



**Danish Aerospace**  
COMPANY

# Interim Report 2020

Company Announcement no. 19 - August 28, 2020

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## Key Activities

Danish Aerospace Company A/S (DAC) develops innovative technological solutions for the purpose of exploration of space and for other extreme environments. The activities comprise design, development and manufacturing of medical monitoring and exercise equipment as well as support in connection with preparations for and realization of human space flights. DAC is listed on Nasdaq First North Growth Market in Copenhagen.

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## Key points from the 2020 Interim Report

- ◆ Revenue on DKK 10,3 mio.
- ◆ Profit before depreciation (EBITDA) amounts DKK 0,66 mio.
- ◆ DAC's changes in equity amounts DKK 18,8 mio. as of June 30, 2020.
- ◆ DAC's contract on support for healths monitoring of astronauts on ISS has been extended to end 2021.
- ◆ The work on the combined E4D-exercise equipment for ESA and the FERGO- ergometers for NASA is progressing according to plan.
- ◆ DAC has become a part of the NORDIN 2020 Cohort project, in order to explore the possibilities for wearables and space technology in India.
- ◆ COVID-19 has resulted in small delays in delivery of components, plugs, and prints for the projects. Furthermore, COVID-19 has also affected a couple of DAC projects due to delays at collaboration partners.

## Management Review 2020 interim report

In April the European Space Agency (ESA) extended DAC's MOSES-contract (Medical Operation Support & Engineering Services) to the end of 2021. The contract comprises support for the regular health monitoring and fitness tests, performed on the International Space Station. All tests are performed on DAC's CEVIS-ergometer and the PPFs-health monitoring equipment and are supported from DAC's control center in Odense. DAC has contracts for maintenance and sustaining engineering of the both equipment in space, and the similar training equipment on Earth. The extension and increase of the contract has a value of DKK 2,2 mio.

The development of FERGO space ergometer for Jacobs/NASA and of E4D for ESA, and other contracts continues as planned, with minor delays due to COVID-19. Small components, plugs, and prints has been delayed from subcontractors, either due to shutdowns or order queues, as a result of COVID-19. Despite these impacts from COVID-19, the first half year of 2020 shows a similar revenue compared with the same period in 2019.

Despite the COVID-19 situation there has been a satisfying intake of new contacts and additions to existing development and service contracts. During the first half of the year, promotional and business development activities was affected due to COVID-19. All planned meetings and conferences after February 2020, both in the space sector and also in the commercial areas, were cancelled or postponed with up to a year. This has slowed down the DAC's business development activities.

DAC has also experienced a growing interest for the E4D-exercise technology, that combines 4 exercises into one device, and for which 4 DAC patents have now been published. This interest could, on the long run, lead to new contracts, both with private and commercial space companies, as well as with governmental space agencies.

In late spring DAC became member of the NORDIN 2020 Cohort project, in order to explore the possibilities of collaboration around wearables and space technology in India.

DAC has also again passed the regularly AS9100 quality audit. This is a review of the company's AS/EN9100 Standard, rev. D Quality system authentication with Bureau Veritas.

### CEO, Thomas A. E. Andersen:

"The first half year of 2020 has to some extent been affected of COVID-19, but all our employees have shown an amazing flexibility which allowed us to continue the work on our projects in the difficult

times. Despite the minor delays in delivery of plugs, components and prints, we have managed to maintained the development activities on the FERGO space ergometer and the E4D-exercise equipment. A couple of DAC-projects have also been affected due to delays at some of our collaboration partners. However, fortunately we have not yet seen any cancelation of contracts or projects.

The growing interest in our combined E4D-exercise technology, provides optimism for its future possibilities. We have a unique product and there is emerging market interest from private commercial space companies and governmental space agency's.

The participation in the NORDIN 2020 Cohort gives us the opportunity to start looking at the Indian market which is interesting, both in terms of our wearable technology for extreme environments, but also because in recent these years India's manned space program has gained momentum.

We maintain the expectations for the year's revenue and profit, as announced in connection with the Annual Report for 2019."

### Expectations for the financial year

Danish Aerospace Company A/S continues to expect positive operating earnings in the second half of 2020 and is working on a new internal development project for promising areas within aerospace and for the commercial market of extreme environments.

