco 10 Ltd., Virgin Galactic, LLC, TSC, LLC and Virgin Galactic Limited (collectively, "Virgin Galactic"), as contemplated in the Agreement and Plan of Merger, dated as of July 9, 2019 (the "Merger Agreement"), by and on behalf of the parties thereto, and for no other purpose. The information contained herein does not purport to be all-inclusive. Nothing herein shall be deemed to constitute investment, legal, tax, financial, accounting or other advice. This presentation is being provided to the intended recipient. The information contained herein may not be reproduced or distributed in any format, in whole or in part, without the prior written consent of SCH and Virgin Galactic.

## Forward-Looking Statements

This presentation contains certain forward-looking statements within the meaning of the federal securities laws with respect to the proposed Transaction between Virgin Galactic and SCH, including statements regarding the benefits of the transaction, the transaction and the products and markets and expected performance of Virgin Galactic. These forward-looking statements generally are identified by the words "believe," "project," "expect," "anticipate," "estimate," "intend," "strategy," "future," "opportunity," "will," "would," "will be," "will continue," "will likely result," and similar expressions. Forward-looking statements are predictions, projections and other statements about future events that are based on current expectations and assumptions and, as a result, are subject to various risks and uncertainties. Many factors could cause actual future events to differ materially from the forward-looking statements in this presentation, including but not limited to: (i) the risk that the transaction may not be completed in a timely manner or at all, which could result in a loss of value of SCH's securities, (ii) the risk that the transaction may not be completed by SCH's business combination deadline and the potential failure to obtain an extension of the business combination deadline if sought by SCH, (iii) the failure to satisfy the conditions for the consummation of the transaction, including the adoption of the Merger Agreement by the shareholders of SCH, the satisfaction of the minimum trust account amount following redemptions by SCH's public shareholders and the receipt of certain government approvals, (iv) the lack of a third party valuation in determining whether or not to pursue the Transaction, (v) the occurrence of any event, change or other circumstance that could give rise to the termination of the Merger Agreement, (vi) the effect of the consummation of the transaction on Virgin Galactic's business relationships, operating results, and business generally, (vii) risks that the proposed transaction disrupts current plans and operations of Virgin Galactic, (viii) the outcome of any legal proceedings that may be brought against SCH related to the Merger Agreement or the transaction, (ix) the ability to maintain the listing of the SCH's securities on the New York Stock Exchange, (x) changes in the competitive and highly regulated industries in which Virgin Galactic operates, and variations in operating performance across competitors, changes in laws and regulations affecting Virgin Galactic's business and changes in the combined capital structure, (xi) the ability to implement business plans, forecasts, and other expectations regarding the proposed Transaction, and identify and realize additional opportunities, and (xii) the risk of downturns in the highly competitive and novel tourist spaceflight industry. The foregoing list of factors is not exhaustive. You should carefully consider the foregoing risks and uncertainties described in the "Risk Factors" section of SCH's Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, the registration statement on Form S-4 discussed below and other documents filed by SCH from time to time with the SEC (the "SEC"). These filings identify and address other important risks and uncertainties that could cause actual events and results to differ materially from those contained in the forward-looking statements. Forward-looking statements are made as of the date they are made. Readers are cautioned not to put undue reliance on forward-looking statements, and Virgin Galactic and SCH assume no obligation and do not intend to update or revise these forward-looking statements, whether as a result of new information or otherwise. Neither Virgin Galactic nor SCH gives any assurance that either Virgin Galactic or SCH will achieve its expectations.

## Use of Projections

The financial and operating forecasts and projections contained herein represent certain estimates of Virgin Galactic as of the date thereof. Neither SCH's nor Virgin Galactic's independent public accountants have examined, reviewed or compiled the information, neither expresses an opinion or other form of assurance with respect thereto. Furthermore, none of SCH, Virgin Galactic nor their respective management teams can give any assurance that the forecasts or projections contained herein accurately reflect Virgin Galactic's future operations or financial conditions. Such information is subject to a wide variety of significant business, economic and competitive risks and uncertainties, including but not limited to those set forth above under "Forward-Looking Statements." Results may differ materially from those contained in the prospective financial information.

Accordingly, there can be no assurance that the prospective results are indicative of the future performance of SCH or Virgin Galactic or that actual results will not differ materially from those presented in the prospective financial information. Some of the projections are based on assumptions that may not materialize and unanticipated events may occur that could affect results. Therefore, actual results achieved during the periods covered by the projections may vary and may vary materially from the projected results. Prospective financial information in this presentation should not be regarded as a representation by any person that the results contained in the prospective financial information are indicative of future results or will be achieved.

## Use of Data

Unless otherwise noted, the forecasted data contained in the assumptions for the projections are based upon Virgin Galactic's management estimates and publications and surveys. The information from publications has been obtained from sources where there can be no assurance as to the accuracy or completeness of the included information. Neither SCH nor Virgin Galactic has independently verified any of the data from third-party sources, nor has SCH or Virgin Galactic ascertained the underlying accuracy of the information. While such information is believed to be reliable for the purposes used herein, none of SCH, Virgin Galactic, their respective affiliates, nor their respective directors, officers, employees, members, partners, shareholders or agents make any representation with respect to the accuracy of such information.

## Use of Non-GAAP Financial Matters

This presentation includes certain forward-looking non-GAAP financial measures, EBITDA and EBITDA margin, with respect to Virgin Galactic's expected future performance. Virgin Galactic defines EBITDA as net income (loss), adjusted for interest expense, income taxes, depreciation and amortization. Virgin Galactic defines EBITDA margin as EBITDA divided by revenue. These non-GAAP measures are an addition, and not a substitute for or superior to measures of financial performance prepared in accordance with GAAP. Such non-GAAP measures should not be considered as an alternative to net income, operating income or any other performance measures derived in accordance with GAAP. Not all of the information necessary for a quantitative reconciliation of these forward-looking non-GAAP measures to the most directly comparable GAAP financial measures is available without unreasonable efforts at this time. Specifically, Virgin Galactic does not provide such quantitative reconciliation due to the inherent difficulty in forecasting and quantifying certain non-GAAP measures, including net income (loss), accelerated depreciation and variations in effective tax rate.

