ROVSING

Functional Testing
and Simulation Solutions
for the Space Industry

# ANNUAL REPORT 2022 / 23


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# PROFILE

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

Rovsing 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 YEAR



- The financial year 2022/23 was in line with the adjusted guided expectations (Announcement no. 344), with a revenue amounting to DKK 28,3 million, compared to a revenue of DKK 27,0 million in 2021/22.

- The EBITDA amounts to DKK 1,0 million, compared to DKK 1,1 million in 2021/22.

- The H1 2022/23 revenues and EBITDA were negatively impacted by programme delays, impacting the realised performance in 2022/23. Furthermore, supply chain prices remained volatile throughout the financial year.

- The current order backlog is at a high level of DKK 65,7 million (2021/22 DKK 31,1 million), with an order intake in 2022/23 of DKK 59,5 million (2021/22 DKK 11,2 million). The current order backlog is diverse, ranging across several different missions and customers in both institutional, commercial and military space. A higher number of parallel projects, with many kicked-off late in 2022/23, provides a positive operational outlook and robustness against external factors moving forward.

  In order to realise the backlog, Rovsing has expanded the organization with additional resources towards the end of 2022/23 and will continue upscale as needed to meet expectations. Given the growth perspectives, the Company for the moment is exploring various options to strengthen its capital structure.

- Our team has supported a wide range of customers during 2022/23, 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 by new contracts from a diverse range of customers such as Airbus DS, Thales Alenia Space, Astroscale, EUMETSAT and Jena-Optronik in support of missions such as CIMR, ROSE-L, CRISTAL, LSTM, Mars Sample Return, ELSA-M, FLEX, FORUM and ARIEL.

- Based on the strong order backlog and continued positive development in the Space Industry, the revenue outlook for 2022/23 is expected to be in the range of DKK 37,0 to 41,0 million, with a positive EBITDA in the range of DKK 3,5 to 4,5 million.

# FINANCIAL HIGHLIGHTS AND RATIOS



| INCOME STATEMENT | 2018/19 | 2019/20 | 2020/21 | 2021/22 | 2022/23 |
|---|---|---|---|---|---|
| DKK'000 | | | | | |
| Revenue | 28,184 | 21,836 | 27,535 | 27,009 | 28,335 |
| Earnings before interest, taxes, depreciation and amortisation, EBITDA | 341 | -863 | 2,514 | 1,147 | 970 |
| Operating profit (EBIT) | -2,929 | -5,322 | -2,497 | -714 | -960 |
| Financial income and expenses, net | -767 | -1,188 | -918 | -1,047 | -1,239 |
| Loss for the year | -4,040 | -6,810 | -3,398 | -1,551 | -1,727 |
| **BALANCE SHEET** | | | | | |
| Non-current assets | 20,209 | 17,997 | 14,053 | 16,501 | 16,685 |
| Current assets | 14,265 | 9,248 | 11,079 | 16,016 | 16,505 |
| Total assets | 34,474 | 27,245 | 25,132 | 32,517 | 33,190 |
| Equity | 18,560 | 11,423 | 9,576 | 8,085 | 6,622 |
| Non-current liabilities | 4,080 | 386 | 4,687 | 5,529 | 2,973 |
| Current liabilities | 11,834 | 15,437 | 10,869 | 18,903 | 23,595 |
| Total equity and liabilities | 34,474 | 27,245 | 25,132 | 32,517 | 33,190 |
| **CASH FLOW STATEMENT** | | | | | |
| Cash flow from operating activities | 11 | 5,372 | -587 | -4,779 | 6,598 |
| Cash flow from investing activities | -1,040 | -259 | -429 | -2,102 | -1,693 |
| Cash flow from financing activities | 1,109 | -5,069 | 1,002 | 6,627 | -4,858 |
| Total cash flow | 81 | 44 | -13 | -254 | 47 |
| **KEY FIGURES** | | | | | |
| EBITDA margin, % | 1.2 | -4.0 | 9.1 | 4.2 | 3.4 |
| EBIT margin, % | -10.4 | -24.4 | -9.1 | -2.6 | -3.4 |
| Return on equity, % | -18.0 | -28.8 | -14.7 | -17.6 | -24.1 |
| Earnings per share (EPS) | -0.01 | -14.9 | -7.3 | -3.3 | -3.6 |
| Earnings per share (EPS D) | -0.01 | -13.2 | -6.5 | -3.3 | -3.6 |
| Cash flow per share (CFPS) | -0.01 | -5.7 | -22.1 | -16.3 | -8.1 |
| Dividends per share of DKK | - | - | - | - | - |
| Pay-out ratio, % | - | - | - | - | - |
| Equity per share, DKK | 0.04 | 25.0 | 20.3 | 17.1 | 13.9 |
| Solvency, % | 53.8 | 41.9 | 38.1 | 24.9 | 20.0 |
| Average number of shares (1,000 shares) | 429,844 | 458 | 463 | 473 | 475 |
| Number of shares at year-end (1,000 shares) | 457,881 | 458 | 471 | 473 | 476 |

Comparable figures for 2018-19 have not been restated following the implementation of IFRS 16 as Rovsing has chosen to use the modified retrospective transition method.

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

# CORPORATE INFORMATION

**The Company**

Rovsing A/S
Ejby Industrivej 38
2600 Glostrup, Denmark

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


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

**Board of Directors**

Michael Hove (Chairman)
Ulrich Beck
Jakob Færch Bendtsen

**Executive Management**

Hjalti Pall Thorvardarson, CEO
Sigurd Hundrup, CFO

**Auditors**

KPMG
Statsautoriseret Revisionspartnerselskab
Dampfærgevej 28
2100 København Ø

**Annual General Meeting**

The annual general meeting will be held on 24 October 2023 at 16:00 at Ejby Industrivej 38, 2600 Glostrup, Denmark.

# MANAGEMENTS' REVIEW



## REVENUE AND RESULTS

Revenue for 2022/23 amounted to DKK 28,3 million, which is an increase of DKK 1,3 million, compared to the previous financial year.

Gross profit for the period amounted to DKK 20,7 million compared to DKK 21,1 million in 2021/22.

The Company's earnings before interest, tax, depreciation and amortisation (EBITDA) amounted to DKK 1,0 million, a DKK 0,1 million reduction compared to the previous year.

Tax for the year was DKK -0,5 million compared to DKK -0,2 million previous year.

The loss after tax was DKK -1,7 million, compared to DKK -1,5 million in 2022/23.

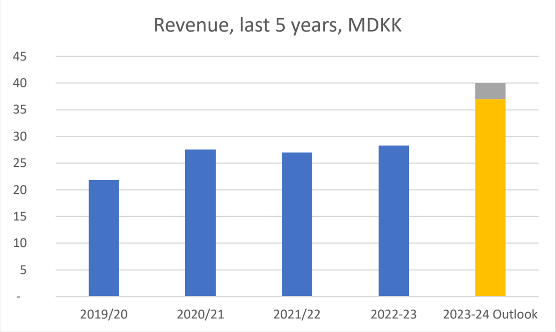
Equity as per 30 June 2023 amounted to DKK 6,6 million (30 June 2022: DKK 8,1 million).

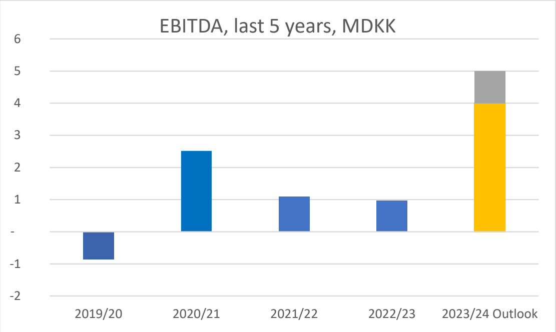
Cash flow from operating activities for the period amounted to DKK 6,6 million compared to DKK -4,8 million in 2021/22. Net cash flow from investing activities amounted to DKK -1,7 million (2021/22: DKK -2,1 million). Cash flow from financing activities amounted to DKK -4,9 million (2021/22: DKK 6,6 million) while net cash flow for the period amounted to DKK 0 million (2021/22: DKK 0 million).

In November 2022 the Board of Directors made the decision to increase Rovsing's share capital with a nominal value of DKK 149,350 corresponding to 2,987 new shares and to issue 23,660 warrants. The new shares were subscribed by members of the Board of Directors, Management and employees of Rovsing, and subsequently warrants were issued to the Board of Directors, Management and employees of Rovsing as an incentive program in line with the mandate given at the annual General Assembly held in October 2022.

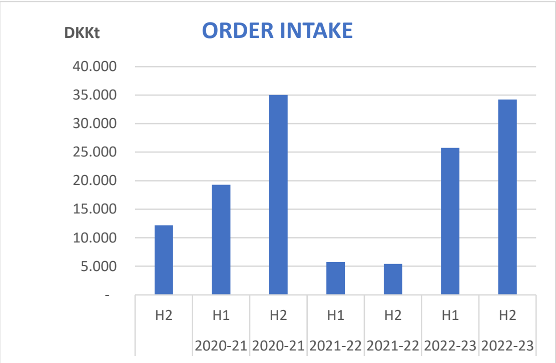
The realised revenue and EBITDA of DKK 28,3 million and DKK 1,0 million, respectively were in line with the lower end of the adjusted guidance to the market announced by the Company in February 2023 (Announcement no. 344). During H1 2022/23 various projects faced program delays which have impacted the overall performance of Roving for this year. The Rovsing team has focused on shifting efforts to accelerating newer projects as they have been acquired during the financial year as well as advancing product development in order to accelerate introduction of new product offerings.

Despite the realised revenue and EBITDA not meeting the expectations and prognosis leading into 2022/23, the development of Rovsing market situation, with a varied and record high order backlog at the end of 2022/23 is viewed as a testimony to a strengthened Company position and outlook to build further profitable growth in a growing space industry.

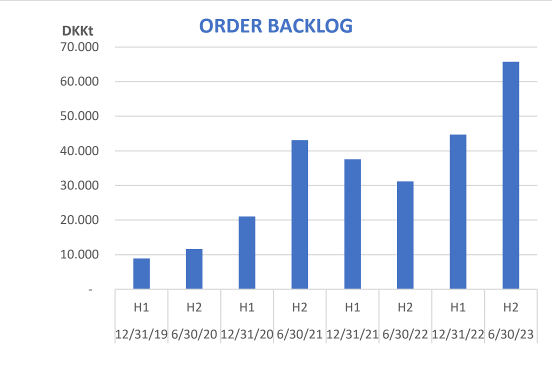



The order intake of DKK 59,5 million during 2022/23 has been significantly higher compared to the order intake in 2021/22 (DKK 11,2 million). Rovsing has been successful in acquiring new contracts from a diverse range of customers such as OHB, Airbus DS, Thales Alenia Space, Astroscale, EUMETSAT and Jena-Optronik. In support of missions such as Mars Sample Return, ELSA-M, FLEX, CRISTAL, LSTM, ROSE-L, CIMR, FORUM and ARIEL.



Order backlog remains at a high-level DKK 65,7[1] million (2021/22 DKK 31,1 million), a success reflecting the efforts invested in sales and project proposals as well as a continuous increase of industry activity. The figure below shows the order backlog exclusive of ongoing service contracts.




The evolution of the order backlog is in line with expectation as the Company maintains a strong competitive position in key market segments. In light of the high order backlog the Company has been strengthening the organisation in recent months to meet the increased activity level and number of active parallel customer projects.

In line with the Company's strategy, focus on growth and diversification will continue from increased activities in European commercial and military programmes as well as maintained focus on the USA and emerging markets, leveraging our core competencies.

## OPERATIONAL REVIEW

### The European market

Rovsing continues to be a key player within the European institutional space market, holding a position as one of the key level 1 suppliers of the major European Prime contractors in their efforts to capture upcoming mission within space exploration, earth observation, communication and other critical infrastructure as showcased by our awarded contracts across the spectrum. The order backlog has been strengthened like the expanding expertise and industrial scope that Rovsing can deliver to its customers.

The Rovsing team concluded a successful commissioning of the first Service Module Simulator at Thales Alenia Space (TAS) Italy in September 2022. The Critical Design Reviews (CDR) of the remaining Galileo Second Generation (G2G) EGSEs was completed in October 2022. However, a number of changes to the specifications were announced by the customer which required delta design and effort to be agreed by Contract Change Notices (CCNs). With the CDR approved and a number of CCNs in process the Rovsing team could accelerate the manufacturing, assembly, integration and test (MAIT) work on several systems. The Test Readiness Review (TRR) of the first Umbilical SCOE was completed in March 2023 with delivery of the first Umbilical SCOE completed in June 2023. The remainder of set 1 is expected to be delivered before end of 2023 with the following 4 sets to follow in 2024-2025.

Rovsing received an additional contract from TAS-UK on the FLEX programme for a Launch Umbilical SCOE, a follow on to the already delivered FLEX EPS SCOE. The Kick-off was performed in October, followed by the Design Review in December 2022. Following the swift assembly and integration, the Launch Umbilical SCOE TRR was concluded successfully in April 2023 and following the acceptance test campaign the delivery to TAS-UK was completed in June 2023.

The Mars Sample Return (MSR) Earth Return Orbiter (ERO) Electrical Satellite Interface Simulator (E-SIS) for Airbus DS which had been on hold due to mission changes was resumed in October 2022 with design changes agreed in March 2023. The TRR was completed in June 2023 with the first system delivery on track for autumn 2023.

Jena-Optronik awarded Rovsing with a contract for performing Independent SW Validation & Verification (ISVV) for their MSR-ERO Startracker, an activity kicked-off in October 2022 and successfully finalized in May 2023. Jena-Optronik has awarded Rovsing with a follow up contract for the ISVV of the LIDAR, also for the MSR-ERO mission, an activity planned to start autumn 2023.
In addition, the Company has an ISVV contract related to the MSR-ERO programme performing the OBC-GNC ISVV with our partner Critical Software, a contract that is expected to run until the end of 2024.

Rovsing involvement as key contributor to the MSR programme for the E-SIS and multiple ISVV tasks showcases the capabilities and reliability of Rovsing on flagship ESA and NASA exploration programmes.

In August 2022 the second Umbilical SCOE for the PLATiNO programme was delivered and

[1] Order back-log is defined as the remaining value of work in progress to be recognised as revenue in future periods.

commissioned for customer SITAEL S.p.A in Italy. Rovsing will also deliver a MiniCOTE system to SITAEL for the PLATiNO programme.

Further in August, Rovsing received a contract from EUMETSAT and commenced work on the Evaluation of their IVV processes and methods for supporting their future ways of working. This contract was successfully concluded with a final report and recommendations in July 2023, following in-depth analysis, interviews and workshops conducted during 2022/23.

The European Commission Copernicus programme provides vital data from satellites which help address challenges such as urbanisation, food security, rising sea levels, diminishing polar ice, natural disasters and, of course, climate change. Rovsing has contributed to many of the current suite of Sentinel satellite missions. Looking to the future the capabilities of the Copernicus space component is being enhanced by six new satellites (CO2M, LSTM, CHIME, ROSE-L, CIMR and CRISTAL), currently being developed by ESA and built by European industry. Rovsing has already secured multiple contracts and is working on 4 out of 6 satellites with different primes (LSTM, ROSE-L, CIMR and CRISTAL).

