

Rovsing

**INTERIM REPORT
FIRST HALF YEAR 2020 / 21**



PROFILE

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Rovsing A/S (Rovsing) develops, manufactures and delivers systems for functional and electrical testing of spacecrafts (primarily satellites) and their payloads.

The products and systems are used for testing of spacecraft sub-systems, including external communication connections and instruments.

The Company's products are modular and are sold either on a stand-alone basis or used as modules in system solutions, customized for the specific spacecraft application. In connection with the configuration of system solutions, third parties' products are also used, and software is configured for the individual spacecraft needs.

The products, inclusive software packages, are flexible and configurable, facilitating tailor-made customer solutions.

More specifically, Rovsing offers, the following equipment solutions:

- Power & Launch EGSE (Electrical Ground Support Equipment)
- Payload EGSE
- Platform EGSE
- Instrument EGSE
- Avionics Test Beds
- Central Check-out Equipment
- Thermal EGSE
- Real-time Simulators

In addition, Rovsing develops software solutions, including solutions based on specific customer specifications, and performs independent software verification/validation (ISVV) for critical space-related software developed by third parties.

Rovsing also provides engineering support for large corporations in the space industry at various locations in Europe and in South America. For more than 15 years, Rovsing has been responsible for configuration control of ground installations at the European space base CSG in Kourou in French Guiana.

The main customers of Rovsing are European and US-based space groups such as Airbus DS, Thales Alenia Space, OHB, Boeing, Lockheed Martin and their key sub-suppliers. The European Space Agency (ESA), NASA and various national space agencies are also among Rovsing's customers.

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HIGHLIGHTS OF THE HALF YEAR

- In the first half year of 2020/21, the revenue amounted to DKK 12,4 million (2019/20: DKK 9,4 million) or an improvement of 32%
- The H1 of 2020/21 EBITDA is DKK 1,0 million (2019/20: DKK -1,8 million) or an improvement of DKK 2,8 million
- Rovsing has continued to support its Customers in H1 2020/21, as an important key provider on major ongoing ESA missions, delivering test- and simulation systems, individual products, software solutions, ISVV and on-site engineering services. The market position of Rovsing within the segment has been further strengthened based on the delivered performance and value
- The order intake in H1 of 2020/21 is DKK 19,3 million (H1 2019/20 DKK 5,5 million) and the order backlog at 31 December 2020 is DKK 21,1 million (H1 2019/20 DKK 8,9 million). Backlog is exclusive of ongoing service contracts. The development reflects the efforts of the Company to grow its market share and ensure continuous flow of projects in our area of expertise
- The projected industry pipeline is at a higher level compared to recent years, which reflects the market growth with many ongoing and upcoming institutional and commercial space programme. The related order backlog for Rovsing gives as well a positive operational outlook for the coming years
- Based on the H1 2020/21 performance and a high order intake and backlog, the outlook for 2020/21 is increased to a revenue in the range of DKK 27 to 29 million, and a positive EBITDA in the range of DKK 2,5 to 3,5 million from a revenue in the range of DKK 26 to 28 million, and a positive EBITDA in the range of DKK 2 to 3 million

FINANCIAL HIGHLIGHTS AND RATIOS

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INCOME STATEMENT	1H 2020/21	1H 2019/20	Full year 2019/20
DKK'000			
Revenue	12,392	9,426	21,836
Earnings before interest, taxes, depreciation and amortisation, EBITDA	1,031	-1,792	-863
Operating profit (EBIT)	-1,158	-3,988	-5,322
Financial income and expenses, net	-402	-676	-1,188
Profit/loss for the year	-1,617	-4,664	-6,810

BALANCE SHEET

Non-current assets	16,395	20,395	17,997
Current assets	9,533	12,150	9,248
Total assets	25,928	32,545	27,245
Equity	9,806	13,570	11,423
Non-current liabilities	4,630	590	386
Current liabilities	11,492	18,385	15,437
Total equity and liabilities	25,928	32,545	27,245

CASH FLOW STATEMENT

Cash flow from operating activities	-628	-1,093	5,372
Cash flow from investing activities	-160	-176	-259
Cash flow from financing activities	796	1,250	-5,069
Total cash flow	8	-19	44

KEY FIGURES

EBITDA margin, %	8.3	-19,0	-4.0
EBIT margin, %	-9.3	-42,3	-24.4
Return on equity, %	-9.5	-27,2	-28.8
Earnings per share (EPS)	-3.54	-0.01	-14.9
Cash flow per share (CFPS)	-11.1	-0.01	-5.7
Dividends per share of DKK 50	-	-	-
Pay-out ratio, %	-	-	-
Equity per share, DKK	21.47	0.03	25.0
Solvency, %	37.8	41.7	41.9
Average number of shares (1,000 shares)	457	453,957	458
Number of shares at year-end (1,000 shares)	457	456,479	458

The key figures are calculated in accordance with the recommendations issued by the Danish Society of Financial Analysts ("Finansforeningens") in 2015.

