

Company registration number 10689249 (England and Wales)

**ASTROSCALE LTD**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 APRIL 2023**

# ASTROSCALE LTD

## COMPANY INFORMATION

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<b>Directors</b>	M Okada C Blackerby N Shave
<b>Company number</b>	10689249
<b>Registered office</b>	Zeus Building, Unit 3,4,5 Rutherford Avenue Harwell Didcot OX11 0DF
<b>Accountant</b>	Alliotts LLP Friary Court 13-21 High Street Guildford Surrey GU1 3DL
<b>Independent Auditor</b>	Ernst & Young LLP R+ 2 Blagrove St. Reading RG1 1AZ

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# ASTROSCALE LTD

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# **ASTROSCALE LTD**

## **STRATEGIC REPORT**

**FOR THE YEAR ENDED 30 APRIL 2023**

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The directors present the strategic report for the year ended 30 April 2023.

### **Business Review**

The principal activity of Astroscale UK is the development of on-orbit servicing while creating a sustainable foundation for the growth of the space economy in the process. We are at the cusp of an emerging market that will revolutionize the future of space, and we are excited to lead the way.

### **Project Delivery**

In September 2022 Astroscale entered into a contract with Eutelsat OneWeb joint venture (OneWeb) as part of the Sunrise Phase 2 Project to develop the ELSA-M satellite. This project was a public/private partnership programme between OneWeb and the European Space Agency (ESA), with funding from the UK Space Agency (UKSA). Astroscale UK co-funded the remaining project costs. The programme met multiple milestones throughout the year and the build of the Satellite Qualification Model (SQM) was successfully achieved in early 2023. The ELSA-M programme is targeting the magnetic capture of a prepared client satellite with launch targeted in Q4 2025.

Other programmes in the year included phase A of the COSMIC programme which is for the UK National Active Debris Removal (ADR) mission and is in partnership with the UK Space Agency to remove un-prepared space debris.

The UK also provided significant support for Astroscale Japan missions. On the ADRAS-J mission funded by the Japanese Aerospace Exploration Agency (JAXA), UK based Engineers were responsible for the design and operation of the ADRAS-J Ground segment. In addition the UK team supported the Astroscale group ELSA-d legacy mission. This was the first satellite to demonstrate the in-orbit capture using magnetic capture technology. This mission is now complete and UK Engineers continued throughout 2022/23 to provide operations support for the ELSA-d satellite.

Other programmes are in various stages of maturity and include the continued development of the Astroscale Docking plate which is targeting new satellite constellations to ensure that they can be captured by future End-of-life (EOL) services thereby continuing Astroscale's commitment to space sustainability.

### **Business Development**

Astroscale Ltd has grown substantially in the reporting period and with an increased headcount and maturing programmes a new office was opened in July 2022. The new premises in the Zeus building on Harwell campus has a clean room for satellite build, as well as research and development activity. The new building also provides suitable professional office space for the growing number of engineers and support staff needed to deliver major programmes.

Opportunities for the application of Astroscale's products continues to grow and there is a pipeline of commercial negotiations ongoing, both with constellation owners and institutional partners arising out of the programmes managed in 2022/23 and in respect of Docking plate opportunities.

# ASTROSCALE LTD

## STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2023

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### Financial Summary

Given that the company is in the early stages of generating revenue, the directors consider that the key financial performance indicators are those that monitor the performance within boundaries agreed with the parent company: The directors monitor key performance indicators across the business to ensure that all activity is delivered on time, and our key requirements are met.

	2023	2022
	£000's	£000's
Turnover	£6,136	£1,331
Gross (Loss)	(£26,347)	(£7,310)
Operating (Loss)	(£17,326)	(£10,327)
Cash	£27,314	£2,254
Total Equity	£3,549	£5,824

Turnover increased year on year as a result of progress against milestones on the Sunrise and COSMIC programmes. Gross Margin remains low as Astroscale continues to self-fund the Sunrise programme and continues to invest in research and development of its products.

To reflect the contracted investment commitment to the Sunrise and COSMIC programmes an onerous contract provision was recognised in the year ended 30 April 2023 for the cost commitment by Astroscale for the contracted period. This provision lowered operating profits by £13.4m in the year ended April 2023 (there was no such provision in the year ended April 2022).

The Cash position remained strong at year end at £27m. This was due to continued support from parent company Astroscale Holding Inc. with loans totaling £13.5m received during the year ended 30 April 2023. This cash position was bolstered by the receipt of insurance proceeds of £16m from a mission insurance policy following the partial failure of a demonstration mission. No claims are outstanding and the mission is substantially complete.

