Danish Aerospace Company A/S

Hvidkærvej 31A, st., 5250 Odense SV

Company reg. no. 12 42 42 48

Annual report

1 January - 31 December 2024

The annual report was submitted and approved by the general meeting on the 28 April 2025.

Chantal Pernille Patel Simonsen
Chairman of the meeting

Contents

Notes:
- To ensure the greatest possible applicability of this document, IAS/IFRS English terminology has been used.
- Please note that decimal points have not been used in the usual English way. This means that for instance DKK 146.940 means the amount of DKK 146,940, and that 23,5 % means 23.5 %.

Management's statement

Today, the Board of Directors and the Managing Director have approved the annual report of Danish Aerospace Company A/S for the financial year 1 January - 31 December 2024.

The annual report has been prepared in accordance with the Danish Financial Statements Act.

We consider the chosen accounting policy to be appropriate, and in our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2024 and of the results of the Company's operationsand cash flows for the financial year 1 January – 31 December 2024.

Further, in our opinion, the Management's review gives a true and fair review of the matters discussed in the Management's review.

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

Odense SV, 4 April 2025

Managing Director

Thomas Axel Esbern Andersen

Board of directors

Niels Thomas Heering	Søren Bjørn Hansen	James Vernon Zimmerman

Independent auditor's report

To the shareholders of Danish Aerospace Company A/S

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2024, and of the results of the Company's operations and cash flows for the financial year 1 January to 31 December 2024 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Danish Aerospace Company A/S for the financial year 1 January to 31 December 2024, which comprise income statement, balance sheet, statement of changes in equity, cash flow statement and notes, including a summary of significant accounting policies ("financial statements").

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

Material Uncertainty Related to Going Concern

We draw attention to note 1 in the financial statements, where Management's assumptions for presenting the financial statements on the basis of going concern are set forth. The conditions described in note 1 indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Statement on Management's Review

Management is responsible for Management's Review.

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

In connection with our audit of the financial statements, our responsibility is to read Management's Review and, in doing so, consider whether 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 Management's Review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, in our view, 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 in Management's Review.

Management's Responsibilities for the Financial Statements

Management is responsible for the preparation of Financial Statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as 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 in preparing the financial statements 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 about 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 can 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.

- Plan and perform the audit to obtain sufficient appropiate audit evidence regarding the consolidated financial information of the entities or business units as a basis for forming an opinion on the Financial Statements. We are responsible for the direction, supervision and review of the audit work performed. We remain solely responsible for our audit opinion.

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 the 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.

Odense M, 4 April 2025

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Company reg. no. 33 77 12 31

Henrik Kyhnauv	Claus Damhave
State Authorised Public Accountant	State Authorised Public Accountant
mne40028	mne34166

Company information

The company	Danish Aerospace Company A/S Hvidkærvej 31A, st. 5250 Odense SV	
	Company reg. no.	12 42 42 48
	Financial year:	1 January - 31 December
Board of directors	Niels Thomas Heering Søren Bjørn Hansen James Vernon Zimmerman	
Managing Director	Thomas Axel Esbern Andersen	
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Munkebjergvænget 1 5230 Odense M	

Financial highlights

DKK in thousands.	2024	2023	2022
Income statement:			
Revenue	17.706	29.715	24.470
Gross profit	12.191	20.649	15.177
Other operating income	1.154	2.166	828
EBITDA	-3.018	4.803	517
Profit/loss from operating activities	-3.539	4.042	-251
Net financials	-610	-730	656
Net profit or loss for the year	-3.877	2.020	-351
Statement of financial position:			
Balance sheet total	26.384	34.242	22.237
Investments in property, plant and equipment	18	36	256
Equity	7.893	12.052	9.858
Key figures in %:			
Gross margin (%)	68,85	69,49	62,0
EBITDA margin (%)	-17,05	16,16	2,1
Equity ratio (%)	33,75	35,20	44,3
Share performance			-
Earnings per share (DKK)	-0,36	0,19	-0,0
P/E ratio	-8,16	18,15	-128,0
P/B ratio	4,01	3,04	4,6
Total number of shares	10.908.330	10.908.330	10.908.330
Closing share price (DKK)	2,90	3,36	4,1

Calculations of key figures and ratios do, in all material respects, follow the recommendations of the Danish Association of Finance Analysts, only in a few respects deviating from the recommendations.

