

Interim Report 2022

Company Announcement no. 38 - 29-08-2022

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

HIGHLIGHTS FROM THE 2022 INTERIM REPORT

- ◆ Revenue increased 7% to DKK 11,0 million, while Gross Profit increased 11% to DKK 8,4 million.
- ◆ Operating Profit (EBITDA) increased 127% to DKK 0,6 million.
- ◆ Net profit of DKK 0,3 million, an improvement of DKK 1,1 million compared to the same period last year.
- ◆ DAC won large contract with Axiom Space, Inc. which has the first private commercial contract to build private modules for the International Space Station (ISS). DAC has hereby taken the lead within exercise equipment for astronauts in space, also within this new growing commercial marked for human spaceflight.
- ◆ ESA extends contract on support for health monitoring on the space station and includes possible options for the coming years.
- ◆ DAC has been allotted a significant amount of the scarce testing time for Andreas Mogensen's next flight to ISS in 2023 with three technological experiments approved by ESA. The experiments will strengthen the development in the product portfolio going forward.
- ◆ Financial guidance for fiscal year 2022 is maintained.

NASA



MANAGEMENT REVIEW 2022 - INTERIM REPORT

By signing the Axiom Space, Inc. contract in January, DAC has solidified its entry into the private commercial space marked in the US. This does not just entail the supplement of its government (ESA & NASA) contracts with private contracts, however, it paves the way for new opportunities and for additional sales to private US space companies which develop manned spacecrafts and space stations.

Last autumn NASA awarded contracts to three private consortiums to commence development and manufacturing of multiple commercial space stations which will succeed ISS, after it expected retirement around 2030. Several of these new space stations are currently expected to have their first modules launched around 2027 and onwards. DAC has since 2017 actively pursued these commercial opportunities in the US and this will continue in the coming years.

The success on the commercial manned spaceflight marked is attributed to DAC's solid experience with exercise equipment for ESA and NASA over the past 30 years. DAC has during the spring of 2022 delivered several models of NASA's new FERGO-ergometers, which in the coming years will replace the company's current 20-year-old CEVIS ergometer on ISS.

In the spring, the company received an extended and prolonged the contract regarding support for medical equipment and health monitoring of astronauts on the International Space Station. DAC has since July 2006, under various forms, supported the regular health monitoring and exercise tests on the International Space Station from its control room in Odense. The exercise tests are performed on the company's CEVIS- & FERGO ergometers and with DAC's Portable PFS health monitoring equipment. DAC holds a service contract to maintain the equipment in space together with the corresponding test models on Earth. This has now been extended until the end of 2022, with the options for prolonging it to 2023 and 2024. Furthermore, the contract holds options for various extra services and software for remote use of DAC's equipment from Earth.

ESA and the Danish Ministry of Higher Education and Science have approved three technological experiments from Danish Aerospace Company A/S to be performed by the Danish ESA -astronaut Andreas Mogensen on his next flight in 2023. These will assist the company with its development of new technologies for the new growing commercial manned space marked, as well as it's technologies for extreme environments on Earth. It entails testing of the company's Wearable technology in space, the use of Virtual Reality with DAC's exercise equipment and testing of water purification technologies with Aquaporin Space Alliance.

DAC has continued the work on internal development projects with various new wearable sensors for health monitoring of e.g., astronauts and persons in other extreme environments on Earth.

In the first half of 2022, DAC again passed the regular quality audit, which is the company's AS/EN9100 standard, rev. D quality control system approval by Bureau Veritas.

CEO, Thomas A. E. Andersen, states:

"The first half of 2022 has been exciting with the signing of the Axiom Space, Inc. contract. This is something we have worked towards for several years. To finally succeeded has a colossal impact for the company and its employees . It creates a thirst for more.

With this contract we have confirmed our leading position within commercial exercise equipment for manned spaceflight, furthermore, we have shown we are strongly positioned in the new growing commercial space industry - and there are numerous other possible customers out there.

That three of our technologies have been approved for testing in space on Andreas Mogensen's next mission to ISS, is extremely important. These new technologies are on par with DAC's main technology area within health monitoring, exercise equipment and water purification. They will help create new commercial opportunities in space and on Earth."

Expectations for the year

The expectations for the years revenue and profit as presented in DAC's Annual Report 2021 are maintained:

- ◆ Revenue of DKK 24-27 million; and
- ◆ positive EBITDA of DKK 3-4 million.



Thomas A. E. Andersen,
CEO



ESA astronaut Andreas Mogensen worked on two experiments during his first iriss-mission on the International Space Station - Skinsuit and MobileHR where he used DAC's CEVIS ergometer

ESA

INCOME STATEMENT

1 January - 30 June 2022

	<u>1/1-2022 -</u> <u>30/6-2022</u> DKK	<u>1/1-2021 -</u> <u>30/6-2021</u> DKK
Revenue	10,995,079	10,288,029
Work on own account recognised in assets	121,522	58,118
Other operating income	103,055	0
Expenses for raw materials and consumables	-1,029,968	-1,163,028
Other external expenses	-1,807,814	-1,609,512
Gross profit/loss	8,381,874	7,573,607
Staff expenses	-7,781,151	-7,309,308
Profit/loss before interest, taxes, depreciation and amortization (EBITDA)	600,723	264,299
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment	-385,973	-691,029
Profit/loss before financial income and expenses	214,750	-426,730
Income from investments in subsidiaries	-374,931	-347,457
Income from investments in associates	-7,125	-1,081
Financial income	704,643	109,680
Financial expenses	-14,300	-189,143
Profit/loss before tax	523,037	-854,731
Tax on profit/loss for the period	-199,134	87,516
Net profit/loss for the period	323,903	-767,215