At the Annual General Meeting on 21 October 2019, a reverse share split was decided in a 1000:1 consolidation ratio. The reverse share split reduced the number of shares issued in the company, so that 1.000 shares at a nominal value of DKK 0.05 were merged into one share with a nominal of DKK 50 (1000: 1 ratio). Which explains the difference in number of shares for H1 2020/21 compared to H1 2019/20.

Rovsing's financial year is from 1 July to 30 June.

CORPORATE INFORMATION

The Company

Rovsing A/S
Dyregårdsvej 2
2740 Skovlunde, Denmark

Phone: +45 44 200 800
Fax: +45 44 200 801
Website: www.rovsing.dk
E-mail: info@rovsing.dk

Company reg. (CVR) no.: 16 13 90 84
Date of incorporation: 20 May 1992
Municipality of registered office: Ballerup, Denmark

Board of Directors

Michael Hove (Chairman)
Ulrich Beck
Jakob Have

Executive Management

Hjalti Pall Thorvardarson, CEO
Sigurd Hundrup, CFO

Auditors

KPMG Statsautoriseret Revisionspartnerskab
Dampfærgevej 28
2100 København Ø

MANAGEMENTS' REVIEW

REVENUE AND RESULTS

Revenue for the first half year 2020/21 amounted to DKK 12,4 million compared to DKK 9,4 million in the same period last year.

Gross profit for the period amounted to DKK 9,1 million compared to DKK 7,3 million in the first half of 2019/20. The improvement is driven by new and ongoing projects with normalized margins compared to the same period last year.

The Company's earnings before interest, tax, depreciation and amortisation (EBITDA) for the period amounted to DKK 1,0 million compared to DKK -1,8 million in the same period of the financial year 2019/20.

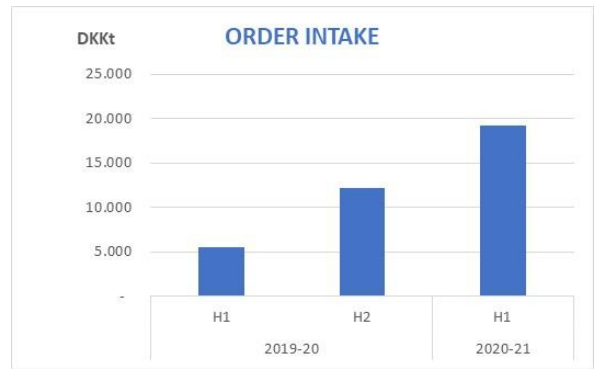
The net profit for the first half year amounted to DKK -1,6 million compared to DKK -4,7 million in the same period last year.

Equity as per 31 December 2020 amounted to DKK 9,8 million (31 December 2019: DKK 13,6 million).

Cash flow from operating activities for the period amounted to DKK -0,6 million compared to DKK -1,1 million in the first half year 2019/20. Net cash flow from investing activities amounted to DKK -0,2 million (2019/20: DKK -0,2 million) and cash flow from financing activities amounted to DKK 0,8 million (2019/20: DKK 1,3 million) while net cash flow for the period amounted to DKK 0 million (2019/20: DKK 0 million). Due to COVID-19, the government delayed payment of VAT and a-tax/am-contribution leading to an improvement of DKK 2,5 million from cash flow of operating activities. The deferred amount will be paid in later periods in accordance with government instructions.

The H1 2020/21 realised revenue and EBITDA are in line with Management's expectations. Steady progress has been achieved on existing projects, despite the challenges of the COVID-19 pandemic. The flexibility of the Rovsing team and an active business continuation plan, remain a significant factor in driving potential mitigations to the pandemic situation and associated challenges.

