



**Company Announcement no. 23 - 09-03-2021**

**Annual Report 2020**



## 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 2020 ANNUAL REPORT

- ◆ Revenue grew to DKK 22.1M.
- ◆ EBITDA amounts to DKK 3.0M.
- ◆ DAC's equity amounts to DKK 19.9M as of December 31<sup>st</sup> 2020.
- ◆ DAC's work with the multi-functional exercise machine E4D for ESA and the FERGO-ergometer for NASA, is progressing as planned.
- ◆ DAC's contract on health-monitoring support of astronauts on ISS has been extended till the end of 2021.
- ◆ DAC has become part of the NORDIN 2020 Cohort project, to further explore the potential for wearables and space technology in India.
- ◆ The revenue and profit have to some extent been affected negatively by the COVID-19 pandemic, which caused delays in some projects with a subsequent shifting of revenue and profit from 2020 to 2021. No projects nor contracts have been lost during the pandemic.
- ◆ Despite the pandemic and its challenges, the DAC employees have kept a great working attitude and cadence in their work, so the projects have continued to move forward.



NASA

## MANAGEMENT'S REVIEW 2020

DAC realized earnings from operations before depreciations and amortization (EBITDA), of DKK 3.0M. Earnings before tax were DKK 0.5M. The Company's equity amounts to DKK 19.9M as of December 31st, 2020.

The company's revenue continued to grow and again in 2020 reached a new record level with DKK 22.1M in 2020. Both revenue and earnings have, to some extent, been affected by the COVID-19 pandemic, as previously reported in the 2019 Annual Report and the 2020 Interim Report. However, in the light of the COVID-19 impact, the Management finds it very satisfactory, that the company has not lost a single order during this period. The annual results, however, have been affected by delays due to the pandemic, which specifically have caused part of the revenue, approx. DKK 2.0M including earnings of DKK 1.0M to be pushed into 2021.

DAC has reached the profit level despite substantial investments in development of future products for space operations and other extreme environments in addition to staff increase in accordance with the business plan to be able to comply with the strategy.

In 2020, the European Space Agency (ESA) extended the company's MOSES-contract (Medical Operation Support & Engineering Services) through 2021, meanwhile adding several additional orders. The contract includes support for the regular health monitoring- and physiological tests, which are conducted on The International Space Station (ISS). The physical tests are completed on the company's CEVIS (Cycle Ergometer with Vibration Isolation and Stabilization System) and PPFS (Portable Pulmonary Function System) health monitoring equipment.

Development of FERGO space ergometers for Jacobs/NASA and of E4D for ESA, as well as other contract activities continued overall as planned, though with minor impacts due to delays at subcontractors related to COVID-19.

Sales promotion initiatives and business development activities have been affected significantly by COVID-19 throughout the year. All planned meetings and conferences post February 2020, both within the space industry and in commercial areas, have been either cancelled or postponed. This caused a decline in the company's business

development activities. Despite this, DAC has still seen a solid increase of new contracts, contract extensions and additions to existing development- and service contracts.

DAC continues to see a growing interest for its new E4D multipurpose exercise equipment, which combines four types of exercise in one equipment, and have in this regard applied for and obtained four patents. This growing interest can potentially, over time, result in new contracts, with both private commercial space companies and/or national space agencies.

In the late spring, DAC became part of the NODIN 2020 Cohort project to further explore the opportunities for future collaborations within wearables- and space technology in India. This work is still ongoing and has paved the way for new opportunities, which DAC is exploring further.

Again, this year, the company passed the regular audit of the company's AS/EN9100 standard, rev. D quality control system by Bureau Veritas and are thus still one of the very few space companies in Denmark with this certification.

Despite the pandemic and its challenges, the DAC employees have kept a great working attitude and cadence in their work, so the projects have continued to move forward.

DAC expects higher revenue and operating profit in 2021. The Company is working determinedly with new internal development projects for promising areas within private space travel and the commercial market for extreme environments. The COVID-19 pandemic is expected to continue to affect the progress in 2021, primarily due to delays within certain activities.

Danish Aerospace Company's expectations for 2021 are:

- Revenue of DKK 22-25M; and
- Positive EBITDA of approx. DKK 3-5M.

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.



Thomas A. E. Andersen, CEO



The Control Room at Danish Aerospace Company in Odense.