This strong cash position and the strong support from Astroscale HD in Japan are key factors in the Directors' continued confidence in the financial health of Astroscale Ltd.

### Principal risks and uncertainties

Due to the inherent risky nature of the space sector the company faces several business risks and uncertainties. Alongside the technical risk of the pioneering space sector, the scale up nature of the company, the need for global regulation and new competitors entering the market add to the general risk environment.

A quarterly risk register report is presented to the Leadership team of Astroscale UK the aim of which is to manage, and control identified risks as part of a Company wide risk management process. These risks cover a range of strategic, programme, operational, commercial, and financial risk.

Though risk cannot be eliminated entirely the directors are satisfied that the combination of risk identification and mitigating actions is sufficient to ensure company has the ability to tackle controllable risks as they arise.

### Future developments

The Directors anticipate the business environment will remain competitive. They believe that the company is in a solid financial position and that the risks that have been identified are being well managed. With careful focus on appropriate diversification and development of new products, as well as continuing review of the state of the market and the activities of competitors, the directors are confident in the company's ability to maintain and build on this position, albeit with cautious growth expectations.

### Financial instruments

The company has a normal level of exposure to price, credit, liquidity and cash flow risks arising from trading activities which are largely conducted in GB pound sterling. Foreign currency transactions are covered by receipts in currency or with suitable currency contracts when required to minimise exposure to exchange rate volatility. The company does not enter into any formally designated hedging arrangements.

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# ASTROSCALE LTD

## STRATEGIC REPORT (CONTINUED)

*FOR THE YEAR ENDED 30 APRIL 2023*

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### Research and development

The company is undertaking research and development to ensure that In Orbit Servicing opportunities are at the forefront of future development. There is an active product development pipeline which leverages developments and know-how from current programmes and identifies how our technology can be matured to deliver commercial solutions. The novel application of technology developments in the year allowed Astroscale to participate in the UK Governments Research and Development tax relief scheme in the year ended 30 April 2023 resulting in a claim of £1.4m.

Other government support has been forthcoming on space policy with increasing support emerging for regulation and a drive for sustainability policies across the sector.

On behalf of the board

N Shave  
**Director**

26 April 2024

# ASTROSCALE LTD

## DIRECTORS' REPORT

### FOR THE YEAR ENDED 30 APRIL 2023

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The directors present their annual report and financial statements for the year ended 30 April 2023.

#### Results and dividends

The results for the year are set out on page 9.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

#### Directors

The directors who held office during the year and up to the date of signature of the financial statements, unless otherwise indicated, were as follows:

M Okada	
J Auburn	(Resigned 1 June 2022)
C Blackerby	
N Shave	(Appointed 1 June 2022)

#### Qualifying third party indemnity provisions

The company has made qualifying third party indemnity provisions for the benefit of its directors during the year. These provisions remain in force at the reporting date.

#### Statement of directors' responsibilities

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) including financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

# ASTROSCALE LTD

## DIRECTORS' REPORT (CONTINUED)

*FOR THE YEAR ENDED 30 APRIL 2023*

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### **Going concern basis**

In assessing whether the going concern basis is appropriate, the directors have taken account of all available information about the future up to and including 30 April 2025 (the going concern period) which is at least 12 months from the date of approval of these financial statements.

Astroscale Holdings Inc., being the ultimate holding company of Astroscale Ltd has provided a letter of support to the company confirming that it will provide access to required financial resources so that the company can continue to meet its liabilities as they fall due during the going concern period.

The directors have satisfied themselves that the ultimate holding company is able to provide financial support and assist in meeting the company's liabilities during the going concern period. The directors have considered cash flow forecasts prepared by the ultimate holding company and also considered plausible downside scenarios and are satisfied the ultimate holding company has sufficient financial resources in place to provide support. The directors note that in March 2023 Astroscale Holdings Inc. closed a further funding round generating additional cash resources which demonstrate the ultimate holding company's ability to provide financial support to the company during the going concern period.

In addition, on 22 April 2024 additional capital transactions were approved resulting in further investment by Astroscale Holdings Inc. into Astrocale Ltd which resulted in the equity reserves of the company increasing by £36,000,000 (see note 22 for further details).

Accordingly, the Directors continue to adopt the going concern basis in preparing the annual report and financial statements.

