



COMPANY ANNOUNCEMENT

Odense, March 25th, 2024

Company Announcement no. 47 – 25.03.2024

Danish Aerospace Company A/S issues Annual Report for 2023

The Board of Directors of Danish Aerospace Company A/S (DAC) have today approved the audited annual report for 2023.

Key points for the 2023 Annual Report

- Revenue amounted to DKK 29,7 million (DKK 24,5 million in 2022).
- Operating profit (EBITDA) amounted to DKK 4,80 million (DKK 0,52 million in 2022).
- DAC successfully completed three technology demonstrations on the International Space Station (ISS) during Andreas Mogensen's six-month Huginn Mission.
- DAC's modified Virtual Reality (VR) experiment "VR for Exercise" was used over 30 times by five different ISS astronauts. The VR headset – used together with DAC's FERGO exercise ergometer to simulate a terrestrial cycling experience – demonstrated the potential to enhance significantly the exercise experience of astronauts on orbit.
- DAC's FERGO ergometer, which NASA purchased, launched, installed on the ISS, has been approved for operational use by Space Station crew members. FERGO replaces the CEVIS ergometer that DAC has been providing to NASA since 1992.
- ESA extended its contract with DAC for support of astronaut health monitoring on ISS for 2024.
- Development, production, and assembly of DAC's E4D multifunction exercise device has continued on schedule. Several E4D ergometer modules were assembled and tested.

Management review

Danish Aerospace Company A/S realized earnings from operations before depreciation and amortization (EBITDA), of DKK 4,80 million. The DAC earnings before tax were DKK 2,71 million in 2023. The Company's equity amounts to DKK 12,05 million as of December 31st, 2023.

DAC's old CEVIS ergometer on the International Space Station, was replaced in the fall with the new FERGO ergometers which NASA purchased from DAC. Two FERGO units were launched during the fall, one was stored in reserve, while the other was installed and began use as a replacement for CEVIS. FERGO is now fully operational and being used on a daily basis by ISS astronauts in meeting their exercise requirements. The two now-retired CEVIS ergometers were returned to Earth at the end of 2023.

In connection with the Danish ESA astronaut Andreas Mogensen's six-month Huginn Mission to ISS, three of DAC's technological experiments were chosen by the Danish Ministry of Higher Education and Science for testing onboard the ISS.

These demonstrations have supported the development of new technologies for use by space agencies, commercial human spaceflight companies on orbit and in extreme environments on Earth.

The first demonstration involved the on-orbit testing of DAC's wearable sensor technology called SpaceWear. Andreas Mogensen used the SpaceWear sensor package on several occasions during his Huggin ISS mission providing DAC with many hours of useful data. The second demonstration involved testing of the Aquamembrane-3 water recovery technology system developed by the Aquaporin Space Alliance, a joint venture of DAC and Aquaporin A/S. The Aquamembrane-3 system was successfully tested on orbit by Andreas Mogensen in the fall of 2023 and returned to earth in December. The results look promising and will help the Aquaporin Space Alliance to design a full wastewater cleansing system for use in space.

The third "VR for Exercise" demonstration involved using DAC's Virtual Reality system to demonstrate enhanced astronaut exercise experiences. Used together with the FERGO ergometer, Andreas Mogensen quickly demonstrated the potential of the VR system which was planned as a demonstration. The DAC VR system has now also been used by four other ISS astronauts during their FERGO exercise sessions. Because of these experiences ESA contracted with DAC to use the VR system in connection with an in-orbit training program that ESA is pursuing.

Development and manufacturing of the multifunctional E4D multifunctional exercise device for ESA and a similar exercise device for Axiom Space Inc. is continuing as planned. Several ergometer modules for these exercise devices have been assembled and tested. Meanwhile, large amounts of mechanical parts have been manufactured, and many printed circuit boards were soldered. The assembly of the first complete E4D engineering model commenced at the end of the year in anticipation of its completion and preliminary testing by ESA and NASA in February 2024.

DAC's contract with ESA involving the health monitoring of astronauts on the International Space Station was extended for 2024. Under this contract, which DAC has held since 2006, DAC supports health monitoring and exercise testing with DAC hardware on the ISS from DAC's control center in Odense, Denmark.

DAC passed this year's annual supervisory audit for the 7th year in a row, which is a check of the company's (AS/EN9100 standard rev. D) quality control authorization by Bureau Veritas. DAC therefore continues to be one of few space companies in Denmark to maintain this certification.

"DAC had a satisfying 2023 with earnings before tax of DKK 2,7 million although positively impacted by the adjustment of the accounting errors in previous years. The expectations for 2024 are positive and DAC will move towards the completion of two major contracts in early 2025.", says Thomas A. E. Andersen, CEO.