Virgin Galactic believes that these forward-looking non-GAAP measures of financial results provide useful supplemental information to investors about Virgin Galactic. Virgin Galactic's management uses these forward looking non-GAAP measures to evaluate financial and operating performance. However, there are a number of limitations related to the use of these non-GAAP measures and their nearest GAAP equivalents. For example other companies may calculate non-GAAP measures differently and use different measures to calculate their financial performance, and therefore Virgin Galactic's non-GAAP measures may not be directly comparable to similarly titled measures of other companies.

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This presentation relates to a proposed transaction between Virgin Galactic and SCH. This presentation does not constitute an offer to sell or exchange, or the solicitation of an offer to buy or exchange, any securities, nor shall there be any sale of securities which such offer, sale or exchange would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. SCH intends to file a registration statement on Form S-4 with the SEC, which will include a document that serves as a proxy statement/prospectus, referred to as a proxy statement/prospectus. A proxy statement/prospectus will be sent to all SCH shareholders. SCH also will file other documents regarding the proposed transaction with the SEC. Before making any voting decisions, holders of SCH are urged to read the registration statement, the proxy statement/prospectus and all other relevant documents filed or that will be filed with the SEC in connection with the proposed transaction as they become available because they may contain important information about the proposed transaction.

Investors and security holders will be able to obtain free copies of the registration statement, the proxy statement/prospectus and all other relevant documents filed or that will be filed with the SEC by SCH through the website maintained by the SEC at [www.sec.gov](http://www.sec.gov).

The documents filed by SCH with the SEC also may be obtained free of charge at SCH's website at <http://www.socialcapitalholdings.com/docs.html> or upon written request to 120 Hawthorne Avenue Palo Alto, California 94301.

## Participants in Solicitation

SCH and its respective directors and executive officers may be deemed to be participants in the solicitation of proxies from SCH's shareholders in connection with the proposed transaction. Information about SCH's directors and executive officers and their securities is set forth in SCH's Annual Report on Form 10-K filed with the SEC on March 18, 2019. To the extent that holdings of SCH's securities have changed from the amounts reported in SCH's Annual Report, such changes have been or will be reported in a Change in Ownership on Form 4 filed with the SEC. Additional information regarding the interests of those persons and other persons who may be deemed participants in the proposed transaction may be obtained by reading the proxy statement/prospectus when it becomes available. You may obtain free copies of these documents as described in the preceding paragraph.

**December 13, 2018**

First crewed space vehicle built for commercial service to put humans into space

First crewed space launch from US soil since 2011



**February 22, 2019**



**First passenger flown on a commercial space vehicle**

**First passenger flown at Mach 3+**

**May 10, 2019**

Move-in initiated for world's first purpose-built commercial spaceport, Spaceport America



