

Report Date: 5/11/2026
Company: York Space Systems Inc.
Ticker: YSS
Industry: Space
Stock Price (USD): \$34.79
Market Cap (USD, Billions): \$4.44



YSS: Lost In Space — The Pentagon Just Killed 96% of York’s Revenue

- We are short York Space Systems Inc. (“York”) as 96% of 2025 revenue¹ came from selling satellites to one customer: the Pentagon’s Space Development Agency (SDA), and that customer is being eliminated. York’s IPO was predicated on the idea that they would continue to experience explosive growth as the “*incumbent*” provider for the SDA’s Transport Layer program.² In late April, the Pentagon announced it had wiped out future funding for the SDA’s Tranche 3 Transport Layer and is dissolving the SDA itself for good measure, effectively gutting the program upon which York based its growth thesis in its January IPO.³ This is not a freeze, nor a hiccup. The program York relied on is being replaced by a program built around SpaceX as the sole-source provider.¹ We spoke with multiple former employees who were highly critical of York and heard claims that York deceived the SDA with false advertising to win its contracts, cut corners, and delivered satellites whose mission-critical-software was not completed.⁴ Given this context, we believe the Pentagon’s decision to eliminate Tranche 3 Transport Layer (“Tranche 3”)⁵ was rooted in severe disappointment in York.⁶
- The Pentagon has opted to replace the SDA’s Transport Layer program with the Space Data Network (SDN). Bulls might argue vendors of the SDA Transport Layer program, like York, can switch over to the SDN; however, the truth is buried in the Pentagon’s dense, so-called “J-Books.” These documents, which are dense but include rich detail on the Pentagon’s spending plans, were made public April 28th and indicate SpaceX is the incumbent provider for the SDN backbone, with Starshield named explicitly in the FY 2027 budget and no competitive solicitation for a second backbone satellite vendor.⁷
- York’s CEO denied the Transport Layer was being effectively terminated after their latest earnings call⁸ before the Pentagon officially made its position known. But what will he say on the May 14th call now that the funding for Tranche 3 has moved to a sole-sourced program where SpaceX is the incumbent? We believe retail investors who bought York as a play on a SpaceX IPO will experience a massive rug-pull.⁹ As one former said, “*I’m waiting for [York] to implode.*”
- York has relied upon the SDA for over 90% of its revenue annually.¹⁰ York’s major program with the SDA is selling Transport Layer satellites to the SDA’s Proliferated Warfighter Space Architecture (PWSA) program. York claims to be the largest awardee by satellite volume for Tranches 0, 1, and 2.¹¹ Each tranche has scaled larger, driving York’s 52% YoY revenue growth.¹² York’s future growth prospects depend on being awarded a share of the SDA’s next tranche for this program: Tranche 3. But the Pentagon has terminated funding for Tranche 3, zeroing out York’s future opportunities.

¹ See Appendix A and discussion of Government “J-Books”

- Unsurprisingly, York appears eager to change the subject. The company recently acquired satcom terminal manufacturer, All.Space, in a \$355 million deal.¹³ York's largest shareholder, AE Industrial Partners, will benefit significantly from this cash transfer (they are also coincidentally a holder of All.Space).¹⁴ With the SDA now toast, we think investors can expect billions in dilution since we believe York will try to go on a major acquisition spree to replace its lost revenues.
- York's management has ramped up the promotion after the Pentagon officially gutted Tranche 3. On May 6th, York sent the market running with what appeared to be a recycled press release claiming it had won two IDIQ awards. IDIQ awards are an invitation to *compete* for federal contracts, which explains why they didn't provide any figures in their PR. In their March earnings call, management had already talked about getting two IDIQ awards and promised more details.¹⁵ IDIQ awards are typically pretty meaningless; York is one of over 2,400 vendors awarded an IDIQ for the SHIELD program and the STEP 2.0 IDIQ program management previously touted has twelve recipients and would give each awardee less than \$2 million per year over the 10-year life of the program if distributed evenly.¹⁶
- With York's future revenue stream, Tranche 3, gone, the company is left to work with a declining backlog of work from the SDA on earlier tranches, Tranche 1 and Tranche 2. York claimed it would recognize ~\$400 million of its \$543 million backlog this year.¹⁷ With no new revenue from the SDA, an outcome management appears to have been banking on when it offered revenue guidance on the company's Q4 earnings call, our analysis shows York will miss its organic revenue forecast by ~30% in FY 2026¹⁸ and could subject investors to a dilution spiral to stay in business in 2027. The hour is late for York to find a replacement customer for the SDA, and we don't think the company's sponsorship of the Colorado Rockies' jersey patch will save them.¹⁹ York's attempts to branch out into the commercial space sector have failed to generate substantial revenue, earning less than \$15 million annually.²⁰ York announced earlier this year that it had supposedly finalized a \$187 million commercial contract; however, the customer's identity remains undisclosed and management admitted the deal would not bring material revenue this year.²¹
- After speaking with former employees, we believe that York may be responsible for the Pentagon's eagerness to cut Tranche 3 of the Transport Layer. We were told explicitly by one former employee that York's main pitch to customers and investors—that they operate on a modular platform—was false advertising: "*the reason they have gotten the tranches that they did is because of **false advertising** about having a platform that's ready to go and just needs to be pulled off the shelf.*"² They went on to say, "*This understanding of a mature platform, that just doesn't exist.*" Multiple former employees told us that York was making satellites to order, which in our view, is a significant departure from management's hype around modularity.²²

² All transcripts of our conversations with former employees and experts have been lightly edited for clarity and have been transcribed using AI. For additional context, including differences of opinion and characterization among former employees, see endnotes.

- We were told by a former employee that York would not let their engineers talk to customers;²³ instead, we were told York would make changes to the satellites without notifying customers and “say anything” to placate the customer.²⁴ When we asked one former employee if they had a view on rumors we saw that York had misled the government to secure contracts, their response was emphatic:

Former Employee: Absolutely, I mean as long as it pacifies the customer... like the program managers there would say anything and not check back with the engineers at all.

Wolfpack Analyst: Oh, that’s a problem.

Former Employee: It was a huge problem. I mean, there were red flags ever since I was doing interview processes to, you know, the entire time I was there. Um, just red flag after red flag, and I didn’t want to be a part of something that, like, is lying to the customer about something that is so important to national security.