The expectations for the year's revenue and earnings, as stated in DAC's 2019 Annual Report, are maintained:

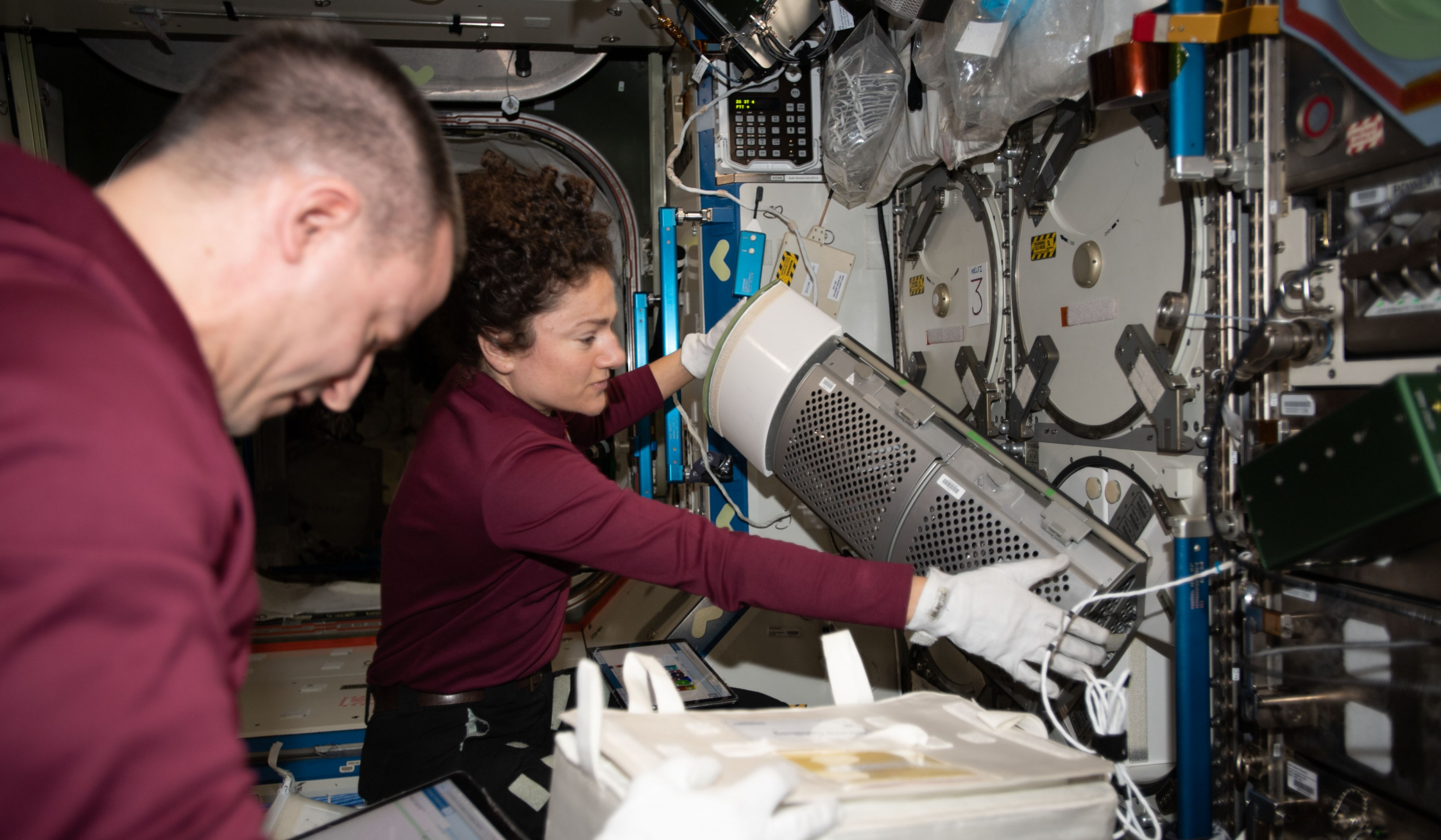
Revenue in the range of DKK 23-27 million; and

Positive operating profit (EBITDA) in the range of DKK 4.0-6.0 million.

However, the COVID-19 situation may still affect the timing of certain income.