# First Astronaut Wings Awarded for a Space Flight Built for Commercial Service



# World Record Breaking Rocket Motor Accepted into Permanent Collection of National Air and Space Museum





**VIRGIN GALACTIC PURPOSE STATEMENT:**

**TOGETHER WE OPEN SPACE  
TO CHANGE THE WORLD  
FOR GOOD**



## ANSARI X PRIZE

Built on technology of successful spaceship prototype program

## VSS Unity

The world's first private, crewed spacecraft  
built for commercial service

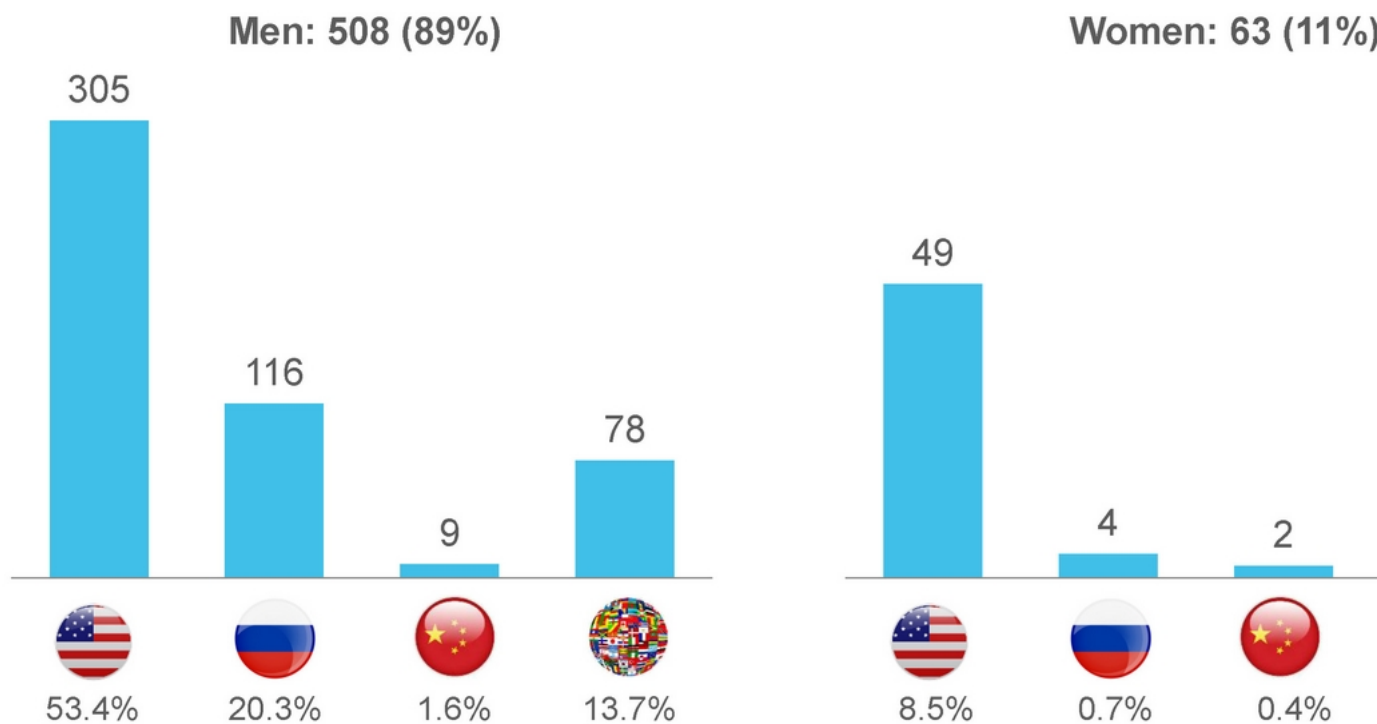




**VMS Eve**

The world's largest  
all composite aircraft in ser

# Only **571** People Have Ever Been to Space



Source: Management.

Note: All percentage figures are based on total number of people who have been to space.

# Our Customers



# Our Team

Over 800 people representing a unique blend of space and aviation expertise:

Virgin Galactic – The world's first commercial spaceline

The Spaceship Company – Building spaceships and future aerospace vehicles





## Our Facilities

Purpose-built facilities in California and New Mexico for operations, manufacturing, design and test



# The Space Fleet

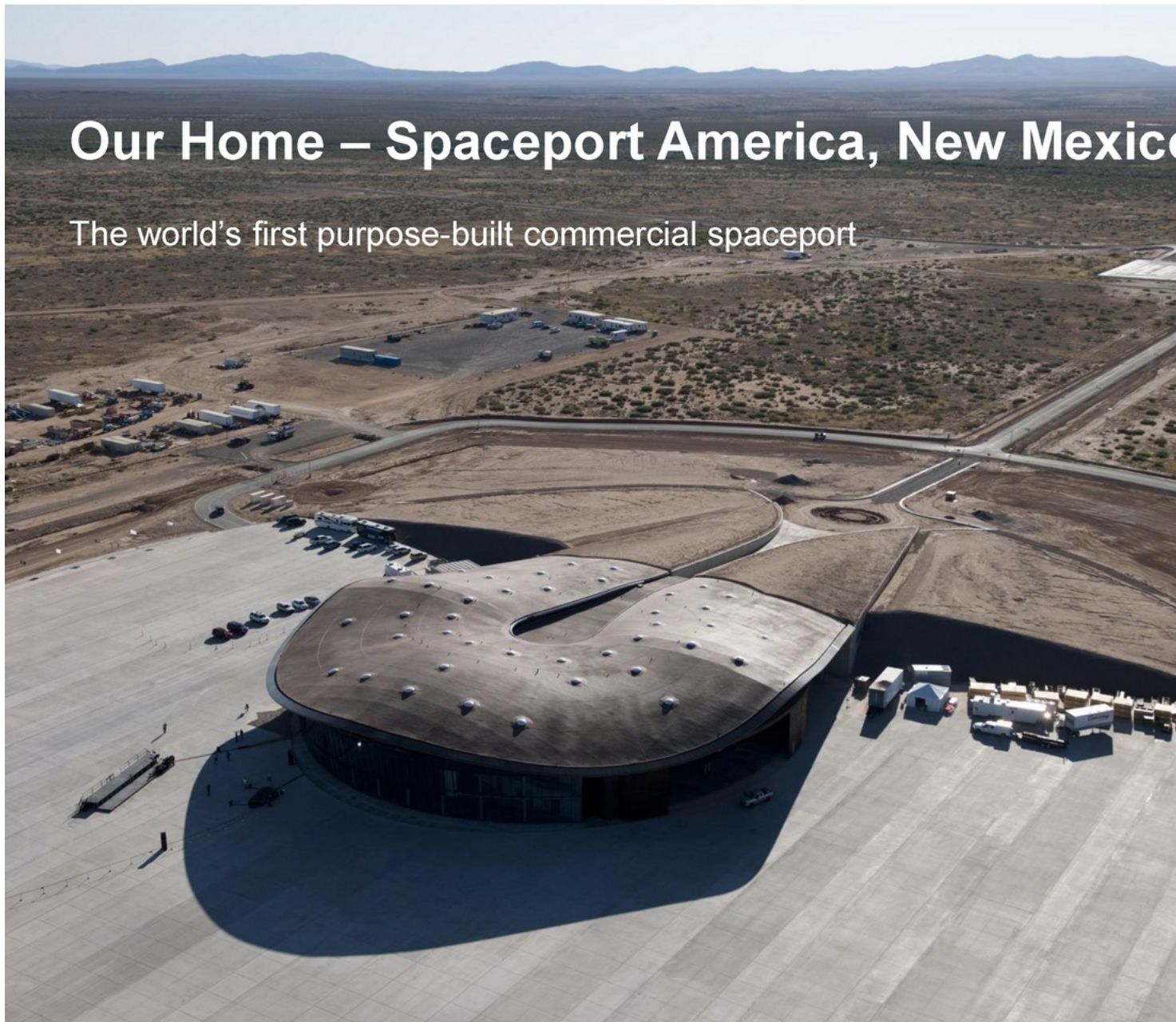
Our next two spaceships on the production line





