

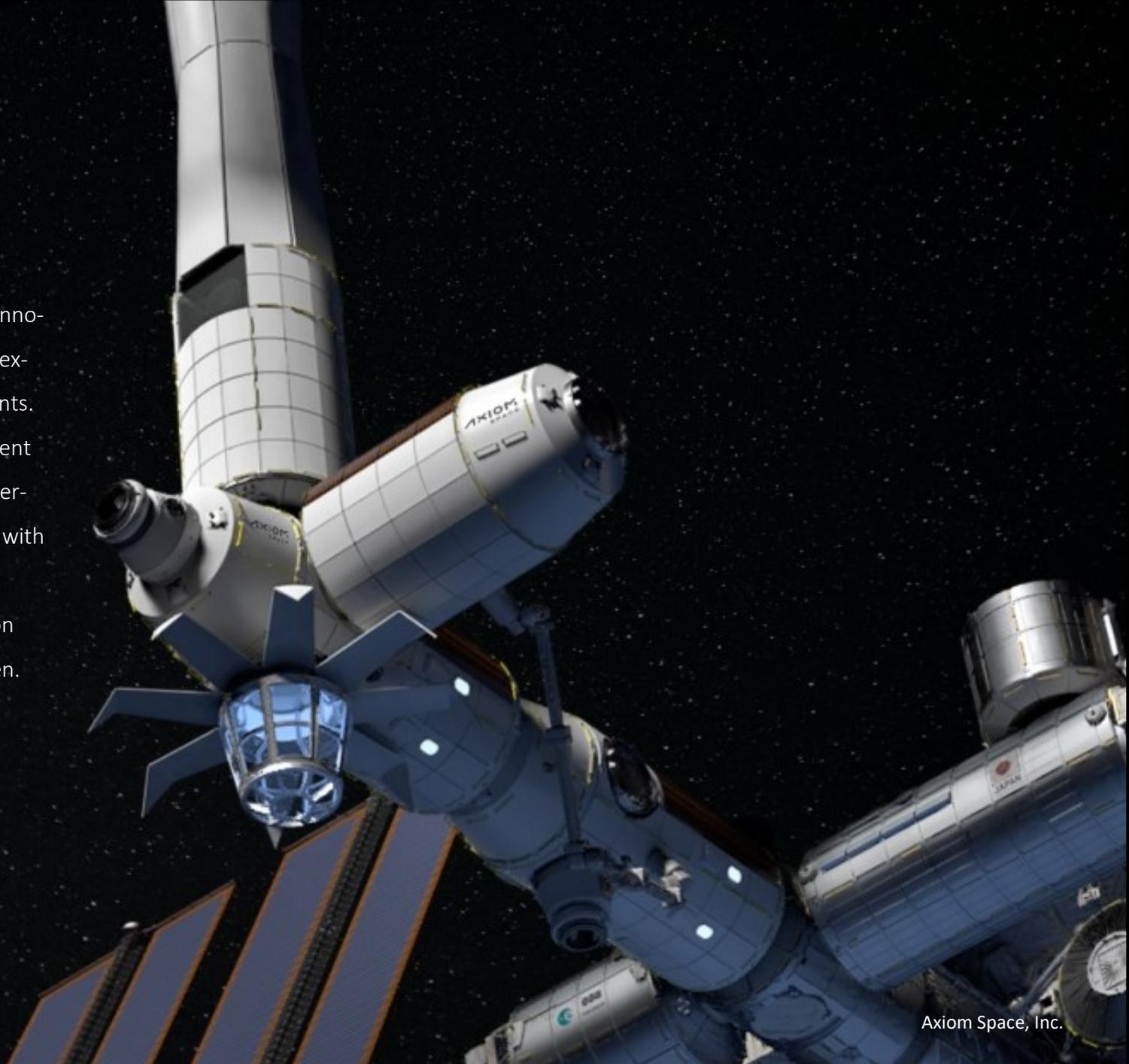


Company Announcement no. 34 - 28-03-2022

Annual Report 2021

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.



