

SPACE TOURISM: VIRGIN GALACTIC RAISES ANOTHER \$400 MILLION



Space tourism company Virgin Galactic has raised \$300 million since the beginning of the year. It intends to issue shares to raise another \$400 million, according to a document released last week by the U.S. Securities and Exchange Commission (SEC).

The announcement was not well-received by investors as it would significantly decrease the value of existing shares. Virgin Galactic's market capitalization was only \$1.5 billion.

In electronic trading after Wall Street closed, the stock fell nearly 10%, bringing its loss to 6.83% in a one-day session. Virgin Galactic's space program has suffered several years of delays, including a 2014 accident that killed a pilot.

Launch this summer

Then, after the space flight that transported its founder, the British Richard Branson, in July 2021, the company announced a pause dedicated to improving its spacecraft. This took much longer than initially planned. In late May, a Virgin Galactic spacecraft reached space for the first time in nearly two years in a final test before commercial operations began.

Two commercial flights are currently scheduled, one for June 29 and another for August, to establish a monthly schedule in the future. Passengers are offered the opportunity to experience a few minutes in space before returning to Earth, at a \$450,000 fee.

According to the SEC filing, the California-based company plans to use the funds raised "to expand its fleet and infrastructure to increase its commercial flight capabilities," as well as to strengthen its financial reserves.

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