



SHAREHOLDER UPDATE

Q1 2025 PROGRESS

Reporting from Starfighters Space headquarters at NASA's Kennedy Space Center in Florida:

As CEO of Starfighters Space, Inc. ("Starfighters" or the "Company"), I wanted to personally convey to you, our valued shareholders, a review of the Company's Q1 2025 (three months ended March 31, 2025) activities. But first, I must emphasize that the team and I are not only excited about all we've achieved thus far, but the direction in which the Company is heading.



Rick Svetkoff, CEO

Starfighters remains committed to advancing our air-launch technologies and supporting the evolving needs of both the aerospace and defense sectors. With ongoing developments in our StarLaunch program and a strategic position within the growing hypersonic landscape, we believe we're poised for continued growth and innovation across 2025 and well beyond.

As always, the team and I are incredibly grateful for your ongoing support, and I remain confident that the road ahead holds exciting opportunities for all of us. Together with all of you, we're building something truly exceptional.

Before we dive into a review of Starfighters' first quarter activities...

As a way of expressing our ongoing appreciation for all of you, we are committed to keeping you well informed. Accordingly, on June 4, we provided the **Starfighters Space Q1 2025 Business Review and Management Discussion Webinar**, hosted by Equifund's CEO, Jordon Gillissie. If you were unable to attend, please be sure to watch the replay by clicking the image below:



Just in case you missed it, we offered our first Management Interview earlier this year on January 29, 2025 in which we discussed:

- How Starfighters got started and our truly unique abilities
- The opportunity we see in small satellite launch services
- How our flight-ready Lockheed F-104 Starfighter supersonic aircraft can tap into the growing small satellite launch industry, plus
- More details about aerospace and defense, national security, China and Russia.

[To review this Management Interview, click here.](#)

Moving on to our Q1 2025 Review, and among all Starfighters' activities, our people play a vitally important role. This begins with bolstering our leadership team...

STRENGTHENING STARFIGHTERS' LEADERSHIP TEAM

In the Company's March 26th press release, we announced that Michael "Smitty" Smith, a seasoned military and commercial pilot, joined the Starfighters team. With 30 plus years of professional experience, Mike brings extensive operational and technical knowledge to Starfighters' mission.

Smitty's addition reinforces the Company's deepening role as a platform partner for next-generation flight systems and underlines our commitment to operational excellence in support of national security and commercial innovation.

As CEO Rick Svetkoff said,

“With the national focus on both hypersonic research and rapid satellite launch capability, Starfighters is in a unique position to engage on both fronts. We believe Smitty's expertise and strong leadership will only strengthen our ability to meet operational goals and deepen key relationships, while delivering greater results for our customers and shareholders alike.”

To review the entire press release [click on this link](#).

Speaking of hypersonic research...

STARFIGHTERS IN HYPERSONIC R&D

As you may recall, Starfighters proudly has partnered with the U.S. Air Force Research Lab to develop and test hypersonic rockets critical to the nation's defense. The Company is also seeing not only a rising call for the U.S. to continue its hypersonic research and development but also increased investments in the field.

As laid out by the Congressional Research Service and published in April by [USNI News](#), the U.S. Naval Institute's online news and analysis portal, hypersonic research and development

funding has been somewhat restrained in the past. But today, the Pentagon and Congress have shown greater interest in not only R&D of hypersonic, but its nearer-term deployment. Compelling much of this are the advancements made by both Russia and China, which have a number of hypersonic weapons programs and are believed to have likely fielded operational hypersonic glide vehicles.

Referencing the nation's hypersonic development, and quoting a [March 6 issue of Space News](#),

Success [of developing these hypersonic] requires expanding the nation's ground and flight test infrastructure to enable accelerated learning, advancing modeling and simulation tools, strengthening the science and technology base and developing the necessary workforce.

In step with this, the [U.S. Department of Defense's FY2025 budget request](#) includes \$6.9 billion for hypersonic weapons research, up from \$4.7 billion in FY2023. This represents an almost 1.5x boost in funding, which underscores the growing importance of hypersonic capabilities, aligning with Starfighters' focus on supporting hypersonic testing and development.

Turning to updates on StarLaunch...

ENGINEERING MILESTONES AND TEST PREPARATIONS

On January 9, Starfighters announced its partnership with Innoveering, LLC, a subsidiary of GE Aerospace. This cooperative work marked a significant step forward in our space launch program with the development and manufacture of our StarLaunch I test articles.