- Two former software engineers told us **the company sent satellites into space without even knowing if the software was fit to accomplish its basic mission**, so it did not fall behind on launch schedules.²⁵ As a former employee told us, of York’s satellites “*They all have problems in flight.*” The problems with the software apparently became glaring post-launch and we were told that the SDA has been “*pretty unhappy.*” These problems have since been confirmed, as it was reported in March that the satellites launched as part of Tranche 1 are “*three months behind*” and there has been a “*strategic pause*” on further launches until May/June 2026.²⁶
- Another former employee told us that York would cut corners and use unqualified people, like office administrators and accountants to build parts and perform tests.²⁷ The result? A former employee told us that York’s satellites were “*figuratively held together by Band-Aids*” and were “*low quality.*”²⁸ We believe York’s extensive shortcomings, as outlined by these former employees, will make it almost impossible to replace the SDA’s Tranche 3 Transport Layer. As one former employee stated, “*all their eggs are in the SDA basket*” and that basket is irretrievably broken.
- We have also discovered huge red flags concerning management. York’s CEO apparently never lets anyone except for the C-suite and customers use the front door, forcing the employees to use a fire escape like entrance in the back. The CEO purportedly has his own office floor equipped with a private elevator and restroom where access is restricted to a handful of executives. We learned from a former employee that the CEO used his favorite interior designer to paint the entire office black.²⁹ A former employee explained the seriousness of the all-black office scheme, telling us “*We couldn’t get a whiteboard for the longest time because it was white.*” We earn our living researching management teams. We have never heard of a CEO acting like such a cartoonish egomaniac.

- During our due diligence, we uncovered several major red flags concerning York’s accounting. Multiple former employees told us York only had one finance person besides the CFO who could see and approve costs and pricing. As one former employee put it, *“It’s a huge mystery to most employees how the business is doing and what things cost, which is just wild to me.”* This former explained that at other companies, it was commonplace for program managers to take care of cost and negotiating. Another former employee expressed that this created a massive bottleneck for the company, *“The CFO is constantly getting overwhelmed, and now it takes two weeks to do something that should really be done in an hour [on a purchase].”*
- Intrigued by the opaque nature of York’s financial operations, we asked a former employee if we could rely on the CFO to correctly recognize costs, their response: *“I can unofficially guarantee you they do not”* categorizing our assumption as *“a dangerous hope.”* York recognizes revenues as costs are incurred to fulfill its contracts,³⁰ so a lack of reliability in cost recognition could have a material impact on all their reported figures. Why is York so closely guarded, even internally, with its project costs? Like nearly everything else for York, we believe it is a *“dangerous hope”* that its financials will survive scrutiny.

The Pentagon Just Killed York's Only Real Customer Accounting For 96% Of Sales.

York’s business model has relied on a single customer, the Space Development Agency (SDA), for *“substantially all”* of its revenues and backlog.³¹ York proudly claims it is the *“number one provider”* for the SDA’s PWSA Transport Layer program, citing that 96% of York’s FY2025 revenue came from the SDA.³² While York fails to disclose the exact percentage of revenue from the SDA’s PWSA Transport Layer program, we believe it accounts for virtually all their business with the SDA.

York has continued to deliver more “Transport Layer” satellites, winning awards in all three existing tranches: Tranches 0, 1, and 2. York bragged that *“with the lowest cost per satellite of any provider, they were the “incumbent”* and had been assigned more payloads than any other vendor.

York’s business was expected to continue to scale in Tranche 3 (T3) and Tranche 4 (T4), with sell-side analysts eagerly forecasting ~47% year-over-year sales growth. Revenue guidance by management appeared to bake in York winning Tranche 3; estimating the tranche win would drive ~\$170 million in revenue this year alone.³³

Unfortunately for York, Pentagon budget documents show Tranche 3 has gone unfunded (See Appendix A). There’s no more money for York to win. The SDA program York relied upon to build their business and historically drove more than 90% of revenue has been kicked to the curb by the Pentagon. In our opinion, York has potentially set up shareholders for a rug pull by opting to IPO just months prior to this announcement.³⁴

In our opinion, this is not a blip for York but rather a fatal heart attack. And York has known since before April 2025 that the Pentagon has wanted to kill Tranche 3 against the wishes of Congress. In March 2025, a Senator raised concern that the Pentagon was attempting to replace the SDA Transport Layer with MILNET, a program that would use just one vendor: SpaceX.³⁵ The Pentagon initially provided no money for Tranche 3 of the Transport Layer, but Congress tried to award \$500 million to Tranche 3 late in 2025, seemingly securing the future of the program.

In response, the Pentagon killed Tranche 3 of the Transport Layer and announced it was eliminating the SDA as a standalone agency for good measure. Now the Pentagon has created a new program, called the Space Data Network (SDN), under an existing agency which will receive the funds Congress had initially earmarked for Tranche 3.

*The Transport Layer for Tranche 3 is not funded. Those requirements are going to be rolled into requirements being filled by the SDN backbone.*³⁶

The SDN has a significant budget, but SpaceX is currently its sole provider. The Trump administration's defense budget for FY 2027, made public April 28th, explicitly names SpaceX's Starshield as the platform delivering proliferated Low Earth Orbit capabilities.

The Pentagon has paid lip service to adding a second vendor,³⁷ perhaps to ease the concerns of Congress, but as it stands today, SpaceX is the incumbent and the solicitation [materials](#) for the SDN specify that “*The Government intends to make a single award from this [solicitation].*” Our research indicates that the Pentagon has not made any firm commitments as to when any other vendors might be added.

One former employee pointed out the simple logic of going with SpaceX as the sole-source, they have already figured it out: “*Elon's already done that and launched— he's already launching secret satellites. So he's already done it.*”

It is clear to us that the Pentagon does not want to use York. If there is to be a second vendor, we do not believe it will be York. After all, York was already the primary provider for the program that they just axed.

We will point out that the Pentagon did not axe the Tranche 3 Tracking Layer, only the Tranche 3 Transport Layer. In December 2025, the Pentagon awarded \$3.5 billion to four different providers for the Tranche 3 Tracking Layer.³⁸ The catch is that York is not involved in this Tracking Layer whatsoever. Who were the winners? Lockheed Martin, Northrop Grumman, L3 Harris, and Rocket Lab.

Former Employees Reveal York Did Not Complete Its Mission-Critical-Software Prior to Launch

While we will reveal numerous claims made by former employees, the most devastating, in our view, is that York's satellites simply did not function as expected because the company did not finish developing the software for these satellites before launching them.

A former employee told us that *all* the satellites have had problems in flight due to incomplete software:

*No, I mean, they **all have problems in flight**, and a lot of it is relying on, especially software, software is never really fully developed before they're launched. And so there's a lot of debugging that happens while they're in orbit, **which means that the customer does not get the science that they asked for** from the payload because [York is] still working through kinks.*

A former software engineer corroborated this; explaining that **York would wait to fully develop the spacecraft's software until orbit** because the company was so behind schedule.

We were way behind schedule in terms of a lot of the mission functionality. So, then we planned over on-air updates while it was on orbit as we fleshed out, you know, some of those requirements and details of how the mission was really going to work.

In our view, York's apparent strategy of delivering satellites that lack "mission functionality" just to ensure they don't miss their launch date isn't exactly a great strategy for repeat business. One former employee we spoke to explained the risk of launching unprepared spacecraft with the SDA:

I don't think it presents as big of a risk of, like, losing the spacecraft. It just presents a risk of, like, pissing off the customer. So, they're like, you've been up there for a long time. What are you doing?

