

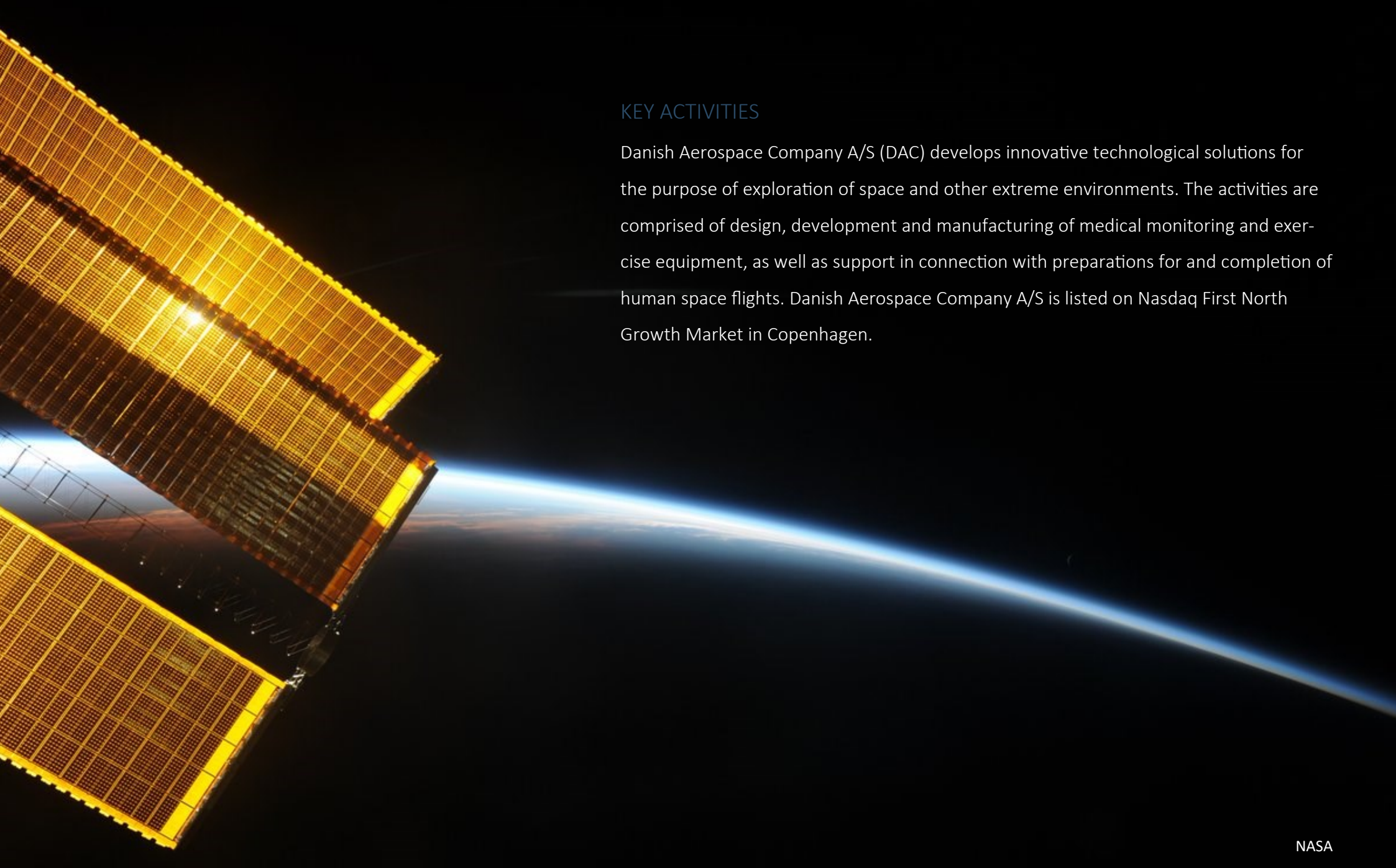
Interim Report 2021

Company Announcement no. 29 - 24-08-2021



Danish Aerospace
C O M P A N Y





KEY ACTIVITIES

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

NASA



KEY POINTS FROM THE 2021 INTERIM REPORT

- ◆ Revenue totaled DKK 10.3 million.
- ◆ Profit before depreciation (EBITDA) amounts to DKK 0,3 million.
- ◆ Expectations for revenue and profit for 2021, as noted in DAC's 2020 Annual report, still stands.
- ◆ NASA/Jacobs has ordered one more of DAC's FERGO ergometers.
- ◆ ESA expanded the E4D contract and has announced they will order an additional E4D flight model.
- ◆ DAC has received subsidy from EU's defense fund for participation in the CUIIS project (Comprehensive Underwater Intervention Information System) to develop underwater technology with sensors, monitoring- and control system for military divers.
- ◆ NORDIN 2020 cohort project, exploration of opportunities for wearables- and space technology in India continues despite delays due to the COVID-19 situation in India.
- ◆ The COVID-19 pandemic has caused minor delays on some projects and business development activities in the first half of 2021.

NASA

MANAGEMENT REVIEW 2021 - INTERIM REPORT

In March, the US space agency NASA ordered for an additional FERGO ergometer from DAC. NASA has now ordered 4 of DAC's new custom-made space ergometers. FERGO (Flight ERGometer) is the second generation of DAC's ergometers. It will replace the current CEVIS-ergometers which, among other, has been a permanent part of the exercise equipment on the International Space Station (ISS) since 2001 and is due to retire after 20 years' faithful service. The first FERGO-ergometer is expected to be launched for ISS at the end of 2021 or beginning of 2022.

In the spring, ESA expanded the contract with DAC for the newly developed E4D (Enhanced European Exploration Exercise Device) multi-function/cross-trainer which will benefit astronauts on manned spaceflights. The ESA contract has been both expanded and extended in terms of developmental activities. The equipment must now meet a long series of additional requirements and include additional functions, furthermore it is supplemented by a set of specific software tools which will make utilization easier for NASA's and ESA's flight surgeons and exercise specialists. The new contract expansion will run until 2025 and is an increase of the contract by 16%.

In June, ESA asked DAC for a quote on another flight model of the company's E4D exercise device, as this will give them a complete extra backup model at their disposal, when the equipment will be included in the standard selection of exercise equipment for astronauts on the Space Station.

