

Danish Aerospace

C O M P A N Y



Company Announcement

Company Announcement no. 19. 28-08-2020

Odense, August 28, 2020

Danish Aerospace Company A/S announce 2020 Interim report

Danish Aerospace Company A/S' board of directors has today approved the 2020 Interim report. The report has not been audited.

Key Activities

Danish Aerospace Company A/S (DAC) develops innovative technological solutions for the purpose of exploration of space and for other extreme environments. The activities comprise design, development and manufacturing of medical monitoring and exercise equipment as well as support in connection with preparations for and realisation of human space flights. DAC is listed on Nasdaq First North Growth Market in Copenhagen.

Key point from the 2020 Interim report.

- Revenue on DKK 10,3 mio.
- Profit before depreciation (EBITDA) amounts DKK 0,66 mio.
- DAC's changes in equity amounts DKK 18,8 mio. as of June 30, 2020.
- DAC's contract on support for health monitoring of astronauts on ISS has been extended to end 2021.
- The work on the combined E4D-exercise equipment for ESA and the FERGO- ergometers for NASA is progressing according to plan.
- DAC has become a part of the NORDIN 2020 Cohort project, in order to explore the possibilities for wearables and space technology in India.
- COVID-19 has resulted in small delays in delivery of components, plugs, and prints for the projects. Furthermore, COVID-19 has also affected a couple of DAC projects due to delays at collaboration partners.

Management Review of the 2020 Interim report

In April the European Space Agency (ESA) extended DAC's MOSES-contract (Medical Operation Support & Engineering Services) to the end of 2021. The contract comprises support for the regular health monitoring and fitness tests, performed on the International Space Station. All tests are performed on DAC's CEVIS-ergometer and the PPFS-health monitoring equipment and are supported from DAC's control center in Odense. DAC has contracts for maintenance and sustaining engineering of the both equipment in space, and the similar training equipment on Earth. The extension and increase of the contract has a value of DKK 2,2 mio.

The development of FERGO space ergometer for Jacobs/NASA and of E4D for ESA, and other contracts continues as planned, with minor delays due to COVID-19. Small components, plugs, and prints has been delayed from subcontractors, either due to shutdowns or order queues, as a result of COVID-19. Despite



these impacts from COVID-19, the first half year of 2020 shows a similar revenue compared with the same period in 2019.

Despite the COVID-19 situation there has been a satisfying intake of new contacts and additions to existing development and service contracts. During the first half of the year, promotional and business development activities was affected due to COVID-19. All planned meetings and conferences after February 2020, both in the space sector and also in the commercial areas, were cancelled or postponed with up to a year. This has slowed down the DAC's business development activities.

DAC has also experienced a growing interest for the E4D-exercise technology, that combines 4 exercises into one device, and for which 4 DAC patents have now been published. This interest could, on the long run, lead to new contracts, both with private and commercial space companies, as well as with governmental space agencies.

In late spring DAC became member of the NORDIN 2020 Cohort project, in order to explore the possibilities of collaboration around wearables and space technology in India.

DAC has also again passed the regularly AS9100 quality audit. This is a review of the company's AS/EN9100 Standard, rev. D Quality system authentication with Bureau Veritas.

CEO, Thomas A. E. Andersen:

“The first half year of 2020 has to some extent been affected of COVID-19, but all our employees have shown an amazing flexibility which allowed us to continue the work on our projects in the difficult times. Despite the minor delays in delivery of plugs, components and prints, we have managed to maintained the development activities on the FERGO space ergometer and the E4D-exercise equipment. A couple of DAC-projects have also been affected due to delays at some of our collaboration partners. However, fortunately we have not yet seen any cancelation of contracts or projects.

The growing interest in our combined E4D-exercise technology, provides optimism for its future possibilities. We have a unique product and there is emerging market interest from private commercial space companies and governmental space agency's.

The participation in the NORDIN 2020 Cohort gives us the opportunity to start looking at the Indian market which is interesting, both in terms of our wearable technology for extreme environments, but also because in recent these years India's manned space program has gained momentum.

We maintain the expectations for the year's revenue and profit, as announced in connection with the Annual Report for 2019.”

Danish Aerospace

C O M P A N Y



Expectations for the financial year

Danish Aerospace Company A/S continues to expect positive operating earnings in the second half of 2020 and is working on a new internal development project for promising areas within aerospace and for the commercial market of extreme environments.

The expectations for the year's revenue and earnings, as stated in DAC's 2019 Annual Report, are maintained:

- Revenue in the range of DKK 23-27 million; and
- Positive operating profit (EBITDA) in the range of DKK 4.0-6.0 million.

However, the COVID-19 situation may still affect the timing of certain income.

The Interim report can be found on our website: <https://www.danishaerospace.com/da/investor-relations/annual-reports>

Note: This is a translation of the corresponding Company Announcement in Danish. In case of discrepancies between the Danish wording and the English translation, the Danish wording prevails.

For further information's:

Danish Aerospace Company A/S:

Chairman: Niels Heering
Mobil: +45 40 17 75 31
Mail: nh@gorrissenfederspiel.com

CEO Thomas A.E. Andersen
Mobil: +45 40 29 41 62
Mail: ta@danishaerospace.com

Certified Adviser:

Gert Mortensen, Partner
Baker Tilly Corporate Finance P/S
Poul Bundgaards Vej 1
DK-2500 Valby
Tlf.: +45 33 45 10 00
www.bakertilly.dk

About Danish Aerospace Company A/S:

Danish Aerospace Company (DAC) is a high-tech company operating in the area of advanced medical instrumentation and other engineering fields primarily within space applications. Our products are based on many years of specialized research and development. These consist of developing, integrating, and applying new as well as established medical technologies to the challenges of functioning and remaining reliable in space. These products and services bring the potential of space research and experience from space operations down to Earth for the benefit of all Mankind.

Danish Aerospace

C O M P A N Y



Danish Aerospace Company employs engineers and technicians who deliver full engineering, production and technical services for our customers. We have specialized in customer specific design, development, manufacturing, certification, maintenance, testing, and operations.

The company has developed five generations respiratory equipment for spaceflight, cycle ergometers for astronauts countermeasures, adapted several commercial medical equipment for spaceflight and has participated in the development of the minus eighty degree Celsius freezers.

The Company's quality system is certified in obligation to BS EN ISO 9001:2015, BS EN 9100:2018 technically equivalent to AS9100D that are the acknowledged standard in the area.