

# **Orbital Express Launch ApS**

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

**Annual report for 2019/20**

**CVR no. 38 10 62 60**

Adopted at the annual general meeting on 7 September 2020

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 June 2019 - 31 May 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 May 2020 and of the results of the company's operations for the financial year 1 June 2019 - 31 May 2020.

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, 30 July 2020

### 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 June 2019 - 31 May 2020 based on the company's bookkeeping records and other information made available by enterprise.

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

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, 7 September 2020

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 June 2019 - 31 May 2020

Domicile: Hvidovre

### Executive board

Christopher Nigel Larmour, director  
Kristian Bengtson, director

## Income statement 1 June - 31 May

	<u>Note</u>	<u>2019/2020</u> DKK	<u>2018/2019</u> DKK
<b>Gross profit</b>		<b>-623.649</b>	<b>-1.158.354</b>
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		-56.016	-38.513
<b>Profit/loss before net financials</b>		<b>-679.665</b>	<b>-1.196.867</b>
Financial income		762.906	0
Financial costs		-3.143	-3.747
<b>Profit/loss before tax</b>		<b>80.098</b>	<b>-1.200.614</b>
Tax on profit/loss for the year	3	32.829	261.433
<b>Profit/loss for the year</b>		<b>112.927</b>	<b>-939.181</b>
Transferred to reserve for development expenditure		-434.497	4.291.714
Retained earnings		547.424	-5.230.895
		<b>112.927</b>	<b>-939.181</b>

## Balance sheet 31 May

	<u>Note</u>	<u>2019/20</u> DKK	<u>2018/19</u> DKK
<b>Assets</b>			
Development projects in progress		4.945.151	5.502.198
<b>Intangible assets</b>	4	<b>4.945.151</b>	<b>5.502.198</b>
Other fixtures and fittings, tools and equipment		158.452	214.468
<b>Tangible assets</b>	5	<b>158.452</b>	<b>214.468</b>
<b>Total non-current assets</b>		<b>5.103.603</b>	<b>5.716.666</b>
Receivables from group companies		7.146.062	671.656
Other receivables		377.305	600.804
Corporation tax		779.249	1.079.826
Prepayments		383.815	0
<b>Receivables</b>		<b>8.686.431</b>	<b>2.352.286</b>
<b>Cash at bank and in hand</b>		<b>412.784</b>	<b>224.499</b>
<b>Total current assets</b>		<b>9.099.215</b>	<b>2.576.785</b>
<b>Total assets</b>		<b>14.202.818</b>	<b>8.293.451</b>

## Balance sheet 31 May

	<u>Note</u>	<u>2019/20</u> DKK	<u>2018/19</u> DKK
<b>Equity and liabilities</b>			
Share capital		50.000	50.000
Reserve for development expenditure		3.857.217	4.291.714
Retained earnings		-5.541.097	-6.088.519
<b>Equity</b>		<b>-1.633.880</b>	<b>-1.746.805</b>
Provision for deferred tax		675.754	708.583
<b>Total provisions</b>		<b>675.754</b>	<b>708.583</b>
Payables to group companies		14.296.307	8.901.936
Other payables		59.550	0
<b>Total non-current liabilities</b>	7	<b>14.355.857</b>	<b>8.901.936</b>
Trade payables		281.062	250.912
Other payables		524.025	178.825
<b>Total current liabilities</b>		<b>805.087</b>	<b>429.737</b>
<b>Total liabilities</b>		<b>15.160.944</b>	<b>9.331.673</b>
<b>Total equity and liabilities</b>		<b>14.202.818</b>	<b>8.293.451</b>
Main activity	1		
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## Statement of changes in equity

	Share capital	Reserve for development expenditure	Retained earnings	Total
Equity at 1 June 2019	50.000	4.291.714	-6.088.521	-1.746.807
Transferred cf. distribution of net profit	0	-434.497	434.497	0
Net profit/loss for the year	0	0	112.927	112.927
<b>Equity at 31 May 2020</b>	<b>50.000</b>	<b>3.857.217</b>	<b>-5.541.097</b>	<b>-1.633.880</b>

## Notes

### 1 Main activity

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

	<u>2019/2020</u>	<u>2018/2019</u>
	DKK	DKK
<b>2 Staff costs</b>		
Wages and salaries	3.770.321	3.056.330
Other social security costs	43.932	29.503
Other staff costs	<u>40.754</u>	<u>4.185</u>
	<b>3.855.007</b>	<b>3.090.018</b>
Capitalised staff costs	<u>-3.855.007</u>	<u>-3.090.018</u>
	<b>0</b>	<b>0</b>
Average number of employees	<u>5</u>	<u>5</u>
<b>3 Tax on profit/loss for the year</b>		
Current tax for the year	-32.829	-779.249
Deferred tax for the year	<u>0</u>	<u>517.816</u>
	<b>-32.829</b>	<b>-261.433</b>

## Notes

### 4 Intangible assets

	Development projects in progress
Cost at 1 June 2019	5.502.198
Additions for the year	5.189.860
Grants and compensations	<u>-5.746.907</u>
Cost at 31 May 2020	<u>4.945.151</u>
<b>Carrying amount at 31 May 2020</b>	<b><u>4.945.151</u></b>

### 5 Tangible assets

	Other fixtures and fittings, tools and equipment
Cost at 1 June 2019	<u>280.088</u>
Cost at 31 May 2020	<u>280.088</u>
Impairment losses and depreciation at 1 June 2019	65.619
Depreciation for the year	<u>56.017</u>
Impairment losses and depreciation at 31 May 2020	<u>121.636</u>
<b>Carrying amount at 31 May 2020</b>	<b><u>158.452</u></b>

### 6 Receivables

The following corporation tax fall due for payment more than 1 year after year end

<u>2019/20</u>	<u>2018/19</u>
DKK	DKK
<u>0</u>	<u>779.249</u>

## Notes

### 7 Long term debt

	Debt at 1 June 2019	Debt at 31 May 2020	Instalment next year	Debt outstanding after 5 years
Payables to group companies	8.901.936	14.296.307	0	0
Other payables	0	59.550	0	0
	<b>8.901.936</b>	<b>14.355.857</b>	<b>0</b>	<b>0</b>

### 8 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 2019/20 has been prepared in accordance with the provisions of the Danish Financial Statements Act concerning reporting class B entities as well as selected provisions as regards larger entities.

The annual report for 2019/20 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 installments 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 other operating income less costs of raw materials and consumables and other external expenses.

#### Revenue

Income from the sale of goods is recognised in the income statement, provided that the transfer of risk, usually on delivery to the buyer, 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.

## Accounting policies

### Other operating income

Other operating income comprises items of a secondary nature relative to the company's activities, including gains on the sale of intangible assets and property, plant and equipment.

### Other external expenses

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

### 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*

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

Produktionsanlæg og maskiner samt andre anlæg, driftsmateriel og inventar måles til kostpris med fradrag af akkumulerede af- og nedskrivninger.

## Accounting policies

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 %
<b>Receivables</b>		

Receivables are measured at amortised cost.

### Prepayments

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

### 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.

### Equity

#### 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.