CEO Rick Svetkoff noted,

“Partnering with Innoveering brings the expertise we need to deliver on our vision for reliable, cost-effective launch vehicles. Their deep knowledge in advanced aerospace propulsion systems and high-speed dynamics strengthens our ability to meet technical challenges through steady progress toward our operational capability.”

To review the related press release, [click on this link](#).

About two months later, on March 4, Starfighters proudly reported that we completed the external surface (outer skin) engineering of our StarLaunch I test article in partnership with GE Aerospace's Innoveering division.

This meant that the simulation testing of the StarLaunch design could begin, providing insights into aerodynamics, stability, and control in simulated flight environments. These tests will validate the engineering approach before manufacturing, ensuring efficient integration with Starfighters' existing systems.

The Company is on track for flight testing underwing as early as this summer (H2 2025). Subject to securing requisite regulatory approvals and adequate funding, Starfighters now targets our first commercial launch by year-end 2025.

To review the related press releases, [click on this link](#).

Next up, the latest on the Starfighters' expanding fleet...

OUR FLEET EXPANSION AND OPERATIONAL ENHANCEMENTS

Starfighters continues to operate the world's only commercial fleet of flight-ready Lockheed F-104 Starfighter supersonic aircraft. These aircraft serve as first-stage platforms, carrying payloads up to 45,000 feet for air-launch missions.

As we look toward the future and seeing today's launch market demand not only grow, but shift toward smaller satellites, the Company has identified an opportunity to expand its fleet through the acquisition of Platform II Aircraft. Management is in negotiations to acquire such aircraft and support materials.

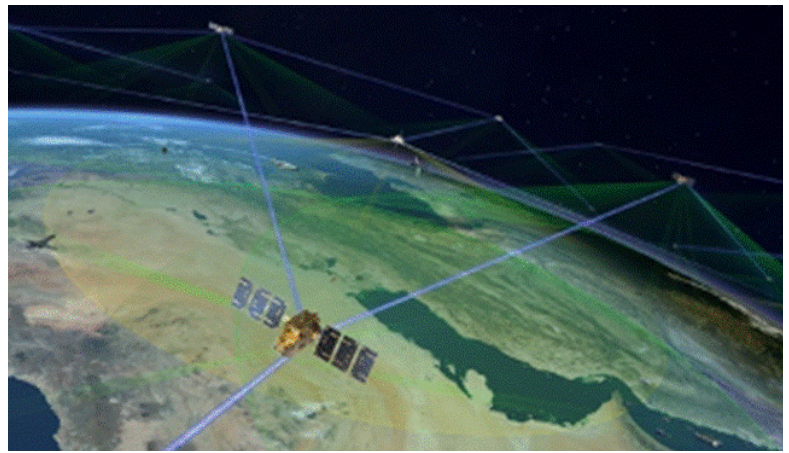


Source: Starfighters Space

GROWTH IN SMALL LAUNCH MARKETS

Looking more closely at the launch market, last year alone, there were [259 orbital launch attempts](#) made - up 17% from 2023. This meant that on average, there was a launch [once every 34 hours](#). Added to that, the increase in military spacecraft launches was up a whopping 86% year-over-year from 2023 to 2024.

While launch cadence has been growing and is expected to continue at a stiff rate, the increase in demand for not only small, but also nano craft is on the rise. According to a [February NASA report](#), this demand is such that “expanding future capabilities of small satellites will demand dedicated launchers.” The report went on to discuss that of the 2,938 total spacecraft launched in 2023 alone, 68% had a mass of under 600 kg and 27% weighed under 200 kg mass - a 17% increase in total spacecraft launches over 2022. This growth was partially due to the emergence of next-generation SmallSat and CubeSat constellations and the overall presence of spacecraft in low-Earth orbit.



Source: Space News, June 2024

Research released in January from [Research and Markets](#) indicates that increasing demand for launch cadence of small satellites “represents a dynamic and rapidly growing segment poised to reshape the space industry,” and spans civil, commercial, and defense markets.

Much of the growth is attributed to the increasing demand for internet and mobile services. As well, there’s a growing market for small satellites dedicated to Earth observation and other surveillance purposes, as well as commercial purposes, which includes weather forecasting, gathering high-resolution imagery for environmental monitoring and navigation.