Rovsing was awarded the CRISTAL Boot SW Validation contract by TAS-F with a KO held in January 2023, but due to programme shift the Rovsing activities are shifted to pick up pace in autumn 2023.

Airbus DS selected Rovsing to deliver the Power SCOEs as well as the Power Front-Ends for the Copernicus CRISTAL and LSTM missions. Activities were kicked-off in September and November respectively. For the Power Front-Ends the CDR was completed successfully in February 2023 and the TRR in June 2023. The first Power Front-End delivery was shipped to Airbus DS in August 2023 and the second set is expected to ship before end of 2023. The CDR for the Power SCOE project was successfully conducted in July 2023 following the delivery of the CDR data-pack in June 2023. The Power SCOE racks are currently being assembled in Rovsing facilities with deliveries planned for spring 2024 and autumn 2025 of sets 1 and 2 respectively.

In June 2023, Rovsing and TAS-I conducted the successful Kick-off of the CIMR UMB/COTE SCOE project with deliveries scheduled for mid-2024 and end 2024 of the respective two sets.

The ROSE-L Power EGSEs were awarded to Rovsing by TAS-I in July 2023 with delivery scheduled for autumn 2024.

In November 2022, Airbus DS awarded Rovsing with the contract to deliver the ARIEL mission Satellite Interface Simulators (SIS). Following the kick-off of the project end of November 2022, the CDR was conducted in February 2023 with the assembly and integration of the first two sets being completed with a TRR in August 2023 and deliveries scheduled for autumn 2023.

Astroscale UK selected Rovsing to deliver the Power SCOE for their upcoming ELSA-M mission, which will be designed and optimised to remove multiple satellites from Low Earth Orbit in a single orbital mission. The Rovsing solution for the Power SCOE is realized in just one rack. A successful Kick-off meeting was held with Astroscale in September 2022 followed by a conclusion on the CDR in January 2023. The Power SCOE was fully assembled and integrated leading up to the TRR in May 2023. Following a successful Factory Acceptance Testing (FAT) campaign the ELSA-M Power SCOE was delivered to Astroscale at the end of June 2023. From Kick-off to delivery in less than 10 months – showcasing the efficiency of Rovsing's building-block approach to realizing turn-key systems fulfilling customer specifications.

OHB awarded Rovsing the FORUM Platform Emulator SCOE. FORUM is an ESA mission which will measure Earth's outgoing radiation in the far-infrared part of the electromagnetic spectrum that has never been measured from space before. The Platform Emulator SCOE project was kicked-off in January 2023 and completed the CDR milestone in June 2023 ahead of a planned delivery before end of 2023. OHB has in July 2023 awarded Rovsing with a 2nd FORUM contract, this time for the Thermal EGSE which is scheduled to be delivered summer of 2024.

In June 2023, TAS-I awarded Rovsing with a contract for supplying a Power SCOE for a domestic European Military satellite. The kick-off was conducted successfully in early July 2023 with deliveries scheduled for spring and autumn 2024 of the respective two sets.

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. Three MPCV-ESM PCDU EGSE have also been delivered to Leonardo in Milan. As part of the NASA Artemis and Lunar Gateway programmes, ESA has committed to providing an additional three ESMs. In this connection Rovsing is continuing to provide engineering support both remote & onsite as well as spare parts and possible upgrades.

Rovsing´s onsite service business in Kourou remain in place with contracts extended until the end of 2023. A tendering phase has been ongoing in 2023 with a possibility to enter into a new 5-year contract from 2024-2028. Rosving has provided bids as part of a larger consortium for continuation and development of the service business in Kourou. Further tenders are expected until end of 2023 and Rovsing evaluates both independent and collaborative bids with industry partners.

## The North American market

In end of January and beginning of February 2023 Rovsing was represented by our CEO, Hjalti Pall Thorvardarson in the largest Space Delegation from Denmark, visiting the Houston, Texas area and engaging in dialog with academia, NASA as well as established US Space actors such as Boeing, Jacobs and Barrios as well as upcoming companies such as SpaceX, Intuitive Machines and Axiom Space. Rovsing will continue to explore further opportunities and projects with North American customers.

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 mission 1 which flew successfully to the moon and back during the fall 2022. Further Artemis missions are planned in the coming years with the aim of bringing humans back to the Moon. With a long-term commitment of NASA and ESA for additional ESM / Service Modules, Rovsing participates with related service agreements 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.

During 2022/23, the Company has provided quotations to Boeing for the supply of further Rovsing products in support of their satellite test facilities.

## Emerging space markets

Rovsing continues to closely monitor emerging and ambitious space markets with their increasing space budgets. Sales activities and inquiries from emerging markets have increased slightly in 2022/23 compared with 2021/22, a positive development which we continue to monitor with the target of acquiring new customers in coming years.

## Product development, production and strategic initiatives

Improvements in the value chain, continuous improvements of quality and efficiency are a constant success factor to improve the Company's competitive advantage. During 2022/23, Rovsing has ramped up its efforts on improving its product base as well as related logistics, production and testing environments.

Rovsing obtained an ISO9001 certification in the fall of 2022 which further strengthens the procedural environment of the Company, ensuring quality and knowledge sharing. Benefits in workflow can be seen related to the Company's improved headquarters, also allowing for a further scaling of our operations and development.

Rovsing's strategic roadmap focuses on achieving increased scalability such that our already modular products can better address the expanding range of satellite architectures. In 2022/23, efforts related to product development and feature improvements in the domains of both software and hardware have increased as these are key enablers for Rovsing abilities to deliver diverse market leading system solutions to customers. In line with the strategic roadmap Rovsing has obtained co-financing studies and development projects in cooperation with ESA during 2022/23 under the GSTP programme.

During 2022/23 Rovsing has intensified efforts related to further opportunities, matching the Company's expertise, concerning mainly Defence and Critical Infrastructures on Danish and European level to broaden the scope of business in close cooperation with Prime Contractors and other potential partners.

## Organisation and management

By the end of the financial year 2022/23, 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 Denmark, but the Company also has employees in Kourou, French Guiana, where they provide support and consultancy services.

At the Company's annual general meeting in October 2022 Michael Hove and Ulrich Beck were reelected to the Board of Directors while Jakob Færch Bendtsen was elected to replace Jakob Have.

## World events

The war in Ukraine has continued to be a major disruption event affecting the global prices and financial stability. Rovsing does not rely on suppliers or partners from either Ukraine or Russia and is therefore not directly impacted from the ongoing war in Ukraine. At Rovsing an active business continuity plan to address the volatile situation has been in place since the COVID-19 pandemic in order to ensure continuous evaluation of the business based on supply chain, internal resources, progress and governmental guidelines.

The global supply chain pressure on the electronic component market continued to draw focus with increasing price and lead-time volatility, especially with a tense global situation on trade and logistics, including China. Rovsing continues to seek ways to mitigate the challenging situation with our supply chain and customers in the current volatile environment.

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

The Company has utilized the governmental COVID-19 help packages related to delayed A-skat and AM-contribution and granted VAT loan. Repayment has been fully completed, with the last payment performed in April 2023.

## Incentive schemes

Rovsing has, to a certain degree, used share-based incentive schemes as part of compensation packages for members of the Board of Directors, members of the management team and other staff.

At the end of the financial year 2022/23 there were 23,660 warrants. For additional information about the Company's share-based incentive schemes, please see note 6 to the financial statements on page 45-46.

The Board of Directors consider share-based incentive schemes as relevant and effective incentives that allow the Company to reward good performance, retain key persons and at the same time secure alignment of interests between managers and shareholders. Therefore, it is expected that share-based incentives, such as warrants, will be used also in the future as part of the compensation packages for members of the staff, management and members of the Board of Directors.

## ROVSING'S STRATEGY

Rovsing has a position as a key agile high-tech SME in the Space & Defense Industry. Our mission is to provide our customers with the innovative test and simulations products, systems and services they require, for supporting their critical path, which is constantly challenged by the need to innovate, optimise and overcome internal & external challenges.

### An Agile and Customer focused High-Tech SME

Rovsing has a constantly expanding successful track record, being involved as a reliable supplier in almost every major European Institutional Space programme, looking back as well as forward towards new opportunities. The Company is positioned as a first or second tier supplier to all European Large-Scale Integrators (LSIs/OEMs).

Rovsing operates as a focused technology and customer driven SME. Our customers from Space Agencies and Institutions to LSIs act in a dynamic and challenging high-tech environment. Rovsing has the expertise to provide first class products and services to ensure seamless performance for our customers critical systems and infrastructure. Our customers are to a large extent requirements and process driven and have difficulties with swiftly adapting and anticipating challenges. Herein lies Rovsing's asset, being an agile, dynamic expert, we can anticipate, react and create solutions in hours or days which would normally bind our customers for weeks or months.

With best-in-class services, cost-effective and efficient products and systems, we evoke customer satisfaction and trust. By continuing our R&D focus and anticipating the technical developments and challenges, which our customers face now and, in the years, to come, we are able to center our product developments at the heart of their critical path in test and simulation capabilities.

### Skills and Expertise

Rovsing is driven by the expertise and engagement of our employees, this is the core of the Company. Meeting our goals requires intense involvement and engagement from the employees. This means not only going the extra mile to ensure our customers' satisfaction but also invoke that same mindset in the onboarding of new employees while keeping our minds open to new ideas and improvements arising from new dynamics.

Rovsing's success is based on the talent of the employees, and we strive to make the working environment agile and inclusive, providing flexibility to our employee's needs. We maintain a high level of trust that the same flexibility flows back to ensure we overcome the challenges at hand and that the commitment to improve and grow as both engineers and as a Company, is a shared vision between the entire staff.

### Strengthening our Strategic position and Growth

Rovsing has built a diverse and extensive order backlog across several customers and missions. This, together with the further growing track record and the ongoing stable and good reputation provides a baseline to ensure and carry on expanding the Company's competitive position in an evolving competitive market environment, driven by time-to-market, cost structure and quality. Rovsing continuously works on improving its basis of quality and competitiveness in order to meet and exceed the market needs.

Our marketplace is a rapidly growing global market, where the strategic importance of both Space and Defence systems having proven their importance and both current & future potential in the current geo-political environment. Critical infrastructure stretches across many domains and where there are critical systems there is a need for Rovsing's expertise. Establishing solid and growing footprints beyond the European institutional environment by further building our foothold in commercial missions, as well as the institutional US and emerging markets remains essential together with developing and investing in our product and service portfolio with focus on a harmonized, scalable offerings which can support both new and traditional aerospace customers.

Rovsing understands and acts in a way that our Strategic Programme must develop and increase the Company's value. This requires continuous interaction with customers, suppliers and the shareholders and financial community. Management and the Board of Directors are committed to facilitate the reputation of trust and growth into the future of Rovsing.

# FINANCIAL REVIEW

## Income statement

Revenue amounted to DKK 28,3 million in 2022/23, an increase of DKK 1,3 million, on 2021/22 revenue. Gross profit amounted to DKK 20,7 million compared to DKK 21,1 million in 2021/22 and EBITDA amounted to DKK 1,0 million compared to DKK 1,1 million in 2021/22.

The negative development in EBITDA in 2022/23 is primarily driven by delayed project inputs in Q1 of 2022/23 causing delayed progress.

Other external expenses of DKK 2,4 million (2021/22 DKK 2,4 million) are in line with expectation.

Depreciation, amortisation and impairment amounted to DKK 1,9 million in 2022/23, against DKK 1,9 million in 2021/22.

## Financial items

Overall, net financial expenses amounted to DKK 1,2 million compared to DKK 1,0 million in 2021/22.

## Profit/loss before tax

The Company recorded a loss before tax of DKK 2,2 million in 2022/23 compared to DKK -1,8 million in the year before.

## Tax

Tax for the year amounted to DKK 0,5 million in 2022/23, compared to 0,2 million in the preceding financial year. The tax consists of current tax (income) of DKK 0,5 million, which relates to reimbursement under section 8x of the Danish Tax Assessment Act (TAA). The deferred net tax asset amounts to DKK 2,1 million at 30 June 2023. Rovsing expects to be able to utilize the tax asset within the next five years.

## Profit/loss for the year and comprehensive income

The Company reported a loss for 2022/23 of DKK 1,7 million, against a loss of DKK 1,6 million in the preceding financial year.

## Balance sheet

### Assets

At the end of 2022/23, total assets amounted to DKK 33,2 million, against DKK 32,5 million at 30 June 2022.

Intangible assets amounted to DKK 12,0 million at 30 June 2023 compared to DKK 11,1 million on 30 June 2022. Depreciations and amortisations amounted to DKK 1,9 million, DKK 0,8 million related to completed development projects of the EGSE Platform.

Deferred tax assets amounted to DKK 2,1 million and are unchanged compared to previous year.

Inventories amounted to DKK 4,6 million compared to DKK 4,3 million in 2021/22.

At 30 June 2023, trade receivables and contract work in progress combined amounted to DKK 9,3 million, which is DKK 1,1 million lower than previous year.

Current assets amounted to DKK 16,5 million compared to DKK 16,0 million in the previous year.

### Liabilities and equity

Equity amounted to DKK 6,6 million at 30 June 2023, against DKK 8,1 million at 30 June 2022. The year-over-year change of DKK 1,5 million is mainly due to loss on comprehensive income of DKK 1,7 million.

## Cash flow statement

**Cash flow from operations:**
Total cash flow from operations were net cash of DKK 7,8 million in 2022/23, against a net cash of DKK -3,7 million in the preceding year.

**Cash flow from operating activities:**
Net interest payables were DKK -1,2 million compared to DKK -1,0 million in 2021/22. Cash flow from operating activities of DKK 6,6 million in 2022/23 compared to DKK -4,8 million in 2021/22.

**Cash flow from investing activities:**
In 2022/23 the Company has invested DKK -1,6 million in further development of the EGSE Platform (2021/22 net DKK 0,9 million).

**Cash flow from financing activities:**
Cash flow from financing was DKK-4,9 million vs. DKK 6,6 million in 2021/22. The draw on the credit facility in Jyske Bank decreased with DKK 4,4 million in 2022/23 reflecting primarily an increase in prepayments from customers.

## Funding of the Company's operations

In 2022/23 Rovsing, Jyske Bank and EIFO (earlier Vækstfonden) agreed on an additional credit facility of DKK 2,5 million to support the investment in the Company's inventory of own products and to secure working capital requirements to fulfill the high order back-log.

During 2022/23 the company issued a new warrant programme to replace the previous warrant programme, which expired in 2022/23 without any of the issued warrants to be exercised. The new warrant programme comprises 23,660 warrants to be vested over a period of 24 months by the Board of Directors, Management and employees. As part of the programme 2,987 new shares were issued with a total proceed of DKK 0,2 million.

Under the current rules for listed companies, Rovsing may issue new shares for up to 20% of the Company's existing share capital within a financial year. Within this framework, the size of a potential capital increase will be assessed relative to the immediate liquidity requirement, the capital aspects of the Company's strategy and investor appetite for buying Rovsing shares.