While the SDA and the Pentagon may not have been fully aware of York's deficiencies initially, we suspect they are certainly aware now that the T1 Transport satellites have been launched. With only 1/3 of the Transport Layer satellites launched, the program is having to do a "strategic pause" while already 3 months behind schedule.³⁹ We learned from one former employee that York had to update each program individually when it found bugs, instead of being able to update them all at once. This sheds additional light on the SDA's decision to delay T1 Transport so that fixes and patches can be made now, while they are on the ground, instead of in orbit post-launch.

Why are there so many problems? A former manufacturing employee told us that employees became more aggressive when building Tranche 1 as deadlines loomed, stating:

If they could find the smallest level of test that would give them an indication it was okay, they would run with it...it's just cutting that little extra corner to save 20 or 30 minutes when it could result in another 2 hours of rework because they didn't fully test something.

York Allegedly Won Its SDA Contract by Claiming to Have a Modular Design, But Former Employees Claim Satellites Were “Made to Order”

York unequivocally states that its competitive edge is due to its modular design that supposedly enables them to make “high-performance” satellites faster and cheaper than the competition:⁴⁰

At the heart of York's model is our modular satellite spacecraft architecture — engineered for scalability, rapid production, and mission flexibility across commercial, civil, and defense applications. By combining proprietary designs with a streamlined manufacturing process, York delivers high-performance satellites faster and more cost-effectively than traditional and emerging aerospace players.

This pitch apparently won over the SDA, but was it true? Former employees revealed to us that the truth is that York’s satellites were made to order. As one said:

*[York has] this sort of misnomer about having a stock of platforms available. **Everything is made to order**, even though they're kind of like this idea of, hey, you know, we have all these platforms, [and] all we need to do is get your payload, we'll integrate it, it'll be done, we're like 90% there. **There are no platforms that are just hanging out ready to go**, and everything is frantic.*

This former employee later reiterated that York had deceived the SDA into believing York had an advanced modular platform when that wasn’t the case; explaining the SDA had “*this understanding of a mature platform that just doesn't exist.*”

Another former employee corroborated that the SDA satellites were built to order but said that since the SDA was purchasing many satellites, that once York built one, they could duplicate the process and bring down costs.⁴¹ In our view, this is economies of scale, not a modular design.

I think they got an award for 42 contracts or 42 satellites. So, the model of the bus wasn't going to change much, right? But they would have to take that first payload in and do all the integration and planning of the payload. Once you have that and it's locked in and it works, then you can cookie cutter from there and spread that cost down. There were some problems. I mean, everybody was late to schedule, and there were definitely quality issues on the very first launch. And SDA was not particularly happy with that.

This is not the same thing as having a mature streamlined modular platform, it’s economies of scale. How is this an advantage over Lockheed Martin, Northrop Grumman, Rocket Lab, or SpaceX? One former employee did not mince words, calling it “*false advertising*” and opining that it would cost them contracts going forward.

*You know, this is a nightmare...And I don't think that they'll get the next tranche. **I think the reason that they have gotten the tranches that they did is because of that false advertising about having a platform that's ready to go and like just needs to be pulled off the shelf.***”

While the Pentagon has not specified the reasons for their move to halt Tranche 3 funding and destroy the SDA, we suspect it may have been due to York's failure to live up to their own hype.

Former Employee: York's Low Quality Cheap Satellites Are "Held Together by Band-Aids" and Are Being Built by Unqualified People

We do not usually take stock in reviews posted to Glassdoor, but when an employee at a satellite company alleges that they are held together with "duct tape," we believe that is a claim worth investigating.

Cons

Some insights working at the Denver office: CEO does not allow people to enter the front door of the building besides him and customers. He has his own elevator to his office and his own restroom which leaves the working people to fight over one restroom. That's weird. Mentally unstable and or insecure much? CEO is getting rid of remote workers while the people that kiss the ring get to work from home. He has stated that he just wants to sell the company and that people are replaceable. Projects and capabilities are put together with duct tape and shoestrings and not legit. No career progression. You are working with the SDA for God sakes, show some love for America.

Advice to Management

Remove the CEO and replace with someone that doesn't want to rip off the US government and is for America.

Source: [Glassdoor](#)

A former York employee confirmed the gist of this claim and provided a vivid example of the company using zip ties to keep the satellites together.

*I mean that like everything has a temporary solution, and in some cases, yes. I mean, these spacecrafts are only designed to [last], I think, maybe 5 years... Some of the, you know, Band-Aids are **let's just zip tie it together for right now** and Maybe later we'll do analysis to show that the zip tie is okay, but maybe not because the zip tie is pretty strong. **Like, that's literally the level that you're dealing with***

We choose to believe that "zip ties" here is just an unflattering metaphor for shoddy work and subpar fixes and that the satellites are not *literally* held together by zip ties in orbit. This assertion of a lack of quality was corroborated by another former employee who told us that temporary subpar methods using the same zip tie metaphor.

*"I mean, the other issue too is that even if someone was doing that, I guarantee you the tech or the engineer, whoever was doing it, got the approval from, from their people, right...Most of the time it's the higher up or the next higher up that's pushing for that zip tie repair, so to speak. **But yes, I would say there was definitely sometimes where something subpar or something that would not have flown at another facility was used as a flight—flight-like component.**"*

A former employee informed us that York's obsession with spending as little money as possible made it so that every time they ran into an issue, they would slap on some kind of Band-Aid solution and push on without addressing the underlying design or engineering problem. In the opinion of this former employee, this led to a very low-quality satellite.

*I was told to Band-Aid everything that I can. And I pushed back and I said, well, Band-Aids, that's like the worst way to do this. You know, let's like get to the root of the problem and like set up a way to like make sure this doesn't happen again or make sure we're doing the right thing. And you know, work with the people involved. And it's no, you need to go in there and like fix it yourself, put a Band-Aid on it, we'll deal with it later, with everything. And so **these spacecrafts are... figuratively held together by Band-Aids. And so quality is low, morale is low.***

Another employee explained that management would gloss over internal concerns raised at York regarding problems with the spacecraft, effectively telling employees to move on and keep their heads down:

An issue will pop up in a chat, uh, late at night, and then let's say we come back in the next day and suddenly it's no longer an issue and no one's concerned about it. Right? That popped up for a reason. There should be an investigation regardless of that, but because upper management is not interested in going back and confirming that it's not an issue, we move on and we're told to, you know, just keep your head down.

One of the more surprising things we heard from multiple employees was that York had resorted to having untrained personnel, including accountants and administrators physically building the satellites.

[O]ne of the weirdest things I realized was that they have this mentality of no matter who you are, if there's an urgency, you are doing something to build that vehicle... we even had people in accounting building things, and it's just like, that is not appropriate, and they are not trained appropriately to do that.

