Company Registration No. SC717021 (Scotland)

ORBITAL PROJECTS 2 LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

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ORBITAL PROJECTS 2 LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2024

	Notes	2024 £	£	2023 £	£
Current assets					
Debtors	3	1		1	
Creditors: amounts falling due within one year	4	(8,676)		(5,788)	
Net current liabilities			(8,675)		(5,787)
Capital and reserves					
Called up share capital	5		1		1
Profit and loss reserves	6		(8,676)		(5,788)
Total equity			(8,675)		(5,787)

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the board of directors and authorised for issue on 17-Dec-2025 and are signed on its behalf by:

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Mr C Milne

Director

Company Registration No. SC717021

1 Accounting policies

Company information

Orbital Projects 2 Limited is a private company limited by shares incorporated in Scotland. The registered office is Innovation Centre, Orkney Hatston Pier Road, Kirkwall, United Kingdom, KW15 1ZL.

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 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

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 Accounting policies **(Continued)**

1.2 Going concern

In adopting the going concern basis for preparing these financial statements, the Board has considered the Company and wider Orbital group's business activities, together with factors likely to affect its future development, its performance and principal risks and uncertainties.

In assessing whether the financial statements should be prepared on a going concern basis, the Directors have considered a period of twelve months from the date of approval of these financial statements.

The Directors clearly disclose here that as a technology development company, Orbital continues to rely largely on equity investment, grant awards and income from project SPV's that have secured project level financing, to meet its ongoing funding requirements. At the date of signing, similar to previous years, further sources of funding will be pursued within the next twelve months to support the ongoing commercialisation and growth strategy of the Orbital business.

A funding package of £8.0m was secured through existing and new stakeholders in Q4 2025 to accelerate and deliver the short term business and strategic objectives of the company. The funding package included £7,000,000 of new equity and a new £1,000,000 grant award. Orbital is also eligible to drawdown already secured funds through the Horizon 2020: Forward 2030 Green Deal award to support the design and build of its next generation tidal turbine. In addition to this, funding secured through the Maxblade and EURO-TIDES projects, both programmes funded by the European Union and UK Research and Innovation, specifically aim to deliver a range of innovations to improve the performance of tidal turbines and reduce costs. These important programmes will support the design and build of Orbital's next generation tidal turbine.

In addition to already secured funding noted above, the Orbital group of companies will be seeking to secure project finance in the project entities (project SPV's) that have secured four 15 year contracts for difference (CfD's) from the UK government in Auction Rounds 4 and 5 (both project debt and equity from the sale of equity positions in project SPV's). Orbital have secured contracts (for varying volumes of capacity) that could support raising over £100,000,000 of investment to build the contracted projects. It should be noted that all four, some, or none of the projects could proceed, with no single project or contract being in any way contingent on any other projects outcome. This project investment, if secured through its currently 100% owned project SPV's, would become sales revenue to Orbital Marine Power Limited over the construction and delivery phase of the engineering, procurement and construction (EPC) contracts between Orbital Marine Power Limited and the project SPV's. Discussions and due diligence is underway with specific investors and project funders and advisors are about to be selected for the process. Despite a successful track record to date of securing both project finance and equity funding, there can be no guarantee of success when looking to raise project finance or new equity.

The Directors have assessed the year end and post year end cash position of the Orbital and its group of companies, the grant awards secured, plus progress being made for ongoing growth equity and project finance fundraising.

The Directors are encouraged by the significant positive commercial progress being made by the company and group and are confident that the existing and forecast cash runway is sufficient to meet liabilities and forecast costs for a period of time that allows additional and ongoing investment to be secured for Orbital and its group companies.

As such, the Directors have concluded that it is appropriate to continue to adopt the going concern basis of accounting for the preparation of these annual accounts.

These financial statements do not include any adjustments to the balance sheet value for assets and their recoverable amounts or to provide further liabilities which may arise if the going concern basis of preparation is inappropriate.

1 Accounting policies **(Continued)**

1.3 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand.

1.4 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.

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 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.

1.5 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs.

1.6 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.

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.

2 Employees

The company has no employees.

Directors are remunerated through the ultimate parent company, Orbital Marine Power Limited.

3 Debtors

	2024	2023
Amounts falling due within one year:	**£**	**£**
Other debtors	1	1

4 Creditors: amounts falling due within one year

	2024	2023
	£	**£**
Amounts owed to group undertakings	6,376	3,588
Other creditors	2,300	2,200
	8,676	5,788

5 Called up share capital

	2024	2023	2024	2023
Ordinary share capital	**Number**	**Number**	**£**	**£**
Issued and fully paid				
Ordinary Shares of £1 each	1	1	1	1

Each ordinary share carries one vote and the right to participate in a distribution of capital on winding up, and is not redeemable. All shares rank pari passu.

6 Profit and loss reserves

Profit and loss reserves are the cumulative net profits or losses in the Profit and Loss Account.

7 Audit report information

As the income statement has been omitted from the filing copy of the financial statements, the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was unqualified.

The senior statutory auditor was Irvine Spowart and the auditor was Johnston Carmichael LLP.

8 Related party transactions

The company has taken advantage of the exemption available in accordance with section 35 of FRS102 section 1A 'Related parties disclosures' not to disclose transactions with wholly owned group companies.

9 Parent company

The parent and ultimate controlling party is Orbital Marine Power Limited. The registered office is Innovation Centre, Orkney Hatston Pier Road, Kirkwall, United Kingdom, KW15 1ZL.