Should Rovsing carry out a capital increase, the contributed capital would be expected to be used partly for investing in commercial initiatives aimed at consolidating the Company's growth and competitiveness and as a general liquidity buffer. Reference is made to the section on the Company's risk factors on page 20, which describes risk associated with the Company's liquidity.

## DIVIDENDS

The Board of Directors recommends to the annual general meeting that no dividend be declared in respect of the 2022/23 financial year.

## OUTLOOK FOR 2023/24

Considering the above developments, the Company's strategy, the current order backlog and the expected order intake for 2023/24 management expects for the financial year 2023/24 a revenue of around DKK 37 - 41 million and an EBITDA of around DKK 3,5 - 4,5 million.

## EVENTS AFTER THE REPORTING PERIOD

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

## SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATION UNCERTAINTIES

For a description of items involving significant judgements in applying the Companys' accounting policies and estimation uncertainties related to the Company's liabilities, see note 2 to the financial statements.

## SHAREHOLDER INFORMATION

Rovsing's shares are listed on Nasdaq OMX Copenhagen and traded under the abbreviation ROV and ISIN code DK0061152170. The Company's share capital has a total nominal value of tDKK 23,811 and is divided into 476,228 shares of DKK 50 each. No shares carry any special rights.

| Outstanding shares | No. of shares |
|---|---|
| Beginning of year | 473,241 |
| Capital increase | 2,987 |
| **End of year** | **476,228** |

### Share price

The highest and lowest prices of Rovsing shares in 2022/23 were DKK 72 and 49 respectively. At the end of the financial year, the share price was DKK 50. At 30 June 2023, Rovsing had a market capitalisation of DKK 23,6 million.

### Share liquidity

The average daily turnover in 2021/22 was 545 shares with an average of 5 transactions per day.

### Shareholders

Rovsing has a total of 2,753 registered shareholders as per 30 June 2023. 94.5 % of the shares in Rovsing are registered in the name of the holder.
The table below shows the composition of Rovsing's shareholders.

| Shareholders | No. of shares | % |
|---|---|---|
| CATPEN A/S | 31,372 | 6.59 |
| Other shareholders | 444,856 | 93.41 |
| **Total** | **476,228** | **100.0** |

### Employee shares

No employee shares were granted in 2022/23.

### Current Warrant scheme

The Board of Directors is authorized to issue warrants for board members and/or employees. The Board of Directors may issue warrants with a nominal value up to DKK 1,183,300 in the Company, corresponding to 23,660 warrants of DKK 50 each. At 30 June 2023 all 23,660 warrants are issued under the current warrant programme.

### Dividend policy

Historically, the Company has paid dividends and made distributions, but the Board of Directors presently has no plans to pay dividends or make distributions in the foreseeable future.

### Authorities granted to the Board of Directors

Authorities granted to the Board of Directors are set out in articles 5 and 6 of the articles of association.

The articles of association are found on the Company's website www.rovsing.dk under "Investor relations" and "Corporate Governance".

### Financial reporting to shareholders

The Company publishes an Annual Report, an interim half year Report and interim Management Statements in Q1 and Q3. These reports and statements are published through NASDAQ OMX Copenhagen.

### Annual General Meeting

The annual general meeting of Rovsing will be held on 24 October 2023 at 16:00 at the Company's premises at Ejby Industrivej 38, DK-2600 Glostrup. The general meeting shall be convened by the Board of Directors not more than five weeks and not less than three weeks before the general meeting by publication of an announcement to NASDAQ OMX Copenhagen, on the Company's website www.rovsing.dk and by e-mail to shareholders recorded in the register of shareholders who have so requested.

### Amendments to articles of association

Resolutions on any amendment to the articles of association shall be passed by a majority of two-thirds of the votes cast as well as of the voting share capital represented at the general meeting. Proposals to amend the articles of association must be submitted in writing to the Company not later than six weeks before the date of the general meeting.

## Financial calendar

19 September 2023, publication of Annual Report for 2022/23.

24 October 2023, Annual General Meeting regarding financial year 2022/23.

14 November 2023, publication of Interim Management Statement for Q1 2023/24.

20 February 2024, publication of Interim Report for H1 2023/24.

14 May 2024, publication of Interim Management Statement for Q3 2023/24.

17 September 2024, publication of Annual Report for 2023/24.

22 October 2024, Annual General Meeting regarding financial year 2023/24.

## Issued Company Announcements

Announcement no 347

15 August 2023

Financial Calendar 2023/24

Announcement no 346

17 July 2023

Change in capital of large shareholder

Announcement no 345

15 May 2023

Interim Management Statement covering Q3 2022/23

Announcement no 344

21 February 2023

Interim Management Report first half year 2022/23

Announcement no 343

29 November 2022

Outcome of Rovsing A/S' issue of new shares

Announcement no 342

25 November 2022

Rovsing A/S to issue new shares and to issue warrants

Announcement no 341

11 November 2022

Interim Management Statement covering Q1 2022/23



Announcement no 340

24 October 2022

Minutes of General Meeting

Announcement no 339

20 October 2022

Change in capital of large shareholder

Announcement no 338

03 October 2022

Notice and the complete proposals for the Annual General Meeting of Rovsing A/S

Announcement no 337

30 September 2022

Changes to the Financial Calendar 2022/23

Announcement no 336

9 September 2022

Re-distribution of the Annual Report 2021/22 for the sole purpose of attaching the XHTML annual report

Announcement no 335

9 September 2022

Rovsing A/S releases its Annual Report 2021/22

Announcement no 334

27 July 2022

Financial Calendar 2022/23

## Registrar

Computershare A/S
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DK-2840 Holte

## Investor relations contacts

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## CORPORATE GOVERNANCE

Rovsing's Board of Directors regularly reviews the Company's corporate governance and strives to follow the recommendations of the Committee on Corporate Governance. https://corporategovernance.dk).

The Company has resolved not to follow all the recommendations of the Committee of Corporate Governance, as the Board of Directors finds it appropriate to organize the Company's governance differently in some respects due to Rovsing's specific circumstances.

Certain of the recommendations with which the Board of Directors has resolved not to comply are described below. For a full report on the status of the Company's compliance with the recommendations, please refer to the corporate governance report published on Rovsing's website under "Investor Relations" and "Corporate Governance". https://rovsing.dk/wp-content/uploads/2023/09/Corporate_governance_2022-23.pdf

**Recommendation regarding election of vice-chairman**

According to section 2.2.1 of the recommendations, the Board of Directors is recommended to appoint a vice-chairman. Due to the limited size of the Company, the Board of Directors has not considered it necessary so far to appoint a vice-chairman.

**Recommendation regarding the composition and organization of the Board of Directors**

According to section 3.1.2 of the recommendations, the Board of Directors annually should discuss the Company's activities to ensure a diversity relevant to the Company in its management levels and develops and adopt a diversity policy. The Chairman of the Board of Directors assesses in consultation with the Executive Board what competencies the Board of Directors must have and recommend suitable candidates for election at the General Meeting. The Board of Directors currently consist of three members, all males. Their appointment was made before the beginning of the financial year and there are no immediate plans for replacement of current board members.

It is the goal that the underrepresented gender, presently female, should have at least one seat in the Board, equivalent to 33 pct. of the Board of Directors. This is however only possible whenever a replacement in any of the positions becomes relevant, and the goal is therefore presently not fulfilled in 2022/23. The Board will work to achieve female representation once new Board members are appointed, no later than within 2026.

As Rovsing employs fewer than 50 employees, the Company is not required to have policies for gender parity at the other management levels, cf. the Danish Financial Statements Act § 99. At 30 June 2023, woman accounted for 15% of the total workforce (June 2022 17%). It is the Company's goal to continuously increase the diversity of the workforce.

**Recommendation regarding board committees**

According to section 3.4.4 of the recommendations, the Board of Directors is recommended to establish a nomination committee. Due to the size of the Company, the Board of Directors has decided that the functions of a nomination committee will be undertaken by the Company's Chairman in collaboration with the other board members.

According to section 3.4.5 of the recommendations, the Board of Directors is recommended to establish a remuneration committee. Due to the size of the Company, the Board of Directors has decided that the functions of a remuneration committee will be undertaken by the full Board of Directors as the board members are deemed to possess the requisite knowledge and experience to do so.

**Recommendation regarding evaluation of the work of the Board of Directors and the Executive Board**

According to section 3.5.1 of the recommendations, the Board of Directors is recommended to establish an evaluation procedure for an annual assessment of the overall board and individual members. The Board's self-evaluation is organised based on the numbers and the needs of the Company.

**Recommendation regarding remuneration in the form of share options**

According to section 4.1.3 of the recommendations, the remuneration of the Board of Directors should not include share options. The Board of Directors at Rovsing does not follow this recommendation as the Board of Directors are all participants in the Company's incentive warrant programme.

## Management and organisation

Rovsing has two management bodies – the Board of Directors and the Executive Management. The general meeting elects the Board of Directors, which acts as the supreme authority of the Company between general meetings. The Board of Directors is the supervisory management body of the Company, which undertakes the employment of the Executive Management. The role of the Board of Directors is to supervise the Company's activities, development and management. The Executive Management is in charge of the day-to-day management and operation of the Company and must comply with the guidelines given by the Board of Directors.

Pursuant to the Company's articles of association, the Board of Directors must be composed of three to seven members. The Board of Directors is currently composed of three members, elected for a term of one year. The aim is for the Board of Directors to be composed of persons who possess the necessary skills for performing their duties and have an in-depth understanding of the Company's business affairs. In this respect, the Board of Directors considers the following skills to be important: Insight into the institutional and commercial aerospace market, experience in development, manufacturing and sale of advanced test equipment, experience in international project sales and the related legal aspects, and management experience from a listed company.

The Board members' shareholdings through controlled companies and/or held personally are set out on page 63-65.

The remuneration of the Board of Directors for 2022/23 was unchanged at DKK 100,000. The Chairman receives 200% of the basic fee.

At the Company's annual general meeting in October 2022 Michael Hove and Ulrich Beck were reelected to the Board of Directors while Jakob Færch Bendtsen was elected to replace Jakob Have.

The remuneration of the Executive Management consists of a fixed salary and incentive programmes in the form of a possible cash bonus and warrants. The weighting of the individual remuneration elements is intended to support the Company's positive performance in the short and long term. The cash bonus is performance-based relative to the annual budget to promote the Executive Management's focus on both revenue and costs. The vesting of warrants is based on the CEO's and CFO's employment with the Company and is described in more detail in note 6 to the financial statements.

## Internal control and risk management

Rovsing's internal control systems and procedures in relation to financial reporting are to contribute to ensuring that the financial statements give a true and fair view of the Company's financial position and are free from material misstatement.

Rovsing's Board of Directors is responsible for the establishment and approval of an effective internal control and follow-up system for purposes of the Company's risk management, including relevant guidelines, policies and significant accounting principles.

The Executive Management is responsible for risk management and maintaining an efficient control system, considering applicable legislation and other internal guidelines and procedures. Risk management is focused on risk identification, probability and impact assessment, and risk mitigation measures. The purpose of control activities is to prevent, detect and correct any errors or irregularities. The activities have been integrated in Rovsing's accounting and reporting procedures. These activities include procedures for verification, authorization, approval, reconciliation, result analysis, IT application controls, and general IT controls.

Detailed monthly accounting data are prepared, analysed and monitored at entity and Company level. Rovsing's integrated IT controls and general controls contribute to ensuring that the financial statements give a true and fair view. Reporting instructions, including estimation and close-of-month procedures, are updated and implemented on a regular basis. Combined with other policies, these are available to all relevant employees.
Any control weaknesses identified by internal control or external auditors are presented to the Board of Directors, which oversees that Management implements the necessary measures to remedy the weaknesses in a timely manner.

## CSR, HUMAN RIGHTS AND CLIMATE CHANGE MITIGATION

The following section is compiled in accordance with the Danish financial statements act section 99A.

### Description of Rovsing's business model

Operationally, the structure is that there is only one company that operates with a high degree of operational independence.

The majority of revenue is generated in Europe and derives from sales of products and systems for functional and electrical testing of spacecrafts (primarily satellites) and their payloads for professional clients. The Company has no sales to individuals. The Company's activities are generally conducted in accordance with internationally recognized quality standards.

The Company's purchasing of components comprises a very large number of products purchased from suppliers primarily in Denmark and Europe. The hallmark of these products is that they are manufactured by reputable high-quality technical manufacturers.

Due to the Company's size and short chain of command, the Company has decided to align corporate responsibility efforts with the key risks identified, and has no formalized KPIs on human rights, social and employee relations, anticorruption and business ethics and environment and climate change. However, the Company does address corporate responsibility based on internationally recognized principles, as described below.

### Human Rights

Rovsing supports and respects the international human rights contained in the Convention on Human Rights. This means, among other things, that the Company works to ensure equal opportunities regardless of gender, religion, origin or sexual orientation. The Company does not accept forced labour or child labour.

The Company endorses employees' free choice of trade unions and respect their right to participate in collective bargaining, in accordance with applicable laws and standards in respective countries regarding working hours and wages.

The Company has identified the risk of discrimination against employees to be the most significant risk in relation to human rights. This can affect our ability to attract and retain employees as well as affect our reputation.

The Company translates human rights principles into action by communicating them to employees and monitoring that the principles are observed, but due to the limited scope of its operations, the Company has not otherwise found it necessary to conduct human rights related due diligence. In 2022/23, the result of these efforts was that no human rights violations were found in Rovsing. The Company expects to continue and where appropriate, expand, these efforts in the future.

### Social and employee relations

In Rovsing, we believe that results are created through people. We strive to be a responsible employer that ensures proper employment, healthy and safe working conditions and a motivating work environment for our employees.

The Company translates these principles into action, inter alia, through the development and maintenance of employees' knowledge and skills, to ensure that the company continues to have a high efficiency, that innovative products and solutions can be produced and that the products manufactured are competitive in the selected markets. The presence of the necessary qualifications is ensured, among other things through targeted training of employees as well as collaboration with external partners.

The Company has identified employees not feeling motivated by working at Rovsing as the most significant social- and employee-related risk. This is, however, not currently the case. No social and employee-related violations were found in Rovsing.

As Rovsing employed 25 FTEs on average in 2022/23, the Company has not yet found it necessary to establish any processes for social and employee-related due diligence. See also section on Corporate Governance on page 16 for ratios in compliance with the Danish Financial Statements Act § 99. The Company expects to continue and where appropriate, expand, these efforts in the future.

### Anti-corruption and business ethics

Over the years, we have built a reputation as a company that maintains a high degree of integrity and ethical conduct. We combat all forms of corruption, including bribery and facilitation payments, by informing our employees of our zero-tolerance approach to bribery and corruption.

We have identified the risk of employees using gifts or other means to unduly influence a stakeholder as the main risk related to bribery and corruption. This may also be the case if one of our employees is unduly influenced by a stakeholder. Both cases could have consequences for our reputation.

Due to the limited scope of its operations, the Company has not yet found it necessary to establish processes for anti-bribery and corruption due diligence. No corruption and bribery offenses have been found or reported in Rovsing in 2022/23, and the Company plans to continue and where appropriate, expand, these efforts in the future.