At York, Two People Approve Every Cost in the Company — Including the 10-Cent Washers

We learned from former employees that York only allows one person in its finance department access to costs, cost approvals, and pricing outside of the CFO. For a company with 710 full-time employees,⁴² we find this to be a bizarre practice and deserving of scrutiny. As a former employee explained to us:

*No one in the company was allowed to do costing or understand prices or costing, minus one person who was the CFO. Nobody else could see numbers to do costs, and everything had to be approved from him that was any amount of money. **You might buy a 10-cent washer and he has to approve it.** And so, it's a huge bottleneck, and it's a huge mystery to most employees how the business is doing and what things cost, which is just wild to me.*

Another former manager corroborated this by explaining that they were attempting to bring some order and process to their scheduling and workflow and that they had no insight into the costs they were dealing with for the project:

But when I was going for cost, it was difficult to get anything. So, we had, you know, here's what we agreed to in the contract. So that's our cost target. But there wasn't any clear cost data available for me to build out that side.

The former manager succinctly explained the problem: *I couldn't tell you, with accuracy, where the cost was at any given moment in that production.*”

You do not need to be an expert in accounting to understand that keeping all the costs of the business secret from the people who work there can create severe operational challenges. A former manager we spoke with pointed out that decisions that should have taken less than an hour could be delayed by weeks because the CFO was overwhelmed.

[I]f you keep that really high level for very simple small level buys, then that, you know, that CFO is constantly getting overwhelmed. And now it takes, you know, 2 weeks to do something that really should be done in an hour on a buy. So that becomes problematic.

York's management states blandly that its internal controls over financial reporting have a material weakness, specifically in “*identifying the correct measure of progress related to our over-time revenue recognition.*”

This warning makes a lot of sense when you see that York's revenues are recognized as costs are incurred, and that York uses a lot of assumptions and estimates to calculate these costs.⁴³ If only two people at this enormous company are responsible for all the costs, then how could they possibly be accurate?

A former employee we spoke to opined that it was “*a dangerous hope*” that the company's CFO or someone on York's finance team was properly capturing and accurately reflecting the company's costs (and therefore revenues as well); stating they could “*unofficially guarantee you that they do not.*”

What is there to prevent management from purposefully or inadvertently presenting incorrect revenues by overestimating its progress or underestimating its costs on its satellites? Nothing. That doesn't mean it has happened, or will happen, but we believe York is at risk of a massive revenue restatement.

Conclusion: York Space Systems – A Splintering Startup Held Together by Zip Ties

York IPO'd in January selling retail on the idea that it was the SDA's "incumbent." Three months later, the Pentagon killed and replaced the SDA program that York built its future around. We think York knew this could happen. We think the satellites were never as good as advertised. And we think the company's creepy “all-black-office” CEO and his utterly inadequate internal controls aren't going to conjure up a replacement customer before insiders start puking shares.

Appendix A

The Pentagon’s “J-Books” for the Air Force Make It Clear that Tranche 3 Is Finished and the SDN Has Already Selected SpaceX to Be Its Sole-Source

The FY 2027 RDT&E J-Book confirms that Tranche 3 Transport Layer is unfunded for the second consecutive year. Some funding remains for the T0-T2 Transport Layer spending. Under PE 1206410SF, Project 643731 (Transport), the FY 2027 planned activities list Tranche 0, Tranche 1, and Tranche 2 only; the “Follow-on Tranche Activity” section contains a single sentence of generic study language with no named T3 acquisition milestones, no satellite quantities, and no vendor awards (FY 2027 RDT&E J-Book, Vol. 1, PDF pages 199, 212-213, Volume 1 – page 163, 175-176).

The J-Book also now explicitly reframes the Transport Layer as “an enclave within the Space Data Network (SDN)” rather than the backbone architecture it was originally designed to be (PDF page 214/Volume 1 - page 178).

Congressional Add: Warfighter Centric Capability
FY 2026 Plans: Funds support the PWSA, a proliferated constellation in Low Earth Orbit (pLEO) that combines advanced tracking sensors with a resilient data transport layer. As an enclave within the Space Data Network (SDN), the PWSA Transport Layer, is an integrated component with of the warfighting architecture. PWSA's integration with the SDN will improve the resiliency and survivability of network connectivity between the PWSA and our Warfighters. This resilient mesh network provides the essential tracking and tactical communications, such as Link-16, needed to conduct battle management and close the Joint Force's long-range kill chains, even in a contested environment. This investment allows integration of necessary upgrades to support key national priorities and ensure the seamless integration of this advanced nl FO mesh

The replacement architecture (SDN) is funded at massive scale and built around **commercial** platforms (Starshield). A completely revamped program for FY 27 alone of \$1.392B, called “Space Data Network - Space Link” line under PE 1203154SF (Long Range Kill Chains) funds “the adoption of a **commercially derived** Radio Frequency (RF) payload and prototypes for integration onto multiple planes of space vehicles” to be “integrated into, and complementary to, the SDN-B [SDN Backbone],” with a note on the page following the funding table stating, “This funding was intended to be aligned to **PE 1203636SF**” — the dedicated SDN budget line (FY 2027 RDT&E J-Book, PDF page 756-757/Volume 1 - page 720-721).

Exhibit R-2A, RDT&E Project Justification: PB 2027 Air Force										Date: April 2026		
Appropriation/Budget Activity					R-1 Program Element (Number/Name)				Project (Number/Name)			
3620F / 7					PE 1203154SF / Long Range Kill Chains				676602 / Space Based Interceptor			
COST (\$ in Millions)	Prior Years	FY 2025	FY 2026	FY 2027 Base	FY 2027 OOC	FY 2027 Total	FY 2028	FY 2029	FY 2030	FY 2031	Cost To Complete	Total Cost
676602: Space Based Interceptor	0.000	0.000	0.000	1,392.026	0.000	1,392.026	1,398.627	906.723	462.770	461.822	Continuing	Continuing
Quantity of RDT&E Articles	-	-	-	-	-	-	-	-	-	-	-	-
A. Mission Description and Budget Item Justification												
This program continues funding for Space Data Network (SDN) in support of United States Space Force (USSF) Space Based Interceptors (SBI), the effort to develop a space-based weapon system to counter-Intercontinental Ballistic Missiles (ICBM) and Counter-hypersonic glide vehicles (HGV).												
In coordination with Army, Air Force, USNORTHCOM, and USSPACECOM, this funding will support the adoption of a commercially derived Radio Frequency (RF) payload and prototypes for integration onto multiple planes of space vehicles, and launch of the space vehicles. This constellation will be integrated into, and complementary, to the SDN-B. In addition to supporting the SBI program, the Space Data Network - Space Link will augment existing Space Data Network - Backbone users.												
B. Accomplishments/Planned Programs (\$ in Millions)										FY 2025	FY 2026	FY 2027
Title: Space Data Network - Space Link										0.000	0.000	1,392.026

The SDN is already soliciting bids to build out its architecture, as can be seen on [SAM.gov](https://sam.gov). The April 30 CSO for the SDN's Mission Operations Center — the network management layer that controls data routing across the entire backbone — specifies a single award, meaning one company will control the SDN's orchestration layer.