# Our Home – Spaceport America, New Mexico

The world's first purpose-built commercial spaceport



# Runway Takeoff



# Climb to 45,000 feet



# Release & Boost





**Unique Feature**  
**Re-Entry Configuration**

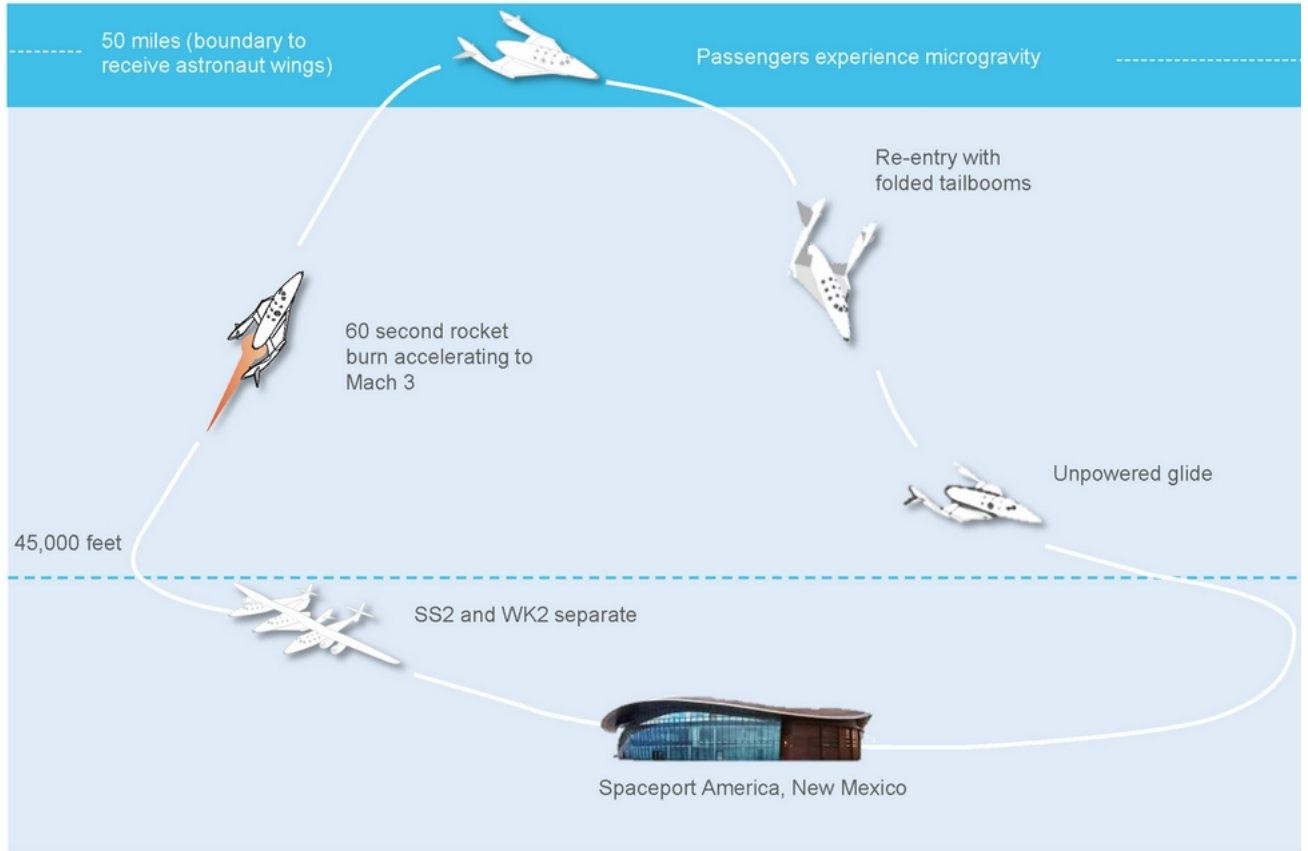
# Life Changing Views of Planet Earth from Space



# Glide Home & Runway Landing



# Enabling a First-of-its-Kind Flight Path to Space



Note: "SS2" refers to SpaceShipTwo and "WK2" refers to WhiteKnightTwo.

**IPO 2.0**  
SOCIAL CAPITAL HEDOSOPHIA HOLDINGS



Alternative to a traditional IPO for disruptive companies  
to achieve long-term objectives

The leader in commercial human space

# Presenters and Senior Leadership

## Virgin Galactic



**George Whitesides**  
Chief Executive Officer

- Responsible for guiding development, manufacturing and operation of spaceships
- Previously served as Chief of Staff for NASA and was awarded the Distinguished Service Medal, the highest award the agency confers



**Jon Campagna**  
Chief Financial Officer

- Responsible for Virgin Galactic and TSC's financial matters
- Prior to joining, was the Controller at ICON Aircraft
- Previously held various financial leadership positions at Ericsson in the US and Europe and started his career in the Audit Advisory Practice at PWC



## IPOA



**Chamath Palihapitiya**  
Chairman and CEO

- Founded Social Capital in 2011 to back breakthrough companies in areas including healthcare, artificial intelligence, climate change and space
- Previously served on the senior executive team at Facebook and held leadership roles at Mayfield Fund, AOL and Winamp