DAC

## Income Statement

1 January - 31 December 2020

	2020 DKK	2019 DKK
<b>Revenue</b>	<b>22,071,844</b>	<b>21,939,079</b>
Work on own account recognized in assets	109,457	0
Expenses for raw materials and consumables	-1,863,029	-1,477,860
Other external expenses	-3,427,023	-3,868,285
<b>Gross profit</b>	<b>16,891,249</b>	<b>16,592,934</b>
Staff expenses	-13,872,168	-12,534,484
<b>Profit/loss before Depreciation (EBITDA)</b>	<b>3,019,081</b>	<b>4,058,450</b>
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment	-1,480,867	-1,289,404
<b>Profit/loss before financial income and expenses</b>	<b>1,538,214</b>	<b>2,769,046</b>
Income from investments in subsidiaries	-671,901	-1,203,404
Income from investments in associates	-3,873	1,492
Financial income	163,573	148,001
Financial expenses	-537,152	-32,879
<b>Profit/loss before tax</b>	<b>488,861</b>	<b>1,682,256</b>
Tax on profit/loss for the year	-255,521	-634,911
<b>Net Profit/loss for the year</b>	<b>233,340</b>	<b>1,047,345</b>

**Balance sheet**  
**31 December 2020**

**Assets**

	<b>2020</b>	<b>2019</b>
	<b>DKK</b>	<b>DKK</b>
Completed development projects	1,374,630	2,269,031
Development projects in progress	362,445	269,807
Acquired patents	109,457	0
<b>Intangible assets</b>	<b>1,846,532</b>	<b>2,538,838</b>
Other fixtures and fittings, tools and equipment	1,605,330	979,316
Leasehold improvements	493,842	538,850
<b>Property, plant and equipment</b>	<b>2,099,172</b>	<b>1,518,166</b>
Investment in subsidiaries	2,478	208,725
Investments in associates	56,375	60,248
<b>Fixed asset investments</b>	<b>58,853</b>	<b>268,973</b>
<b>Fixed assets</b>	<b>4,004,557</b>	<b>4,325,977</b>
<b>Inventories</b>	<b>806,376</b>	<b>0</b>
Trade receivables	4,610,939	4,742,930
Contract work in progress	17,583,549	10,190,263
Receivables from group enterprises	2,900,362	2,303,036
Other receivables	655,573	282,215
Corporate tax	317,752	0
Prepayments	449,461	222,928
<b>Receivables</b>	<b>26,517,636</b>	<b>17,741,372</b>
<b>Cash at bank and in hand</b>	<b>158,064</b>	<b>4,328,043</b>
<b>Current assets</b>	<b>27,482,076</b>	<b>22,069,415</b>
<b>Assets</b>	<b>31,486,633</b>	<b>26,395,392</b>

## Balance sheets

31 December 2020

### Liabilities and equity

	<u>2020</u> DKK	<u>2019</u> DKK
Share capital	1,090,833	1,090,833
Reserve for development costs	1,060,394	1,492,014
Retained earnings	17,717,364	16,698,933
<b>Equity</b>	<b><u>19,868,591</u></b>	<b><u>19,281,780</u></b>
Provision for deferred tax	3,276,189	3,020,668
<b>Provisions</b>	<b><u>3,276,189</u></b>	<b><u>3,020,668</u></b>
Other payables	1,095,102	0
<b>Long-term debt</b>	<b><u>1,095,102</u></b>	<b><u>0</u></b>
Credit institutions	4,486,867	0
Prepayments received from customers	269,612	193,960
Trade payables	410,037	214,103
Corporation tax	0	1,776,382
Other payables	2,080,235	1,908,499
<b>Short-term debt</b>	<b><u>7,246,751</u></b>	<b><u>4,092,944</u></b>
<b>Debt</b>	<b><u>8,341,853</u></b>	<b><u>4,092,944</u></b>
<b>Liabilities and equity</b>	<b><u>31,486,633</u></b>	<b><u>26,395,392</u></b>

## Statement of Changes in equity

	<u>Share capital</u> DKK	<u>Share premi- um account</u> DKK	<u>Reserve de- velopment costs</u> DKK	<u>Retained earnings</u> DKK	<u>Total</u> DKK
<b>2020</b>					
Equity at 1 January	1,090,833	0	1,492,014	16,698,933	19,281,780
Exchange adjustments	0	0	0	353,471	353,471
Development costs for the year	0	0	85,748	0	85,748
Amortisation and impairment for the year	0	0	-517,368	0	-517,368
Net profit/loss for the year	0	0	0	664,960	664,960
<b>Equity at 31 December</b>	<b>1,090,833</b>	<b>0</b>	<b>1,060,394</b>	<b>17,717,364</b>	<b>19,868,591</b>
<b>2019</b>					
Equity at 1 January	935,000	0	1,854,813	7,327,600	10,117,413
Exchange adjustments	0	0	0	-64,410	-64,410
Cash capital increase	155,833	9,848,646	0	0	10,004,479
Capital increase costs	0	0	0	-1,823,047	-1,823,047
Amortisation and impairment for the year	0	0	-362,799	0	-362,799
Net profit/loss for the year	0	0	0	1,410,144	1,410,144
Transfer from share premium account	0	-9,848,646	0	9,848,646	0
<b>Equity at 31 December</b>	<b>1,090,833</b>	<b>0</b>	<b>1,492,014</b>	<b>16,698,933</b>	<b>19,281,780</b>