Axiom Space, Inc.

KEY POINTS FROM THE 2021 ANNUAL REPORT

- Revenue totalled DKK 20,4 million.
- Profit before EBITDA amounts to DKK 2,2 million.
- DAC's equity amounts to DKK 19,7 million as of December 31st 2021.
- DAC's cash flow was significantly strengthened in 2021.
- The company has delivered 2 flight models of FERGO space ergometer to NASA.
- NASA has placed an order for an additional FERGO ergometer.
- DAC's contract for development of a combined E4D exercise equipment for ESA has been expanded with additional requirements and functionalities.
- Furthermore, ESA has placed an order for an additional E4D flight model including spare parts.
- DAC has completed its participation in NORDIN 2020 cohort project to explore the potential for cooperation regarding wearables- and space technology in India. This has given rise to new cooperation opportunities which will now be explored further.
- The revenue and profit have, in 2021, in some degree, been affected by the COVID-19 pandemic, which created delays in certain projects with subsequent shifting of revenue and profit from 2021 to 2022.
- Danish Aerospace Company's expectations for 2022 are a revenue of DKK 24-27 million and operating profit (EBITDA) of approx. DKK 3-4 million.



MANAGEMENT'S REVIEW 2021

DAC realized earnings from operations before depreciations and amortization (EBITDA), of DDK 2,2 million. Earnings before tax were DKK 0,4 million. The Company's equity amounts to DKK 19,7 million as of December 31st, 2021.

The company's revenue decreased a little in 2021 to DKK 20,4 million, which primarily is caused by delays in activities and incoming contracts. In the light of COVID-19, Management finds it very satisfactory that it again has not lost a single order during this time, except the subcontract due to the Ohmatex bankruptcy, which did not have a notable impact. The annual results, however, have still been affected by delays due to the pandemic, which specifically has caused part of the revenue, approx. DKK 1,7 million including earnings of DKK 0,8 million to be pushed into 2022.

The development of NASA's new FERGO ergometer, of E4D and other contracts, continued overall according to plan, however, with minor delays. During the year, the company has shipped two complete FERGO flight models to NASA of which the first is scheduled to launch for the International Space Station in late spring. Furthermore, NASA has ordered a third flight model of the FERGO ergometer. ESA has substantially expanded the E4D contract during the year; firstly, with the incorporation of extra requirements and functions on E4D and new software tools, and later, with the order of an additional E4D flight model including spare parts.

Sales initiatives and business development activities have, in the first three quarters, been significantly affected by COVID-19, however, they have begun to slowly increase in the last quarter. This caused a natural delay of the company's business development activities in the years' first half. Despite this, DAC has still seen a solid increase of new contracts, contract extensions and additions to existing development- and service contracts.

The thriving development on the commercial manned space market, especially in the US with the suborbital manned flights and plans for commercial space stations and space station models, creates a breeding ground for a growing potential market for the company's exercise-, health monitoring- and wearable technologies.

Danish Aerospace Company has in 2021 completed its participation in the NORDIN 2020 Cohort project, to explore the possibilities for cooperation within wearables- and space technology in India. This has provided new collaboration opportunities which will now be pursued further, when circumstances allows.

In line with the company's strategy for developing wearable technologies for extreme environments on Earth, DAC has received support from the European Defense Industrial Development program 2020 (EDIDP) for participation in the CUIIS project (Comprehensive Underwater Intervention Information System) along with companies and research institutions from six other countries. The project will develop under water technologies with sensors-, monitoring- and control systems for military divers. The project kickstarts in 2022.

Shortly before the end of the year, the company in cooperation with its joint-venture Aquaporin Space Alliance ApS (ASA), received a letter of support from ESA's GSTP (General Support Technology Program) to develop a full prototype of future water purification systems for space called WRU - Water Recovery Unit. This activity is expected to kick off in 2022.

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.

Expectations for the 2022 fiscal year.