**Adam**  
Dire

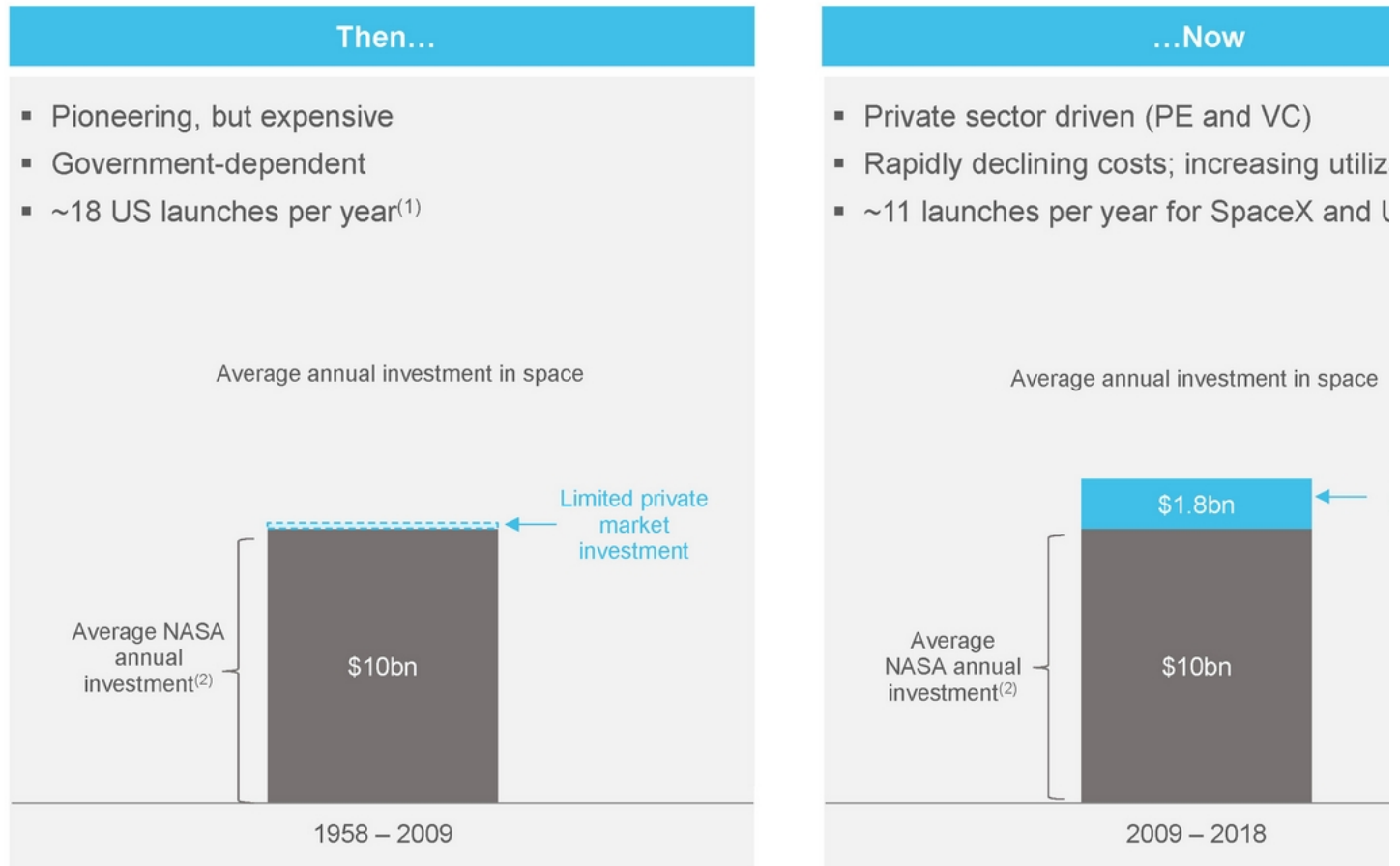
- Lead Indep... of Social Cap... Hedosophia
- Previously s... Operating O... helped build business fun... company
- Previously s... leadership r... Interactive M... Sports



# Industry Overview



# Space Continues to Receive Heavy Investment, but is Ac



(1) Launches per year based on total successful launches by the US since 1958 per The Economist (article source: FAA; Jonathan McDowell / planet4589.org; F press reports).  
 (2) "Historical NASA Budget Data", The Planetary Society. (3) Based on total launches by SpaceX and ULA since 2002 (SpaceX formed in 2002) per The Econo source: FAA; Jonathan McDowell / planet4589.org; Roscosmos; press reports). (4) Space Angels.

# ...Creating an Opportunity for an Entirely New Ecosystem Disruptive Companies

Human Spaceflight



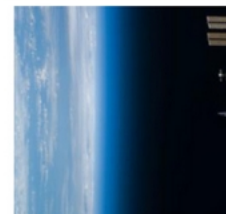
Launch & Transport



Microgravity Research



Habitats & Real Estate



Satellites



Space Infra & Services



Space Resources



Space Energy



## Why Commercial Human Spaceflight is Strategic

- Proven technology and **declining costs**
- Strong market demand, with significant potential for **incremental growth** globally as concept matures and costs moderate
- Applications beyond initial use, including **scientific research and defense**
- Technical foundation for the **disruption of long-haul airline travel** serviced by space

# Company Overview



# Virgin Galactic's Vision

Business today

## Phase 1 – Broad Commercialization of Spaceflight

- Establish **new** commercial space tourism market
- Make space travel **achievable** for the public
- Maintain **exclusive nature of experience** and capture consumer demand and imagination



Optionality for the future;  
\$0 assumed revenue in model

## Phase 2 – Democratization / Expansion

- Capture efficiencies of **scale**
- **Reduce price** per ticket while maintaining strong margins
- Expand **globally** as TAM increases