Order intake in the first 6 months of the financial year 2020/21 has increased significantly compared to the same period last financial year as can be seen below:



Order backlog has as well increased compared to earlier periods. This success reflects the efforts invested in sales and project proposals which have been intensified over the past years in connection with a steady increase in the general activity level of the industry. The figure below shows the order backlog exclusive of ongoing service contracts.



The evolution of the order backlog is satisfactory and underlines the strengthened competitive position of Rovsing in key market segments.

OPERATIONAL REVIEW

The European market

The European institutional market remains the most important market to Rovsing. The Company continues to invest large effort in providing proposals to the major European Prime contractors in their efforts to bid for the many upcoming institutional and commercial missions. The industry outlook remains a market with increasing activity level and large profile missions such as Galileo Next Generation and Mars Sample Return (MSR) entering implementation phase. In addition, the prime contractors for the 6 Copernicus High Priority Candidate Missions (HPCM) have been chosen with best practice tenders for EGSE expected to start in H2.

At the beginning of H1, Rovsing provided the two remaining Satellite Interface Simulator (SIS) Power Front-End (PFE) systems for supporting PLANetary Transits and Oscillations of stars (PLATO) to Thales Alenia Space (TAS) UK.

Rovsing was selected by TAS-UK to deliver the Electrical Power Subsystem (EPS) SCOE for the FLEX programme, signing a PATP in late December 2020 with system delivery planned before the end of 2021. This win is a good continuation of Rovsing Power SCOE business line and shares good synergies with the ongoing PLATO EPS SCOE for TAS-UK which completed its Critical Design Review back in August 2020 and is on track for deliveries in spring and autumn of 2021.

Rovsing delivered the Payload Module (PLM) EGSE for the Solar wind Magnetosphere Ionosphere Link Explorer (SMILE) mission to Airbus DS Spain back in November 2020. SMILE is a joint venture mission between the European Space Agency and the Chinese Academy of Sciences. Rovsing is also performing the Independent Software Validation (ISVV) for Airbus DS Spain on the SMILE PLM, a contract signed back in September 2020 and running until spring 2022.

Airbus DS in Toulouse led the winning consortium for the Mars Sample Return (MSR) Earth Return Orbiter (ERO) programme. Rovsing is a core consortium member, responsible for providing the Electrical Satellite Interface Simulator (E-SIS). The activity was kicked-off under an ATP in December 2020 and deliveries are planned for spring 2022.

In H1 Rovsing continued to support the MetOp-SG programme. Work has continued on the ISVV for the platform and instruments which is now set to be finalized in H2. In addition, Rovsing received an order for additional 40x RO-5100 SAS Modules by Clemessy for a recurring set of their MetOp-SG SAS SCOE. The SAS Modules were delivered in two batches in October and November 2020.

Together with Critical Software from Portugal, Rovsing is responsible for writing the updated ESA handbook for Independent Software Verification and Validation, work that is expected to be finished in H2.

Rovsing has continued support for the Artemis missions with the Orion Multi-Purpose Crew Vehicle (MPCV) European Service Module (ESM). Four Solar Array Wing Front End Equipment (SAW FEE) systems are deployed, two with Airbus DS in Bremen and Ariane Group in Les Mureaux, one with Lockheed Martin in Colorado for the Integrated Test Lab and the fourth with NASA at the Kennedy Space Center. As part of the NASA Artemis and Lunar Gateway programmes, ESA has committed to providing additional three ESMs. In this connection Rovsing foresees to continue providing engineering support both remote & onsite as well

as spare parts and possible upgrades until 2028. Leonardo of Milan ordered a third recurring MPCV-ESM PCDU EGSE back in October 2020 in support of the upcoming ESMs. The 3rd PCDU EGSE is already being assembled in our lab and is planned to be delivered late summer 2021.

Rovsing's onsite service business has had changes during the half year, a long-term service contract in Bremen for the ISS helpdesk came to an end ultimo December 2020. Replacement of a resource on the SETTERS project towards the end of the year resulted in some unbudgeted extra cost. The Kourou service activities remain in place with contracts running until ultimo 2022. An additional resource was added to the Kourou team in November 2020.

The US market

Due to COVID-19, no customer or trade show visits to North America were possible during H1. Rovsing still proceeded to explore further opportunities with North American customers and responding to tenders. These efforts led to a purchase order by Boeing Satellite Systems of several Rovsing High Current Second Level Protections units for use in their test systems. The delivery of the units is foreseen in H2 2020/21.