## Environment and climate

It is the Company's goal to strive for a production that limits the climate impact through the use of environmentally friendly processes. This includes choice of materials that are as reusable as possible, but also that the various processes are gentle on the environment.

We believe that the most significant climate- and environment-related risk would be if we use materials in our production that unnecessarily harm the environment. Furthermore, it can be a risk if our production of products has processes or approaches that may unduly impact the environment. We are aware that this risk can have consequences for the local environment as well as have consequences for our reputation.

The Company's climate and environment-related processes entail, that environmental considerations are included as part of the company's innovation processes and business strategy. During the financial year, the Company explored different areas of opportunity regarding reducing the environmental impact. Specifically, the Company analyzed the materials used within the production, in order to try and identify more environmentally friendly solutions. Unfortunately, no dedicated measurable results have been identified as a result of the efforts, but the Company expects to continue and where appropriate, expand, these efforts in the future.

## Data ethics

Rovsing, is in compliance with the regulations related to data ethics and the processing of personal data. As the Company is a purely a business-to-business company with no link to processing of personal data or transactions with private customers. Processing of personal data is therefore of very limited extent for the purposes of administration of customers and suppliers. Internally for HR administration the processing of employee personal data follows the given regulations pertaining to the area. Data is not obtained or harvested without prior consent and not shared with third-parties. New employees are instructed in the policy and Management regularly assesses whether further measures are needed.

## RISK FACTORS

The risk factors below are not listed in any order of priority according to significance or probability. It is not possible to quantify the significance to Rovsing of each individual risk factor as each of the risk factors mentioned below may materialise individually or simultaneously to a greater or lesser degree and have a material adverse effect on Rovsing's business, operating profit and financial position.

## RISKS RELATED TO THE COMPANY

### The Company's earnings expectations are subject to considerable uncertainty

The Company's expectations for the future are based on a number of assumptions. If these assumptions are not met, in whole or in part, the Company's future results may deviate considerably from the expectations, which may have a material adverse effect on the Company's operations, results and financial position.

### Liquidity risk

The Company's liquidity position has historically in some months been supported by Jyske Bank if large milestones payments have shifted. Management assesses that there are several options to ensure a sufficient liquidity position.

### Liquidity problems due to late payment by customers

As payments are linked to milestone achievement and acceptance, late payments by customers can occur from time to time due to customer internal process delays. Such delays may adversely affect the Company's liquidity and increase the risks related thereto, as discussed above. Delayed deliveries to or approvals from customers may have a similar effect.

### The Company is dependent on a few large customers

Rovsing is dependent on a few large and long-standing customers. The European Space Agency, ESA (end customer), typically delegates the overall responsibility for a space programme to the largest European space companies – Airbus Defense & Space, Thales Alenia Space or OHB ("Prime Contractors") – through contracts.

Although, when awarding a contract to a Prime Contractor, ESA also requires an open competitive process in the selection of subcontractors, it is crucial for the Company's future development in the space industry to maintain its good relations with these Prime Contractors. There can be no assurance of this, and the opposite scenario could lead to a loss of future orders and materially affect the Company's future earnings and results.

### Technological developments may impair the Company's competitiveness

Even though the Company is not dependent on individual technologies or processes, technological developments may occur in the future which may impair the Company's competitiveness, including if the Company's fails to maintain a certain level of investment in the maintenance and development of its current intellectual property rights or faces difficulty to source parts.

### Tenders may be unsuccessful

The Company's large customers launch a limited number of calls for tenders a year. The outcome of these tenders can have a significant impact on the Company's revenue, earnings and future competitiveness. The outcome of such tenders depends on various factors which are beyond the Company's control, including the quality and price offered by the other tenderers. As there are only a limited number of tenders, there is a risk of losing more than expected or them all, which will materially affect the Company's future results.

### Lack of contract opportunities due to fully allocated return quota

For each ESA programme, a ratio applies to the aggregate contract amount permitted in each participating member state. There is a risk that other Danish businesses are awarded large contracts under a programme that it can reduce Rovsing's contract opportunities under that programme.

### Risk of infringement of intellectual property rights

Rovsing's products are developed from scratch, despite this, there is a risk that the products will infringe third party rights, including patent rights. Such infringement may involve substantial claims from the rightsholders and/or cause rightsholders to obtain injunctions against supply of the products containing the infringing material, which may materially affect Rovsing's results.

### Fixed-price contracts may involve losses

Although Rovsing has switched to basing its deliveries on standard products, Rovsing remains a development business which, in some tenders, must prepare estimates of the resources and production cost required to perform the individual contracts. There is a risk that Rovsing underestimates the (development) costs and/or the production cost (price of components) associated with existing or future projects and therefore cannot achieve the budgeted contribution margins and/or incurs losses in connection with projects.

### Insufficient insurance cover

There is no guarantee that the insurance cover acquired is sufficient to compensate for a loss arising due to a claim, including especially a product liability claim. The Company applies rigorous quality standards and assurance of its products and systems and strives to minimise its exposure by way of its general terms of sale and delivery and its commercial liability and product liability insurance. But there is no certainty that all potential situations could have been anticipated or agreed in such a way as to prevent an error from having a negative impact on the Company's earnings.

In addition, a loss for which the Company is liable or jointly liable may potentially damage the Company's opportunities to enter into future contracts, as the Company's business concept involves protecting customers against such losses.

### Wrong assessment of market penetration time and demand in new markets

Penetration of new markets involves a number of uncertainties – not least in terms of market penetration time. The Company has significant references from the space industry but does not yet possess detailed knowledge of all markets as regards applications. Both the penetration time and the fact that services provided by the Company are often competing with internal resources of other companies, are subject to uncertainty. These factors may materially affect the Company's future revenue and earnings.

### Trade restrictions may impact future business

A delivery to one market, e.g. the Chinese market, may affect the possibilities for supplying to other markets, e.g. the USA. Rovsing monitors the evolution of the trade and political conflicts between both countries which are key players in the global space markets as well as the evolution in trade restrictions. Restrictions on export bonds to certain countries can impact the Company's ability to enter into new business markets.

### Accumulation of application know-how may be affected by lack of recruitment

The Company's strategy is initially to accumulate market knowledge, technical skills and marketing skills in the global aerospace market, primarily through recruitment at the board, management, engineer and sales level. When entering new market areas, the headcount will increase with a resulting risk that capacity adjustment problems may arise.

There is a risk that the Company will not succeed in balancing the capacity to ensure coherence between the contracts concluded and availability of sufficient capacity in terms of both quality and quantity, which may affect the Company's future revenue and results.

### The Company is dependent on key persons

As a knowledge-based business, the future development of the Company relies on contributions from current and future employees. The Company's employees are its greatest asset. The Company's ability to attract, retain and develop talented employees is therefore considered essential to the Company's future activities, results and financial position.

The Company's development to date in respect of management, development and marketing has been driven extensively by individuals. A loss of one or more of these employees may have a material adverse effect on the Company's business. However, there can be no assurance that this will not happen.

### Unsatisfactory contribution margins of products and services may impact results

The Company's earnings rely strongly on its ability to secure satisfactory contribution margins of its contracts.

The contribution margin depends on the Company's ability to maintain a high level of expertise within its product areas and its possibilities for reusing product developments and maintaining a stable cost base for the manufacturing of the Company's products. A lack of the same will have negative consequences.

### Capitalised development costs, product rights and/or tax assets may be written off

In its annual report for 2022/23, Rovsing capitalised development costs of DKK 1,6 million hereafter totaling DKK 12,0 million. The deferred tax asset is DKK 2,1 million and unchanged from previous year. There is a risk that the products developed cannot be sold to the extent expected and/or that the Company does not generate a profit in the coming financial years, and that the capitalised development costs, product rights and/or tax asset will be written off in connection with future financial statements. Such a scenario will affect Rovsing's results and balance sheet.

### Exchange rate risk

In the space industry, the Company's contracts are primarily concluded in EUR or USD. As the Danish krone is pegged to the Euro, the exchange rate risk in this connection is low. However, exchange rate risk occurs while the Company enters into contracts in USD.

## INDUSTRY SPECIFIC RISK

### Competitors may drive the Company out of the market

The Company is competing in an ever-changing market with a large number of development businesses in Europe, including a few in Denmark.

As the Company's customers increasingly use standard products, there is a risk that one or more competitors develop competing standard products which become market leading. This and/or the general competition from other development businesses may entail a substantial reduction of the Company's revenue and may in that case materially affect the Company's results going forward.

### Aerospace market may be affected by ESA membership

The Company's market segment mainly consists of the institutional European aerospace market and exclusively exists owing to Denmark's ESA membership.

If Denmark terminates its membership or reduces its contribution considerably, a very substantial part of Rovsing's market will cease to exist, and this will have a very significant impact on the Company's activities, results and financial position. Changes to the geographical return rules may affect the Company's earnings. Lastly, stricter enforcement of the rules, e.g. so that the four large countries (France, Germany, Italy and Great Britain) of ESA's 22-member states gain a larger portion of the contracts, will make the market conditions much more difficult. This also involves a risk to the Company's future development in the European space industry.

At a meeting of ministers in November 2022, Denmark confirmed its continued ESA membership and participation in optional programmes for the period 2023 - 2025 for an aggregate amount of DKK 734 million. This combined with the mandatory membership fee brings Denmark's contribution to ESA programmes to approximately DKK 245 million a year, which is largely unchanged on the years before.

Rovsing and Danish space industry partners continued to push for increased contributions from Denmark during 2022/23 as the growth and development potential of the industry is largely linked with the contributions, whereas these also have a return multiplier effect of 8 (eight) for the Danish economy according to OECD estimates. This effort has borne the fruit that the current government has included an increase for the Danish contributions to the ESA budget by DKK 78 million in 2023 and DKK 125 million in both 2024 and 2025. This is a significant increase which will give positive effects for the Danish space industry. However, still more investment is needed should Denmark keep up with the development in surrounding EU countries we compare ourselves with.

Hence, there are currently no signs that Denmark is about to withdraw from the ESA collaboration and rather renewed focus on the need for a strong space sector to support Danish interests.

Nor are there any signs that the geographical return rules will be abolished or that ESA will apply the return rule more arbitrarily in the future, but there is no guarantee of that. There is a risk that changed political priorities may materially affect the member states' funding of ESA programmes, which in that case will affect the Company's prospective income and have a materially adverse impact on results.

ESA contracts involve a process in which the individual companies that have submitted bids for the individual project are assessed, and the individual project participants are subsequently selected. A kick-off meeting is held where the selected project participant receives an approval to commence the project, but the actual contract is signed at a later point in time. This process involves a risk that the contracts are never signed and that only the approved part is completed. Rovsing has never experienced a situation where a kicked off contract was not completed, but there is no guarantee that this will not happen. In that case, such a process may involve substantial losses for the Company.

### Warranty costs

In connection with the development and delivery of Rovsing's high-tech solutions, extensive testing is often conducted in collaboration with customers. However, there is a risk that the products contain defects that are not detected during testing. This may subsequently result in warranty costs. Historically, Rovsing has not incurred any significant warranty cost related to product performance.

# MANAGEMENT STATEMENT



The Board of Directors and the Executive Management have today considered and adopted the annual report of Rovsing A/S for the financial year 1 July 2022 to 30 June 2023. The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and Danish disclosure requirements for listed companies. The Management's review is also presented in accordance with Danish disclosure requirements for listed companies.

We consider the accounting policies applied to be appropriate. Accordingly, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 30 June 2023 and of the Company's activities and cash flows for the financial year 1 July 2022 to 30 June 2023.

We believe that the Management's review includes a fair review of developments in the Company's activities and finances, results for the year and the Company's financial position in general as well as a fair description of the principal risks and uncertainties to which the Company is exposed.

We recommend that the annual report be approved at the Annual General Meeting.

Glostrup, 19 September 2023

## EXECUTIVE MANAGEMENT

Hjalti Pall Thorvardarson (CEO)

Sigurd Hundrup (CFO)

## BOARD OF DIRECTORS

Michael Hove (Chairman)

Jakob Færch Bendtsen

Ulrich Beck

# INDEPENDENT AUDITOR'S REPORT

## TO THE SHAREHOLDERS OF ROVSING A/S

## OPINION

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 30 June 2023 and of the results of the Company's operations and cash flows for the financial year 1 July 2022 – 30 June 2023 in accordance with the International Financial Reporting Standards as adopted by the EU and additional requirements in the Danish Financial Statements Act.
Our opinion is consistent with our long-form audit report to the Board or Directors and the Audit Committee.

### Audited financial statements

Rovsing A/S' financial statements for the financial year 1 July 2022 – 30 June 2023 comprise the income statement, statement of comprehensive income, balance sheet, statement of changes in equity, statement of cash flows and notes, including summary of significant accounting policies, for the Company (the financial statements). The financial statements are prepared in accordance with the International Financial Reporting Standards as adopted by the EU and additional requirements in the Danish Financial Statements Act.

## BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark.

Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Independence

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

We declare, to the best of our knowledge and belief, that we have not provided any prohibited non-audit services, as referred to in Article 5(1) of the Regulation (EU) 537/2014 and that we remained independent in conducting the audit.

We were appointed auditors of Rovsing A/S for the first time on 25 October 2021 for the financial year 2021/2022. We have been re-appointed by resolutions passed by the annual general meeting for a total uninterrupted engagement period of 1 year up to and including the financial year ending 30 June 2022.

## KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements for the 2022/23 financial year. These matters were addressed in the context of our audit of the financial statements as a whole, and in the forming of our opinion thereon. We do not provide a separate opinion on these matters.

| Key audit matters | How our audit addressed the key audit matter |
|---|---|
| **Valuation of intangible assets** | |
| Completed development projects represent DKK 11.8 million corresponding to 35% of the Company's assets.<br><br>Management conducts annual impairment test to determine whether the carrying amounts of recognised completed development projects are considered to be impaired and, hence, should be written down to the recoverable amount. | For the purpose of our audit, the procedures we carried out included the following:<br><br>— We have discussed with Management and evaluated the internal controls and procedures for preparing impairment tests and the budget and forecasts. |

Management determines the recoverable amount of the completed development projects using a discounted cash flow model (value in use).

Key assumptions used in the impairment test are increase in revenue and margin and the applied discount rate.

The audit of the recoverable amount has been considered a key audit matter as the determination of the recoverable value is associated with significant estimation uncertainty.

Reference is made to note 13 to the financial statements and the accounting policies.

— We have focused our audit on the appropriateness of models and the key assumptions used by Management to calculate the values in use and assessed the consistency of the assumptions applied to internal and external information obtained.

— We have assessed the documentation that supports the key assumptions applied and challenged management's use of these assumptions.

In addition, we have assessed whether the disclosures; Note 13 Intangible Assets in the financial statements meet the requirements of IFRS.

**Revenue recognition**

The Company delivers long term contracts, which typically extend over more than one financial year. Due to the nature of these contracts and in accordance with the accounting policies, the Company recognises and measures revenue from such long-term contracts over time based on the percentage of completion method.

The percentage of completion is calculated on the basis of the contract costs incurred at the balance sheet date in relation to the estimated total cost of the contract.