DAC expects higher revenue and operating profit in 2022. The company is working determinedly with new internal development projects for promising areas within space travel and the commercial market for extreme environments. Delays on components and materials could affect development in 2022, primarily with certain activities being delayed due to delivery due to longer lead times.

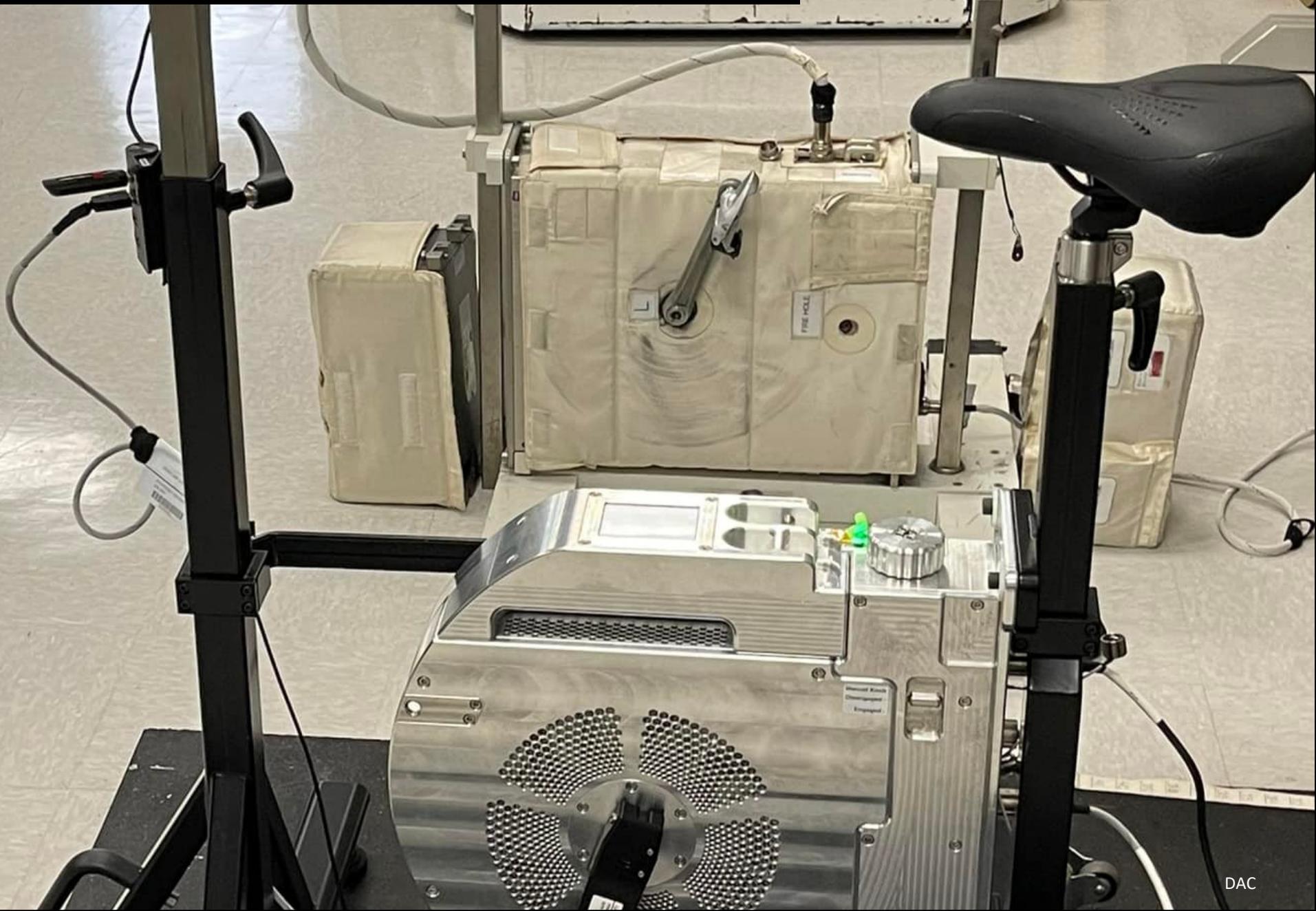
Danish Aerospace Company's expectations for 2022 are:

- Revenue of DKK 24-27 million; and
- Operating profit (EBITDA) of approx. DKK 3-4 million.