Initially, the E4D equipment was to be used as a technology demonstrator on the International Space Station ISS and thereby be a frontrunner for subsequent versions to be used on the coming space station by the Moon– Lunar Gateway, and manned spaceflights for Mars. Now, NASA has expressed a wish to also subsequently use the equipment "operationally" which means, as a complete operational exercise equipment for all non-Russian astronauts on ISS. DAC has compiled a quote for ESA which, in our experience, normally leads to a contract. The final contract is expected signed by the fall when ESA's internal processes have been concluded.

In June, DAC was awarded a subsidy from EU's Defense fund for participation in the CUISS project (Comprehensive Underwater Intervention Information System) along with companies and research institutions from six other countries. The project is part of the EU Commission's recently published results for the European Defense Industrial Development Program 2020 (EDIDP), under the theme "Underwater control contributing to resilience at sea". DAC will be responsible for the sensors and the underwater technology for monitoring the health of the divers. The project is expected to start in the autumn of 2021 and run for three years and consists of development, design, prototyping and a test phase.

DAC has internal development projects with different wearable sensors for health monitoring of e.g., astronauts and persons in other extreme environments on Earth, such as divers, mountain climbers, fighter pilots and race car drivers.

Development, production, and testing of FERGO ergometers for Jacobs/NASA and of E4D for ESA, in-

cluding other contracts, continued as planned, though with minor delays. Despite the effects of COVID-19, DAC shows a revenue for the first half of 2021 at the same level as the corresponding period in 2020.

Promotional and business development activities have once again been affected by COVID-19 in the first half of 2021, nevertheless, DAC has seen a steady increase in new contracts, expansions and additions to current development- and service contracts.

DAC continues the work with the NORDIN 2020 cohort project to further explore the opportunities for corporation regarding wearables- and space technology in India, however this has also been affected by the COVID-19 situation in India.

Once again, in the first half of 2021, DAC passed its regular certification audit, which monitors the company's AS/EN9100 standard, rev. D Quality Management System approval by Bureau Veritas.