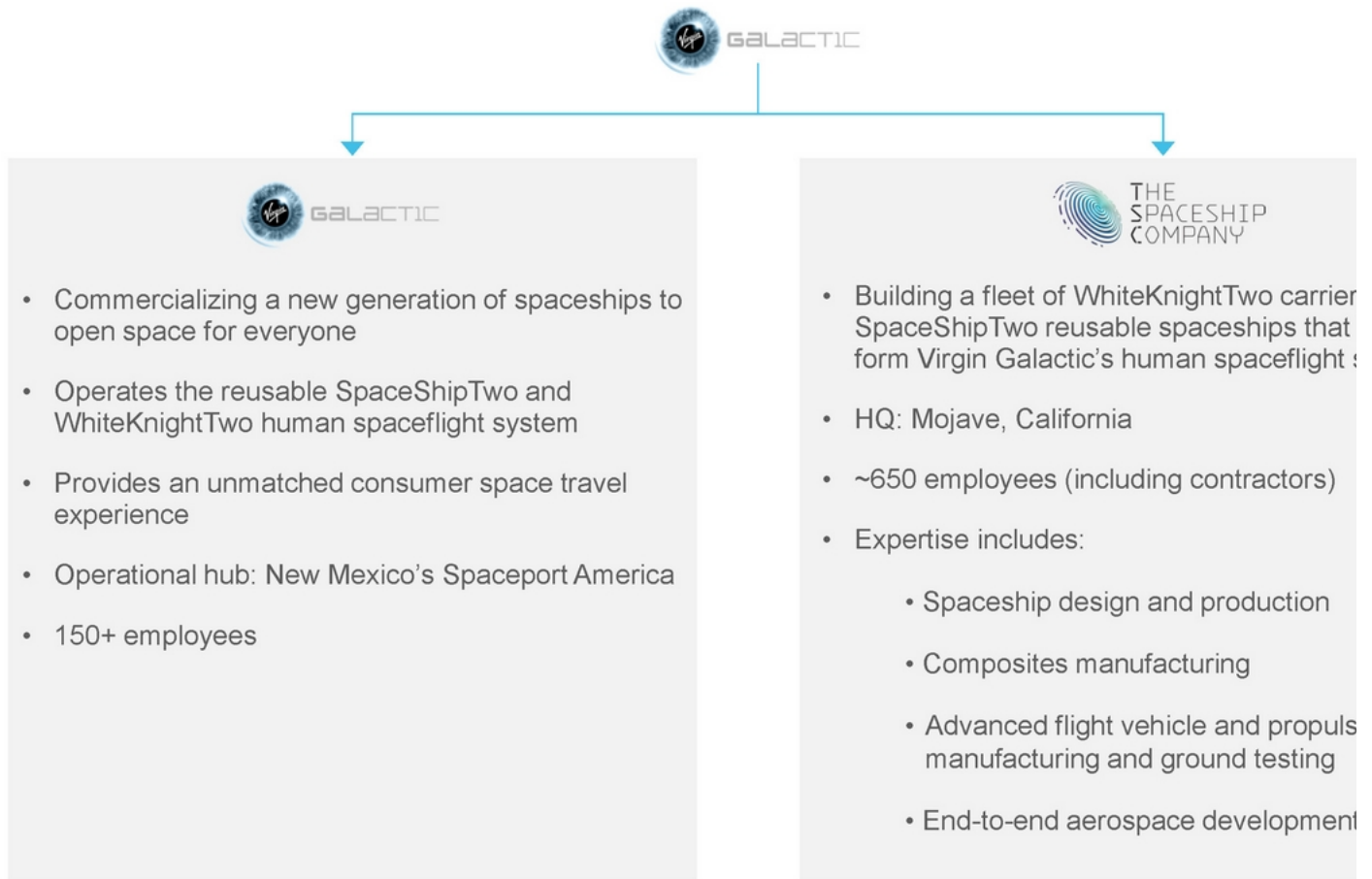
## Phase 3 – Point-to-Point Travel / Beyond Tourism

- Drive **technological upgrades** to **disrupt** long-haul travel



# Virgin Galactic at a Glance

*Virgin Galactic combines a first-of-its-kind commercial operation for human spaceflight proprietary, world-class engineering organization*



# World-Class Management and Industry-Leading Flight Team

## World-Class Management Team



### George Whitesides

Chief Executive Officer, Virgin Galactic & TSC

- 9 years at Virgin Galactic / 20 years of experience
- Previous:



### Mike Moses

President, Virgin Galactic

- 8 years at Virgin Galactic / 24 years of experience
- Previous:



### Enrico Palermo

President, TSC

- 13 years at Virgin Galactic / 17 years of experience
- Previous:



### Jon Campagna

Chief Financial Officer, Virgin Galactic & TSC

- 4 years at Virgin Galactic / 23 years of experience
- Previous:



### Stephen Attenborough

Commercial Director, Virgin Galactic

- 15 years at Virgin Galactic / 30 years of experience
- Previous:



## Industry-Leading Flight Team



### Dave Mackay\*

Chief Pilot

- 10 years at Virgin Galactic / 42 years of experience
- Previous:



### Mark "Forger" Stucky\*

Director of Flight Test

- 4 years at Virgin Galactic / 39 years of experience
- Previous:



### Frederick "CJ" Sturckow\*

SS2 Pilot

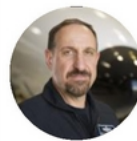
- 6 years at Virgin Galactic / 34 years of experience
- Previous:



### Kelly Latimer

WK2 Pilot

- 4 years at Virgin Galactic / 30 years of experience
- Previous:



### Mike "Sooch" Masucci\*

Lead Pilot Trainer

- 6 years at Virgin Galactic / 37 years of experience
- Previous:



\* Astronaut who has been to space

# Unique, Self-Developed Technology

*One-of-a-kind platform established through 15 years of research and development with investment to date*

## Vehicles

### The Spaceship: SS2



- First crewed spaceship built for commercial service in history
- First to carry people to space from the US since 2011
- Max customer capacity of 6, and / or dedicated research payloads, plus 2 pilots

### The Mothership: WK2



- Designed to carry SS2 up to an altitude of ~45,000 feet
- Capable of high-altitude, heavy-lift missions for passenger launch or defense applications
- 250+ flights to date, often multiple times per week

## Supporting Equipment / Technology

### Hybrid Rocket Motor



- World's largest human-rated rocket motor
- Heavily tested, with over 100 ground and inflight firings, including flights to space