As a supplier of various EGSE to the European Service Module (ESM) for the Orion Crew Capsule, Rovsing remains a vital partner for the Artemis missions planned in the coming years with the aim of bringing humans back to the Moon. With the ESA and NASA commitment for three additional ESMs, Rovsing foresees to support the Artemis mission for the coming years.

The overall North American market for commercial, military, and civil space remains a growth opportunity and strategic focus for the Company.

Emerging Markets

Rovsing continues to closely monitor emerging and ambitious space markets with their increasing space budgets. However, sales activities and inquiries from emerging markets have been quieter in H1, this can be attributed to the overall world situation where emerging markets and one-off programmes are more sensitive to the COVID-19 pandemic than programmes of more established space nations.

With the delivery of the Turksat 6A EPS EGSE, Rovsing has developed a strong competitive position within the Turkish indigenous space

programmes. A segment that is projected to continue growing for the coming years.

Product development and production

Rovsing has continued focus on improving its product base and related logistics, production and testing environments. Improvements in value chain, heightening of quality and efficiency are a constant focus to improve the Company's competitive advantage.

Product development and feature improvements in the domains of both software and hardware remain key enablers for Rovsing abilities to deliver diverse market leading system solutions to customers.

Rovsing's strategic roadmap focuses on achieving increased scalability such that our already modular products can be better address the widening range of satellite architectures.

Organisation and management

By the end of December 2020, Rovsing employed a total of 25 employees, counted on a full-time-equivalent basis. Most employees were employed at the company's head office in Skovlunde, Denmark, but the company also has employees at several local destinations where they provide support and consultancy services.

At the Company's annual general meeting in October 2020 Michael Hove and Ulrich Beck were reelected to the Board of Directors, while Jakob Have was elected to rejoin the board. Steen Rosenkvist and Flemming Hynkemejer did not seek reelection.

COVID-19

The COVID-19 pandemic has continued to be a major disruption event in both personal and professional lives of all. At Rovsing an active business continuity plan to address the COVID-19 situation has been invoked to ensure continuous evaluation of the business based on supply chain, internal resources, progress and governmental guidelines.

Management closely monitors the situation and remain prepared to take any immediate action necessary to stay agile and responsive. All employees that are not directly part of the production team or performing other work requiring onsite presence, are instructed to work from home. With video conferencing, chat and emails the team manages to keep the productivity high in order to meet project milestones and EGSE deliveries.

Management continues to monitor the situation and take appropriate actions to minimize any potential business impacts moving forward.

Funding of the Company's operations

The Company fully refinanced the existing bond loan of DKK 4,2 million, which was due 31 December 2020. The refinancing was agreed with a consortium of 6 lenders for a new loan of DKK 4,2 million with a term of 36 months and 12% annual interest with quarterly accrual of interest. Existing shareholders Jean Dühning, Catpen A/S and Charmain of the Board of Directors in Rovsing A/S, Michael Hove are part of the lender consortium.

Outlook for 2020/21

Based on the H1 2020/21 performance and a high order intake and backlog, the outlook for 2020/21 is increased to a revenue in the range of DKK 27 to 29 million, and a positive EBITDA in the range of DKK 2,5 to 3,5 million from a revenue in the range of DKK 26 to 28 million, and a positive EBITDA in the range of DKK 2 to 3 million.

EVENTS AFTER THE REPORTING PERIOD

After the balance sheet date, no events have occurred that materially affect the Company's financial position.

MANAGEMENT STATEMENT

The Board of Directors and the Executive Management have today discussed and approved the interim report for Rovsing A/S for the period 1 July – 31 December 2020.

The interim report, which has neither been audited nor reviewed by the company's auditor, has been prepared in accordance with IAS 34, "Interim Financial Reporting", as adopted by the EU and in line with additional Danish interim reporting requirements for listed companies.

In our opinion, the financial statements give a true and fair view of Rovsing A/S' assets, liabilities and financial position as at 31 December 2020 and of the results of the company's operations and cash flow for the period 1 July – 31 December 2020.

Further, in our opinion, the management review gives a true and fair review of the development in the company's operations and financial matters, the result of the company's operations for the period and the financial position as a whole as well as a description of the principal risks and uncertainties that the company faces.