CEO, Thomas A. E. Andersen, states:

"The first half of 2021 has seen a number of new contracts and supplement contracts which helps ensure the company going forward. It is great to see the interest which ESA and NASA/Jacobs have shown for our new exercise technologies. In 2021 we have once again been affected by the effects of COVID-19. A few of our DAC projects are still affected due to delays from our collaborators, however, we have once again been lucky that no projects or contracts have been cancelled.

That the CUISS project has been selected by the EU's defense fund has made it possible for DAC to place extra focus on this strategic area. According to our strategy, DAC now, for the first time, steps beyond the space arena and will utilize our experience and technology in the area of extreme environments on Earth. In due time, we hope this will give rise to further opportunities where we can bring our know-how down to Earth and into extreme environments such as; for fighter jets, motor-sports and mountain climbing etc."

Expectations for the year

The expectations for the years revenue and profit as presented in DAC's Annual Report 2020 are maintained:

- ◆ Revenue of DKK 22-25M; and
- ◆ positive EBITDA of DKK 3-5M.

There are some uncertainties associated with the timing of certain projects between 2021 and 2022 which may impact the financial results. The COVID-19 pandemic may also still affect the remainder of 2021, primarily as certain activities may take longer than originally anticipated, furthermore, with limits in business development due to travel restrictions.



Thomas A. E. Andersen,
CEO



ESA Astronaut Thomas Pesquet evaluating and servicing our CEVIS ergometer on the International Space Station ISS.

NASA

INCOME STATEMENT

1 January - 30 June 2021

	<u>1/1-2021 -</u> <u>30/6-2021</u>	<u>1/1-2020 -</u> <u>30/6-2020</u>
	DKK	DKK
Revenue	10.288.029	10.332.860
Work on own account recognised in assets	58.118	15.697
Expenses for raw materials and consumables	-1.163.028	-1.166.303
Other external expenses	-1.609.512	-1.737.881
Gross profit/loss	7.573.607	7.444.373
Staff expenses	-7.309.308	-6.782.735
Resultat before depreciation (EBITDA)	264.299	661.638
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment	-691.029	-729.900
Profit/loss before financial income and expenses	-426.730	-68.262
Income from investments in subsidiaries	-347.457	-417.877
Income from investments in associates	-1.081	-771
Financial income	109.680	78.541
Financial expenses	-189.143	-69.384
Profit/loss before tax	-854.731	-477.753
Tax on profit/loss for the period	87.516	13.067
Net profit/loss for the period	-767.215	-464.686

BALANCE SHEET

30 June 2021

Assets

	<u>30/6-2021</u>	<u>30/6-2020</u>
	DKK	DKK
Completed development projects	986.710	1.821.830
Ac-quired pa-tents	473.363	333.764
Development projects in progress	167.575	15.697
Intangible assets	1.627.648	2.171.291
Other fixtures and fittings, tools and equipment	1.427.336	1.638.223
Leasehold improvements	425.975	561.710
Property, plant and equipment	1.853.311	2.199.933
Investments in subsidiaries	0	41.300
Investments in associates	55.294	59.477
Fixed asset investments	55.294	100.777
Fixed assets	3.536.253	4.472.001

BALANCE SHEET

30 June 2021

Assets

	<u>30/06-2021</u>	<u>30/06-2020</u>
	DKK	DKK
Raw materials and consumables	300.480	0
Inventories	300.480	0
Trade receivables	2.884.321	1.948.136
Contract work in progress	21.669.089	14.322.773
Receivables from group enterprises	3.644.678	2.979.970
Other receivables	254.118	545.625
Corporation tax	317.752	0
Corporation tax receivable from group enterprises	0	437.065
Prepayments	464.559	478.483
Receivables	29.234.517	20.712.052
Cash at bank and in hand	554.806	281.094
Current assets	30.089.803	20.993.146
Assets	33.626.056	25.465.147

BALANCE SHEET

30. June 2021

Liabilities and equity

	30/06-2021	30/06-2020
	DKK	DKK
Share capital	1.090.833	1.090.833
Reserve for development costs	900.342	1.280.398
Retained earnings	16.986.714	16.456.955
Equity	18.977.889	18.828.186
Provision for deferred tax	3.188.673	3.007.60
Provisions	3.188.673	3.007.601
Other payables	1.886.170	0
Long-term debt	1.886.170	0