4 Award Information

The Government intends to make a single award from this CSO. However, the Government may make no awards at its discretion, subject to changing requirements and the availability of funds. The period of performance (POP) for this project, inclusive of options, may be up to 5 years. The Government may also terminate work at any time if it no longer meets the needs of the Government.

It is clear in the **FY 2027 Space Force Procurement J-Book that the beneficiary of this funding is currently SpaceX.** Under the same MILSATCOM line item (**PE 1203601SF**) that has received the funding, SSC is “providing proliferated LEO capabilities to DoW and IC users using the **Starshield constellation,**” **procuring 10 Starshield ground entry terminals for “high bandwidth mil-Ka backhaul of Starshield data”** and 6 ground bounce terminals at “vulnerable OCONUS sites” for “continuous connectivity to CONUS based space operations centers” (FY 2027 Space Force Procurement J-Book, PDF page 98/Volume 1 - page 70):

PROLIFERATED LEO (pLEO) GROUND (SDN GEPs funding line): SSC, in partnership with other organizations, is providing proliferated LEO capabilities to DoW and IC users using the Starshield constellation. SSC will field ground entry terminals and ground bounce terminals as part of the resilient communications and redundant pathway for space-based data transport. SSC procured Starshield ground entry terminals will facilitate high bandwidth mil-Ka backhaul of Starshield data and represents 10 of the 18 terminals planned for Starshield. The 10 terminals enable site diversification and latency reduction of worldwide DoW and IC data transported by Starshield. Ground bounce terminals provide high bandwidth transfer of crucial data from co-located DoW satellite ground stations into the Starshield and Starlink constellations. These 6 sites will be established at vulnerable OCONUS sites and ensure continuous connectivity to CONUS based space operations centers.

*Funding for this exhibit is contained in Program Element (PE) **1203601SF** MILSATCOM TERMINALS*

The Auxiliary Payloads procurement line (AUX000) adds another \$241M in FY 2027 for 114 communication relay space vehicles carrying government S-Band payloads, ramping to \$526M in FY 2028 and totaling \$2.378B through completion (FY 2027 Space Force Procurement J-Book, PDF page 35/Volume 1 – page 7).

Taken together, the budget documents show the Pentagon spending zero on T3 Transport satellites while committing over \$1.6B in FY 2027 alone — and \$2.4B cumulatively on relays alone — to build an SDN backbone around commercially derived vehicles and SpaceX ground infrastructure. The SDN replacement is no longer a concept, but a straight up replacement with specifically named budget lines, procurement contracts, ground terminals under acquisition, and

a dedicated Portfolio Acquisition Executive. Most importantly, the SDN has an “incumbent” and it’s not York, it’s SpaceX. So T3 Transport is no longer paused, as it has been for more than a year. It has been replaced.

¹ York FY 2025 10-K, [p. 92](#)

² York FY 2025 10-K, [p. 7](#)

³ [Breaking Defense](#), “*Space Force shifts from SDA Transport Layer to new Space Data Network ‘backbone’*” Compare with York’s S-1 where the company specifically touted its “incumbent position” to win Tranche 3

We have demonstrated repeat wins through multi-vehicle awards, options, and frameworks that value mission assurance, cost transparency, and delivery velocity. Our performance history across PWSA Tranches 0, 1, and 2 as well as our successful launches with the SDA and NASA translate to strong references, faster award cycles, and growing share across defense, civil, and commercial segments. For example, our space vehicles have participated in multiple military exercises.

- [Space Defense Agency](#): We were a prime awardee on SDA contracts across Tranches 0, 1 and 2 with an incumbent position leading into Tranches 3 and 4. We have provided the most satellites to PWSA at roughly half the cost of competitors, positioning us exceptionally well to continue to receive a large share of PWSA awards.

⁴ We spoke with several former employees and have taken pains to conceal their identities so they will not experience any retaliation. None of our confidential sources knew who we were or have any financial interest in the outcome of this report. Please read our disclaimer regarding sources and their reliability, incorporated here by reference. The statements reflect individual things said by individual former employees and there was not necessarily universal agreement on all these points. The statement that the SDA was deceived by York into getting its contract was made by one former employee as quoted in the report “*I think the reason that they have gotten the tranches that they did is because of that false advertising about having a platform that’s ready to go and like just needs to be pulled off the shelf.*” A similar characterization was made in a Glassdoor review by an anonymous current employee:

Very Unprofessional Business

Anonymous employee

Current employee

Recommend CEO approval Business Outlook

Pros
They have money and operate within an interesting industry.

Cons
York and its management are extremely unethical, unprofessional, and, of course, money hungry. This hunger for money leads to several unethical business practices. The company does not respect its employees and is only concerned with lining up the pockets of upper management. **They are very unethical, constantly lying on government and classified contracts to secure business with the DoD.** There is no formal process whatsoever throughout the company.

The other former employees did not make the same characterization, one other former employee stated:

“I wouldn’t say lying to the [SDA], but I think they were maybe filtering out information would be a better way to put it.”

Another former said clearly that they thought York was making promises it couldn’t keep but hedged significantly as to any malicious intent.

“I don’t believe York is there. I believe York wants to produce. I believe they want to get things into orbit... I believe absolutely that they are making promises that aren’t backed by the data. I will say that. I mean, that’s just kind of typical though in like startup land, right?”

But they also said:

So, we all tell the same lies, but usually it’s liar’s poker. The question really... is, was that malicious, right? Is that malicious to the point of being like, we know we’re grossly incompetent and we know we’re never gonna get there, and so our only hope is to make as much money as we can until the government finds out we’re lying, right? And I can’t answer that question.

The other claims referenced here also are our interpretation of specific statements that were made to us by individual employees. Former employee claims concerning the lack of complete functionality of the satellites software at launch appear to be corroborated by the SDA’s [reported](#) three month delay (so far) in getting the Tranche 1 satellites to work and have delayed the launch of additional satellites so that the bugs can be worked on *before* launch.

⁵ Tranche 3 included two different layers, the Transport Layer and the Tracking Layer. The Tracking Layer did receive its Tranche 3 funding; however, York is not part of that. Since York is not a part of the Tranche 3 Tracking Layer for the rest of the report, when we refer to Tranche 3, we are referring solely to the Tranche 3 Transport Layer.

⁶ We think it is fair to drop the responsibility squarely in York's lap because, as they bragged, they were the number 1 satellite provider. But there is a little nuance here. At least one of the former employees we spoke with claimed that the SDA was just as disappointed, if not even more so, with the efforts of Lockheed Martin. Lockheed Martin and Northrop Grumman have, according to some of the formers we spoke with, also done terribly. So perhaps the Pentagon is equally disappointed in all these providers?