On behalf of the board

N Shave  
**Director**

26 April 2024

# ASTROSCALE LTD

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF ASTROSCALE LTD

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### Opinion

We have audited the financial statements of Astroscale Ltd for the year ended 30 April 2023 which comprise the Statement of comprehensive income, the Balance Sheet, the Statement of changes in equity, the Statement of cash flows, and the related notes 1 to 26, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 30 April 2023 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period to 30 April 2025.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

### Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

# ASTROSCALE LTD

## INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBER OF ASTROSCALE LTD

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### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and directors' report have been prepared in accordance with applicable legal requirements.

### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

### **Responsibilities of directors**

As explained more fully in the Statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

# ASTROSCALE LTD

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE MEMBER OF ASTROSCALE LTD

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#### **Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud**

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are those that relate to the reporting framework (FRS 102, the Companies Act 2006) and the relevant direct and indirect tax compliance regulation in the United Kingdom. In addition, the Company has to comply with laws and regulations relating to its operations, including health and safety, employees, data protection and anti-bribery and corruption.
- We understood how Astroscale Ltd is complying with those frameworks by making enquiries of management and those responsible for tax, legal and compliance procedures to understand how the Company maintains and communicates its policies and procedures in these areas. We corroborated our enquiries through review of Board minutes, as well as consideration of the results of our other audit procedures.
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur through internal team conversations and inquiry of management and those charged with governance. Through these procedures we determined there to be a risk of management override and a fraud risk relating to revenue recognition. We have performed audit procedures to assess the reasonability of the revenue recognised. We have selected a sample of projects and validated the data points used by management in their assessment of revenue recognition. The fraud risk relating to management override was addressed through testing journal entries and other adjustments for appropriateness.
- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures involved enquiries of the management and those charged with governance and Internal counsel. We also read the financial statement disclosures, corroborating to supporting documentation to assess compliance with applicable laws and regulations and evaluated the business rationale of significant transactions outside the normal course of business.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

#### **Use of our report**

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Daniel Dennett  
for and on behalf of Ernst & Young LLP, Statutory Auditor  
Reading  
Date: 26 April 2024

# ASTROSCALE LTD

## STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 APRIL 2023

	Notes	2023 £	2022 £
<b>Turnover</b>	<b>2</b>	6,136,026	1,330,904
Cost of sales		(32,482,538)	(8,641,055)
<b>Gross loss</b>		(26,346,512)	(7,310,151)
Administrative expenses		(8,070,244)	(3,272,479)
Other operating income		1,091,110	255,273
Insurance proceeds	<b>3</b>	16,000,000	-
<b>Operating loss</b>	<b>4</b>	(17,325,646)	(10,327,357)
Interest receivable and similar income	<b>7</b>	45,282	261
Interest payable and similar expenses	<b>8</b>	(217,302)	(37,209)
<b>Loss before taxation</b>		(17,497,666)	(10,364,305)
Tax on loss	<b>9</b>	313,028	471,507
<b>Loss for the financial year</b>		(17,184,638)	(9,892,798)

The profit and loss account has been prepared on the basis that all operations are continuing operations.

# ASTROSCALE LTD

## BALANCE SHEET

AS AT 30 APRIL 2023

		2023		2022	
	Notes	£	£	£	£
<b>Fixed assets</b>					
Tangible assets	10		3,773,645		2,698,460
<b>Current assets</b>					
Debtors	11	4,561,871		2,319,014	
Cash at bank and in hand		27,313,947		2,254,461	
		<u>31,875,818</u>		<u>4,573,475</u>	
<b>Creditors: amounts falling due within one year</b>	12	<u>(5,035,070)</u>		<u>(1,352,985)</u>	
<b>Net current assets</b>			26,840,748		3,220,490
<b>Total assets less current liabilities</b>			30,614,393		5,918,950
<b>Creditors: amounts falling due after more than one year</b>	13	(13,501,024)		(84,477)	
<b>Provisions for liabilities</b>					
Provisions	15	<u>(13,564,395)</u>		<u>(10,000)</u>	
<b>Net assets</b>			<u>3,548,974</u>		<u>5,824,473</u>
<b>Capital and reserves</b>					
Called up share capital	18		100		100
Equity reserve	19		35,572,260		20,671,478
Profit and loss reserves	20		<u>(32,023,386)</u>		<u>(14,847,105)</u>
<b>Total equity</b>			<u>3,548,974</u>		<u>5,824,473</u>

These financial statements have been prepared in accordance with the provisions relating to medium-sized companies.