The key figures and ratios shown in the statement of financial highlights have been calculated as follows:

Gross margin ratio $$\frac{\text{Gross profit x 100}}{\text{Revenue}}$$

EBITDA margin $$\frac{\text{EBITDA x 100}}{\text{Revenue}}$$

Equity ratio $$\frac{\text{Equity x 100}}{\text{Total assets}}$$

Financial highlights

Earnings per share (DKK)	$\frac{\text{Net income}}{\text{Number of outstanding shares}}$
P/E ratio	$\frac{\text{Closing share price}}{\text{Earnings per share}}$
P/B ratio	$\frac{\text{Market Price per Share}}{\text{Book Value per Share}}$

Management´s review

Description of key activities of the company

Danish Aerospace Company A/S (DAC) develops innovative technological solutions for human exploration in space and other extreme environments including those involving defense and emergency preparedness applications. The activities include design, development and manufacturing of medical monitoring and exercise equipment, as well as support activities in connection with preparations for and implementation of human space flight.

Key points for the 2024 Annual Report

- DAC successfully completed the assembly and testing of its first E4D flight model for ISS. It was shipped from DAC in early 2025.

- The first E4D ground model, the Engineering Model, was also successfully completed and delivered to the European Astronaut Center in Cologne. During 2024 the first ESA and NASA astronauts trained on E4D in preparation for upcoming space flight missions.

- E4D is the first major new commercial exercise system for space to be developed in the past 15 years. The completion of the first two E4D units represented a significant challenge for DAC requiring considerable effort and resources during 2024.

- In October 2024, DACs new FERGO ergometer (Called “Teal CEVIS” by NASA) celebrated the completion of its first year of operation on ISS without any technical issues. FERGO has become a highly reliable exercise system for NASA.

- DAC successfully completed the CUIIS and ABITS European Defense Force (and FMI supported) development contracts involving its wearable technology for military divers and for training of military personnel.

- DACs decision several years ago to develop ‘dual use’ technologies for both space and extreme terrestrial environments (including national defense) is proving to be particularly important. This is illustrated by the company’s work on several European Defense Force (EDF) contracts and through the development of wearable health technologies with multiple military applications.

- DAC is experiencing an increased interest in its unique FERGO & E4D exercise and VR technologies from commercial human spaceflight companies and national space agencies.

- DAC under its joint-venture Aquaporin Space Alliance (ASA) is also developing water recycling technologies that have considerable potential for both the defense and emergency preparedness sectors.

- Delays in the signature of several project contracts scheduled to begin in 2024 resulted in a lower-than-expected 2024 turnover. However, before the year’s end, several of these contracts were signed with only a few remaining outstanding.

Management review

Danish Aerospace Company A/S realized earnings from operations before depreciation and amortization (EBITDA), of DKK -3.0 million, which was lower than the outlook of DKK 2-3 million. Revenue amounted to DKK 17.7 million and was lower than the outlook for 2024 of DKK 22-24 million. The result for the year amounted to DKK -3.9 million. The Company's equity amounts to DKK 7.9 million as of December 31st, 2024.

The lower-than-expected EBITDA is, beyond the lower revenue mentioned above, in part due to two unusual factors: high project expenses required to successfully finalize the E4D projects and higher financial support and audit costs to address accounting issues dating back to 2023. These one-off costs are not expected in 2025.

The current geo-political situation supports DACs decisions several years ago to pursue "dual use" technologies for space and the extreme terrestrial environments including defense applications. DAC itself, and through its joint-venture Aquaporin Space Alliance (ASA), has developed several technologies that have national defense and emergency preparedness applications. They include DAC's wearable medical sensors, its water recycling systems and its exercise technology for use in confined spaces and remote/isolated locations.