The audit of the recognition and measurement has been considered a key audit matter as there is a risk that the estimated total costs the contract are not accurately estimated.

Reference is made to note 3 to the financial statements and the accounting policies.

For the purpose of our audit, the procedures we carried out included the following:

— We have considered the appropriateness of the Company's revenue recognition policy and assessed its compliance with IFRS 15 Revenue from Contracts with Customers.

— We have discussed with Management and evaluated the internal controls and procedures for the revenue recognition.

— We have discussed with Management the key judgements and estimates made related to the recognised revenue.

— We have performed retrospective reviews of realised contract costs to determine the historical accuracy of estimated total costs of the contracts.

— We have reconciled the terms in the contracts with customers to project calculations supporting the revenue recognition including contract value and the projected stages of completion for the contracts.

— We have reconciled the actual realised costs to the calculations of percentage of completion supporting the revenue recognition and the estimated total costs of the project to the latest updated projections approved by Management.

In addition, we have assessed whether the disclosures; Note 3 Revenue in the financial statements meet the requirements of IFRS.

## STATEMENT ON THE MANAGEMENT'S REVIEW

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the Management's review and, in doing so, consider whether the Management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of the Management's review.



## MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the International Financial Reporting Standards as adopted by the EU and additional requirements in the Danish Financial Statements Act and for such internal control that Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

## AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements may arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated to those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determined that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Copenhagen, 19 September 2023

**KPMG**
Statsautoriseret Revisionspartnerselskab
CVR no. 25 57 81 98

| | |
|---|---|
| Morten Høgh-Petersen<br>State Authorised<br>Public Accountant<br>mne34283 | Sara Carstensen<br>State Authorised<br>Public Accountant<br>mne34191 |

# INCOME AND COMPREHENSIVE INCOME STATEMENT



| Note | INCOME AND COMPREHENSIVE INCOME STATEMENT | 2022/23 | 2021/22 |
|---|---|---|---|
| | DKK'000 | | |
| 3 | Revenue | 28,335 | 27,009 |
| | Changes in inventories and work materials used | -8,759 | -6,686 |
| | Work performed by the entity and capitalised | 1,092 | 731 |
| | **Gross profit** | **20,668** | **21,054** |
| 4 | Other external expenses | -2,428 | -2,396 |
| 5, 6 | Staff costs | -17,270 | -17,511 |
| | **Operating profit before depreciation and amortisation (EBITDA)** | **970** | **1,147** |
| 7, 8 | Depreciation, amortisation and impairment | -1,930 | -1,861 |
| | **Operating loss (EBIT)** | **-960** | **-714** |
| 9 | Financial income | 50 | 44 |
| 10 | Financial expenses | -1,289 | -1,091 |
| | **Loss before tax** | **-2,199** | **-1,761** |
| 11 | Tax on loss for the year | 472 | 210 |
| | **Net profit** | **-1,727** | **-1,551** |
| | **Comprehensive income** | -1,727 | -1,551 |
| | **Allocation of loss and comprehensive income:** | | |
| | Shareholders of Rovsing A/S | -1,727 | -1,551 |
| 12 | **Earnings per share** | | |
| | Earnings per share (EPS Basic) | -3.6 | -3.3 |
| | Earnings per share (EPS-D) | -3.6 | -3.3 |

# BALANCE SHEET

| Note | BALANCE SHEET, ASSETS | 2022/23 | 2021/22 |
|---|---|---|---|
| | DKK'000 | | |
| | **Non-current assets** | | |
| | **Intangible assets** | | |
| 13 | Completed development projects | 11,763 | 10,890 |
| 13 | Patents and licenses | 0 | 0 |
| 13 | Development projects in progress | 206 | 206 |
| | | **11,969** | **11,096** |
| | **Property, plant and equipment** | | |
| 15 | Right-of-Use assets | 1,257 | 2,026 |
| 14 | Property, plant and equipment | 846 | 1,026 |
| | | **2,103** | **3,052** |
| | **Other non-current assets** | | |
| | Tax | 470 | 210 |
| 16 | Deferred tax | 2,143 | 2,143 |
| | | **2,613** | **2,353** |
| | **Total non-current assets** | **16,685** | **16,501** |
| | **Current assets** | | |
| 4 | Inventories | 4,647 | 4,274 |
| 17 | Trade receivables | 5,836 | 7,758 |
| 18 | Contract work in progress | 3,439 | 2.638 |
| | Tax | 210 | 75 |
| 17 | Other receivables | 473 | 900 |
| | Prepayments | 1,851 | 369 |
| | Cash | 49 | 2 |
| | **Total current assets** | **16,505** | **16,016** |
| | **TOTAL ASSETS** | **33,190** | **32,517** |

# BALANCE SHEET



| Note | BALANCE SHEET, EQUITY AND LIABILITIES | 2022/23 | 2021/22 |
|---|---|---|---|
| | DKK'000 | | |
| 19 | **Equity** | | |
| | Share capital | 23,811 | 23,662 |
| | Reserves for development costs | 4,129 | 3,139 |
| | Retained earnings | -21,318 | -18,716 |
| | **Total equity** | **6,622** | **8,085** |
| | **Non-current liabilities** | | |
| 20 | Other credit institutions | 2,500 | 0 |
| 20 | Bond loans | 0 | 4,200 |
| 15 | Lease liabilities | 473 | 1,329 |
| | **Total non-current liabilities** | **2,973** | **5,529** |
| | **Current liabilities** | | |
| 24 | Credit institutions | 3,841 | 8,261 |
| 15 | Lease liabilities | 854 | 723 |
| 20 | Bond loans | 4,200 | 0 |
| | VAT loan | 0 | 2,169 |
| 18 | Prepayments from customers | 8,885 | 3,337 |
| | Trade payables | 2,621 | 2,289 |
| 21 | Other payables | 3,194 | 2,124 |
| | **Total current liabilities** | **23,595** | **18,903** |
| | **Total liabilities** | **26,568** | **24,432** |
| | **TOTAL EQUITY AND LIABILITIES** | **33,190** | **32,517** |

# STATEMENT OF CHANGES IN EQUITY



| **2021/22**<br>DKK'000 | SHARE CAPITAL | RESERVES FOR DEVELOP-MENT COSTS | RETAINED EARNINGS | TOTAL |
|---|---|---|---|---|
| **Equity at 1 July 2021** | **23,568** | **2,892** | **-16,884** | **9,576** |
| **Comprehensive income for the period** | | | | |
| Comprehensive income | 0 | 0 | -1,551 | -1,551 |
| Transferred between reserves | 0 | 247 | -247 | 0 |
| **Total comprehensive income for the period** | **0** | **247** | **-1,798** | **-1,551** |
| **Other transactions** | | | | |
| Capital increase | 94 | 0 | 0 | 94 |
| Costs capital increase | 0 | 0 | -34 | -34 |
| **Total transactions with owners** | **94** | **0** | **-34** | **60** |
| **Equity at 30 June 2022** | **23,662** | **3,139** | **-18,716** | **8,085** |

The reserves have been allocated in accordance with the Danish Companies Act.

| 2022/23<br>DKK'000 | SHARE CAPITAL | RESERVES FOR DEVELOP-MENT COSTS | RETAINED EARNINGS | TOTAL |
|---|---|---|---|---|
| **Equity at 1 July 2022** | **23,662** | **3,139** | **-18,716** | **8,085** |
| **Comprehensive income for the period** | | | | |
| Comprehensive income | 0 | 0 | -1,727 | -1,727 |
| Transferred between reserves | 0 | 990 | -990 | 0 |
| **Total comprehensive income for the period** | **0** | **990** | **-2,717** | **-1,727** |
| **Other transactions** | | | | |
| Capital increase | 149 | 0 | 23 | 172 |
| Other adjustments | 0 | 0 | -2 | -2 |
| Costs capital increase | 0 | 0 | -55 | -55 |
| Warrants | 0 | 0 | 149 | 149 |
| **Total transactions with owners** | **149** | **0** | **115** | **264** |
| **Equity at 30 June 2023** | **23,811** | **4,129** | **-21,318** | **6,622** |

The reserves have been allocated in accordance with the Danish Companies Act.

# CASH FLOW STATEMENT



| Note | CASH FLOW STATEMENT | 2022/23 | 2020/21 |
|---|---|---|---|
| | DKK'000 | | |
| | **Loss for the year** | **-1,727** | **-1,551** |
| | Adjustment for non-cash operating items etc.: | | |
| 8 | Depreciation, amortisation and impairment | 1,930 | 1,861 |
| 25 | Other non-cash operating items, net | 149 | -7 |
| 9 | Financial income | -50 | -44 |
| 10 | Financial expenses | 1,289 | 1,091 |
| 11 | Tax on loss for the year | -472 | -210 |
| | **Cash flows from operations before changes in working capital** | **1,119** | **1,140** |
| 26 | Change in working capital | 6,643 | -4,872 |
| | **Cash flow from operations** | **7,762** | **-3,732** |
| | Interest received | 50 | 44 |
| | Interest paid | -1,289 | -1,091 |
| | Refund of corporate tax (LL§8x) | 75 | 0 |
| | **Cash flow from operating activities** | **6,598** | **-4,779** |
| 13 | Acquisition of intangible assets | -1,644 | -851 |
| 14 | Acquisition of tangible assets | -49 | -1,251 |
| | **Cash flow from investing activities** | **-1,693** | **-2,102** |
| 23 | New bond loans and debt with credit institutions | -1,920 | 5,080 |
| | Other debt | -2,169 | 2,169 |
| | Capital increase, net proceeds from issue | 172 | 95 |
| | Principal paid on lease | -886 | -683 |
| | Costs emission | -55 | -34 |
| | **Cash flow from financing activities** | **-4,858** | **6,627** |
| | **Net cash flow for the period** | **47** | **-254** |
| | Cash, beginning of year | 2 | 256 |
| | **Cash, end of year** | **49** | **2** |

# OVERVIEW OF NOTES TO THE FINANCIAL STATEMENTS

# NOTES



## NOTE 1. ACCOUNTING POLICIES

The annual report for 2022/23, which comprises the Company's financial statements, has been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and additional Danish disclosure requirements for class D companies for listed companies.
The accounting policies are consistent with those applied in 2021/22. However, reclassifications in comparative figures for 2021/22 between 'Staff costs' and 'other external expenses' have been done.

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

### Relevant new accounting standards

Management has assessed the impact of new or amended accounting standards and interpretations (IFRSs) issued by the IASB and IFRSs endorsed by the European Union effective on or after 1 July 2022. Management assessed that application of these has not had a material impact on the amounts reported in these financial statements.

### New standards and interpretations not yet adopted

Management has assessed the impact of new or amended accounting standards and interpretations (IFRSs) issued by the IASB that has not yet become effective. Management does not anticipate any significant impact on future periods from the adoption of these amendments

### Foreign currency translation

Rovsing uses DKK as it's functional and presentation currency.

On initial recognition, transactions denominated in foreign currency are translated at the exchange rate ruling on the transaction date. Foreign exchange differences arising between the exchange rate at the transaction date and at the date of payment are recognised in the income statement under financial income or expenses.

Receivables, payables and other monetary items denominated in foreign currency are translated at the exchange rates ruling at the balance sheet date. The difference between the exchange rate ruling at the balance sheet date and the exchange rate at the date when the receivable or payable arose or was recognised in the most recent financial statements is recognised in the income statement under financial income or expenses.

### Segments

The Company consist of one segment as per the definition within IFRS 8, which constitute the entire Company, and as such the segment disclosures are prepared based on this assumption. Consequently, the Company has not been organized around differences in products and services, geographical areas, regulatory environment or otherwise.

### Applying materiality

The provisions in IFRS contain extensive disclosure requirements. The specific disclosures required according to IFRS are stated in the consolidated financial statements included in this Annual Report unless the disclosures concerned are considered irrelevant or immaterial for financial decisions made by the financial statement users.

### Going concern

Management is required to decide whether the financial statements can be presented on a 'going concern' basis. Based on estimated future prospects, expectations of future cash flows, existence of credit facilities, etc., Management is of the opinion that the Company can continue operating for at least 12 months from the balance sheet date, for further see note 2 and 22.

# NOTES



## Revenue

Income from the sale of goods and services is recognised in the income statement when each of the separate performance obligations are satisfied. Revenue is recognised excluding VAT and taxes and net of discounts related to sales. Each revenue type is subject to the 5-step model which includes: Identification of contract, separation of performance obligations in each contract, determining the transaction price, allocation of price to identified performance obligations and recognition of revenue.

Revenue from contracts with customers is recognised when control of the goods or services are transferred to our customers at an amount that reflects the transaction price to which we expect to be entitled in exchange for these goods or services.

Revenue from projects, products, and services (with the exception of sale of service hours) is recognised over time, using the cost-to-cost method, when we have no alternative use for the goods or services to be delivered and we have an enforceable right to payment for work completed.

If we do have an alternative use for the goods or services to be delivered, e.g. products with a low degree of customisation, such sales will be recognised at the point in time when control transfers to the customer, usually upon delivery.

The percentage of completion for projects is determined on the basis of expenses incurred to date for engineering hours etc. associated with developing, manufacturing and installing the product relative to the expected overall expenses of the projects.

## Production costs, external

Other operating costs include cost of goods sold and other external costs incurred to generate the revenue for the year.

## Other operating income

Other operating income includes grants, which are recognised in step with completion of the activity eligible for grant.

## Other external costs

Other external costs comprise expenses for distribution, sale, marketing, administration, premises, etc.

## Warrants

For equity-settled stock options and warrants, the fair value is measured at the grant date and recognised in the income statement under staff costs over the vesting period. The balancing item is recognised directly in equity.

On initial recognition of the stock options and warrants, the number of options and warrants expected to vest is estimated. Subsequently, adjustment is made only for changes in the number of employees estimated to become entitled to options or warrants.

The fair value is determined according to the Black-Scholes method.

## Financial income and expenses

Financial income and expenses include interest income and expenses, exchange gains and losses on securities, payables and transactions in foreign currencies, amortisation of financial assets and liabilities. Borrowing costs attributable to qualifying assets are included in the cost of these assets.

## Tax

Tax on the profit/loss for the year, consisting of the year's current tax, movements in deferred tax and any prior-year adjustments, is recognised in the income statement as regards the amount that can be attributed to the profit/loss for the year and posted in other comprehensive income or directly in equity as regards the amount that can be attributed to movements in equity.

Deferred tax is measured in accordance with the balance sheet liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities.

The tax value of tax losses carried forward is included in the statement of the deferred tax if the loss is likely to be utilised.

Deferred tax is measured on the basis of the tax regulations and rates that apply at the balance sheet date and are expected to apply at the time when the deferred tax is expected to crystallise as current tax.

Changes in deferred tax due to changes in the tax rates are recognised in the income statement as regards the share that relates to the net profit or loss for the year, whereas the share that relates to entries directly in equity is taken to other comprehensive income or directly to equity.

# NOTES

## Intangible assets

Intangible assets recognised in the balance sheet are measured at the lower of cost less accumulated amortisation and the recoverable amount.

Investments in development comprise costs and wages directly attributable to the Company's development activities.