The financial statements were approved by the board of directors and authorised for issue on 26 April 2024 and are signed on its behalf by:

N Shave  
Director

Company registration number 10689249 (England and Wales)

# ASTROSCALE LTD

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 APRIL 2023

		Share capital	Equity reserve	Profit and loss reserves	Total
	Notes	£	£	£	£
<b>Balance at 1 May 2021</b>		100	-	(4,969,866)	(4,969,766)
<b>Year ended 30 April 2022:</b>					
Loss and total comprehensive income		-	-	(9,892,798)	(9,892,798)
Credit to equity for equity settled share-based payments	17	-	-	15,559	15,559
Other contributions	23	-	20,671,478	-	20,671,478
<b>Balance at 30 April 2022</b>		100	20,671,478	(14,847,105)	5,824,473
<b>Year ended 30 April 2023:</b>					
Loss and total comprehensive income		-	-	(17,184,638)	(17,184,638)
Credit to equity for equity settled share-based payments	17	-	-	8,357	8,357
Other contributions	23	-	14,900,782	-	14,900,782
<b>Balance at 30 April 2023</b>		100	35,572,260	(32,023,386)	3,548,974

# ASTROSCALE LTD

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 APRIL 2023

		2023		2022	
	Notes	£	£	£	£
<b>Cash flows from operating activities</b>					
Cash absorbed by operations	25	(1,647,594)		(6,707,561)	
Interest received		-		126	
Interest paid		(8,906)		-	
Income taxes refunded		81,336		-	
<b>Net cash outflow from operating activities</b>		<b>(1,575,164)</b>		<b>(6,707,435)</b>	
<b>Investing activities</b>					
Purchase of tangible fixed assets		(1,601,414)		(2,677,918)	
Interest received		45,282		261	
<b>Net cash used in investing activities</b>		<b>(1,556,132)</b>		<b>(2,677,657)</b>	
<b>Financing activities</b>					
Equity contribution		14,900,782		10,000,000	
Receipt of borrowings		13,290,000		-	
<b>Net cash generated from financing activities</b>		<b>28,190,782</b>		<b>10,000,000</b>	
<b>Net increase in cash and cash equivalents</b>		<b>25,059,486</b>		<b>614,908</b>	
Cash and cash equivalents at beginning of year		2,254,461		1,639,553	
<b>Cash and cash equivalents at end of year</b>		<b>27,313,947</b>		<b>2,254,461</b>	

# ASTROSCALE LTD

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2023

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### 1 Accounting policies

#### Company information

Astroscale Ltd is a private company limited by shares incorporated in England and Wales. The registered office is Zeus Building, Unit 3,4,5, Rutherford Avenue, Harwell, Didcot, OX11 0DF.

#### 1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

#### 1.2 Going concern

In assessing whether the going concern basis is appropriate, the directors have taken account of all available information about the future up to and including 30 April 2025 (the going concern period) which is at least 12 months from the date of approval of these financial statements.

Astroscale Holdings Inc., being the ultimate holding company of Astroscale Ltd has provided a letter of support to the company confirming that it will provide access to required financial resources so that the company can continue to meet its liabilities as they fall due during the going concern period.

The directors have satisfied themselves that the ultimate holding company is able to provide financial support and assist in meeting the company's liabilities during the going concern period. The directors have considered cash flow forecasts prepared by the ultimate holding company and also considered plausible downside scenarios and are satisfied the ultimate holding company has sufficient financial resources in place to provide support. The directors note that in March 2023 Astroscale Holdings Inc. closed a further funding round generating additional cash resources which demonstrate the ultimate holding company's ability to provide financial support to the company during the going concern period.

In addition, on 22 April 2024 additional capital transactions were approved resulting in further investment by Astrocale Holdings Inc. into Astrocale Ltd which resulted in the equity reserves of the company increasing by £36,000,000 (see note 22 for further details).

Accordingly, the Directors continue to adopt the going concern basis in preparing the annual report and financial statements.

#### 1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

Revenue from contracts is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that it is probable will be recovered.

# ASTROSCALE LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2023

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### 1 Accounting policies

(Continued)

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

#### 1.4 Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Such cost includes costs directly attributable to making the asset capable of operating as intended.