⁷ An unnamed Space Force official told Air & Space Forces Magazine on April 29th that identifying a second contractor is planned, but provided no timeline, no solicitation, and no binding commitment — and even if a second vendor is eventually selected, we believe the competitive dynamics strongly favor larger primes like Amazon's Kuiper, Northrop Grumman, or Lockheed Martin over York. Rocket Labs is a particularly dangerous competitor for York, since not only did they get awarded a massive award for the Tracking Layer of Tranche 3, but since they launch their own rockets, when the Pentagon helps them, they are helping a direct competitor of SpaceX who could help lower prices for launches on all satellites. The SDN's commercially derived hosted-payload architecture may not be suitable for York either. SEE: <https://www.airandspaceforces.com/ussf-budget-first-glimpse-space-data-network/>

⁸ This can be seen clearly in an interview with [SpaceNews](#) following their earnings call:

In an earnings call March 19 and in an interview with SpaceNews, he pushed back on reports that the Transport Layer is effectively being terminated.

"I don't agree with that. I don't think that's true at all," he said. "The acquisition authority may change, or the management authority may change from SDA, but the need for the capability continues to exist."

He said the shift toward a broader space data network reflects an effort to better integrate disparate military communications systems. "What they're trying to do is make sure that all these systems coexist and can talk to one another, which is a little bit analogous to what you're seeing on the ground," he said.

"They're basically going. Hey, we have Starlink, Starshield, we have transport, we have GEO, HEO birds, we have all kinds of different communication channels, but they're not integrated with one another," he added. "They're not canceling anything."

⁹ We understand the idea that York would be a good way to play the SpaceX IPO was a relatively widespread view. A good example of this line of thinking can be found [here](#). We only refer here to a rug-pull only in as much as we believe a massive, unexpected, stock decline could occur, this statement should not be interpreted or characterized to assume management had any intent to cause a massive stock decline.

¹⁰ York's disclosures make it difficult to assess what percentage of the revenue they get from the SDA has come from the satellites, since the SDA has also given out awards for other products. So it is possible that not all of York's revenues from SDA has come from their satellites. Regardless the primary purpose of the SDA has been to send satellites into space, and the vast majority of its budget has been spent on satellites, and the vast majority of the income from the SDA has been from their satellites.

¹¹ York FY 2025 10-K, [p. 7](#)

¹² York FY 2025 [10-K](#), pg. 69

¹³ [Spacenews.com](#)

¹⁴ [See All.Space investment announcement](#); AE Industrial Partner's VC platform invested in the company

¹⁵ May 6th [PR](#), York Space Systems Awarded Multiple IDIQ Awards Supporting Next-Generation National Security Space Architectures. The PR itself states that this award allows them to compete for a contract, not that they have won one. "York will compete for, and is well-positioned to win and execute, task orders under the IDIQ through its resilient U.S. supply chain and high-rate manufacturing capability, backed by numerous successful deliveries across national security and commercial missions."

See also, the Q4 earnings call for 2025: "I can't go into any more details right now other than to say that it's a late-breaking news that we have not won 1, but we've won 2 IDIQ contracts now for different classified customers. So on this call alone, we have not only our healthy backlog and our ability to convert that backlog into revenue, which Kevin reported on, we've won a new commercial contract for the first of many constellations for our M-CLASS. And then we have now won 2 IDIQs for different classified customers."

¹⁶ The SHIELD program [reportedly](#) has over 2,400 vendors. For STEP 2.0 there were [reportedly](#) 12 companies named to compete for a \$237 million contact over 10 years. If evenly distributed per year, that would be less than \$2

million per year. It won't be evenly distributed; most vendors will get next to nothing. Given the problems we identify in this report, we suspect York will get next to nothing. Even if they won the whole contract, it would still only be worth a little over \$20 million per year!

¹⁷ York Space Systems [Reports](#) Fourth Quarter and Full Year 2025 Results

York Space Systems expects revenue for the full year 2026 to be in the range of \$545 million to \$595 million. Over 70% of this, at the midpoint, is expected to come from our existing backlog, giving us high confidence in achieving our goals, and the ability to focus on building our pipeline for beyond this year. [\$570 million is the midpoint of the guidance, so 70% is ~\$400 million]

¹⁸ Per York's Q4 2025 Earnings Call, over 70% of 2026 revenue guidance is expected to come from York's existing backlog. The remainder of revenue is anticipated from new business via government contracts in the latter half of 2026 per management; we believe this "new business" is in reference to York winning a slice of tranche 3.

¹⁹ [MLB.com](#)

²⁰ York 2025 10-K, [p. 98](#) shows "Commercial and other" revenue segment has not exceeded \$14 million since at least FY2023

²¹ York Q4 2025 Earnings Call

²² For additional context see section below "York Allegedly Won Its SDA Contract by Claiming to Have a Modular Design, But Former Employees Claim Satellites Were "Made to Order"

²³ Here is the most salient part:

Former Employee: *So, York has an interesting stance in that we do not share things, or you do not share things with customers or vendors. And so, you know, some of that can be everything down to how many employees we have, to how things fit into the larger design. And so that makes it really hard. So like, you would have to go to one of these, you know, payload companies and say, here's like the minimum set of information you need to get the job done, but we will not provide you context. We will not answer any questions. We will not engage. Like, **at one point, Dirk mandated that engineers do not attend meetings at all**, which is nonsense. Like, how do you make a design without talking to other people? So definitely, you know, some issues there as well."*

Analyst: *"Like, he was mandating that the engineers couldn't speak to the clients?"*

Former Employee: *"Correct."*

Analyst: *"Um, that, that that is something else."*

Former Employee: *"Yeah, and only the program managers were allowed to talk to the customer, which was annoying because the engineers would tell the program managers, you know, whatever they needed to relate to the customer. These program managers are not technical, they do not have engineering backgrounds, and so then they tell the customer what the engineer said, and obviously things get lost in translation and while you're playing telephone..."*

²⁴ Statements from a former employee include:

"York would have this process that it gets approved by the customer saying, okay, first we bring it to our chief engineer and then we go to a board, people vote on it, you know, that kind of thing. And so the customer in York will agree to that. But then York won't follow it. They'll just do whatever they want and not tell the customer about that."

And

"as long as it pacifies the customer... the program managers there would say anything, and not check back with the engineers at all"

²⁵ One former software engineer

*"York was taking a more aggressive, like, as long as we think this thing is, like, safe when we launch it, we were okay figuring out like a couple more of the like mission-ready features on orbit... So just like a vast majority of the testing that was done was just like, make sure it doesn't die in orbit so we can hit our launch date. **And then once it's on orbit, we'll then like move on to the effort of verifying that we can do the mission.**"*

The second software engineer made the same basic point:

*"We had basically an MVP established. We made sure that we're going to be able to safely deploy the vehicle, right? And you launch it, get it into LEOs, make sure that that process is going to work, that the vehicle and the asset is safe. **And then we, we were way behind schedule in terms of a lot of the mission***

functionality. So then we planned over on-air updates while it was on orbit as we fleshed out, you know, some of those requirements and details of how the mission was really going to work."

However, this same former employee thought this was an advantage over Lockheed!