Development projects which are clearly defined and identifiable, where the level of technical utilisation, sufficient resources and a potential future market or business opportunity for the Company can be demonstrated, and where the intention is to manufacture, market or utilise the project, are recognised as intangible assets if the cost can be reliably measured, and there is sufficient certainty that the future earnings can cover production and sales costs, administrative expenses and investments in development.

After completion of the development work, development costs are amortised on a straight-line basis over the estimated useful life.

Grants received to cover capitalised development costs are recognised as reduction in the cost of the development asset when the development asset is ready for use and is recognised in the profit & loss as the developed asset is amortised.

Other development costs are recognised in the income statement as incurred.

The usual amortisation period is three to ten years. Acquired rights are amortised over ten years.

Software is measured at cost less accumulated depreciation.

Software is depreciated using the straight-line method over its expected useful life, estimated at three to five years. The assets' residual values and useful lives are assessed annually and adjusted, if appropriate, at each balance sheet date. Gains or losses on the disposal or removal of assets are recognised in the income statement under the same items as the related assets.

## Impairment of intangible assets

Development projects in progress are tested for impairment annually by comparing the carrying amounts of the assets with their recoverable amounts. Other development projects are reviewed on an ongoing basis to determine whether there are any indications of impairment in excess of the amount provided for by normal depreciation. If there is an indication that an asset may be impaired, it is tested for impairment.



If the carrying amount of development projects exceeds their recoverable amount, the carrying amount is written down to the recoverable amount.

## Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation. Depreciation is charged on a straight-line basis over the expected useful lives of the assets.

Tools and equipment and software are depreciated over three to five years.

## Rental and lease matters

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the payments, which are fixed or variable dependent on an index or a rate.

The lease payments are discounted using the implied interest rate of the lease. If that rate cannot be readily determined, which is generally the case for leases in Rovsing, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the lease asset. Service components are excluded from the lease liability.

Lease payments are allocated between principal and finance costs. The finance costs are charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the amount of the initial measurement of lease liability, any lease payments made at or before the commencement date less any lease incentives received, any initial direct costs, and any restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If Rovsing is reasonably certain to exercise a purchase option,

# NOTES



the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases and all leases of low-value assets are recognised as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT-equipment and small items of office furniture.

### Impairment of property, plant and equipment

Depreciable assets are reviewed on an ongoing basis to determine any indications of impairment in excess of what is expressed in the normal depreciation of assets. If there is an indication that an asset may be impaired, it is tested for impairment. Where the recoverable amount is lower than the carrying amount, the value is written down to the lower recoverable amount.

### Inventories

Inventories are measured at the lower of cost in accordance with the FIFO (first in, first out) method and the net realisable value. Goods for resale are measured at cost, comprising the purchase price plus delivery costs.

The net realisable value of inventories is calculated as the sales amount less costs of completion and costs necessary to make the sale and is determined taking into account marketability, obsolescence and development in expected selling price.

### Receivables

Receivables are measured at amortised cost. Provision is made for bad debts. The company's revenue is generated on relatively few customers and in recent periods there have been no losses on receivables. The company applies the simplified approach to measure expected credit losses as trade receivables do not contain a significant financing component. ECL is determined based on days past due and credit risk in groupings of customer segments.

### Contract work in progress

Contract work in progress is measured at the selling price of the production performed. The selling price is calculated with due consideration to costs of completion as basis for estimation of delivered performance obligations, adjusted for any ascertained losses.

On-account payments received are deducted from the item contract work in progress. On account payments received over and beyond the completed part of the project are calculated separately for each contract and recognised in the item prepayments from customers.

### Prepayments

Prepayments comprise costs incurred relating to subsequent financial years.

### Equity

Reserve for development costs. The reserve for internal development costs comprises capitalized development costs. This reserve cannot be used for dividends or distributions, or to cover losses. If the recognized development costs are sold or otherwise excluded from the company's operations, the reserve will be dissolved and transferred directly to the distributable reserves under equity. If the recognized development costs are written down, the part of the reserve corresponding to the write-down of the development costs will be reserved. If a write-down of development costs is subsequently reserved, the reserve will be re-established. The reserve is calculated net of tax and reduced by amortization of capitalized development costs on an ongoing basis.

### Pension obligations

Contributions to defined contribution plans are expensed as incurred.

### Other provisions

Other provisions are recognised when, as a consequence of an event occurring before or at the balance sheet date, the Company has a legal or constructive obligation, and it is probable that there may be an outflow of economic benefits to meet the obligation.

### Current and non-current liabilities

Current liabilities, which comprise loans, trade payables, bond loans and other payables, are measured at amortised cost.

### Deferred income

Deferred income comprises payments received relating to income in subsequent financial years.

### Cash flow statement

The Company's cash flow statement shows the cash flows for the year, broken down by operating, investing and financing activities, and the year's changes in cash and cash equivalents as well as cash

## NOTES

and cash equivalents at the beginning and end of the year.

Cash flows from operating activities are calculated indirectly as the profit or loss for the year, adjusted for non-cash operating items, financial items paid and tax paid.

Working capital includes current assets less current liabilities, exclusive of the items included in cash. Cash flows from investing activities comprise the acquisition and disposal of intangible assets, property, plant and equipment and financial assets as well as the purchase of short-term securities.

Cash flows from financing activities comprise the raising of loans and repayment of loans and contribution of capital through share issues.

Cash and cash equivalents comprise deposits with banks.

# DEFINITION OF RATIOS AND NON-FINANCIAL MEASURES



| 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. |
| Order back-log | The remaining value of contracts to be recognised as revenue in future periods. |

# NOTES

## NOTE 2. ACCOUNTING JUDGEMENTS AND ESTIMATION UNCERTAINTIES

When preparing the financial statements, the use of reasonable estimates and judgments is an essential part. Given the uncertainties inherent in our business activities, Management makes a number of accounting estimates and judgments. The estimates and judgments are based on assumptions which form the basis for recognition and measurement of our assets, liabilities, cash flows and related disclosures. Estimates are regularly reassessed.

Key accounting estimates are expectations of the future based on assumptions, that to the extent possible are supported by historical experience, customer demands, competitor actions and other reasonable expectations. Estimates, by their nature, are associated with uncertainty and unpredictability. The actual amounts may differ from the amounts estimated as more detailed information becomes available. Management believe that the estimates are reasonable, appropriate and the most likely outcome of future events under the given circumstances.

Key accounting judgments are made when applying accounting policies. Key accounting judgments are judgments made, that can have a significant impact on recognition, classification and disclosures of amounts in the financial statements.

### Intangible assets

For each project, Management assesses whether the criteria for recognition as intangible assets are met. Completed development projects and product rights are tested annually for indication of impairment. If impairment is identified, an impairment test is performed for the individual development projects.

The carrying amount of completed development projects is DKK 11,763 thousand (2021/22: DKK 10,890 thousand). The completed development projects are related to the development of the EGSE Platform which consists of Power Systems and Power Products such as SAS (Solar Array Simulator) and SLP (Second Level Protection). The EGSE Platform constitutes the company's only CGU. An impairment test was prepared for this CGU and the recoverable amounts were estimated to be higher than the carrying amounts for all assets. The most significant assumptions are the revenue back log, cost and expenses associated with both assets. The assumptions used when preparing the impairment tests were:

- Revenue is for 2023/24 based on current order back log, which is secured, and for 2024/25 revenue is based on a combination of order back log and estimated revenue. Revenue for 2025/26 and onwards is based on estimated growth rates of average 20 %.
- Cost and expenses assumptions are based on empirical data from 2022/23 and then inflated as this is considered representative for the future.
- WACC amounts to 11% (2022/23: 11%)
- Terminal growth 1% (2021/22: 1%). Management believes that the growth rate is reasonable based on demand within the space industry.

The value in use amounts were calculated as future free cash flows based on budgets for 2023/24 and forecasts for the following years incorporating the assumptions used in the financial budgets. The forecast period amounted to 5 years.

Any reasonable possible change in the key assumptions on which the recoverable amount is based would not cause the carrying amount to exceed the recoverable amount.

Development projects in progress are subject to an annual impairment test. Development projects in progress amounts to DKK 206 thousand and no impairment has been recognized.

### Contract work in progress

Contract work in progress include non-invoiced services with a value of DKK 58,6 million (2021/22: DKK 28,3 million), which is recognised on the basis of an assessment of the percentage of completion of the delivered service. The selling price is measured based on the stage of completion and the total estimated income from the individual contracts in progress. Usually, the stage of completion is determined as the ratio of actual to total budgeted consumption of resources. Contract work in progress for Fixed Priced contracts is measured at the selling price of work completed at the balance sheet date, and the selling price is calculated on the basis of contracted income and the determined stage of completion. Stage of completion is determined making estimates of future hours and other project costs.

# NOTES



### Funding in 2022/23

The income statement shows a loss for the year of DKK 1,7 million and the Company has lost above 50% of its registered share capital. Funding in 2023/24 is based on a cash flow forecast with positive cash flow from operations together with a continuation of the existing short-term funding facility provided by Jyske Bank. In addition, the funding in 2023/24 is based on the convertible bond loan of DKK 4,2 million, which is due 31 December 2023. The Company is in the process of negotiating a 1 year prolongation with the 6 lenders or a combination of a partial repayment and conversion of the remaining loan to shares.

During 2022/23 Rovsing, Jyske Bank and EIFO (earlier Vækstfonden) agreed on a 6-year loan of DKK 2,5 million to secure the necessary working capital to handle several major projects at the same time.

Under the current rules for listed companies, Rovsing may issue new shares for up to 20% of the Company's existing share capital within a financial year. Within this framework, the size of a potential capital increase will be assessed relative to the immediate liquidity requirements.

In recent years, the company has succeeded in raising temporary loans to supplement the credit line in Jyske Bank to cover the need for working capital when necessary.

Based on this, the financial statement has been prepared based on a going concern assumption.

### Deferred tax

Rovsing recognises deferred tax assets, including the value of tax-loss carry forwards, if Management considers it likely that there will be sufficient taxable income in future.

Management has as of 30 June 2023 prepared an assessment, which is based on budgets and business plans for a period of 5 years. The assessment is to a large extend backed up by the strong order back log for 2022/23, which has secured the full year 2023/24 budget already and provided a basis for future growth, as well as future prospects form a growing industry where demand within the space industry has increased significantly over the last few years.

For further see note 16.

## 3 REVENUE

| DKK'000 | 2022/23 | 2021/22 |
| --- | --- | --- |
| Developed products and systems | 23,117 | 22,718 |
| Software Verifications (ISVV) | 2,247 | 376 |
| On-site Engineering Services | 2,971 | 3,915 |
| | 28,335 | 27,009 |

### GEOGRAPHIC MARKETS

| DKK'000 | | |
| --- | --- | --- |
| EU | 21,205 | 23,088 |
| UK | 6,854 | 3,664 |
| Outside EU | 276 | 257 |
| | 28,335 | 27,009 |

Revenue from three customers were in the interval from 10%-26% of the total revenue in 2022/23. Revenue from three customers in 2021/22 were in the interval from 10%-38% of the total revenue in 2021/22. The order backlog as of 30 June 2023 was DKK 65,8 million, of which a high share is expected to be recognised in 2023/24.

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.

## 4 EXPENSES

| **Audit fee expenses** | 2022/23 | 2020/21 |
| --- | --- | --- |
| DKK'000 | | |
| Audit of financial statements | 248 | 232 |
| Audit fee for other services | 0 | 0 |
| | 248 | 232 |

| **Inventory** | | |
| --- | --- | --- |
| DKK'000 | | |
| Raw materials and consumables | 744 | 826 |
| Work in progress | 3,903 | 3,448 |
| | 4,647 | 4,274 |

# NOTES



## 5 STAFF COSTS

| | 2022/23 | 2021/22 |
|---|---|---|
| DKK'000 | | |
| Wages and salaries | 15,167 | 15,589 |
| Pension contribution | 915 | 871 |
| Other social security costs | 1,039 | 1,051 |
| Share based payments | 149 | 0 |
| | 17,270 | 17,511 |
| The item includes: | | |
| Remuneration of the Executive Management | 2,200 | 2,155 |
| Share-based payments, Executive Management | 57 | 0 |
| Pension to the Executive Management | 208 | 193 |
| Remuneration of the Board of Directors | 400 | 400 |
| Share-based payments, Board of Directors | 67 | 0 |
| Average number of full-time employees | 25 | 26 |

The Company's Executive Management has a bonus scheme based on achieved revenue and EBITDA. In addition, the Executive Management has a share-based incentive programme, under which warrants vest on the basis of the Executive Management member's employment with the Company, re note 6.

The service contract with the CEO and CFO may be terminated by the CEO/CFO giving three months' notice and by the Company giving 6 months' notice.

No remuneration has been agreed in connection with the CEO/CFO's potential resignation, and there are no special severance provisions for the CEO/CFO in connection with a takeover of the Company.

## 6 SHARE-BASED PAYMENT

The expense for share-based payments is calculated under the provision for share-based payments in accordance with IFRS 2. The warrant program has been recognized as an equity program and measured at the fair value of the warrants at the time of granting using the Black-Scholes formula. The fair value is expensed on a straight-line basis over the vesting period.

Rovsing A/S has a warrant incentive programme for the Company's Board of Directors, CEO, CFO and employees. The programme comprises a total of 23,660 warrants granted in November 2022. Each warrant entitles the holder to buy one share of DKK 50 each in Rovsing A/S. No amounts are paid or payable by the recipient on receipt of the warrant. The warrants carry neither rights to dividends nor voting rights.

The outstanding warrants for the CEO and CFO equals 1.9% of the share capital if all warrants are exercised. The vesting of warrants for the CEO and CFO is based on employment with the Company. For the CEO and CFO all 8,991 warrants are vested equally over 24 months beginning October 2022. The warrants are issued with an exercise price of DKK 57.80 each. The vesting of the warrants are subject to continued employment in the Company.

# NOTES

The outstanding warrants for the Board of Directors equal 2.2% of the share capital if all warrants are exercised. For the Board of Directors all 10,647 warrants are vested after 24 month (Sep. 2024). For other employees all 4,022 are vested after 24 months (Sep. 2024). The warrants are issued with an exercise price of DKK 57.80 each. Exercise of warrants expires 1 January 2025. The subscription period is 4 weeks unless the Board of Directors decides otherwise. Options are forfeited if the employee leaves the Group before the options vest.

At 30 June 2023 8,873 warrants are fully vested. In 2022/23 the costs recognised in the income statement relating to warrants is tDKK 149.

Specification of outstanding warrants:

| | Executive Management | Other employees | Not allocated | Board of Directors | Total | Exercise price per warrant |
|---|---|---|---|---|---|---|
| Number of exercisable options: | | | | | | |
| Outstanding at 1 July 2021 | 10,299 | 5,796 | 0 | 42,205 | 58,300 | 75 |
| Outstanding as at 30 June 2022 | 10,299 | 5,796 | 0 | 42,205 | 58,300 | |
| Granted during the year | 8,991 | 4,022 | 0 | 10,647 | 23,660 | 57 |
| Expired during the year | -10,299 | -5,796 | 0 | -42,205 | -58,300 | |
| **Outstanding at 30 June 2023** | **8,991** | **4,022** | **0** | **10,6473** | **23,660** | **57** |
| Excercisable as at 30 June 2023 | **0** | **0** | **0** | **0** | **0** | |
| Excersisable as at June 2022 | 10,299 | 5,796 | **0** | 42,205 | 58,300 | |

The fair value at grant date is independently determined using the Black-Scholes model that takes into account the exercise price, the term of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield, the risk-free interest rate for the term of the option, and the correlations and volatilities of the peer group companies.

