

Orbital Express Launch ApS

Kanalholmen 14, 1., 2650 Hvidovre

Annual report for 2018/19

CVR no. 38 10 62 60

Adopted at the annual general meeting on 19 September 2019

chairman: Christopher Nigel Lamour

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Statement by management on the annual report

The executive board has today discussed and approved the annual report of Orbital Express Launch ApS for the financial year 1. juni 2018 - 31. maj 2019.

The annual report is prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the company's financial position at 31. maj 2019 and of the results of the company's operations for the financial year 1. juni 2018 - 31. maj 2019.

In our opinion, management's review includes a fair review of the matters dealt with in the management's review.

The financial statements have not been audited. Management considers the criteria for not auditing the financial statements to be met.

Management recommends that the annual report should be approved by the company in general meeting.

Hvidovre, 19 September 2019

Executive board

Christopher Nigel Larmour
director

Kristian Bengtson
director

Auditor's report on compilation of the financial statements

To the shareholder of Orbital Express Launch ApS

We have compiled the financial statements of Orbital Express Launch ApS for the financial year 1. juni 2018 - 31. maj 2019 based on the company's bookkeeping records and other information made available by enterprise.

The financial statements comprises summary of significant accounting policies, income statement, balance sheet, statement of changes in equity and notes.

We performed the engagement in accordance with ISRS 4410, Compilation Engagements.

We have applied our professional expertise to assist the enterprise in the preparation and presentation of the financial statements in accordance with the Danish Financial Statements Act. We complied with the relevant provisions of the Danish Act on Approved Auditors and Audit Firms and FSR - Danish Auditors' Code of Ethics for Professional Accountants, including principles relating to integrity, objectivity, professional competence and due care.

The financial statements and the accuracy and completeness of the information used to compile the financial statements are the enterprise's responsibility.

As a compilation engagement is not an assurance engagement, we are not required to verify the accuracy or completeness of the information provided by enterprise for our compilation of the financial statements. Accordingly, we do not express an audit or a review conclusion on whether the financial statements have been prepared in accordance with the Danish Financial Statements Act.

Copenhagen, 19 September 2019

Ecovis Danmark
statsautoriseret revisionsinteressentskab
CVR no. 28 93 95 23

Kurt Bülow
Statsautoriseret revisor
MNE no. mne3112

Company details

The company

Orbital Express Launch ApS
Kanalholmen 14, 1.
2650 Hvidovre

CVR no.: 38 10 62 60

Reporting period: 1. juni 2018 - 31. maj 2019

Domicile: Hvidovre

Executive board

Christopher Nigel Larmour, director
Kristian Bengtson, director

Auditors

Ecovis Danmark
statsautoriseret revisionsinteressentskab
St. Kongensgade 36, 3.th
1264 København K

Management's review

Business activities

The company's main activity is development and production of air- and spacecraft or parts thereof.

Income statement 1 June - 31 May

	<u>Note</u>	<u>2018/2019</u> DKK	<u>2017/2018</u> DKK
Gross profit		-1.158.354	-832.551
Staff costs	1	<u>0</u>	<u>-5.794</u>
Profit/loss before amortisation/depreciation and impairment losses		-1.158.354	-838.345
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		<u>-38.513</u>	<u>-25.104</u>
Profit/loss before net financials		-1.196.867	-863.449
Financial costs		<u>-3.747</u>	<u>121.749</u>
Profit/loss before tax		-1.200.614	-741.700
Tax on profit/loss for the year	2	<u>261.433</u>	<u>162.062</u>
Profit/loss for the year		<u>-939.181</u>	<u>-579.638</u>
Retained earnings		<u>-939.181</u>	<u>-579.638</u>
		<u>-939.181</u>	<u>-579.638</u>

Balance sheet 31 May

	<u>Note</u>	<u>2018/19</u> DKK	<u>2017/18</u> DKK
Assets			
Development projects in progress		5.502.198	1.960.155
Intangible assets	3	<u>5.502.198</u>	<u>1.960.155</u>
Other fixtures and fittings, tools and equipment		214.468	122.749
Tangible assets	4	<u>214.468</u>	<u>122.749</u>
Total non-current assets		<u>5.716.666</u>	<u>2.082.904</u>
Trade receivables		671.656	0
Other receivables		600.804	235.631
Corporation tax		1.079.826	431.234
Receivables		<u>2.352.286</u>	<u>666.865</u>
Cash at bank and in hand		<u>224.499</u>	<u>618.798</u>
Total current assets		<u>2.576.785</u>	<u>1.285.663</u>
Total assets		<u>8.293.451</u>	<u>3.368.567</u>

Balance sheet 31 May

	<u>Note</u>	<u>2018/19</u> DKK	<u>2017/18</u> DKK
Equity and liabilities			
Share capital		50.000	50.000
Retained earnings		<u>-1.796.805</u>	<u>-857.623</u>
Equity	5	<u>-1.746.805</u>	<u>-807.623</u>
Provision for deferred tax		<u>708.583</u>	<u>190.767</u>
Total provisions		<u>708.583</u>	<u>190.767</u>
Payables to group companies		<u>8.901.936</u>	<u>3.684.440</u>
Total non-current liabilities		<u>8.901.936</u>	<u>3.684.440</u>
Trade payables		250.912	186.478
Other payables		<u>178.825</u>	<u>114.505</u>
Total current liabilities		<u>429.737</u>	<u>300.983</u>
Total liabilities		<u>9.331.673</u>	<u>3.985.423</u>
Total equity and liabilities		<u>8.293.451</u>	<u>3.368.567</u>

Statement of changes in equity

	Share capital	Retained earnings	Total
Equity at 1 June 2018	50.000	-857.624	-807.624
Net profit/loss for the year	0	-939.181	-939.181
Equity at 31 May 2019	50.000	-1.796.805	-1.746.805

Accounting policies

The annual report of Orbital Express Launch ApS for 2018/19 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B.