"York was a little bit different in terms of some of the primes where Lockheed would take a lot of extra time testing and be late, you know, miss the schedule. Where York was a little more open to fixing things on the fly. As long as, you know, the vehicle is safe, we wanted to make sure that we were not going to lose an asset, but willing to do that minimum amount of testing and then fix things as we discover on orbit."

This mentality makes no sense to us. It seems like cope to say everything is going to plan when you deliver an incomplete product at launch.

²⁶ See Defense Publication [Article](#).

²⁷ One former employee gave lots of color on this point:

"One of the weirdest things I realized was that they have this mentality of no matter who you are, if there's an urgency, you are doing something to build that vehicle. And so, for instance, they hired high school students to help build harnesses. ... And so I— I mean, we even had people in accounting building things, and it's just like, that is not appropriate, and they are not trained appropriately to do that."

They went on to provide even more detail:

"A lot of it is building harnesses or running tests. And so for like the harnesses, you know, there's a drawing, but you need to know how to read a drawing to be able to like make it. And so, you know, there's not support. So these people are building harnesses to a drawing they don't understand and then they put it on the vehicle and when they test the vehicle, like it'll fail and people don't know why. Another example is you'll have the admins... running a test, because all you need to do to run a test is hit a button. Well, what happens when, you know, there's a red light going off saying, oh, this isn't functioning well? Well, there's nothing they know what to do there. Like, they just either bypass it or tell somebody that knows... So often they're put in positions that they're just not qualified for. And I mean, like I said, they have— they hired high school students to do some of the building of the space vehicle. Like, if that doesn't tell you, like, how messed up this is."

Another former employee corroborated that unqualified people worked on the project, but they claimed that they received some training and everything was tested before delivery to catch problems.

"Definitely had non-qualified people. Well, you know, they were trained, but like there were a couple harness pushes where it's like literally anybody who wants to can like show up and get trained and help us build harnesses... that definitely is quality risks, but part of the testing you do is you test all those harnesses. So like harness failure rate was probably annoyingly high for the test engineers, but like, you do test all the harnesses."

Yet another former employee gave a lot more color on problems with the quality of the satellites and raised further questions about the testing and quality control.

[P]eople cared less about following written instructions and cared more about a finished product being in front of them, which is all fine and dandy, except in space you need to have, you know, more or less documentation for everything. Like, I need to know who installed the bolt, I need to know who torqued the bolt, I need to know when that torque wrench was last calibrated, so on and so forth, because those are the types of things that eventually cause major failures and, you know, millions and millions of satellite issues down the road... And then saying, well, we built the thing, so it's fine, it passed tests, blah, blah, blah, even if it doesn't have the documentation to support every little bit of it. Latent failures are a real thing. It can pass now and then result in failures later that are critical to the mission."

They went on to say failures were likely:

"I think there is definitely some risk of latent failures for sure, just based on time crunch and people, you know, utilizing less than ideal components just to meet the deadline."

Apparently, problems were getting worse for Tranche 1 where York had more time pressure.

"There were so many more corners that were cut because it was just done faster, right? But I do think a lot of the corners that were cut on Tranche 0 were justified through testing and validation and everything else versus Tranche 1 not getting the same level... in Tranche 0, I think York was better at doing that there. Than during Tranche 1, where it was kind of a rush. And if they could find the smallest level of test that would give them an indication that it was okay, they would, they would run with it."

Additionally

"Even if someone was doing that, I guarantee you the tech or the engineer, whoever was doing it, got the approval from, from their people, right...Most of the time it's the higher up or the next higher up that's pushing for that zip tie repair, so to speak."

However, this same former employee said that the quality was "pretty good" and improved from T1 v T0, at least for a time...

Um, I would say, I would say it was pretty good. I would say the, uh, the quality definitely increased from Tranche 0 to Tranche 1. But I also would say in some regards some of that decreased towards the end just because of changes in management and changes in engineering philosophy. I guess even I would even say build philosophy as well, production philosophy.

Finally, one former software employee described York's launch-then-patch approach as a deliberate and successful engineering plan rather than a product of dysfunction (this seems like rationalization to us). They stated of the resulting work that "we didn't really need to cut any corners in terms of the T0 software or T1," and separately said that component quality "started to mature and improve" from T0 into T1. They acknowledged hearing secondhand, after he left in late 2024, that the assembly and test team had cut corners to stay on schedule.

²⁸ One former employee explicitly stated that the quality was very low:

And I mean, the quality is very low. I mean, in terms of even, you know, as I had mentioned, you don't have skilled technicians putting these things together.

Another former employee stated that

Once you have that and it's locked in and it works, then you can cookie cutter from there and spread that cost down. And there were some problems. I mean, everybody was late to schedule and there were definitely quality issues on the very first launch. And SDA was not particularly happy with that. But I think they were not happy with everybody.

²⁹ This stuff about the private restroom, restricted access to the front door and the black walls jumps off the page on the Glassdoor reviews... Even an overall positive review mentions this bizarre arrangement:

Great team, lack of diversity, annoying CEO
Engineer
Current employee, more than 1 year | Denver, CO
Recommend CEO approval Business Outlook
5.0 ★★★★★ | Jan 10, 2024

Pros
I get to work on challenging projects with a fun, smart, enthusiastic team. There are many opportunities to learn new skills and advance. Work is mostly in person.

The other negative reviews are honest, but are from the few people who quit or were fired during a hiring spree.

Cons
York does not put any effort into hiring a diverse workforce.

The CEO does not allow employees to enter or exit the building through the front door. Employees must open up a gate in the back to enter through a door next to the loading dock, then climb up a dark, all black stairway with no windows. The CEO still uses the front door.

The CEO planned the building's tenant improvements, and made his private bathroom the same size as the employee bathroom. People have to wait in line to relieve themselves. The building is dark and dreary inside with all black walls.

Exciting place to be
Engineer
Current employee, more than 1 year | Denver, CO
 Recommend CEO approval Business Outlook
Pros
The company is on the leading edge of innovation in the new space satellite market where everyone is excited to be apart of the goal and there is plenty of opportunities to learn new things and grow. Good people to work with.

Cons
Growing pains to become a big player in the game. Not allowed to enter through front doors.

Insecurity, duct tape, and shoestrings.
Engineer
Current employee, more than 3 years | Denver, CO
 Recommend CEO approval Business Outlook
Pros
Engineers are great to work with. Health benefits.

Cons
Some insights working at the Denver office: CEO does not allow people to enter the front door of the building besides him and customers. He has his own elevator to his office and his own restroom which leaves the working people to fight over one restroom. That's weird. Mentally unstable and or insecure much? CEO is getting rid of remote workers while the people that kiss the ring get to work from home. He has stated that he just wants to sell the company and that people are replaceable. Projects and capabilities are put together with duct tape and shoestrings and not legit. No career progression. You are working with the SDA for God sakes, show some love for America.

Advice to Management
Remove the CEO and replace with someone that doesn't want to rip off the US government and is for America.