Thomas A. E. Andersen,  
CEO



NASA-astronauts Jessica Meir and Chris Cassidy working with -80° freezer MELFI on ISS. DAC has produced the draws and the modules for the MELFI-freezer

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**Income Statement**  
**1 January - 30 June 2020**

	<u>1/1-2020 - 30/6- 2020 DKK</u>	<u>1/1-2019 - 30/6- 2019 DKK</u>
<b>Revenue</b>	<b>10.332.860</b>	<b>10.283.261</b>
Expenses for raw materials and consumables	-1.166.303	-785.700
Other external expenses	-1.737.881	-1.873.034
<b>Gross profit</b>	<b>7.428.676</b>	<b>7.624.527</b>
Staff expenses	-6.767.038	-6.410.159
<b>Profit/loss before Depreciation (EBITDA)</b>	<b>661.638</b>	<b>1.214.368</b>
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment	-729.900	-634.200
<b>Profit/loss before financial income and expenses</b>	<b>-68.262</b>	<b>580.168</b>
Income from investments in subsidiaries	-417.877	-553.268
Income from investments in associates	-771	0
Financial income	78.541	48.256
Financial expenses	-69.384	-31.413
<b>Profit/loss before tax</b>	<b>-477.753</b>	<b>43.743</b>
Tax on profit/loss for the period	13.067	-131.260
<b>Net Profit/loss for the period</b>	<b>-464.686</b>	<b>-87.517</b>

## Balance Sheet

30 June 2020

### Assets

	<u>30/6-2020</u>	<u>30/6-2019</u>
	DKK	DKK
Completed development projects	1.821.830	2.716.232
Acquired patents	333.764	118.320
Development projects in progress	15.697	0
<b>Intangible assets</b>	<b><u>2.171.291</u></b>	<b><u>2.834.552</u></b>
Other fixtures and fittings, tools and equipment	1.638.223	747.950
Leasehold improvements	561.710	321.217
<b>Property, plant and equipment</b>	<b><u>2.199.933</u></b>	<b><u>1.069.167</u></b>
Investment in subsidiaries	41.300	364.566
Investments in associates	59.477	66.459
<b>Fixed asset investments</b>	<b><u>100.777</u></b>	<b><u>431.026</u></b>
<b>Fixed assets</b>	<b><u>4.472.001</u></b>	<b><u>4.334.744</u></b>
Trade receivables	1.948.136	3.427.996
Contract work in progress	14.322.773	9.653.874
Receivables from group enterprises	2.979.970	1.666.840
Other receivables	545.625	273.419
Corporation tax receivable from group enterprises	478.483	0
Prepayments	478.483	376.096
<b>Receivables</b>	<b><u>20.712.052</u></b>	<b><u>15.398.225</u></b>
<b>Cash at bank and in hand</b>	<b><u>281.094</u></b>	<b><u>5.576.725</u></b>
<b>Current assets</b>	<b><u>20.993.146</u></b>	<b><u>20.974.950</u></b>
<b>Assets</b>	<b><u>25.465.147</u></b>	<b><u>25.309.694</u></b>

## Balance Sheet

30. June 2020

### Liabilities and equity

	<u>30/6-2020</u>	<u>30/6-2019</u>
	DKK	DKK
Share capital	1.090.833	1.090.833
Reserve for development costs	1.280.398	1.750.699
Retained earnings	<u>16.456.955</u>	<u>15.411.844</u>
<b>Equity</b>	<b><u>18.828.186</u></b>	<b><u>18.253.376</u></b>
Provision for deferred tax	<u>3.007.601</u>	<u>2.883.317</u>
<b>Provisions</b>	<b>3.007.601</b>	<b>2.883.317</b>
Corporation tax	<u>0</u>	<u>1.410.082</u>
<b>Long-term debt</b>	<b><u>0</u></b>	<b><u>1.410.082</u></b>
Prepayments received from customers	345.405	0
Trade payables	156.735	420.130
Payables to owners and Management	0	271.328
Corporation tax	279.829	93.143
Other payables	2.847.391	1.978.318
<b>Short-term debt</b>	<b><u>3.629.360</u></b>	<b><u>2.762.919</u></b>
<b>Debt</b>	<b><u>3.629.360</u></b>	<b><u>4.173.001</u></b>
<b>Liabilities and equity</b>	<b><u>25.465.147</u></b>	<b><u>25.309.694</u></b>