The model inputs for options granted included:

- options are granted when a minimum of shares are held during the vesting period. Vested options are exercisable for a period of three months after vesting.
- exercise price: DKK 57
- grant date: 25 November 2022
- expiry date: 24 October 2024
- share price at grant date: DKK 59
- expected price volatility of the company’s shares: 58%

# NOTES

- expected dividend yield: 0%
- risk-free interest rate: 3%

Fair value of warrants at the time of grant is DKK 0,5 million.

## 7 RESEARCH AND DEVELOPMENT COSTS

| DKK'000 | 2022/23 | 2021/22 |
|---|---|---|
| Research and development costs incurred | 2,137 | 735 |
| Development costs recognised as intangible assets | -1,644 | -735 |
| Amortisation and impairment of recognised development costs | 771 | 677 |
| Development costs for the year recognised in the income statement | 1,264 | 677 |

# NOTES



## 8 DEPRECIATION, AMORTISATION AND IMPAIRMENT

| DKK'000 | 2022/23 | 2021/22 |
|---|---|---|
| Amortisation, completed development projects | 771 | 677 |
| Amortisation, patents and licenses | 0 | 0 |
| Depreciation, leasing | 931 | 959 |
| Depreciation, other fixtures and fittings, tools and equipment | 228 | 225 |
| | 1,930 | 1,861 |

## 9 FINANCIAL INCOME

| DKK'000 | 2022/23 | 2021/22 |
|---|---|---|
| Exchange rate adjustments | 50 | 44 |
| | 50 | 44 |

## 10 FINANCIAL EXPENSES

| DKK'000 | 2022/23 | 2021/22 |
|---|---|---|
| Interest, banks, etc. | 1,128 | 925 |
| Interest leasing | 81 | 104 |
| Exchange rate adjustments | 80 | 62 |
| | 1,289 | 1,091 |

# NOTES



## 11 TAX ON PROFIT/LOSS FOR THE YEAR

| DKK'000 | 2022/23 | 2021/22 |
|---|---|---|
| Current tax | 470 | 210 |
| Adjustment previous year | 2 | 0 |
| Deferred tax | 0 | 0 |
| Tax on profit/loss for the year | 472 | 210 |
| Computed tax of loss before tax | 22% | 22 % |

| | 2022/23 | 2021/22 |
|---|---|---|
| Tax on profit/loss for the year is explained as follows: | | |
| Computed tax 22% of profit/loss before tax for the year | 484 | 388 |
| Tax effect of: | | |
| Unrecognised deferred tax asset | 26 | -185 |
| Other non-deductible costs | -52 | 0 |
| Adjustment previous year and other adj. | 2 | 0 |
| Tax on cost charged to equity | 12 | 7 |
| Tax for the year | 472 | 210 |

## 12 EARNINGS PER SHARE

| DKK'000 | 2022/23 | 2021/22 |
|---|---|---|
| Profit/loss for the year | -1,727 | -1,551 |
| Average number of issued shares (1,000) | 475 | 473 |
| Average number of warrants (1,000) | 9 | 58 |
| Earnings per share, (EPS Basic), of DKK 50 each | -3.6 | -3.3 |
| Earnings per share, (EPS diluted), of DKK 50 each | -3.6 | -3.3 |

# NOTES



## 13 INTANGIBLE ASSETS

| 2022/23 | Completed development projects | Patents and licenses | Development projects in progress | Total |
|---|---|---|---|---|
| DKK'000 | | | | |
| Cost at 1 July 2022 | 33,180 | 22,350 | 206 | 55,736 |
| Additions | 0 | 0 | 1,644 | 1,644 |
| Reclassification | 1,644 | 0 | -1,644 | 0 |
| Cost at 30 June 2023 | 34,824 | 22,350 | 206 | 57,380 |
| Amortisation and impairment at 1 July 2022 | -22,290 | -22,350 | 0 | -44,640 |
| Amortisation | -771 | 0 | 0 | -771 |
| Impairment | 0 | 0 | 0 | 0 |
| Amortisation and impairment at 30 June 2023 | -23,061 | -22,350 | 0 | -45,411 |
| Carrying amount at 30 June 2023 | 11,763 | 0 | 206 | 11,969 |

All intangible assets are considered to have a limited useful life.

At 30 June 2023, Completed development projects comprise the internally generated project EGSE Platform with a carrying amount of DKK 11,763 thousand (30 June 2022: DKK 10,890 thousand).

At 30 June 2023, Management performed an impairment test of the carrying amount of intangible assets. Assets are written down to the lower of the recoverable amount and the carrying amount. The recoverable amount in this year's test is based on the value in use of the expected cash flow on the basis of budgets and forecasts for the future.

Reference is furthermore made to Note 2 on significant judgement and estimates regarding the impairment test for 2022/23.

## 13 INTANGIBLE ASSETS

| 2021/22 | Completed development projects | Patents and licenses | Development projects in progress | Total |
|---|---|---|---|---|
| DKK'000 | | | | |
| Cost at 1 July 2021 | 32,445 | 22,350 | 90 | 54,885 |
| Additions | 0 | 0 | 851 | 851 |
| Reclassification | 735 | 0 | -735 | 0 |
| Cost at 30 June 2022 | 33,180 | 22,350 | 206 | 55,736 |
| Amortisation and impairment at 1 July 2021 | -21,613 | -22,350 | 0 | -43,963 |
| Amortisation | -677 | 0 | 0 | -677 |
| Impairment | 0 | 0 | 0 | 0 |
| Amortisation and impairment at 30 June 2022 | -22,290 | -22,350 | 0 | -44,640 |
| Carrying amount at 30 June 2022 | 10,890 | 0 | 206 | 11,096 |

## 14 PROPERTY, PLANT AND EQUIPMENT

| | 2022/23 | 2021/22 |
|---|---|---|
| | Other fixtures and fittings, tools and equipment | Other fixtures and fittings, tools and equipment |
| DKK'000 | | |
| Cost at 1 July | 1,858 | 607 |
| Additions during the year | 49 | 1,251 |
| Disposals at cost | 0 | 0 |
| Cost at 30 June | 1,907 | 1,858 |
| Depreciation and impairment at 1 July | -832 | -607 |
| Depreciation for the year | -229 | -225 |
| Disposals | 0 | 0 |
| Depreciation and impairment at 30 June | -1,061 | -832 |
| Carrying amount at 30 June | 846 | 1,026 |

## 15 RIGHT OF USE ASSET

| 2022/23 | Property lease | Other leases | Total |
|---|---|---|---|
| DKK'000 | | | |
| Cost at 1 July 2022 | 4,115 | 1,006 | 5,121 |
| Effect of modification to lease terms | 101 | 60 | 162 |
| Additions | 0 | 0 | 0 |
| Cost at 30 June 2023 | 4,216 | 1,066 | 5,283 |
| | | | |
| Depreciations at 1 July 2022 | -2,598 | -497 | -3,095 |
| Effect of modification to lease terms | 0 | 0 | 0 |
| Depreciations | -648 | -282 | -931 |
| Depreciations at 30 June 2023 | -3,246 | -779 | -4,026 |
| | | | |
| Right of Use asset at 30 June 2023 | 970 | 287 | 1,257 |

**2021/22**

| | | | |
|---|---|---|---|
| Cost at 1 July 2021 | 2,043 | 1,006 | 3,049 |
| Effect of modification to lease terms | 0 | 0 | 0 |
| Additions | 2,072 | 0 | 2,072 |
| Cost at 30 June 2022 | 4,115 | 1,006 | 5,121 |
| | | | |
| Depreciations at 1 July 2021 | -1,891 | -245 | -2,136 |
| Effect of modification to lease terms | 0 | 0 | 0 |
| Depreciations | -707 | -252 | -959 |
| Depreciations at 30 June 2022 | -2,598 | -497 | -3,095 |
| | | | |
| Right of Use asset at 30 June 2022 | 1,517 | 509 | 2,026 |

# NOTES

## 15 LEASE LIABILITIES

| 2022/23 | Property lease | Other leases | Total |
| --- | --- | --- | --- |
| DKK'000 | | | |
| Lease liabilities at 1 July 2022 | 1,622 | 430 | 2,052 |
| Additions | 0 | 0 | 0 |
| Interest leases liabilities | 55 | 26 | 81 |
| Adjustments to lease terms | 101 | 60 | 161 |
| Lease payments | -673 | -294 | -967 |
| Lease liabilities at 30 June 2023 | 1,105 | 222 | 1,327 |

| 2021/22 | Property lease | Other leases | Total |
| --- | --- | --- | --- |
| Lease liabilities at 1 July 2021 | 203 | 677 | 880 |
| Additions | 2,071 | 0 | 2,071 |
| Interest leases liabilities | 68 | 36 | 104 |
| Adjustments to lease terms | -216 | 0 | -216 |
| Lease payments | -504 | -283 | -787 |
| Lease liabilities at 30 June 2022 | 1,622 | 430 | 2,052 |

The lease payments are discounted using an incremental borrowing rate which is calculated at 4.0% - 6.5%. The lease payments have been split into an interest cost and a repayment of the lease liability.

At 30 June 2023, the Company is committed to DKK 854 thousand (30 June 2022: DKK 779 thousand) for short-term leases. Interest expenses on the lease liability in the income statement for 2022/23 amounts to DKK 81 thousand (2021/22: DKK 104 thousand).

## MATURITY

| DKK'000 | Up to 12 months | Between 1 and 2 years | Between 2 and 3 years | Between 3 and 4 years | Total |
| --- | --- | --- | --- | --- | --- |
| Lease liabilities 1 July 2022 | 779 | 808 | 465 | 0 | 2,052 |
| Lease liabilities 30 June 2023 | 906 | 487 | 0 | 0 | 1,393 |

The amounts recognized impact the operating cash outflow by DKK 81 thousand (2021/22: DKK 104 thousand) as well as the cash outflow from financing activities by DKK 886 thousand (2021/22: DKK 683 thousand).

The property leases in which the Company is the lessee contain variable lease payment terms that are linked to the development in the net price index.

## 16 DEFERRED TAX

| DKK '000 | 2022/23 | 2021/22 |
|---|---|---|
| Deferred tax asset at 1 July | 2,143 | 2,143 |
| Change in deferred tax for the year | -27 | 185 |
| Prior period adjustment | 0 | 0 |
| Unrecognised deferred tax asset | 27 | -185 |
| Write-down of tax asset pursuant to expected realisation (3-5 years) | 0 | 0 |
| Deferred tax asset at 30 June | 2,143 | 2,143 |

Deferred tax in the Company is specified as follows:

| | 2022/23 | 2022/22 |
|---|---|---|
| Intangible assets | -1,932 | -1,740 |
| Tangible assets | 190 | 139 |
| Equipment and lease | 15 | 6 |
| Current assets (work in progress) | -2,414 | -1,631 |
| Tax loss carry-forwards | 17,849 | 16,961 |
| Non-recognised share of tax asset | -11,565 | -11,592 |
| Deferred tax asset at 30 June | 2,143 | 2,143 |

Utilisation of the tax losses is not time-limited. The tax losses are expected to be utilised in future positive earnings within a five-year period. The recognition of the deferred tax assets is based on a significant increase in the company's order backlog, which as of 30 June 2023 was DKK 65.8 million (2021/22 DKK30.6 million).

The tax losses carried forward amounts to DKK 81,130 thousand (2021/22: DKK 77,096 thousand).

# NOTES

## 17 RECEIVABLES

| DKK'000 | 2022/23 | 2021/22 |
|---|---|---|
| Trade receivables* | 5,836 | 7,758 |
| Write-downs to cover losses | 0 | 0 |
| | 5,836 | 7,758 |
| Other receivables | 473 | 900 |
| | 6,309 | 8,658 |
| Receivables for which no write-downs have been made to cover losses: | | |
| Due within 1-30 days* | 4,459 | 6,289 |
| Due within 30-90 days* | 1,521 | 1,399 |
| Due after 90 days | 329 | 970 |
| | 6,309 | 8,658 |

*) At the end of August 2023 88% of trade receivables due within 1-90 days has been received.

| Carrying amount of receivables by currency: | 2022/23 | 2021/22 |
|---|---|---|
| DKK | 343 | 78 |
| EUR | 5,938 | 8,580 |
| USD | 28 | 0 |
| | 6,309 | 8,658 |

## 18 CONTRACT WORK IN PROGRESS

| DKK'000 | 2022/23 | 2021/22 |
|---|---|---|
| Contract work in progress, selling price | 33,772 | 20,674 |
| Invoiced contract work in progress | -39,218 | -21,373 |
| | -5,446 | -699 |
| recognised as follows: | | |
| Contract work in progress (assets) | 3,439 | 2,638 |
| Prepayments, customers (liability) | 8,885 | 3,337 |
| | -5,446 | -699 |
| Contract work in progress at cost | 22,800 | 13,259 |

The remaining value of contracts to be recognised as revenue in future periods is DKK 65,740 thousand (30 June 2022 DKK 29,028 thousand). No material adjustments have been made to the contract balances neither in this financial year nor in the previous financial year.

## 19 EQUITY

### Capital management

The Company regularly assesses the need for adjusting the capital structure so that it complies with the applicable rules and matches the business foundation and scope of activity. Rovsing holds 1,259 of the Company's own shares with a nominal value of DKK 62,950. The Company's solvency ratio stood at 20.0 at 30 June 2023 (30 June 2022: 24.9).

| Share capital | 2022/23 | 2021/22 |
|---|---|---|
| Development in no. of shares | | |
| No. of shares, beginning of year | 473 | 471 |
| Issue of new shares | 3 | 2 |
| No. of shares (1,000), end of year | 476 | 473 |
| Share capital, DKK'000 | 23,811 | 23,662 |

The share capital is divided into 476,228 shares with a nominal value of DKK 50 each (2021/2022: 473,241 shares with a nominal value of DKK 50 each). The shares are fully paid up, and no shares carry any special rights. No shares are subject to restrictions on transferability or voting rights.  Presently there are 8,873 vested warrants.

## 20 LOANS

In December 2020 the Company raised a convertible bond loans of DKK 4,2 million. The bond loans mature 31 December 2023 with an interest of 12% pro anno. Fair value of financial liabilities is equal to the carrying amount. If the loans are repaid before maturity the Company must repay the loan at a rate of 108. The Lenders can choose to settle in cash or shares if the loans are repaid before maturity. At ordinary expiration at 31 December 2023, the loan is repaid at rate of 100.

In October 2022 the Company entered into a 6-year loan agreement with EIFO (formerly Vækstfonden) of DKK 2,5 million with an interest of CIBOR 3 month + 9%. The loan will secure and strengthening the Company's investment in inventory and working capital.