Four of the former employees we spoke to mentioned this bizarre stuff: One former employee told us:

“So, walls are black, desks are black, carpet's black. And then what's interesting too is that certain people aren't allowed on certain floors. And so the floor that like Dirk and his C-suite are, there's like nobody on the entire floor except for the 3 of them.”

Another former employee told us:

“Everything was black. Um, oh, and we had to fight to get whiteboards. So, you know, as [employees], we want to whiteboard out, you know, write something on the whiteboard. And we couldn't get a whiteboard for the longest time because it was white. So they had these black glass boards that really sucked. So it started out with those, and then eventually we were able to get whiteboards... But that took a lot of A lot of fighting to get... Not that it was much that we needed them to get our jobs done. It was just he doesn't want these big white things that would clash with the black.”

A third former employee

“He spent a huge amount of money painting the inside of the building black everywhere. So every door, wall, and floor ceiling, he named it. The whole place was black. It was just kind of strange. And then he spent a bunch of money on, um, custom neon lights for the break areas that I don't think anybody but him actually cared about... It seemed like there were a lot of vanity projects.”

And one additional former employee described it as demoralizing:

“One of the facilities, all the walls were painted black, the floor was black, everything was black. And it was, it was demoralizing in some cases.”

³⁰ YSS 10-K, pg. 77, York's Disclosure:

Under the POC method, revenue is recognized based on the proportion of total costs incurred relative to total EAC.

³¹ York FY 2025 10-K, pg. 15.

³² The promotional language about being “number one” can be found in the company's S-1 on page 2. The 96% figure comes from the company's latest 10-K on page 92.

³³ York management reported on their Q4 2025 earnings call that ~30% of their revenue guidance (midpoint \$570 million) would be driven largely by government contracts in the latter half of this year i.e. appearing to reference tranche 3 Transport Layer awards.

³⁴ York's IPO was in January 2026. We believe York has known for a long time that the Tranche 3 Transport Layer was at risk. In April 2025 it became official that the Pentagon had [zeroed out](#) the funding for the Tranche 3 Transport Layer. This is not to say that management knew for certain, at the time of its IPO, that it would lose the Tranche 3 Transport Layer funding. For investors who carefully read the company's disclosures, this was a disclosed risk. As said previously, we are only characterizing this as a potential rug pull because we believe it is possible that the stock will experience a sudden, massive decline in price and are not implying or insinuating that management knew that Tranche 3 would be discontinued at IPO.

³⁵ This conflict between Congress and the Pentagon over the sole-source contract with SpaceX has been written about extensively including by [Defense Scoop](#), and it is [referenced](#) in this relative recent reporting on the matter.

³⁶ This statement was provided by an unnamed Space Force official according to reporting on the matter by [Breaking Defense](#).

³⁷ [USSF Budget Offers First Glimpse at Plans for ‘Space Data Network’, April 29th, 2026](#) (we find this to be the most up-to-date and informed reporting on the subject)

The service also plans to expand its provider base for SDN's communications backbone, previously known as MILNET. Currently, SpaceX is the sole provider for the effort, but a Space Force spokesperson told Air & Space Forces Magazine the service wants to “galvanize the U.S. industrial base to meet Space Force proliferation needs,” and that identifying a second contractor to build SDN satellites—as well as other elements of the architecture—is part of that.

³⁸ See [reporting](#) on the award

³⁹ [Breaking Defense](#)

⁴⁰ See York, Why invest? webpage: <https://ir.yorkspacesystems.com/why-invest/default.aspx>

⁴¹ There was some disagreement, at least on the surface, amongst the former employees we spoke with on the matter of whether York was “modular.” One employee unequivocally thought the whole modular claim was a crock:

“[York has] this sort of misnomer about having a stock of platforms available. Everything is made to order, even though they're kind of like this idea of, hey, you know, we have all these platforms, [and] all we need to do is get your payload, we'll integrate it, it'll be done, we're like 90% there. There are no platforms that are just hanging out ready to go, and everything is frantic.”

The block quote in the body of the report gives the perspective of a second former employee: A third former employee stated that they are aspiring to have a modular system, but that they don't have it yet,

*"The whole York shtick is that they are trying to fly as much of the exact same satellite for, for everything that they do as possible. So I would guess that over time you're like building up a base where there's less new stuff for each mission and you're kind of building up a base of capabilities... **They don't have that base yet.**"*

A fourth former employee described this as an aspiration of York's, not an accomplishment:

*"A lot of what [York] **was trying to do** was modularize, um, that way when you go to build, you can standardize what you're doing... **The idea is** you use more or less proven components or subsystems. That way when you go to build them again, you already know where the pitfalls are and how to build it, so you can just become more efficient at doing it."*

One final former employee disagreed with this, and argued that the software they were working on was modular because they could reuse it for multiple SDA programs...

*"There was a lot of effort put into developing a platform that we could not only use— **the business goal was to be able to reuse the software across multiple missions... establish a baseline where we could reuse 80% of the software across and scale that across multiple missions... It was a success because we were able to leverage the software across, you know, multiple SDA programs** for the, you know, military and government, but then also use those core components for some commercial missions."*

"The main component is that approach of reuse. So they're not designing a bespoke satellite bus, um, for every single mission like a Lockheed would do. So you're saving on those NRE costs than engineering costs in terms of being able to reuse the same bus across multiple missions. That's the number one point."

However, this same former employee also went on to say that York's closed system cost them opportunities.

*"It seems like there's a lot of opportunity that York was missing out on just because **it was basically a closed system.**"*

And seemed to indicate that they would need to develop far more modularity to get an opportunity with Golden Dome.

*"[For Golden Dome] they'd have to change. **They would definitely have to adapt to be more open and, and modular.**"*

⁴² York FY 2025 10-K, pg. 12

⁴³ York FY 2025 10-K, pg. 77, York's Disclosure:

Our revenues are primarily derived from long-term FFP construction contracts with both domestic U.S. federal government-controlled agencies as well as commercial customers that generally span several years in duration. For FFP contracts, we recognize revenue over time (versus point in time recognition) using the POC method, as our performance creates an asset with no alternative use to us and we have an enforceable right to payment for performance completed to date.

***Under the POC method, revenue is recognized based on the proportion of total costs incurred relative to total EAC.** EAC includes all direct costs and indirect costs directly attributable to a contract or allocable based on our project cost pooling arrangements. We believe that this method represents the most faithful depiction of our performance because it directly measures value transferred to the customer. **Estimates** regarding our cost associated with the design, manufacture and delivery of products and services are used in determining the EAC. **Contract estimates are based on various assumptions** to project the outcome of future events that may span several years. These **assumptions** include, but are not limited to, the amount of time to complete the contract, including the assessment of the nature and complexity of the work to be performed, availability and cost of materials, components and subcontractor services, the availability and timing of funding from the customer, and the risk and impact of delayed performance and the level of indirect cost allocations. **We bear the risk of changes in estimates** to complete on a fixed-price contract, which may cause profit levels to vary from period to period.*

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