

# **Orbital Express Launch ApS**

**Kanalholmen 14, 1., 2650 Hvidovre**

**Annual report for the period  
1. juni to 31. december 2020**

**CVR no. 38 10 62 60**

Adopted at the annual general meeting on 22 June 2021

chairman: Christopher Nigel Larmour

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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 - 31. december 2020.

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. december 2020 and of the results of the company's operations for the financial year 1. juni - 31. december 2020.

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, 17 June 2021

### 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 - 31. december 2020 based on the company's bookkeeping records and other information made available by enterprise.

The financial statements comprises a 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, 22 June 2021

Ecovis Danmark  
statsautoriseret revisionsinteressentskab  
CVR no. 28 93 95 23

Kurt Bülow  
State Authorized Public Accountant  
MNE no. mne3112

Jerrick Olsen  
State Authorized Public Accountant  
MNE no. mne46584

## Company details

### The company

Orbital Express Launch ApS  
Kanalholmen 14, 1.  
2650 Hvidovre

CVR no.: 38 10 62 60

Reporting period: 1. juni - 31. december 2020

Domicile: Hvidovre

### Executive board

Christopher Nigel Larmour, director  
Kristian Bengtson, director

## **Management's review**

### **Business review**

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

### **Financial review**

The company's income statement for the year ended 31 December 2020 shows a loss of DKK 347.979, and the balance sheet at 31. december 2020 shows negative equity of DKK 2.548.604.

During the preparation of the annual report for the current year, a material error in the comparative figures have been identified. Further explanation about the error and the effect of the correction can be found in the section "Accounting Policies".

### **Description of significant changes in the company's business and financial conditions**

The company has change it's financial year from 1 June - 31 May to 1 January - 31 December. The transition year includes the period 1 June - 31 December 2020. This year's annual report therefore only covers a 7 months period.

## Income statement 1 June 2020 - 31 December 2020

	<u>Note</u>	2020 <u>7 months</u> DKK	2019 <u>12 months</u> DKK
<b>Gross profit</b>		<b>747.744</b>	<b>1.801.351</b>
Staff costs	1	<u>-1.329.825</u>	<u>-2.425.000</u>
<b>Profit/loss before amortisation/depreciation and impairment losses</b>		<b>-582.081</b>	<b>-623.649</b>
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		<u>-35.405</u>	<u>-56.016</u>
<b>Profit/loss before net financials</b>		<b>-617.486</b>	<b>-679.665</b>
Financial income		15.845	36.311
Financial costs		<u>0</u>	<u>-3.143</u>
<b>Profit/loss before tax</b>		<b>-601.641</b>	<b>-646.497</b>
Tax on profit/loss for the year	2	<u>253.662</u>	<u>192.679</u>
<b>Profit/loss for the year</b>		<b><u>-347.979</u></b>	<b><u>-453.818</u></b>
Transferred to reserve for development expenditure		117.156	-434.497
Retained earnings		<u>-465.135</u>	<u>-19.321</u>
		<b><u>-347.979</u></b>	<b><u>-453.818</u></b>

## Balance sheet at 31 December 2020

	<u>Note</u>	31 December 2020 DKK	31 May 2020 DKK
<b>Assets</b>			
Development projects in progress		5.095.348	4.945.151
<b>Intangible assets</b>	3	<b>5.095.348</b>	<b>4.945.151</b>
Other fixtures and fittings, tools and equipment		3.906.070	158.452
<b>Tangible assets</b>	4	<b>3.906.070</b>	<b>158.452</b>
<b>Total non-current assets</b>		<b>9.001.418</b>	<b>5.103.603</b>
Receivables from group companies		9.963.844	7.146.062
Other receivables		620.445	377.305
Corporation tax		476.979	850.608
Prepayments		618.625	383.815
<b>Receivables</b>		<b>11.679.893</b>	<b>8.757.790</b>
<b>Cash at bank and in hand</b>		<b>509.249</b>	<b>412.784</b>
<b>Total current assets</b>		<b>12.189.142</b>	<b>9.170.574</b>
<b>Total assets</b>		<b>21.190.560</b>	<b>14.274.177</b>



## Balance sheet at 31 December 2020

	<u>Note</u>	31 December 2020 DKK	31 May 2020 DKK
<b>Equity and liabilities</b>			
Share capital		50.000	50.000
Reserve for development expenditure		3.974.373	3.857.217
Retained earnings		<u>-6.572.977</u>	<u>-6.107.842</u>
<b>Equity</b>		<b><u>-2.548.604</u></b>	<b><u>-2.200.625</u></b>
Provision for deferred tax		<u>739.221</u>	<u>587.263</u>
<b>Total provisions</b>		<b><u>739.221</u></b>	<b><u>587.263</u></b>
Payables to group companies		21.335.828	15.022.902
Other payables		<u>434.379</u>	<u>59.550</u>
<b>Total non-current liabilities</b>	5	<b><u>21.770.207</u></b>	<b><u>15.082.452</u></b>
Trade payables		686.945	281.062
Other payables		<u>542.791</u>	<u>524.025</u>
<b>Total current liabilities</b>		<b><u>1.229.736</u></b>	<b><u>805.087</u></b>
<b>Total liabilities</b>		<b><u>22.999.943</u></b>	<b><u>15.887.539</u></b>
<b>Total equity and liabilities</b>		<b><u>21.190.560</u></b>	<b><u>14.274.177</u></b>
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## Statement of changes in equity