Depreciation is provided on all property, plant and equipment, at rates calculated to write off the cost, less estimated residual value, of each asset on a straight-line method over its expected useful life as follows:

Leasehold improvements	Over the shorter of term of the lease or economic useful life
Fixtures and fittings	5 years
Plant and machinery	3 to 5 years

Assets in the course of construction are not depreciated.

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

#### 1.5 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

# ASTROSCALE LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2023

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### 1 Accounting policies (Continued)

#### 1.6 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

#### 1.7 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

##### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

##### **Other financial assets**

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

##### **Impairment of financial assets**

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

##### **Derecognition of financial assets**

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

# ASTROSCALE LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2023

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### 1 Accounting policies

(Continued)

#### **Classification of financial liabilities**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

#### **Basic financial liabilities**

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

#### **Other financial liabilities**

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

#### **Derecognition of financial liabilities**

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

### 1.8 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

### 1.9 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

#### **Current tax**

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

# ASTROSCALE LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2023

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### 1 Accounting policies

(Continued)

#### *Deferred tax*

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

#### 1.10 Provisions

Provisions are recognised when the company has a legal or constructive present obligation as a result of a past event, it is probable that the company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value, the unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

#### 1.11 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### 1.12 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

#### 1.13 Share-based payments

For cash-settled share-based payments, a liability is recognised for the goods and services acquired, measured initially at the fair value of the liability. At the balance sheet date until the liability is settled, and at the date of settlement, the fair value of the liability is remeasured, with any changes in fair value recognised in profit or loss for the year.

Equity-settled share-based payments are measured at fair value at the date of grant by reference to the fair value of the equity instruments granted using the Black Scholes Conversion model. The fair value determined at the grant date is expensed on a straight-line basis over the vesting period, based on the estimate of shares that will eventually vest. A corresponding adjustment is made to equity.

# ASTROSCALE LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2023

### 1 Accounting policies

(Continued)

When the terms and conditions of equity-settled share-based payments at the time they were granted are subsequently modified, the fair value of the share-based payment under the original terms and conditions and under the modified terms and conditions are both determined at the date of the modification. Any excess of the modified fair value over the original fair value is recognised over the remaining vesting period in addition to the grant date fair value of the original share-based payment. The share-based payment expense is not adjusted if the modified fair value is less than the original fair value.

Cancellations or settlements (including those resulting from employee redundancies) are treated as an acceleration of vesting and the amount that would have been recognised over the remaining vesting period is recognised immediately.

#### 1.14 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

#### 1.15 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

### 2 Turnover

	2023	2022
	£	£
<b>Turnover analysed by class of business</b>		
Project revenue	5,974,797	915,515
Grant revenue	161,229	415,389
	<u>6,136,026</u>	<u>1,330,904</u>

### 3 Exceptional item

	2023	2022
	£	£
Insurance proceeds	16,000,000	-
	<u>16,000,000</u>	<u>-</u>

During this financial period the company received insurance proceeds of £16,000,000 from a mission insurance policy which paid out following the partial failure of a demonstration mission. No claims are outstanding and there is no further liability as the mission is now substantially complete.

# ASTROSCALE LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2023

### 4 Operating loss

	2023	2022
	£	£
Operating loss for the year is stated after charging/(crediting):		
Exchange (gains)/losses	(161,055)	16,108
Research and development costs	32,482,538	8,641,055
Fees payable to the company's auditor for the audit of the company's financial statements	70,000	54,000
Depreciation of owned tangible fixed assets	501,623	53,031
Provisions for liabilities (note 15)	13,554,395	10,000
Share-based payments	8,357	15,559
Operating lease charges	809,909	666,871
	<u>                    </u>	<u>                    </u>

Amounts payable to Ernst and Young LLP and their associates by the company in respect of non- audit services were £40,426 (2022 - £17,000)

### 5 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2023	2022
	Number	Number
Research	80	42
Sales	5	4
Administrative	28	14
Management	8	6
	<u>                    </u>	<u>                    </u>
Total	121	66
	<u>                    </u>	<u>                    </u>

Their aggregate remuneration comprised:

	2023	2022
	£	£
Wages and salaries	7,564,001	4,106,344
Social security costs	860,488	469,558
Pension costs	267,421	139,722
	<u>                    </u>	<u>                    </u>
	8,691,910	4,715,624
	<u>                    </u>	<u>                    </u>

# ASTROSCALE LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2023

### 6 Directors' remuneration

	2023	2022
	£	£
Remuneration for qualifying services	287,083	275,000
Company pension contributions to defined contribution schemes	646	-
	<u>287,729</u>	<u>275,000</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 1 (2022 - 0).