The annual report for 2018/19 is presented in DKK

Basis of recognition and measurement

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities. All expenses, including amortisation, depreciation and impairment losses, are also recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits will flow to the company and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow from the company and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. On subsequent recognition, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost using the effective interest method. Amortised cost is calculated as the historic cost less any instalments and plus/less the accumulated amortisation of the difference between the cost and the nominal amount.

On recognition and measurement, allowance is made for predictable losses and risks which occur before the annual report is presented and which confirm or invalidate matters existing at the balance sheet date.

Income statement

Gross profit

In pursuance of section 32 of the Danish Financial Statements Act, the company does not disclose its revenue.

Gross profit reflects an aggregation of revenue, changes in inventories of finished goods and work in progress and other operating income less costs of raw materials and consumables and other external expenses.

Other external expenses

Other external expenses include expenses related to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

Accounting policies

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise the year's amortisation, depreciation and impairment of intangible assets and property, plant and equipment.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year. Net financials include interest income and expenses, financial expenses relating to finance leases, realised and unrealised capital/exchange gains and losses on securities and foreign currency transactions, amortisation of mortgage loans and surcharges and allowances under the advance-payment-of-tax scheme, etc.

Tax on profit/loss for the year

Tax for the year, which comprises the current tax charge for the year and changes in the deferred tax charge, is recognised in the income statement as regards the portion that relates to the profit/loss for the year and directly in equity as regards the portion that relates to entries directly in equity.

Balance sheet

Intangible assets

Development projects, patents and licences

Developments projects recognised in the balance sheet are measured at cost less accumulated amortisation and impairment losses.

Following the completion of the development work, development costs are amortised on a straight-line basis over the estimated useful life. The amortisation period is usually five years.

Tangible assets

Items of plant and machinery and fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

The depreciable amount is cost less the expected residual value at the end of the useful life.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use. The cost of self-constructed assets comprises direct and indirect costs of materials, components, sub-suppliers and wages.

Straight-line depreciation is provided on the basis of the following estimated useful lives of the assets:

	Useful life	Residual value
Other fixtures and fittings, tools and equipment	5 years	0 %

Accounting policies

Cash and cash equivalents

Cash and cash equivalents comprise cash and short-term securities whose remaining life is less than three months and which are readily convertible into cash and which are subject only to insignificant risks of changes in value.

Income tax and deferred tax

Current tax liabilities and current tax receivables are recognised in the balance sheet as the estimated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and tax paid on account.

Deferred tax is measured according to the liability method in respect of temporary differences between the carrying amount of assets and liabilities and their tax base, calculated on the basis of the planned use of the asset and settlement of the liability, respectively.

Liabilities

Liabilities, which include trade payables, payables to group entities and other payables, are measured at amortised cost, which is usually equivalent to nominal value.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and at the date of payment are recognised in the income statement as financial income or financial expenses. If foreign currency transactions are considered cash flow hedges, the value adjustments are taken directly to equity.

Notes

	<u>2018/2019</u> DKK	<u>2017/2018</u> DKK
1 Staff costs		
Wages and salaries	2.872.690	0
Pensions	183.640	0
Other social security costs	29.503	852
Other staff costs	4.185	4.942
	3.090.018	5.794
Capitalised staff costs	-3.090.018	0
	0	5.794
Gennemsnitligt antal beskæftigede medarbejdere	<u>5</u>	<u>0</u>
2 Tax on profit/loss for the year		
Current tax for the year	-779.249	-300.577
Deferred tax for the year	517.816	138.515
	-261.433	-162.062
3 Intangible assets		Development projects in progress
Cost at 1 June 2018		1.960.155
Additions for the year		3.542.043
Cost at 31 May 2019		<u>5.502.198</u>
Impairment losses and amortisation at 1 June 2018		<u>0</u>
Impairment losses and amortisation at 31 May 2019		<u>0</u>
Carrying amount at 31 May 2019		<u>5.502.198</u>

Notes

4 Tangible assets

	<u>Other fixtures and fittings, tools and equipment</u>
Cost at 1 June 2018	149.856
Additions for the year	<u>130.232</u>
Cost at 31 May 2019	<u>280.088</u>
Revaluations at 1 June 2018	<u>0</u>
Revaluations at 31 May 2019	<u>0</u>
Impairment losses and depreciation at 1 June 2018	27.107
Depreciation for the year	<u>38.513</u>
Impairment losses and depreciation at 31 May 2019	<u>65.620</u>
Carrying amount at 31 May 2019	<u>214.468</u>

5 Equity

There have been no changes in the share capital during the last 5 years.