



COMPANY ANNOUNCEMENT

Odense, August 24th, 2021

Company Announcement no. 29. 24-08-2021

Danish Aerospace Company A/S issues Interim report for 2021

The Board of Directors of Danish Aerospace Company A/S (DAC) have today approved interim report for 2021. The report has not been audited.

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.

CEO, Thomas A. E. Andersen:

"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 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 CUIIS 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, motorsports and mountain climbing etc."



Management Review of the 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, 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, including 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.

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 22-25 million; and
- positive EBITDA of DKK 3-5 million.

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.

The Interim report can be found on our website: <http://www.danishaerospace.com/en/investor-relations/annual-reports>

Note: This is a translation of the corresponding Company Announcement in Danish. In case of discrepancies between the Danish wording and the English translation, the Danish wording prevails.

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Danish Aerospace

C O M P A N Y



About Danish Aerospace Company A/S:

Danish Aerospace Company is a high-tech company operating in the area of advanced medical instrumentation and other engineering fields primarily within space applications. Our products are based on many years of specialized research and development. These consist of developing, integrating, and applying new as well as established medical technologies to the challenges of functioning and remaining reliable in space. These products and services bring the potential of space research and experience from space operations down to Earth for the benefit of all Mankind.

Danish Aerospace Company employs engineers and technicians who deliver full engineering, production and technical services for our customers. We have specialized in customer specific design, development, manufacturing, certification, maintenance, testing, and operations.

The company has developed five generations respiratory equipment for spaceflight, bicycle ergometers for astronauts, countermeasures, adapted several commercial medical equipment for spaceflight and has participated in the development of the minus eighty degree-celsius freezers.

The Company's quality system is certified in obligation to BS EN ISO 9001:2015, BS EN 9100:2018 technical equivalent to AS9100D that is the acknowledged standard in the area.