Remuneration disclosed above include the following amounts paid to the highest paid director:

	2023	2022
	£	£
Remuneration for qualifying services	241,250	275,000
Company pension contributions to defined contribution schemes	646	-
	<u>241,896</u>	<u>275,000</u>

### 7 Interest receivable and similar income

	2023	2022
	£	£
<b>Interest income</b>		
Interest on bank deposits	45,282	261
	<u>45,282</u>	<u>261</u>

### 8 Interest payable and similar expenses

	2023	2022
	£	£
Interest on debts and borrowings	209,915	37,209
Finance charges under dilapidation provision	7,387	-
	<u>217,302</u>	<u>37,209</u>

### 9 Taxation

	2023	2022
	£	£
<b>Current tax</b>		
UK corporation tax on profits for the current period	(313,028)	(471,507)
	<u>(313,028)</u>	<u>(471,507)</u>

# ASTROSCALE LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2023

### 9 Taxation (Continued)

The actual credit for the year can be reconciled to the expected credit for the year based on the profit or loss and the standard rate of tax as follows:

	2023 £	2022 £
Loss before taxation	(17,497,666)	(10,364,305)
Expected tax credit based on the standard rate of corporation tax in the UK of 19.49% (2022: 19.00%)	(3,410,295)	(1,969,218)
Permanent capital allowances in excess of depreciation	(33,842)	(8,227)
Depreciation on assets not qualifying for tax allowances	59,316	-
Other permanent differences	238,513	1,365
Under/(over) provided in prior years	(113,918)	113,918
Deferred tax not recognised	3,012,958	1,642,554
SME R&D tax relief scheme	(65,760)	(251,899)
Taxation credit for the year	(313,028)	(471,507)

### 10 Tangible fixed assets

	Leasehold improvements £	Assets under construction £	Fixtures and fittings £	Plant and machinery £	Total £
<b>Cost</b>					
At 1 May 2022	-	2,533,586	-	262,550	2,796,136
Additions	864,584	-	237,016	499,814	1,601,414
Disposals	-	-	(5,889)	(20,122)	(26,011)
Transfers	2,533,586	(2,533,586)	-	-	-
At 30 April 2023	3,398,170	-	231,127	742,242	4,371,539
<b>Depreciation and impairment</b>					
At 1 May 2022	-	-	-	97,676	97,676
Depreciation charged in the year	312,190	-	32,167	157,266	501,623
Eliminated in respect of disposals	-	-	-	(1,405)	(1,405)
At 30 April 2023	312,190	-	32,167	253,537	597,894
<b>Carrying amount</b>					
At 30 April 2023	3,085,980	-	198,960	488,705	3,773,645
At 30 April 2022	-	2,533,586	-	164,874	2,698,460

# ASTROSCALE LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2023

11 Debtors	2023	2022
Amounts falling due within one year:	£	£
Trade debtors	914,254	173,067
Corporation tax recoverable	2,192,571	1,001,877
Other debtors	784,892	793,575
Prepayments and accrued income	670,154	350,495
	<u>4,561,871</u>	<u>2,319,014</u>
	<u><u>4,561,871</u></u>	<u><u>2,319,014</u></u>
12 Creditors: amounts falling due within one year	2023	2022
	£	£
Amounts owed to a parent company (see note 14)	208,395	-
Trade creditors	1,853,834	263,362
Taxation and social security	303,183	173,208
Deferred income	1,480,095	112,036
Other creditors	53	12,551
Accruals	1,189,510	791,828
	<u>5,035,070</u>	<u>1,352,985</u>
	<u><u>5,035,070</u></u>	<u><u>1,352,985</u></u>
13 Creditors: amounts falling due after more than one year	2023	2022
	£	£
Amounts owed to a parent company (see note 14)	13,290,000	-
Accruals	211,024	84,477
	<u>13,501,024</u>	<u>84,477</u>
	<u><u>13,501,024</u></u>	<u><u>84,477</u></u>
14 Loans and overdrafts	2023	2022
	£	£
Loans from a parent company	13,498,395	-
	<u>13,498,395</u>	<u>-</u>
Payable within one year	208,395	-
Payable after one year	13,290,000	-
	<u>13,498,395</u>	<u>-</u>
	<u><u>13,498,395</u></u>	<u><u>-</u></u>

Loans from a parent company are unsecured and repayable in full on the 30 September 2025. Interest is charged at 5% per annum.