BALANCE SHEET

30 June 2022

Assets

	<u>30/6-2022</u>	<u>30/6-2021</u>
	DKK	DKK
Completed development projects	671,205	986,710
Acquired patents	592,594	473,363
Development projects in progress	375,555	167,575
Intangible assets	1,639,354	1,627,648
Other fixtures and fittings, tools and equipment	1,259,535	1,427,336
Leasehold improvements	525,783	425,975
Property, plant and equipment	1,785,318	1,853,311
Investments in subsidiaries	0	0
Investments in associates	39,823	55,294
Fixed asset investments	39,823	55,294
Fixed assets	3,464,495	3,536,253

BALANCE SHEET

30 June 2022

Assets

	<u>30/06-2022</u>	<u>30/06-2021</u>
	DKK	DKK
Raw materials and consumables	48,000	300,480
Inventories	48,000	300,480
Trade receivables	5,147,882	2,884,321
Contract work in progress	14,776,554	21,669,089
Receivables from group enterprises	4,299,698	3,644,678
Other receivables	802,038	253,937
Corporation tax	31,807	317,752
Corporation tax receivable from group enterprises	0	0
Prepayments	492,841	464,559
Receivables	25,550,820	29,234,336
Cash at bank and in hand	344,732	554,806
Current assets	25,943,552	30,089,622
Assets	29,408,047	33,625,875

BALANCE SHEET

30. June 2022

Liabilities and equity

	30/06-2022	30/06-2021
	DKK	DKK
Share capital	1,090,833	1,090,833
Reserve for development costs	816,473	900,342
Retained earnings	<u>17,750,117</u>	<u>16,986,714</u>
Equity	<u>19,657,423</u>	<u>18,977,889</u>
Provision for deferred tax	<u>3,942,983</u>	<u>3,188,673</u>
Provisions	<u>3.188.673</u>	<u>3,188,673</u>
Other payables	<u>1,117,938</u>	<u>1,886,170</u>
Long-term debt	<u>1,117,938</u>	<u>1,886,170</u>

BALANCE SHEET

30. June 2022

Liabilities and equity

	30/06-2022	30/06-2021
	DKK	DKK
Credit institutions	824,718	5,815,778
Prepayments received from customers	52,653	195,800
Trade payables	282,714	381,422
Contract work in progress, liabilities	90,191	0
Other payables	2,073,159	3,180,324
Deferred income	1,366,268	0
Short-term debt	4,689,703	9,573,143
Debt	5,807,641	11,459,313
Liabilities and equity	29,408,047	33,625,875

CASH FLOW STATEMENT

1 January - 30 June 2022

	1/1-2022 - 30/6-2022 DKK	1/1-2021 - 30/6-2021 DKK
Net profit/loss for the period	323,903	-767,215
Adjustments	276,819	1,031,514
Change in working capital	-2,922,588	322,060
Cash flows from operating activities before financial income and expenses	-2,321,866	586,359
Financial income	704,643	109,679
Financial expenses	-14,300	-189,143
Cash flows from operating activities	-1,631,523	506,895
Purchase of intangible assets	-205,266	-179,085
Purchase of property, plant and equipment	-193,484	-47,199
Cash flows from investing activities	-398,750	-226,284
Raising of loans from credit institutions	824,718	1,328,911
Loans to group enterprises	-1,132,586	-1,212,782
Cash flows from financing activities	-307,868	116,129
Change in cash and cash equivalents	-2,338,141	396,740
Cash and cash equivalents at 1 January	2,682,873	281,094
Cash and cash equivalents at 30 June	344,732	677,834

STATEMENT OF CHANGES
IN EQUITY

	Share capital	Reserve devel- opment costs	Retained earn- ings	Total
	DKK	DKK	DKK	DKK
1/1-2022– 30/6-2022				
Equity at 1 January	1.090.833	824,735	17,810,947	19,726,515
Exchange adjustments	0	0	-392,995	-392,995
Development costs for the period	0	94,787	-94,787	0
Depreciation, amortization and impairment for the period	0	-103,049	103,049	0
Net profit/loss for the period	0	0	323,903	323,903
Equity at 30. June	1.090.833	816,473	17,750,117	19,657,423
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



COMMENTS FOR THE 2022 INTERIM REPORT

Revenue increased by 7% to DKK 11,0 million while the gross result increased by 11% to DKK 8,4 million.

Cost of staff increased with 6% to DKK 7,8 million, which primarily is due to increase in wages, changes to staff composition and pension.

Profit before depreciation (EBITDA) amounts to DKK 0.6 million against DKK 0,3 million last year.

Result after tax totals DKK 0,3 million, which is an improvement of DKK 1,1 million compared to the same period last year.

Result per share amounts to DKK 0,03 against DKK -0,07 for the same period last year.

Cash flow from operating activities before financial income and expenses amounts to DKK -2,3 million against DKK 0,6 million for the same period last year due to rise in working capital.

Investments in intangible fixed assets totals DKK 0,2 million against DKK 0,2 million for the same period last year. The four new patents for E4D technologies are now patented in a number of countries in- and outside of Europe.

Cash flow from financing activities amounts to DKK -0,31 million.

Liquid assets hereafter amount to DKK 0,3 million against DKK 0,7 million last year. Moreover, the company has a credit facility of DKK 6 million.

DAC's balance amount to DKK 29,4 million and an equity of DKK 19,7 million.

Share related key figures:

	June 30, 2022	June 30, 2021
Earnings per share (DKK)	0,03	-0,07
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.



Italian ESA astronaut Luca Parmitano is testing DAC's E4D crosstrainer at the facilities in Odense

DAC

Danish Aerospace

C O M P A N Y



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