**Cash Flow Statement**  
**1 January - 30 June 2020**

	<u>1/1-2020– 30/6-</u> <u>2020</u> DKK	<u>1/1-2019– 30/6-</u> <u>2019</u> DKK
Net profit/loss for the year	-464.686	-87.517
Adjustments	1.126.325	1.301.885
Change in working capital	-823.713	-2.792.122
<b>Cash flows from operating activities before financial income and expenses</b>	<b>-162.074</b>	<b>-1.577.754</b>
Financial income	78.542	48.257
Financial expenses	-69.386	-31.414
<b>Cash flows from ordinary activities</b>	<b>-152.918</b>	<b>-1.560.911</b>
Corporation tax paid	-1.933.618	0
<b>Cash flows from operating activities</b>	<b>-2.086.536</b>	<b>-1.560.911</b>
Purchase of intangible assets	-88.137	0
Purchase of property, plant and equipment	-955.983	-165.418
<b>Cash flows from investing activities</b>	<b>-1.044.120</b>	<b>-165.418</b>
Loans to group enterprises	-916.293	-1.028.042
Cash capital increase	0	8.223.480
<b>Cash flow from financing activities</b>	<b>-916.293</b>	<b>7.195.438</b>
<b>Change in cash and cash equivalents</b>	<b>-4.046.949</b>	<b>5.469.109</b>
Cash and cash equivalents at 1 January	4.328.043	107.616
<b>Cash and cash equivalents at 30. June</b>	<b>281.094</b>	<b>5.576.725</b>
<b>Cash and cash equivalents are specified as follows:</b>		
<b>Cash at bank and in hand</b>	<b>281.094</b>	<b>5.576.725</b>
<b>Cash and cash equivalents at 30 June</b>	<b>281.094</b>	<b>5.576.725</b>

## Statement of Changes in Equity

	<u>Share capital</u>	<u>Share premi-</u>	<u>Reserve de-</u>	<u>Retained</u>	<u>Total</u>
	DKK	um account	velopment	earnings	DKK
		DKK	costs	DKK	DKK
			DKK	DKK	DKK
<b>1/1-2020– 30/6-2020</b>					
Equity at 1 January	1.090.833	0	1.492.014	16.698.932	19.281.779
Exchange adjustments	0	0	0	11.093	11.093
Development costs for the year	0	0	12.243	-12.243	0
Depreciation, amortization and impairment for the year	0	0	-223.859	223.859	0
Net profit/loss for the year	0	0	0	-464.686	-464.686
<b>Equity at 30. June</b>	<b>1.090.833</b>	<b>0</b>	<b>1.280.398</b>	<b>16.456.955</b>	<b>18.828.186</b>
<b>1/1-2019—30/6-2019</b>					
Equity at 1 January	935.000	0	1.854.813	7.327.600	10.117.413
Exchange adjustments	0	-1.780.999	0	0	-1.780.999
Cash capital increase	155.833	9.848.646	0	0	10.004.479
Depreciation, amortization and impairment for the year	0	0	-104.114	104.114	0
Net profit/loss for the year	0	0	0	-87.517	-87.517
Transfer from share premium account	0	-8.067.647	0	8.067.647	0
<b>Equity at 30. June</b>	<b>1.090.833</b>	<b>0</b>	<b>1.750.699</b>	<b>15.411.844</b>	<b>18.253.376</b>

## Notes to the 2020 Interim Report

Revenue is at the same level as last year with DKK 10.3 mio, while gross profit fell by 2.6% to DKK 7.4 mio. kr.

Personnel expenses increased 6% to DKK 6.8 mio. which is primarily due to hiring in line with the company's strategy.

Profit before depreciation (EBITDA) amounts to DKK 0.66 mio. and profit after tax amounts to DKK -465t. and is slightly lower than the same period last year.

As of 30 June 2020, DAC's balance sheet totals DKK 25.5 mio. and equity amounts to DKK 18.8 mio.

Cash flows from operations before financial items amount's to DKK -0.15 mio. which is primarily due to changes in receivables from ESA and other customers. Cash and cash equivalents amount's to DKK 0.281 mio. against 5.8 mio. in the same period last year. The decrease is primarily due to a large increase in ongoing work for third parties. The company also has a credit facility of DKK 2 mio. and an associated overdraft facility of an additional DKK 1 mio, which is considered sufficient.

Investments in property, plant and equipment amount to DKK -956t. against DKK -165t. in the same period last year. This is primarily due to the purchase of a new CNC machine for processing aluminum blanks. Investments in intangible fixed assets are DKK 88t against DKK 0 in the same period last year, which is due to 4 new patents on E4D technologies.

Cash flows from financing activities amount to DKK -0.9 mio.

Share related key figures:

	June 30, 2020	June 30, 2019
Earnings pr. share DKK	-0,043	-0.008
Number of shares, ultimo	10.908.330	10.908.330
Number of shares, (average over the period)	10.908.330	5.455.100

The interim report is unaudited.



NASA-astronaut Chris Cassidy is preparing his monthly fitness test with DACs space ergometer and respiratory equipment.

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