Thomas A. E. Andersen, CEO

From the top: DAC's CEVIS ergometer, below DAC's FERGO ergometer, at the Johnson Space Center in Hou-



DAC



Income Statement

1 January - 31 December 2021

	<u>2021</u> DKK	<u>2020</u> DKK
Revenue	20,353,842	22,071,844
Own work capitalized	144,576	109,457
Costs of raw materials and consumables	(1,647,865)	(1,863,029)
Other external expenses	(3,212,606)	(3,427,023)
Gross profit/loss	15,637,947	16,891,249
Staff costs	(13,402,330)	(13,872,168)
Depreciation, amortisation and impairment losses	(1,134,370)	(1,480,867)
Operating profit/loss	1,101,247	1,538,214
Income from investments in group enterprises	(601,050)	(671,901)
Income from investments in associates	(9,427)	(3,873)
Other financial income	243,986	163,573
Other financial expenses	(359,901)	(537,152)
Profit/loss before tax	374,855	488,861
Tax on profit/loss for the year	(199,580)	(255,521)
Profit/loss for the year	175,275	233,340
Proposed distribution of profit and loss:		
Retained earnings	175,275	233,340
Proposed distribution of profit and loss	175,275	233,340



Balance sheet

31 December 2021

Assets

	<u>2021</u>	<u>2020</u>
	DKK	DKK
Completed development projects	803,320	1,374,630
Acquired patents	523,865	362,445
Development projects in progress	254,033	109,457
Intangible assets	1,581,218	1,846,532
Other fixtures and fittings, tools and equipment	1,251,549	1,605,330
Leasehold improvements	579,128	493,842
Property, plant and equipment	1,830,677	2,099,172
Investments in group enterprises	0	2,478
Investments in associates	46,948	56,375
Financial assets	46,948	58,853
Fixed assets	3,458,843	4,004,557
Raw materials and consumables	193,312	806,376
Inventories	193,312	806,376
Trade receivables	1,382,555	4,610,939
Contract work in progress	15,524,451	17,583,549
Receivables from group enterprises	3,935,037	2,900,362
Other receivables	420,665	655,573
Income tax receivable	31,807	317,752
Prepayments	540,455	449,461
Receivables	21,834,970	26,517,636
Cash	2,682,873	158,064
Current assets	24,711,155	27,482,076
Assets	28,169,998	31,486,633



Balance sheets

31 December 2021

Equity & Liabilities

	<u>2021</u>	<u>2020</u>
	DKK	DKK
Contributed capital	1,090,833	1,090,833
Reserve for development expenditure	824,735	1,060,394
Retained earnings	<u>17,810,947</u>	<u>17,717,364</u>
Equity	<u>19,726,515</u>	<u>19,868,591</u>
Deferred tax	<u>3,743,849</u>	<u>3,276,189</u>
Provisions	3,743,849	3,276,189
Other payables	<u>1,109,683</u>	<u>1,095,102</u>
Non-current liabilities other than provisions	<u>1,109,683</u>	<u>1,095,102</u>
Bank loans	<u>0</u>	<u>4,486,867</u>
Prepayments received from customers	29,782	269,612
Trade payables	425,248	410,037
Other payables	3,134,921	2,080,235
Current liabilities other than provisions	<u>3,589,951</u>	<u>7,246,751</u>
Liabilities other than provisions	<u>4,699,634</u>	<u>8,341,853</u>
Equity and liabilities	<u>28,169,998</u>	<u>31,486,633</u>