Skovlunde, 22 February 2021

Executive Management

Hjalti Pall Thorvardarson (CEO)

Sigurd Hundrup (CFO)

Board of Directors

Michael Hove (Chairman)

Ulrich Beck

Jakob Have

INCOME AND COMPREHENSIVE INCOME STATEMENT

Note	INCOME AND COMPREHENSIVE INCOME STATEMENT	1H 2020/21	1H 2019/20	Full year 2019/20
	DKK'ooo			
2	Revenue	12,392	9,426	21,836
	Production costs, external	-3,279	-2,136	-4,966
	Gross profit	9,113	7,290	16,869
	Other external expenses	-1,009	-962	-2,112
	Staff costs	-7,073	-8,120	-15,620
	Operating profit before depreciation and amortisation (EBITDA)	1,031	-1,792	-863
	Depreciation, amortisation and impairment	-2,189	-2,196	-4,459
	Operating profit/loss (EBIT)	-1,158	-3,988	-5,322
	Financial income	6	6	7
	Financial expenses	-408	-682	-1,195
	Profit/loss before tax	-1,560	-4,664	-6,510
	Tax on profit/loss for the year	-57	0	-300
	Net profit	-1,617	-4,664	-6,810
	Comprehensive income	-1,617	-4,664	-6,810
	Allocation of profit/loss:			
	Shareholders of Rovsing A/S	-1,617	-4,664	-6,810
	Retained earnings	-1,617	-4,664	-6,810
	Earnings per share			
3	Earnings per share (EPS Basic)	-3,54	-0,01	-14,9
	Earnings per share (EPS-D)	-3,54	-0,01	-14,9

BALANCE SHEET

Note **BALANCE SHEET, ASSETS**

	31/12/2020	31/12/2019	30/6 2020	
DKK'000				
Non-current assets				
Intangible assets				
4	Completed development projects	12,003	14,764	13,513
4	Patents and licenses	656	937	796
4	Development projects in progress	161	176	0
		12,820	15,877	14,310
Property, plant and equipment				
	Other fixtures and fittings, tools and equipment	0	59	0
6	Right-of-Use assets	1,432	1,959	1,488
		1,432	2,018	1,488
Other non-current assets				
	Tax	0	0	57
	Deferred tax	2,143	2,500	2,143
		2,143	2,500	2,200
	Total non-current assets	16,395	20,395	17,997
Current assets				
	Inventories	2,531	2,997	2,448
	Trade receivables	3,303	2,018	2,249
	Contract work in progress	3,274	6,186	3,559
	Tax	0	236	236
	Other receivables	36	391	49
	Prepaid expenses	113	117	439
	Cash	276	205	268
	Total current assets	9,533	12,150	9,248
	TOTAL ASSETS	25,928	32,545	27,245

BALANCE SHEET

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Note **BALANCE SHEET, EQUITY AND LIABILITIES**

	31/12/2020	31/12/2019	30/6 2020
DKK'ooo			
Equity			
Share capital	22,894	22,894	22,894
Reserves for development costs	3,282	3,235	3,039
Retained earnings	-16,371	-12,560	-14,511
Total equity	9,806	13,570	11,423
Non current liabilities			
Bond loans	4,200	0	0
6 Lease liabilities	430	590	386
Total non current liabilities	4,630	590	386
Current liabilities			
Credit institutions	4,082	6,247	2,425
Bond loans	0	6,272	4,165
6 Lease liabilities	792	1,129	1,214
Prepayments, customers	2,051	1,440	2,786
Trade payables	278	1,326	645
Other payables	4,289	1,971	4,202
Total current liabilities	11,492	18,385	15,437
Total liabilities	16,122	18,975	15,823
TOTAL EQUITY AND LIABILITIES	25,928	32,545	27,245

STATEMENT OF CHANGES IN EQUITY

Note **STATEMENT OF CHANGES IN EQUITY**

DKK'000

2019/2020	SHARE CAPITAL	RESERVES FOR DEVELOP- MENT COSTS	RETAINED EARNINGS	TOTAL
Equity at 1 July 2019	20,894	3,215	-7,550	18,560
Comprehensive income for the period				
Comprehensive income	0	0	-4,664	-4,664
Transferred between reserves	0	20	-20	0
Total comprehensive income for the period	0	20	-4,684	-4,664
Other transactions				
Buy own shares in connection with reverse stock split	0	0	-78	-78
Costs reverse stock split	0	0	-249	-249
Total transactions with owners	0	0	-327	-327
Equity at 31 December 2019	22,894	3,235	-12,560	13,570