**Cash Flow Statement**  
**1 January - 31 December**  
**2020**

	<b><u>2020</u></b>	<b><u>2019</u></b>
	DKK	DKK
Net profit/loss for the year	233,340	1,047,345
Adjustments	2,785,741	3,011,105
Change in working capital	<u>-7,838,646</u>	<u>-6,039,486</u>
<b>Cash flows from operating activities before financial income and expenses</b>	<b>-4,819,565</b>	<b>-1,981,036</b>
Financial income	163,573	148,001
Financial expenses	<u>-537,152</u>	<u>-32,878</u>
<b>Cash flows from ordinary activities</b>	<b>-5,193,144</b>	<b>-1,865,913</b>
Corporation tax paid	<u>-2,094,134</u>	<u>-93,143</u>
<b>Cash flows from operating activities</b>	<b><u>-7,287,278</u></b>	<b><u>-1,959,056</u></b>
Purchase of intangible assets	-219,931	-159,416
Purchase of property, plant and equipment	<u>-1,149,637</u>	<u>-814,491</u>
<b>Cash flows from investing activities</b>	<b><u>-1,369,568</u></b>	<b><u>-973,907</u></b>
Repayment of loans from credit institutions	0	-136,616
Repayment of payables to group enterprises	0	-1,028,042
Raising of loans from credit institutes	4,486,867	0
Cash capital increase	<u>0</u>	<u>8,181,432</u>
<b>Cash flow from financing activities</b>	<b><u>4,486,867</u></b>	<b><u>7,016,774</u></b>
<b>Change in cash and cash equivalents</b>	<b>-4,169,979</b>	<b>4,083,811</b>
Cash and cash equivalents at 1 January	<u>4,328,043</u>	<u>244,232</u>
<b>Cash and cash equivalents at 31 December</b>	<b><u>158,064</u></b>	<b><u>4,328,043</u></b>
<b>Cash and cash equivalents are specified as follows:</b>		
Cash at bank and in hand	<u>158,064</u>	<u>4,328,043</u>
<b>Cash and cash equivalents at 31 December</b>	<b><u>158,064</u></b>	<b><u>4,328,043</u></b>

## Comments for the Annual Report 2020

Revenue is just above last year's level at DKK 22.1M and the gross result rose with 1.1% to DKK 16.7M.

Cost of staff rose 9% to DKK 12.7M due to new hires according to the company's strategy.

Profit before EBITDA amounts to DKK 3.0M and result after tax totals DKK 233,000. Result before tax is lower than the same period the previous year. Result before tax is in 2020 affected by exchange rate adjustments with DKK -459,000.

As of December 31<sup>st</sup>, 2020, the balance amounted to DKK 31.5M and the equity to DKK 19.9M.

Cash flows from operating activities before financial income and expenses comes to DKK -4.8M, which primarily is a result of a significant increase in the company's contract work in progress (including for ESA and other clients) due to high activity. The total receivables amount to DKK 26,6 million, as of December 31<sup>st</sup>, 2020, compared to DKK 17.7M the previous year.

Available funds amount to DKK 0.2M compared to DKK 4.3M the same period last year. The decline is primarily due to the before-mentioned increase in current contract work in progress. The company has a credit facility at DKK 2M with an associated overdraft facility of an additional DKK 3.5M, which is deemed adequate.

Investments in property, plant and equipment amounts to DKK -1.2M compared to DKK -0.8M the same period the previous year. The increase is primarily a result of purchase of a new CNC milling machine for processing of aluminum parts in preparation for reducing the company's production costs. Investments in intangible assets amount to DKK -220,000 compared to DKK -159,000 the same period last year, due to the 4 new patents for E4D-technologies.

Cash flow from financing activities amounts to DKK 4.5M compared to DKK 7.0M the previous year.

Stock related key figures:

	31 December 2020	31 December 2019
Result per share (DKK)	0.021	0.096
No. of shares (end of year)	10,908,330	10,908,330
No. of shares (on average)	10,908,330	10,908,330



DAC

Poul Knudsen testing DAC's PPFS-rebreathing equipment.



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