Statement of Changes in equity for 2021

	<u>Share capital</u>	<u>Reserve de- velopment costs</u>	<u>Retained earnings</u>	<u>Total</u>
	DKK	DKK	DKK	DKK
2021				
Equity at 1 January	1,090,833	1,060,394	17,717,364	19,868,591
Exchange adjustments	0	0	(317,351)	(317,351)
Transfer to reserves	0	(235.659)	235.659	0
Net profit/loss for the year	0	0	175,275	175,275
Equity at 31 December	1,090,833	824,735	17,810,947	19,726,515
2020				
Equity at 1 January	1,090,833	1,492,014	16,698,933	19,281,780
Exchange adjustments	0	0	353,471	353,471
Development costs for the year	0	85,748	0	85,748
Amortisation and impairment for the year	0	(517,368)	0	(517,368)
Net profit/loss for the year	0	0	664,960	664,960
Equity at 31 December	1,090,833	1,060,394	17,717,364	19,868,591



Cash Flow Statement

1 January - 31 December 2021

	<u>2021</u>	<u>2020</u>
	DKK	DKK
Operating profit/loss	1,101,247	1,538,214
Amortisation, depreciation and impairment losses	1,134,370	1,480,867
Working capital changes	4,938,509	(7,838,646)
Cash flow from ordinary operating activities	7,174,126	(4,819,565)
Financial income received	243,986	163,573
Financial expenses paid	(359,901)	(537,152)
Taxes refunded/(paid)	554,026	(2,094,134)
Cash flows from operating activities	7,612,237	(7,287,278)
Acquisition etc of intangible assets	(329,911)	(219,931)
Acquisition etc of property, plant and equipment	(270,650)	(1,149,637)
Cash flows from investing activities	(600,561)	(1,369,568)
Free cash flows generated from operations and investments before financing	7,011,676	(8,656,846)
Loans raised	0	4,486,867
Repayments of loans etc	(4,486,867)	0
Cash flows from financing activities	(4,486,867)	4,486,867
Increase/decrease in cash and cash equivalents	2,524,809	(4,169,979)
Cash and cash equivalents beginning of year	158,064	4,328,043
Cash and cash equivalents end of year	2,682,873	158,064
Cash and cash equivalents at year-end are composed of:		
Cash	2,682,873	158,064
Cash and cash equivalents end of year	2,682,873	158,064



Comments for the Annual Report 2021

Revenue is just below last year's level at DKK 20,4 mill. and the gross result is DKK 15,6 mill.

Profit before EBITDA amount to DKK 2,2 mill. and result after tax total DKK 175k. The result is slightly lower than the previous year.

As of December 31st, 2021, the balance amounted to DKK 28,2 mill. and the equity to DKK 19,7 mill.

Cash flow from operating activities before financial income and expenses comes to DKK 7,2 mill., (against -4,8 mill. last year) which primarily is a result of a significant increase in the company's receivables from ESA and other clients due to high activity.

The total receivables amount to DKK 28,2 mill., as of December 31st, 2021, compared to DKK 31,5 mill. the previous year.