BALANCE SHEET

30. June 2021

Liabilities and equity

	30/06-2021	30/06-2020
	DKK	DKK
Credit institutions	5.815.778	0
Prepayments received from customers	195.800	345.405
Trade payables	381.422	156.735
Corporation tax	0	279.829
Other payables	3.180.324	2.847.391
Short-term debt	9.573.324	3.629.360
Debt	11.459.494	3.629.360
Liabilities and equity	33.626.056	25.465.147

CASH FLOW STATEMENT

1 January - 30 June 2021

	1/1-2021 - 30/6-2021 DKK	1/1-2020 - 30/6-2020 DKK
Net profit/loss for the period	-767.215	-464.686
Adjustments	1.031.514	1.126.325
Change in working capital	322.061	-823.713
Cash flows from operating activities before financial income and expenses	586.360	-162.074
Financial income	109.679	78.542
Financial expenses	-189.142	-69.386
Cash flows from ordinary activities	506.897	-152.918
Corporation tax paid	0	-1.933.618
Cash flows from operating activities	506.897	-2.086.536
Purchase of intangible assets	-179.085	-88.137
Purchase of property, plant and equipment	-47.199	-955.983
Cash flows from investing activities	-226.284	-1.044.120
Raising of loans from credit institutions	1.328.911	0
Loans to group enterprises	-1.212.782	-916.293
Cash flows from financing activities	116.129	-916.293
Change in cash and cash equivalents	396.742	-4.046.949
Cash and cash equivalents at 1 January	158.064	4.328.043
Cash and cash equivalents at 30 June	554.806	281.094

STATEMENT OF CHANGES
IN EQUITY

	Share capital DKK	Reserve de- velopment costs DKK	Retained earn- ings DKK	Total DKK
1/1-2021– 30/6-2021				
Equity at 1 January	1.090.833	1.060.394	17.717.364	19.868.591
Exchange adjustments	0	0	-123.487	-123.487
Development costs for the period	0	45.332	-45.332	0
Depreciation, amortization and impairment for the period	0	-205.384	205.384	0
Net profit/loss for the period	0	0	-767.215	-767.215
Equity at 30. June	1.090.833	900.342	16.986.714	18.977.889
1/1-2020– 30/6-2020				
Equity at 1 January	1.090.833	1.492.014	16.698.932	19.281.779
Exchange adjustments	0	0	11.093	11.093
Development costs for the year	0	12.243	-12.243	0
Depreciation, amortization and impairment for the year	0	-223.859	223.859	0
Net profit/loss for the year	0	0	-464.686	-464.686
Equity at 30. June	1.090.833	1.280.398	16.456.955	18.828.186

COMMENTS FOR THE 2021 INTERIM REPORT

Revenue is at the same level as last year at DKK 10.3 million while the gross result increased with 1,7% to DKK 7.6 million.

Cost of staff increased with 8% to DKK 7.3 million, which primarily is due to the variation in regulation of holiday pay obligations.

Profit before depreciation (EBITDA) amounts to DKK 0.26 million and result after tax totals DKK -767t which is slightly lower than the corresponding period last year.

As of June 30th, 2021, the balance amounted to DKK 33.6 million and the equity to DKK 19.0 million.

Cash flow from operating activities before financial income and expenses amounts to DKK 0.59 million against DKK -0.16 million for the same period last year. Available funds amount to DKK 0.554 million compared to DKK 0.281 million in the same period last year. The company has a credit facility at DKK 6 million with an equivalent overdraft of an additional DKK 3 million which is considered sufficient.

Investments in intangible fixed assets totals DKK 179t against DKK 88t compared to the same period last year, which primarily is a result of four new patents for E4D technologies which are now patented in a number of countries in- and outside of Europe.

Cash flow from financing activities amounts to DKK 0.12 million.

Share related key figures:

	<u>June 30, 2021</u>	<u>June 30, 2020</u>
Earnings per share (DKK)	-0,007	-0,043
No. of shares (ultimo)	10.908.330	10.908.330
No. of shares (average over the period)	10.908.330	10.908.330

The interim report is unaudited.



NASA

JAXA Astronaut Akihiko Hoshide storing experiment samples in the MELFI freezer on ISS.



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