Material errors in previous years

During the preparation of the annual accounts for 2023, it has been established that the annual accounts for 2022 contained a material error, due to error in the model for assessing the stage-of-completion of work-in-progress. The error has been corrected in the annual accounts for 2023, and the correction has been made via the opening equity and comparative figures have been restated.



The corrected error reduces the equity per 1 January 2023 by DKK 11,448 thousand, reduces contract work in progress by DKK 9,691 thousand, reduces raw materials and consumables by DKK 4,076 thousand, increases prepayments by DKK 910 thousand, reduces EBITDA by DKK 2,841 thousand and reduces deferred tax by DKK 3,229 thousand. We refer to the annual report for more information. The contract amounts are unchanged and the contracts are as profitable as DAC expected when they were signed.

Expectations for the 2024 fiscal year.

Danish Aerospace Company pursues new development projects for promising applications of its expertise and technology in space and in extreme terrestrial environments. In addition, the Company expects to complete two major contracts in early 2025.

In the fiscal year 2024 Danish Aerospace Company's expectations are:

- Total Revenue (incl. other income) of DKK 22-24 million; and
- Operating profit (EBITDA) of approx. DKK 2-3 million.

General Assembly 2024

DAC's General Assembly will take place on April 18th, 2024. DAC will publish its interim report for 2024 on August 26th, 2024.

Attached to this document:

Appendix 1 – Key Figures 2023

Appendix 2 – Changes in Equity 2023

Appendix 3 – Cash Flow 2023

The Audited Annual Report for 2023 will be available on the company's website by March 25th, 2024, via the link below:

[Annual Reports - Danish Aerospace Company](#)

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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.

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.*

Appendix 1 – Key figures 2023

DKK in thousands.	<u>2023</u>	<u>2022</u>
Income statement:		
Revenue	29.715	24.470
Gross profit	20.649	15.177
Other operating income	2.166	828
EBITDA	4.803	517
Profit/loss from operating activities	4.042	-251
Net financials	-730	656
Net profit or loss for the year	2.020	-351
Statement of financial position:		
Balance sheet total	34.242	22.237
Investments in property, plant and equipment	36	256
Equity	12.052	9.858
Key figures in %:		
Gross margin (%)	69,49	62,02
EBITDA margin (%)	16,16	2,11
Equity ratio (%)	35,20	44,33
Share performance		
Earnings per share (DKK)	0,19	-0,03
P/E ratio	18,15	-127,97
P/B ratio	3,04	4,56
Total number of shares	10.908.330	10.908.330
Closing share price (DKK)	3,36	4,12

Calculations of key figures and ratios do, in all material respects, follow the recommendations of the Danish Association of Finance Analysts, only in a few respects deviating from the recommendations.

Appendix 2 – Changes in Equity 2023

All amounts in DKK.

	Contributed capital	Reserve for development costs	Retained earnings	Total
Equity 1 January 2023	1.090.833	1.052.856	19.162.537	21.306.226
Correction of significant errors relating to previous years	0	0	-11.448.161	-11.448.161
Adjusted equity 1 January 2023	1.090.833	1.052.856	7.714.376	9.858.065
Retained earnings for the year	0	0	2.019.741	2.019.741
Transferred from retained earnings	0	978.827	-978.827	0
Foreign currency translation adjustments	0	0	173.969	173.969
	1.090.833	2.031.683	8.929.259	12.051.775

Appendix 3 – Cash flow 2023

Statement of cash flows 1 January - 31 December

All amounts in DKK.

<u>Note</u>	<u>2023</u>	<u>2022</u>
Net profit or loss for the year	2.019.741	-351.191
19 Adjustments	2.783.546	868.090
20 Change in working capital	-13.139.104	-7.575.407
Cash flows from operating activities before net financials	-8.335.817	-7.058.508
Interest received, etc.	245.657	702.588
Interest paid, etc.	-976.014	-46.428
Cash flows from ordinary activities	-9.066.174	-6.402.348
Income tax paid	122.472	31.807
Cash flows from operating activities	-8.943.702	-6.370.541
Purchase of intangible assets	-1.799.254	-856.520
Purchase of property, plant, and equipment	-35.734	-255.566
Cash flows from investment activities	-1.834.988	-1.112.086
Changes in short-term bank loans	10.755.763	4.906.187
Cash flows from financing activities	10.755.763	4.906.187
Change in cash and cash equivalents	-22.927	-2.576.440
Cash and cash equivalents at 1 January 2023	106.433	2.682.873
Cash and cash equivalents at 31 December 2023	83.506	106.433
Cash and cash equivalents		
Cash and cash equivalents	83.506	106.433
Cash and cash equivalents at 31 December 2023	83.506	106.433