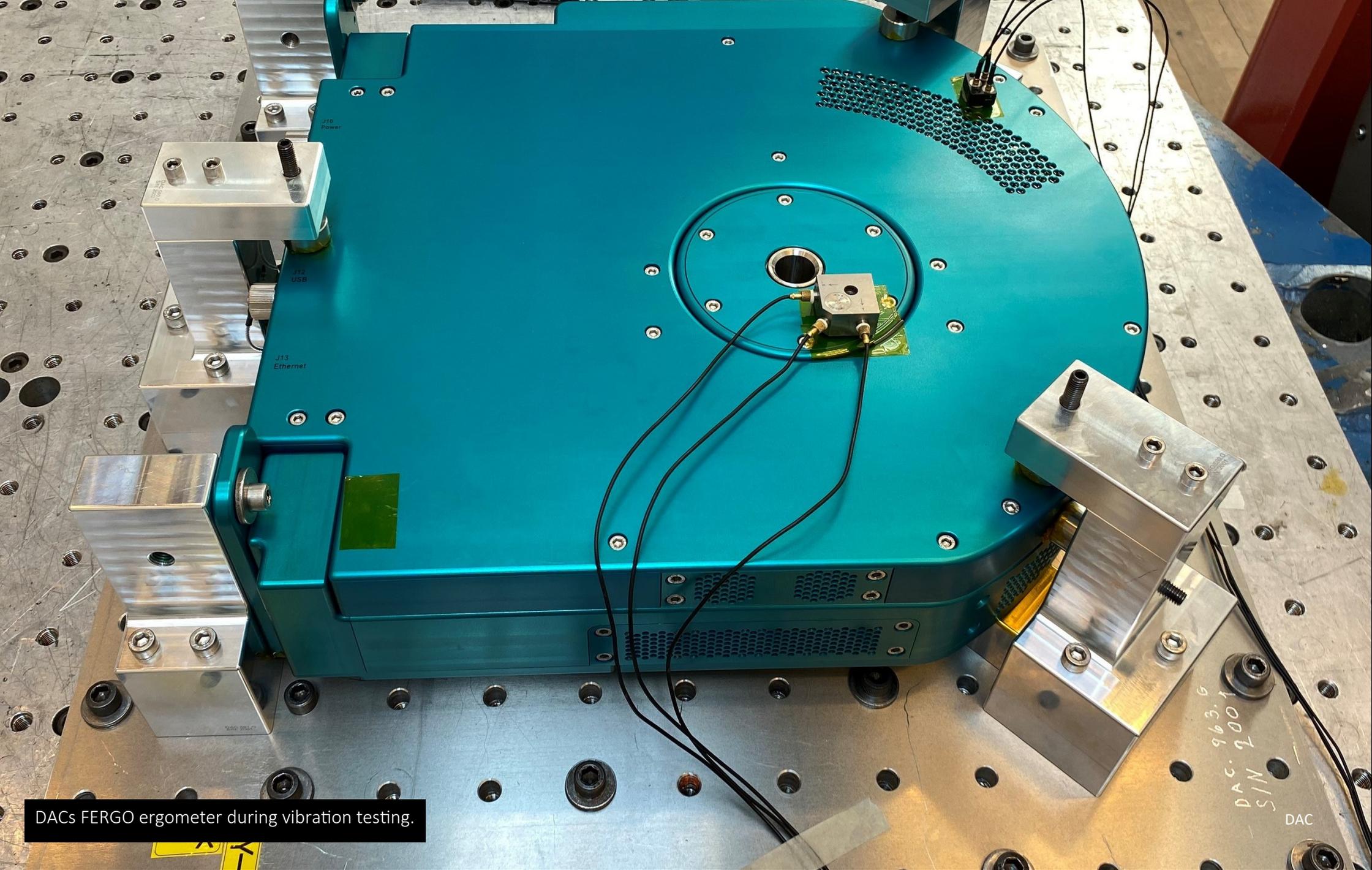
Available funds amount to DKK 2,7 mill. compared to DKK 0,2 mill. the same period last year. Deduction from the credit facility amount to DKK 0 mill. against DKK 4,5 mill. the previous year. The company has a credit facility at DKK 6 mill.

Investments in property, plant and equipment amounts to DKK -0,3 mill. compared to DKK -1,2 mill. the same period the previous year. Investments in intangible assets amount to DKK -330k compared to DKK -220k the same period last year, due to the 4 new patents for E4D-technologies.

Cash flow from financing activities amounts to DKK -4,5 mill. compared to DKK 4,5 mill. the previous year.

Stock related key figures:

	<u>Dec. 31, 2021</u>	<u>Dec. 31, 2020</u>
Result per share (DKK)	0.016	0.021
No. of shares (end of year)	10 908 330	10 908 330
No. of shares (on average)	10 908 330	10 908 330



DACs FERGO ergometer during vibration testing.



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