### Reusable Horizontal Launch



- WK2 acts as the carrier for the SS2, enabling the efficient launch of the spaceship to orbit
- Horizontal takeoff and landing
- Uses existing runways, enabling easy future expansion

### Feathering Re-Entry System



- Patented, foldable backshell
- Tilts up to take on an aerodynamic profile similar to that of a shuttlecock, providing stability
- Guides descent to allow for a soft landing

# Virgin Galactic's Unmatched Safety Systems

*Safety is of paramount importance at Virgin Galactic and the technology has been developed and tested with safety as the primary consideration*

Safety Mechanism	Description
Horizontal takeoff and landing	<ul style="list-style-type: none"> <li>Takeoff and landing on regular runways similar to typical aircraft</li> </ul>
Two pilots	<ul style="list-style-type: none"> <li>Creates redundancy in operations and in-space safety</li> </ul>
Mothership engine reliability	<ul style="list-style-type: none"> <li>Highly reliable and rigorously tested jet engines for the first 45,000 feet</li> </ul>
Rocket motor	<ul style="list-style-type: none"> <li>Simplest human spaceflight rocket motor in history for boost to space, no turbopumps or complicated machinery, with simple shut-off control</li> </ul>
Flight controls	<ul style="list-style-type: none"> <li>Simple operations to maximize reliability</li> </ul>
Seating	<ul style="list-style-type: none"> <li>Two-position customer seats to minimize G loads during all phases of flight</li> </ul>
Descent mechanism	<ul style="list-style-type: none"> <li>Proprietary feathering system for reliable, safe re-entry</li> <li>Winged glide flight from 50,000 feet to ground for a gentle and safe final landing</li> </ul>
Safe abort	<ul style="list-style-type: none"> <li>System designed for safe abort and return to Earth at any phase of flight</li> </ul>

# Limited Competition


**BLUE ORIGIN**

Years of Development	15	19	
Estimated Investment to Date	\$1 billion+	NA	
Technology	Reusable rocket-powered spaceplane	Reusable rocket syst	
Expected Price / Seat	\$250,000+	TBD	
Flight Experience	90 minutes of flight time	11 minutes of flight ti	
Passenger Becomes Astronaut?	✓	✓	
Airworthiness	FAA License	✓	
	Flight Test	✓	
	Piloted Flights	✓	
	Expected Commercial Launch Timing	Q1 / Q2 2020	?
	Investable?	✓	X

Source: Management.

# IPOA Investment Rationale



# High Net Worth Individuals Increasingly Value Experience

*Virgin Galactic offers a unique value proposition relative to comparably priced ultra luxury and transportation experiences*

## Unique Travel Experiences

Yacht rental



~\$500,000 / week

Private island rental



~\$230,000 / week

Exclusive hotel suite



~\$80,000 / night

## Ultra Luxury Transportation

Private jet travel from New York



# Virgin Galactic's Customer Value Proposition

*Informed by Virgin Group's track record of creating unmatched experiences, Virgin Galactic offers a revolutionary, multi-day journey for customers*

## Day 1 Welcome Day



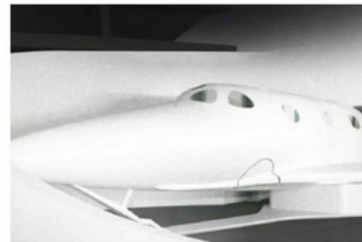
- Tour spaceport
- Flight suit and gear fitting
- Introduction to the flight profile
- High G training

## Day 2 Cabin Day



- High G flight
- Spaceship trainer reveal
- Seat-fitting
- Microgravity preparation master class

## Day 3 Rehearsal Day



- Spaceship trainer familiarization
- Full dress rehearsal
- Pre-flight readiness review