2020/21	SHARE CAPITAL	RESERVES FOR DEVELOP- MENT COSTS	RETAINED EARNINGS	TOTAL
Equity at 1 July 2020	22,894	3,039	-14,511	11,423
Comprehensive income for the period				
Comprehensive income	0	0	-1,617	-1,617
Transferred between reserves	0	243	-243	0
Total comprehensive income for the period	0	243	-1,860	-1,617
Equity at 31 December 2020	22,894	3,282	-16,371	9,806

CASH FLOW STATEMENT

Note	CASH FLOW STATEMENT	1H 2020/21	1H 2019/20	Full year 2019/20
	DKK'000			
	Profit/loss for the year	-1,617	-4,664	-6,810
	Adjustment for non-cash operating items etc.:			
	Depreciation, amortisation and impairment	2,189	2,196	4,459
	Other non-cash operating items, net	0	82	1
	Financial income	-6	-6	-7
	Financial expenses	409	682	1,195
	Tax on profit/loss for the year	57	0	300
	Cash flows from operations before changes in working capital	1,032	-1,710	-862
	Change in working capital	-1,493	811	6,939
	Cash flow from operations	-461	-899	6,077
	Interest receivable	6	6	7
	Interest payable	-409	-682	-1,195
	Tax reimbursement	236	482	484
	Cash flow from operating activities	-628	-1,093	5,372
	Acquisition of intangible assets	-160	-176	-259
	Cash flow from investing activities	-160	-176	-259
	Debt raised	0	2,192	83
	Repayment of debt with credit institutions	1,657	-79	-3,901
	Repayment of lease liabilities	-861	-537	-923
	Buy shares in connection with reverse stock split	-0	-78	-78
	Capital increase/ reverse stock split, costs	-0	-249	-249
	Cash flow from financing activities	796	1.250	-5,069
	Net cash flow for the period	8	-19	44
	Cash, beginning of year	268	224	224
	Cash, end of period	276	205	268

NOTES

1 ACCOUNTING POLICIES

The interim report has been prepared in accordance with IAS 34, Interim financial reporting, as adopted by the EU and further Danish disclosure requirements in respect of interim reports for listed companies.

The accounting policies used for the interim report is the same as used for the Annual Report 2019/20, to which we refer for a full description.

Due to rounding, numbers presented throughout this report may not add up precisely to the totals.

The interim report is presented in DKK thousands (DKK '000).

New standards, interpretations and amendments adopted

Rovsing has implemented all new and amended standards (IFRS) and interpretations (IFRIC) as adopted by the EU and which are effective for the financial year beginning on 1 July 2020. The implementation of these new or amended standards and interpretations had no material impact on the financial statements.

The half-year report is prepared in DKK.

2 REVENUE	1H 2020/21	1H 2019/20
DKK'000		
Developed products and systems	9,248	5,906
Software Verifications (ISVV)	607	380
On-site Engineering Services	2,537	3,140
	12,392	9,426
GEOGRAPHIC MARKETS		
DKK'000		
EU	10,591	7,002
Outside EU	1,801	2,424
	12,392	9,426

Revenue from three customers were in the interval from 10%-33% of the total revenue in 2020/21. In 2019/20 revenue from three customers were in the interval of 10%-26% of the total revenue in 2019/20.

Revenue from products, systems and services is recognised over time, using the cost-to-cost method.

The majority of the projects are sold as fixed price contracts and revenue from projects is usually recognised over time; applying the percentage of completion cost-to-cost method. A project contract will often entitle us to receive a down payment from the customer, followed by several milestone payments linked to a milestone progress plan. Upon completion and customer acceptance we will usually be entitled to the final payment.

3 SEASON

The company's activities have not been affected by any season in the period.

4 EARNINGS PER SHARE

DKK'000	H1 2020/21	H1 2019/20
Profit/loss for the year	-1,617	-4,664
Average number of issued shares (1,000)	457	453,957
Earnings per share, (EPS Basic), of DKK 50 each (H1 2019/20 DKK 0,05 each)	-3,54	-0.01

At the Annual General Meeting on 21 October 2019, a reverse share split was decided in a 1000:1 consolidation ratio. The reverse share split reduced the number of shares issued in the company, so that 1.000 shares at a nominal value of DKK 0.05 were merged into one share with a nominal of DKK 50 (1000: 1 ratio). Rovsing holds 1,259 shares of the Company's own shares.