Furthermore, see note 27 for transactions with related parties.

## 21 OTHER PAYABLES

| DKK'000 | 2022/23 | 2021/22 |
|---|---|---|
| Staff costs | 1,877 | 2,010 |
| Other payables | 1,317 | 114 |
| | 3,194 | 2,124 |

## 22 FINANCIAL RISKS AND FINANCIAL INSTRUMENTS

The Company is exposed to a number of financial risks, the most important of which are foreign currency and interest rate risk, liquidity risk and credit risk.

The Company does not actively speculate in financial risk, and accordingly, the financial strategy aims exclusively to manage and mitigate financial risks that arise as a consequence of the Company's operations, investments and financing.

**Foreign currency risk**

Most of the Company's contracts are invoiced in EUR or USD. As the Danish krone is pegged to EUR, the Company's EUR risk is considered minimal. Risk attaching to USD is assessed in an ongoing process, as a result of which in 2022/23 the Company did not use financial instruments to hedge its foreign currency risk. The Company monitors developments in EUR/USD/DKK and regularly assesses whether to hedge its exposure to EUR and USD.

Foreign currency exposure in thousands:

| | Nominal position | |
|---|---|---|
| | Cash and receivables | Financial liabilities |
| EUR/USD receivables/payables) | 5,836 | 1,142 |
| EUR (cash) | 49 | 0 |
| | **5,885** | **1,142** |

**Interest rate risk**

The Company had net payables to credit institutions of DKK 6,341 thousand at 30 June 2023. The debt carries a floating interest rate based on the money market rate. Interest rates paid on payables to credit institutions in 2022/23 was 10.8% and 12.1%. In the period 1 July until 30 June the Company had net payables to bond holders of DKK 4,200 thousand with a fixed interest rate of 12%.

Based on recognised financial assets and liabilities at 30 June 2023, without considering repayments, loans raised and the like in 2022/23, a 1% increase in interest rates would raise the Company's expenses by DKK 0,1 million. A 1% decline in interest rates would result in a correspondingly lower interest expense.

The Company has not used financial instruments to hedge expected developments in interest rates.

# NOTES

**Liquidity risk**

Significant, unforeseen liquidity fluctuations are primarily associated with the commercial risks referred to in the section "Risk factors" and breaching of milestones in contracts and for refinancing/ prolongation of the existing bond loans due in December 2023 – either full prolongation or partial prolongation. The Company aims to have sufficient cash resources to allow it to operate adequately in case of unforeseen fluctuations in liquidity and if necessary, the Company will ensure additional loan facilities. The Company regularly assesses its cash resources relative to budgets and forecasts for cash flows in future periods.

**Credit risk**

As a result of the Company's operations and funding activities, the Company is exposed to credit risk. The Company's credit risks are related to trade receivables – see note 17, and cash. No credit risk is considered to exist in relation to cash as the counterparty is Jyske Bank. Payables to the counterparty exceed cash deposits with the counterparty.

Most of the Company's revenue derives from ESA space industry projects. ESA (European Space Agency) is the joint-European development organisation for various space programmes. ESA's 22-member states (including Denmark) together funds the activities of ESA. The credit risk associated with ESA is considered minimal. The remaining part of the Company's revenue derives from large, well-consolidated international companies, for which the credit risk is considered minimal.

**The Company's financial assets liabilities fall due as follows:**

| **2022/23**<br>DKK'000 | Due within 1 year | Due between 1 and 5 years | Due after 5 years | Total | Carrying amount |
|---|---|---|---|---|---|
| Cash | 49 | 0 | 0 | 49 | 49 |
| Trade receivables | 5,836 | 0 | 0 | 5,836 | 5,836 |
| Other receivables (current) | 683 | 0 | 0 | 683 | 683 |
| Other receivables (non-current) | 0 | 470 | 0 | 470 | 470 |
| **Total loans and receivables** | **6,568** | **470** | **0** | **7,038** | **7,038** |
| | | | | | |
| Credit institutions, floating rate | -3,841 | 0 | 0 | -3,841 | -3,841 |
| Other credit institutions | 0 | 0 | -2,500 | -2,500 | -2,500 |
| Bond loan | -4,200 | 0 | 0 | -4,200 | -4,452 |
| Leasing | -854 | -473 | 0 | -1,327 | -1,327 |
| Trade payables | -2,621 | 0 | 0 | -2,621 | -2,621 |
| Other payables | -3,194 | 0 | 0 | -3,194 | -3,194 |
| **Financial liabilities measured at amortised cost** | **-14,710** | **-473** | **-2,500** | **-17,683** | **-17,935** |

# NOTES

| 2021/22<br>DKK'000 | Due within 1 year | Due between 1 and 5 years | Due after 5 years | Total | Carrying amount |
|---|---|---|---|---|---|
| Cash | 2 | 0 | 0 | 2 | 2 |
| Trade receivables | 7,758 | 0 | 0 | 7,758 | 7,758 |
| Other receivables (current) | 975 | 0 | 0 | 975 | 975 |
| Other receivables (non-current) | 0 | 210 | 0 | 210 | 210 |
| **Total loans and receivables** | **8,735** | **210** | **0** | **8,945** | **8,945** |
| Credit institutions, floating rate | -8,261 | 0 | 0 | -8,261 | -8,261 |
| VAT loan | -2,169 | 0 | 0 | -2,169 | -2,169 |
| Bond loan | -0 | -4,200 | 0 | -4,200 | -4,200 |
| Leasing | -723 | -1,329 | 0 | -2,052 | -2,052 |
| Trade payables | -2,289 | 0 | 0 | -2,289 | -2,289 |
| Other payables | -2,124 | 0 | 0 | -2,124 | -2,124 |
| **Financial liabilities measured at amortised cost** | -15,566 | -5,5290 | 0 | -21,095 | -21,095 |

**Cash resources and financing facilities**
On 16 December 2020, the Company obtained financing of DKK 4,200 thousand through bond loans with 6 lenders.

The Company has access to bank financing facilities of DKK 5,000 thousand (30 June 2022: DKK 7,182 thousand).

| 2022/23<br>DKK'000 | Loans 1 July 2022 | Proceeds from borrowings | Repayments of borrowings | Other non-cash items | Loans 30 June 2023 |
|---|---|---|---|---|---|
| Credit institutions, floating rate | 7,916 | 2,500 | -4,075 | 0 | 6,341 |
| VAT loan | 2,169 | - | -2,169 | 0 | 0 |
| Lease liabilities | 2,052 | 0 | -725 | 0 | 1,327 |
| Bond loan | 4,200 | 0 | 0 | 0 | 4,200 |
| Credit institutions, EKF floating rate | 345 | 0 | -345 | 0 | 0 |
| **Total loans** | **16,682** | **2,500** | **-7,314** | **0** | **11,868** |

# NOTES

| **2021/22** | Loans 1 July 2021 | Proceeds from borrowings | Repayments of borrowings | Other non-cash items | Loans 30 June 2022 |
|---|---|---|---|---|---|
| DKK'000 | | | | | |
| Credit institutions, floating rate | 1,559 | 6,357 | 0 | 0 | 7,916 |
| VAT loan | 0 | 2,970 | -801 | 0 | 2,169 |
| Lease liabilities | 880 | 1,172 | 0 | 0 | 2,052 |
| Bond loan | 4,200 | 0 | 0 | 0 | 4,200 |
| Credit institutions, EKF floating rate | 1,662 | 0 | -1,317 | 0 | 345 |
| **Total loans** | **8,301** | **10,499** | **-2,118** | **0** | **16,682** |

## 23 CONTINGENT ASSETS AND LIABILITIES

The Company, as part of its activities enters into various contracts that can include obligations normal for the industry.

## 24 COLLATERAL

A floating charge in the amount of DKK 11,75 million has been issued as collateral for credit facilities with a credit institution. The floating charge comprises a charge on rights pursuant to the Danish Patents Act, the Danish Trademarks Act, the Danish Design Act, the Danish Utility Models Act, the Danish Registered Designs Act, the Danish Copyright Act and the Danish Act on Protection of the Topographies of Semiconductor Products. Furthermore, the floating charge comprises tools, inventories and unsecured claims arising from the sale of goods and services. The total carrying amount of the floating charge was DKK 25,9 million at 30 June 2023.

# NOTES

## 25 NON-CASH TRANSACTIONS

| DKK'000 | 2022/23 | 2021/22 |
|---|---|---|
| Warrant cost expensed | 149 | 0 |
| Financial items | 0 | -7 |
| | 149 | -7 |

## 26 WORKING CAPITAL CHANGES

| DKK'000 | 2022/23 | 2021/22 |
|---|---|---|
| Inventories | -373 | -1,878 |
| Trade receivables | 1,922 | -3,128 |
| Contract work in progress | -807 | 99 |
| Tax receivables | 0 | -211 |
| Other receivables | 427 | 6 |
| Prepaid expenses | -1,482 | -215 |
| Prepayments from customers | 5,548 | 2,323 |
| Trade payables | 332 | 1,666 |
| Other payables | 1,070 | -3,534 |
| | 6,643 | -4,872 |

## 27 RELATED PARTY TRANSACTIONS

The Company has during the financial year 2020/21 entered into a loan agreement with the Chairman of the Board of Directors Michael Hove and current (since October 2022) Board Member Jakob Færch Bendtsen. Michael Hove and Jakob Færch Bendtsen are both part of the bond loan consortium consisting of 6 companies offering a convertible bond loan of DKK 4.2 million with maturity 31 December 2023. The loan agreement with Michael Hove constitutes an amount of DKK 1 million and carries an interest of 12% p.a. The loan agreement with Cewijo ApS (Jakob Færch Bendtsen is owner) constitutes an amount of DKK 0.5 million and carries an interest of 12% p.a.

The Company's related parties comprise the members of the Board of Directors and Executive Management as well as these persons' close family members. Further, related parties comprise companies in which the above-mentioned persons have significant interests.

As noted above, no transactions have been made with related parties except previously mentioned bond loans.

## 28 EVENTS AFTER THE REPORTING PERIOD

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

# EXECUTIVE MANAGEMENT

## HJALTI P. THORVARDARSON (BORN 1987)

CEO of Rovsing A/S since March 2018.

Educational background: Computer & Electronics Engineer (B.Eng) from Copenhagen University College of Engineering.

Hjalti has an extensive and proven track record within the Space industry from the past 13 years. His knowledge of Rovsing operations and product & service offerings as well as customer contact is deeply rooted in his engagement with the Company since 2010, working in various roles, starting as Hardware Engineer, Senior Project Manager and Head of Systems & Services.

**Shareholding at 30 June 2023: 750 shares.**

**Number of warrants at 30 June 2023: 4,945.**

## SIGURD HUNDRUP (BORN 1965)

CFO of Rovsing A/S since September 2017.

Educational background: MSc. EBA. Finance, Accounting.

Sigurd has extensive experience and a proven track record from many years as CFO. His strong finance professional skills provide essential contribution to the Company's day to day Management, reporting, organizational development, financial analysis and finance administration.

**Shareholding at 30 June 2023: 750 shares.**

**Number of warrants at 30 June 2023: 4,046.**

# BOARD OF DIRECTORS

## MICHAEL HOVE (BORN 1971)

Elected to the Board of Directors in October 2017. Took over the chairmanship in January 2018.

Position: Founder and owner of MH Investment ApS.

Educational background from Copenhagen Business School as economist.

**Main directorships:**

- CEO Scandinavian Investment Group A/S
- Chairman of the board of directors of Antique 89 A/S
- Managing partner & owner MH Investment ApS
- Managing partner SalesPartners A/S

**Independent of Rovsing and the executive management: Yes**

**Independent of major shareholders as of today: Yes**

**Shareholding at 30 June 2023: 11,566 shares.**

**Number of warrants at 30 June 2023: 5,324.**

## JAKOB FÆRCH BENDTSEN (BORN 1978)

Elected to the Board of Directors in 2022.

Position: Owner and senior director at Cewijo ApS

Educational background: MSc in Business Administration and Auditing

Jakob Færch Bendtsen has extensive experience from a number of international companies and industries as well as consulting companies. He has in-depth knowledge of M&A, accounting, tax and other finance matters.

**Main directorships:**

- Owner and senior director at Cewijo ApS
- Board Member: ORPHAZYME A/S
- Board Member: Nordic Compound Invest A/S

**Independent of Rovsing and the executive management: Yes**

**Independent of major shareholders as of today: Yes**

**Shareholding at 30 June 2023: 930 shares.**

**Number of warrants at 30 June 2023: 2,662.**

## ULRICH BECK (BORN 1964)

Elected to the Board of Directors in October 2017.

Until mid-2023: Airbus Vice President Finance.
Member of the industrial Expert Group for Space Defence and Aerospace for the European Commission (DG DEFIS).

As a financial and industrial expert, Ulrich has more than 30 years of experience and expertise in Aerospace, Defense and Space Industry, in Senior Management positions as for Strategy, international Sales and Business Development, International Compliance Officer, transnational Merger Integration or as Chief Financial and Information Officer. Various Financial Management positions at operations, engineering program and corporate level. M&A, Transaction Management and Industrial Strategy projects.

### Main directorships:

- Member of the board of directors of Access e.V. and Access Technology GmbH
- Vice-President of the Board of DGLR German Society for Aerospace and Space
- Senior Member of AIAA American Institute of Aerospace and Aeronautics
- Member of the Board of the Financial Experts Association (ecoDA Member), Germany
- Certified Board Member and Financial Expert (by Deutsche Börse AG), Member of related associations

**Independent of Rovsing and the executive management: Yes**

**Independent of major shareholders as of today: Yes**

**Shareholding at 30 June 2023: 2,482 shares**.

**Number of warrants at 30 June 2023: 2,662.**

# GLOSSARY

| Term | Explanation |
|---|---|
| Application | Specific use of a product |
| CDR | Critical Design Review |
| Check-out system | System for testing and controlling a satellite or instrument |
| 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. |
| Counter-purchase obligation | Obligation on a non-Danish supplier of defense material to the Danish Armed Forces to buy defense-related equipment from Danish companies. |
| DSTE | Digital Simulation & Test Equipment |
| EGSE | Electrical Ground Support Equipment |
| ESA | The European Space Agency |
| ESTEC | European Space Research and Technology Centre |
| EU | The European Union |
| EUMETSAT | European Organisation for the Exploitation of Meteorological Satellites |
| Galileo | European satellite navigation system similar to the GPS system in the USA |
| 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 verification and validation of software |
| Kick-Off | Kick-Off meeting to start up a project |
| MASC | Measurement, Acquisition, Simulation and Commanding |
| 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/NASA/Commercial project |
| Project manager | Person in charge of carrying out a project |
| RF Suitcase | Radio Frequently test equipment for testing satellite communication links |
| Power SCOE | Special Checkout Equipment for testing satellite power systems |
| SAS | Solar Array Simulator |
| SCOE | Special Check-Out Equipment |
| SIS | Satellite Interface Simulator |
| SLP | Second Level Protection |
| TRR | Test Readiness Review |

**ROVSING.** Functional Testing
and Simulation Solutions
for the Space Industry

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