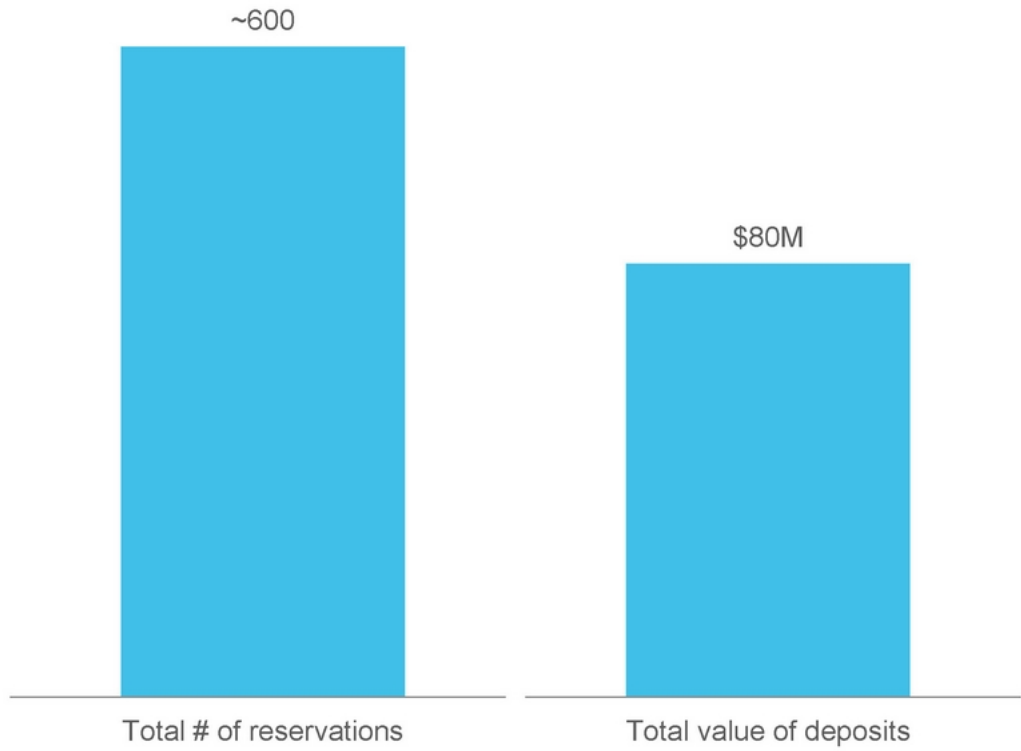
## Day 4 Flight Day



- Fly to space
- Wings ceremony
- Celebrate with friends and family

# Large Order Book

Commercial Success to Date – Achieved with Limited Advertising Spend

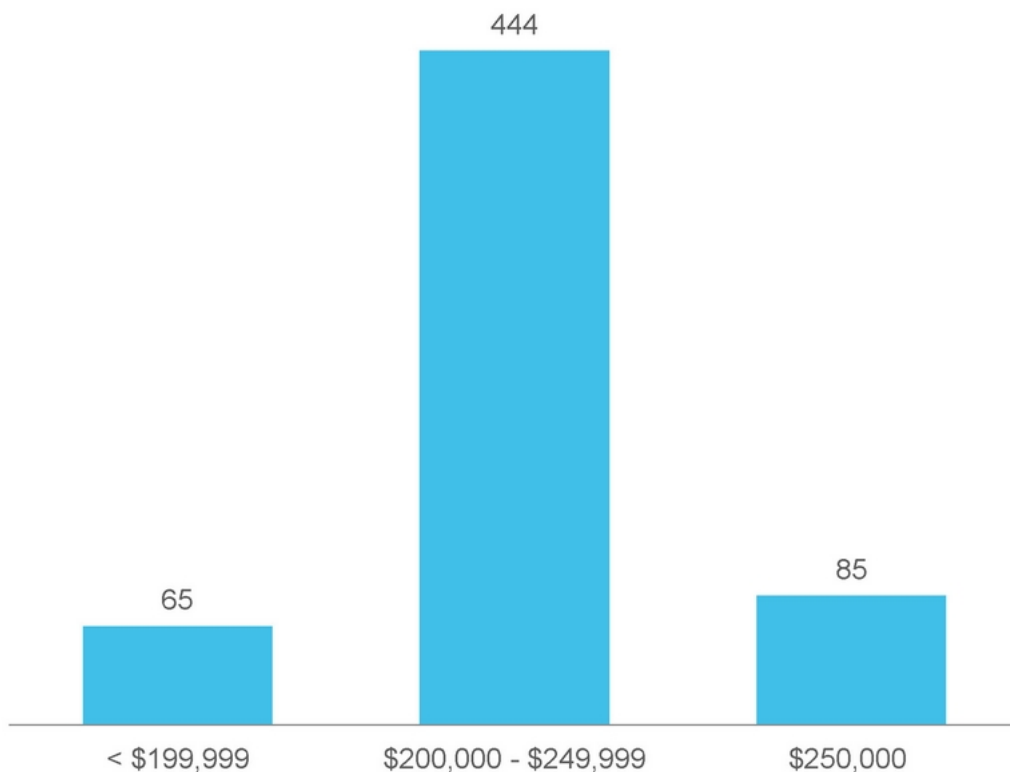


Source: Management.

# Strong Pricing Power

## Initial Distribution of Reservation Prices

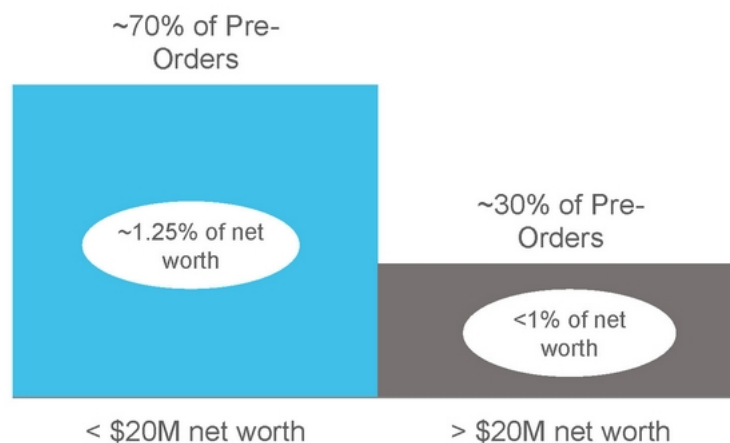
(# of Reservations by Price)



Source: Management.

## Proven Willingness to Pay

- Research has found that consumers are willing to spend 1.0% to 1.5% of net worth in a single discretionary purchase<sup>(1)</sup>
- Actual wealth distribution of Virgin Galactic's reservations validate this research, and suggests upside potential<sup>(2)</sup>



- (1) Futron Corporation, "Space Tourism Market Study: Orbital Space Travel & Destinations with Suborbital Space Travel," October 2002. The Tauri Group, "Suborbital Reusable Vehicles: A 10 Year Forecast of Market Demand," 2012.
- (2) Per Management estimates.

# Grain Market





## Operational Model To Reduce Costs

*Over time, Virgin Galactic expects to have the ability to leverage technological advances to achieve lower costs and allow lower ticket prices*

Focus Areas	Drivers to Reduce Costs
Propulsion	<ul style="list-style-type: none"> <li>• High-rate production</li> <li>• Reusable hybrid casings</li> <li>• Liquid rocket motor</li> </ul>
Staff	<ul style="list-style-type: none"> <li>• Decreased per-flight inspections and maintenance through improvements in design and testing</li> </ul>
Vehicle build cost and lifetime	<ul style="list-style-type: none"> <li>• Manufacturing efficiencies</li> <li>• Improved higher-rate tooling</li> <li>• Extending vehicle lifetime via incremental upgrades, and potential use of an alternate carrier aircraft</li> </ul>



