In defense, and in order to boost its resilient networks, the U.S. Space Force (USSF) alone is expected to add [100+ satellites](#) into orbit this year - nearly doubling the previously

known number of USSF spacecraft. Addressing this growth at a Center for Strategic and International Studies event, Major General Gregory Gagnon, Deputy Chief of Space Operations for Intelligence, was quoted in a [March issue of Air and Space Forces magazine](#),

[This] is to add resilient capabilities for our winning capabilities, missile warning and missile track, secure communications for the Force, and, of course, reconnaissance and sensing that allows us to close long-range fires on a scale that no other country can really do. Gaining cyber and space superiority over your adversaries is an early objective in ground campaigns, and I think that will play out as we move forward later into the 21st century with additional conflict.

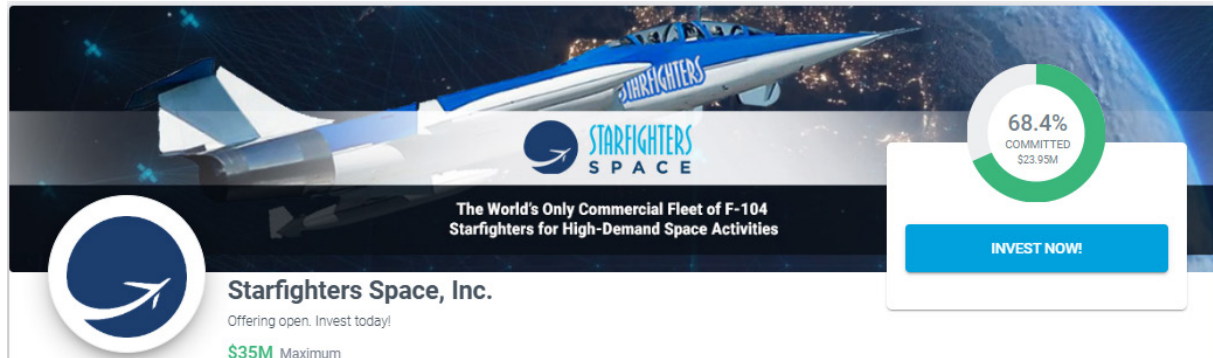
This was after a [June 5, 2024 Space News article](#) which discussed that the Space Force was “taking cues” from its Space Development Agency in “rethinking its future satellite architecture.” The military’s push is to “go small,” following decades of the Pentagon having to deal with the replacement of very large, monolithic satellites to smaller, more agile craft. In a concept known as “satellite disaggregation,” it’s believed that distributed systems are more resilient against attacks and allow for more frequent technology upgrades.

This includes the Space Force’s “plans to augment or replace the Defense Department’s backbone systems like protected communications, weather monitoring, and even the GPS, with clusters of smaller vehicles.” As pointed out by Cordell DeLaPena, program executive officer for military communications, positioning, navigation, and timing at the Space Force’s Space Systems Command, this push for change is being fueled by lower launch costs, more capable small satellites, and other advances spearheaded by the private sector.

Perhaps needless to say, Starfighters is very encouraged by the growing demand for small satellite launch cadence, and we believe Starfighters will be well positioned to benefit from this growth across the civil, commercial, and defense markets.

More great news on Starfighters’ Funding...

FINANCIAL DEVELOPMENTS



As of Q1 2025, Starfighters’ Regulation A Tier 2 offering brought in a total of about \$18 million in gross proceeds. But as of June 2, 2025, Starfighters’ Regulation A Tier 2 offering brought in total commitments of over \$23 million. The use of funds is as allocated in the “Use of Funds” section of the offering circular, as supplement from time to time, forming part of our Form 1-A offering statement, and includes research and development, asset improvements, pilot training, and general corporate purposes.

In light of this, and on behalf of the entire Starfighters team, I wanted to again express our appreciation for each and every one of you, our shareholders. We couldn’t have achieved all of what we have, whether in Q1 this year, or earlier in 2024. You play a very real and one of the most vital roles in the Starfighters mission. Thank you.

Respectfully,



Rick Svetkoff
President, CEO & Executive Chairman
Starfighters Space, Inc.

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PS: Please remember that we make frequent updates on our website, not only about Starfighters, but including news in and around the aerospace and defense industries. I encourage you to visit often: starfightersspace.com.

Sources

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Space News, June 5, 2024: <https://spacenews.com/the-satellite-breakup-militarys-push-to-go-small/>

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