	Share capital	Reserve for development expenditure	Retained earnings	Total
Equity at 1 June 2020	50.000	3.857.217	-5.541.097	-1.633.880
Net effect from adjustment of error	0	0	-566.745	-566.745
Adjusted equity at 1 June 2020	50.000	3.857.217	-6.107.842	-2.200.625
Transferred cf. distribution of net profit	0	117.156	-117.156	0
Net profit/loss for the year	0	0	-347.979	-347.979
<b>Equity at 31 December 2020</b>	<b>50.000</b>	<b>3.974.373</b>	<b>-6.572.977</b>	<b>-2.548.604</b>

## Notes

	2020 7 months DKK	2019 12 months DKK
<b>1 Staff costs</b>		
Wages and salaries	2.688.003	3.770.321
Other social security costs	22.598	43.932
Other staff costs	445	40.754
	<u>2.711.046</u>	<u>3.855.007</u>
Capitalised staff costs	-1.381.221	-1.430.007
	<u>1.329.825</u>	<u>2.425.000</u>
Average number of employees	<u>6</u>	<u>5</u>
<b>2 Tax on profit/loss for the year</b>		
Current tax for the year	-405.620	-104.188
Deferred tax for the year	151.958	-88.491
	<u>-253.662</u>	<u>-192.679</u>
<b>3 Intangible assets</b>		Development projects in progress
Cost at 1 June 2020		4.945.151
Additions for the year		1.843.728
Grants and compensations		-1.693.531
Cost at 31 December 2020		<u>5.095.348</u>
<b>Carrying amount at 31 December 2020</b>		<u>5.095.348</u>

## Notes

### 4 Tangible assets

	<u>Other fixtures and fittings, tools and equipment</u>
Cost at 1 June 2020	280.088
Additions for the year	<u>3.783.023</u>
Cost at 31 December 2020	<u>4.063.111</u>
Impairment losses and depreciation at 1 June 2020	121.636
Depreciation for the year	<u>35.405</u>
Impairment losses and depreciation at 31 December 2020	<u>157.041</u>
<b>Carrying amount at 31 December 2020</b>	<b><u>3.906.070</u></b>

### 5 Long term debt

	<u>Debt at 1 June 2020</u>	<u>Debt at 31 December 2020</u>	<u>Instalment next year</u>	<u>Debt outstanding after 5 years</u>
Payables to group companies	15.022.902	21.335.828	0	0
Other payables	<u>59.550</u>	<u>434.379</u>	<u>0</u>	<u>0</u>
	<b><u>15.082.452</u></b>	<b><u>21.770.207</u></b>	<b><u>0</u></b>	<b><u>0</u></b>

### 6 Related parties and ownership structure

#### Consolidated financial statements

Orbital Express Launch ApS is part of consolidated financial statements of Orbital Express Launch Limited, London, UK, which is the smallest group the Company is included as a subsidiary.

## Accounting policies

The annual report of Orbital Express Launch ApS for 2020 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B, as well as provisions applying to reporting class C entities.

The accounting policies applied are consistent with those of last year.

The annual report for 2020 is presented in DKK

### Correction of material errors

During the preparation of the annual report for the current year, two material errors in the comparative figures have been identified.

One error is related to capitalized staff costs and revenue related to the same cost. The other error is related to a mistake in currency adjustment of payables to the parent company. The comparative figures have been restated to reflect the correction of the errors.

The effect of the correction of the error is an increase of gross profit by 2.425 tDKK, an increase of staff costs by 2.425 tDKK.

Profit/loss for the comparison year has been reduced by 567 tDKK, tax is increased by 160 tDKK, balance sheet total is increased by 71 tDKK and equity reduced by 567 tDKK.

Profit/loss, tax, balance sheet total and equity for the current year is not affected by this correction.

### 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 installments and plus/less the accumulated amortisation of the difference between the cost and the nominal amount.

## **Accounting policies**

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 other operating income less costs of raw materials and consumables and other external expenses.

#### **Revenue**

Income from the sale of services is recognised in the income statement, provided that the transfer of risk has taken place and that the income can be measured reliably and is expected to be received.

Revenue is measured at the fair value of the agreed consideration, excluding VAT and other indirect taxes. Revenue is net of all types of discounts granted.

#### **Other external expenses**

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

#### **Staff costs**

Staff costs include wages and salaries, including compensated absence and pensions, as well as other social security contributions, etc. made to the entity's employees. The item is net of refunds made by public authorities.

#### **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 that relate 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, liabilities and foreign currency transactions, amortisation of financial assets and liabilities and surcharges and allowances under the Danish Tax Prepayment Scheme, etc.

## Accounting policies

### 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*

Development costs comprise costs, wages/salaries and amortisation losses that are directly and indirectly attributable to the company's development activities.

Development 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 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.

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

	<b>Useful life</b>	<b>Residual value</b>
Other fixtures and fittings, tools and equipment	5 years	0 %

#### Receivables

Receivables are measured at amortised cost.

#### Prepayments

Prepayments recognised under 'Current assets' comprises expenses incurred concerning subsequent financial years.

## Accounting policies

### Cash and cash equivalents

Cash and cash equivalents comprise cash and deposits at banks.

### Equity

#### Reserve for development costs

An amount corresponding to capitalised development costs is recognised in the reserve. The reserve is reduced as development costs are amortised.

#### 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 instruments are considered cash flow hedges, any unrealised value adjustments are taken directly to a fair value reserve under 'Equity'.

Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.