# ASTROSCALE LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2023

### 15 Provisions for liabilities

	Dilapidations Loss on orders received		Total
	£	£	£
At 1 May 2022	10,000	-	10,000
Additional provisions in the year	140,325	13,414,070	13,554,395
At 30 April 2023	<u>150,325</u>	<u>13,414,070</u>	<u>13,564,395</u>

#### Dilapidations

A provision for dilapidations at the end of the operating lease has been made for the Zeus Building Rutherford Avenue Harwell. An estimated final provision of £200,000 has been discounted at 3.39% for the term of the lease and £150,325 has been included as at 30 April 2023 (£10,000 as at 30 April 2022).

#### Loss on orders received

In September 2022 Astroscale entered into a contract with OneWeb (trading as Network Access Associates Limited) as part of the Sunrise Phase 2 Project (ELSA-M Phase 3) to develop the ELSA-M satellite. This project was a public/private partnership programme between OneWeb and ESA, with funding from the UKSA. As per standard ESA ARTES 4.0 conditions, Astroscale UK co-funded the remaining project costs of £12,728,670. A provision has been made in the financial statements for the year ended 30 April 2023 for the full amount of this self-funding, which reflects Astroscale's contribution to the development of its end-of-life service.

In addition, a provision has been made on the UKSA ADR mission, COSMIC for £685,400 in the year ended 30 April 2023.

### 16 Retirement benefit schemes

	2023	2022
Defined contribution schemes	£	£
Charge to profit or loss in respect of defined contribution schemes	<u>267,421</u>	<u>139,722</u>

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

### 17 Share-based payment transactions

The company participates in the share-based compensation plans operated by the ultimate parent company. Some employees of Astroscale Ltd participated in the scheme. The purpose of the scheme is to align employee interests with company interests.

# ASTROSCALE LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2023

### 17 Share-based payment transactions (Continued)

	Number of share options		Weighted average exercise price	
	2023 Number	2022 Number	2023 £	2022 £
Outstanding at 1 May 2022	17,842	10,865	416.19	371.49
Granted	6,350	7,667	503.36	493.35
Forfeited	(5,752)	(690)	374.05	213.11
Outstanding at 30 April 2023	18,440	17,842	446.70	416.19
Exercisable at 30 April 2023	5,720	3,095	328.03	198.25

The options outstanding at 30 April 2023 had an exercise price ranging from £109.05 to £503.36, and a remaining contractual life of 2 to 6.6 years.

During the period the following options were recognised as granted:

- 5,670 share options at a WAEP of £503.36 on 22 November 2022 exercisable between 23 November 2024 and 31 October 2029.
- 680 share options at a WAEP of £503.36 on 21 February 2023 exercisable between 22 February 2025 and 31 October 2029.

The options vest at the point they are exercisable only if the person has remained employed by Astrocale Ltd.

#### Liabilities and expenses

During the year, the company recognised total share-based payment expenses of £8,357 (2022 - £15,559) which related to equity settled share based payment transactions.

### 18 Share capital

	2023 Number	2022 Number	2023 £	2022 £
<b>Ordinary share capital</b>				
<b>Issued and fully paid</b>				
ordinary shares of £1 each	100	100	100	100

### 19 Equity reserve

	2023 £	2022 £
At the beginning of the year	20,671,478	-
Capital contribution	14,900,782	20,671,478
At the end of the year	35,572,260	20,671,478

# ASTROSCALE LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2023

### 20 Profit and loss reserves

	2023	2022
	£	£
At the beginning of the year	(14,847,105)	(4,969,866)
Loss for the year	(17,184,638)	(9,892,798)
Share based payment transactions	8,357	15,559
	<u>                    </u>	<u>                    </u>
At the end of the year	<u><u>(32,023,386)</u></u>	<u><u>(14,847,105)</u></u>

### 21 Operating lease commitments

#### Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2023	2022
	£	£
Not later than one year	328,032	328,032
Later than one year and not later than five years	2,411,767	2,201,329
Later than five years	1,256,430	1,794,900
	<u>                    </u>	<u>                    </u>
	<u><u>3,996,229</u></u>	<u><u>4,324,261</u></u>

# ASTROSCALE LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 APRIL 2023

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#### 22 Events after the reporting date

After the year end; Astroscale Holding provided the following loans to Astroscale Limited, these loans are unsecured and suffer 5% interest per annum:

Date of issue	Value
09 May 2023	£ 1,060,000
01 June 2023	£ 460,000
03 July 2023	£ 2,110,000
01 September 2023	£ 1,820,000
02 October 2023	£ 920,000
01 November 2023	£ 1,060,000
01 December 2023	£ 380,000
26 December 2023	£ 1,950,000
01 February 2024	£ 1,460,000
01 April 2024	£ 680,000

On 22nd April 2024 the Astroscale Ltd Board approved a series of financial transactions to restructure Astroscale Ltd's balance sheet and secure additional funding from Astroscale Holdings inc. as follows;

- The issue of 5,000,000 preference shares to Astroscale Holdings inc at £1 per share attracting a premium of 6%
- The issue of 23,000,000 ordinary shares at £1 per share to Astroscale Holdings inc in consideration for settling of outstanding unsecured loans of £23,000,000
- The issue of 8,000,000 ordinary shares to Astroscale Holdings inc for £1 per share
- Approval of an unsecured loan of £15,000,000 from Astroscale Ltd to Astroscale Holdings inc at an interest rate of 2% pa

As a result of these transactions the equity reserves of the company increased by £36,000,000.

#### 23 Related party transactions

##### Remuneration of key management personnel

All directors and certain senior employees who have authority and responsibility for planning, directing and controlling the activities of the Group are considered to be key management personnel.

	2023	2022
	£	£
Aggregate compensation	1,134,767	750,113

##### Transactions with related parties

Sales and purchases between related parties are made at normal market prices.

During the year the company entered into transactions, in the ordinary course of business, with other related parties. Transactions entered into, and trading balances outstanding at 30 April, are as follows:

# ASTROSCALE LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2023

### 23 Related party transactions (Continued)

	Sales 2023 £	Sales 2022 £	Purchases 2023 £	Purchases 2022 £
Entities with control, joint control or significant influence over the company	700,176	13,143	372,974	-

The following amounts were outstanding at the reporting end date:

	2023 £	2022 £
<b>Amounts due to related parties</b>		
Entities with control, joint control or significant influence over the company	13,871,507	-

Outstanding balances with entities are unsecured. The company has not provided or benefited from any guarantees for any related party receivables or payables. During the year ended 30 April 2023, the company has not made any provision for doubtful debts relating to amounts owed by related parties (2022: nil).

	2023 £	2022 £
<b>Amounts due from related parties</b>		
Entities with control, joint control or significant influence over the company	690,665	6,806

#### Other information

During the year the Board of Directors of the ultimate parent company approved a proposal to fund a capital contribution of £14,900,782 (2022 - £20,671,478).

### 24 Ultimate controlling party

The parent company of Astroscale Ltd is Astroscale Holdings Inc. and its registered office is Hulic Kinshicho Collabo Tree, 4-17-1 Kinshi Sumida-ku Tokyo, 130-0013 Japan. Astroscale Holdings Inc. is the smallest and largest company to prepare consolidated financial statements which include the results of Astroscale Ltd.

# ASTROSCALE LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2023

<b>25</b>	<b>Cash absorbed by operations</b>		
		<b>2023</b>	<b>2022</b>
		<b>£</b>	<b>£</b>
	Loss for the year after tax	(17,184,638)	(9,892,798)
	<b>Adjustments for:</b>		
	Taxation credited	(313,028)	(471,507)
	Finance costs	217,302	37,209
	Investment income	(45,282)	(261)
	Loss on disposal of tangible fixed assets	24,606	408
	Depreciation and impairment of tangible fixed assets	501,623	53,031
	Equity settled share based payment expense	8,357	15,559
	Increase in provisions	13,554,395	10,000
	<b>Movements in working capital:</b>		
	(Increase)/decrease in debtors	(2,011,166)	2,359,649
	Increase in creditors	2,232,178	1,069,113
	Increase in deferred income	1,368,059	112,036
	<b>Cash absorbed by operations</b>	<b>(1,647,594)</b>	<b>(6,707,561)</b>

<b>26</b>	<b>Analysis of changes in net funds/(debt)</b>				
		<b>1 May 2022</b>	<b>Cash flows</b>	<b>Exchange rate</b>	<b>30 April 2023</b>
				<b>movements</b>	
		<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
	Cash at bank and in hand	2,254,461	25,059,486	-	27,313,947
	Borrowings excluding overdrafts	-	(13,290,000)	(208,395)	(13,498,395)
	Net funds/(debt)	2,254,461	11,769,486	(208,395)	13,815,552

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.