5 INTANGIBLE ASSETS

The company has during the period 1 July - 31. December 2020 incurred costs for intangible assets for DKK 0,2 million. As described in the management's report in the 2019/20 annual report, future earnings are related to product development projects. Earnings size and timely realization is subject to uncertainty. Impairment test for intangible assets will be carried out per 30 June 2021, after completion of budgets, etc. for the next 3 years period. See also the section "Risk factors" in the annual report 2019/20.

6 RIGHT OF USE ASSETS

	Rent facility	Equipment	Car leasing	Total
DKK'000				
Right-of-use as of 1 July 2020	1.135	352		1.487
Additions			483	483
Depreciations	-454	-64	-20	-538
Right-of-use as of 31 December 2020	681	288	463	1.432

Lease liabilities

DKK'000		31-12-2020
Non current		430
Current		792
Lease liabilities		1.222

Amounts included in the income statement

DKK'000		31-12-2020
Interest expense leases		50
Depreciation recognised on Right-of-use assets		538

Low value lease expenses in H1 2020/21 are DKK thousand 12 and are not included in the measurement of lease liabilities.

7 CONTINGENT ASSETS AND LIABILITIES

The company has co-funded development projects with ESA. A co-financing obligation in the agreements entered into with ESA the company itself holds about 25% - 50% of the estimated costs.

8 TRANSACTIONS BETWEEN PARTNERS AND RELATED PARTIES

The company has no related parties or partners with a controlling influence.

The company has registered the following shareholders as holding 5% or more of the share capital:

- 6,85 %, Catpen A/S
- 6,5 %, Jean Marcel Dühning

The company's related parties include also the board of directors and management.

9 EVENTS AFTER THE 31 DECEMBER 2020

The company knows of no events or issues after 31 December 2020 that has a substantial influence on the financial position of the company.

DEFINITION OF RATIOS

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Ratio	Explanation
No. of shares, end of period	The total number of outstanding shares at any given time, exclusive of the Company's treasury shares.
Cash flow per share (DKK)	Cash flows from operating activities divided by average number of shares.
EBITDA margin (profit margin before depreciation and amortisation) (%)	Earnings before interest, tax depreciation and amortisation as a percentage of revenue.
EBIT margin (profit margin) (%)	Earnings before interest and tax as a percentage of revenue.
Equity ratio	Equity, end of year, as a percentage of total assets.
Return on equity (%)	Profit/loss for the year after tax divided by average equity.
Average no. of outstanding shares (1,000)	Average number of outstanding shares at any given time.
Net asset value per share (DKK)	Equity at year-end divided by number of shares at year-end.
Payout ratio (%)	Total dividends distributed divided by profit/loss for the year.
Earnings per share (DKK)	The Company's share of profit/loss for the year divided by average no. of shares.
Solvency ratio (%)	Traditional way of expressing the Company's financial strength.
Dividend per share of DKK 50	Dividend payment in Danish kroner per share.

GLOSSARY

Term	Explanation
Application	Specific use of a product
Airbus Defense & Space	French, German, British and Spanish company operating in the defense, space and telecommunications industry
Check-out system	System for testing and controlling a satellite or instrument
DSTE	Digital Simulation & Test Equipment
ESA	The European Space Agency
ESTEC	European Space Research and Technology Centre
Copernicus	Earth Observation Satellite programme under EU
Galileo	European satellite navigation system
Industrial collaboration agreement	Agreement signed by non-Danish suppliers of defense material to Denmark with the Danish Enterprise and Construction Agency to ensure that the supplier undertakes in return to acquire defense material manufactured by Danish companies.
ISVV (Independent Software Verification & Validation)	Independent verification and validation of software
Kick-Off	Kick-Off meeting to start up a project
Command control system	Guidance system
Critical software	Software, the failure or breakdown of which may cause loss of life, loss of spacecraft or loss of performance of the planned task, or software for which error rectification may prove very costly.
MPCV	Multi-Purpose Crew Vehicle
Outsourcing	The outsourcing of part of or a whole assignment with a subcontractor
Prime Contractor	The company with the main responsibility for carrying out a major ESA project
Project manager	Person in charge of carrying out a project
Thales Alenia Space	European space and defense industry company
EGSE	Electrical Ground Support Equipment
Power SCOE	Special Checkout Equipment for testing satellite power systems
SAS	Solar Array Simulator
SLP	Second Level Protection
MASC	Measurement, Acquisition, Simulation & Commanding
MetOp-SG	Meteorological Operational Satellite - Second Generation

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