DAC successfully completed the CUIIS and ABITS European Defense Force development contracts involving its wearable technology for military divers and for training military personnel. These contracts help pave the way for future defense-related development contracts involving the use of DAC technology. DAC is also discussing defense and emergency preparedness applications of its health monitoring, water recycling and exercise technologies with both national and European authorities.

The development and manufacturing of the E4D multifunctional exercise device for ESA and a similar exercise device for Axiom Space Inc. represents a large step forward in 2024. Despite the complexity, large amounts of parts for assembly and technical challenges of this novel technology, DAC succeeded in completing the first two E4D models during 2024.

The E4D "engineering model" used for software development and initial testing, was delivered to ESAs astronaut center in Cologne in the spring. By the end of 2024 the first flight model (proto-flight model) was completed and went through the required qualification testing in preparation for preliminary testing by ESA and NASA in February 2025. Work on the additional E4D units under contract progressed in parallel as planned.

DAC's new FERGO ergometer, developed for NASA, had by the end of 2024 operated on the International Space Station without any issues for almost 16 months. This is a testament to the quality of DACs hardware and the company's engineering expertise.

During 2024 DAC, through its subsidiary Aquaporin Space Alliance A/S, began work on the long-awaited contract with ESA for development of a full breadboard model of the Water Recycling Unit (WRU) for use in space. The contract is the continuation of several other smaller previous ESA activities in this area.

DAC's contract with ESA involving the health monitoring of astronauts on the International Space Station was extended for three additional years until 2027. Under this contract, which DAC has held since 2006, DAC supports health monitoring and exercise testing of all NASA, ESA, JAXA and CSA astronauts on ISS with DACs hardware from DAC's control center in Odense, Denmark. The test activities utilize DAC's FERGO exercise ergometer that NASA purchased for the International Space Station. DAC's support contract with NASA/Amentum for the FERGO ergometer was also extended during 2024. This represents the 25th year of DAC support for this important in-space ergometer exercise system.

DAC passed this year's annual supervisory audit for the 8th year in a row, which is a check of the company's (AS/EN9100 standard rev. D) quality control authorization by Bureau Veritas. DAC continues to be one of few space companies in Denmark to maintain this certification.

Capital resources

In 2025, the Company expect a gross cash inflow of DKK 30.3 million of which DKK 27.6 million is based on signed or agreed customer contracts and DKK 2.7 million is expected new contracts.

We refer to note 1 in the Annual report.

Expectations for the 2025 fiscal year

Danish Aerospace Company continues to pursue new development projects for promising applications of its expertise and technology for space, defense and extreme terrestrial environments.

In the fiscal year 2025 Danish Aerospace Company's expectations are:

- Revenue of DKK 21-23 million; and
- Operating profit (EBITDA) of approx. DKK 1-3 million.

In 2025, the Company expects a gross cash inflow of DKK 30.3 million of which DKK 27.6 million is based on signed or agreed customer contracts and DKK 2.7 million is expected new contracts.

Income statement 1 January - 31 December

All amounts in DKK.

Note		2024	2023
	Revenue	17.705.905	29.715.122
	Own work capitalised, development projects	1.589.726	1.519.137
	Other operating income	1.154.023	2.165.678
	Costs of raw materials and consumables	-3.764.446	-8.290.926
	Other external expenses	-4.494.249	-4.460.231
	Gross profit	**12.190.959**	**20.648.780**
3	Staff costs	-15.209.054	-15.845.493
4	Depreciation, amortisation, and impairment	-521.037	-761.169
	Operating profit or loss	**-3.539.132**	**4.042.118**
5	Income from investments in group enterprises	-625.295	-588.437
	Income from investments in participating interest	-7.999	-9.233
	Other financial income from group enterprises	249.613	245.655
	Other financial income	314.045	0
	Other financial expenses	-1.173.271	-976.014
	Pre-tax net profit or loss	**-4.782.039**	**2.714.089**
6	Tax on net profit or loss for the year	904.715	-694.348
	Net profit or loss for the year	**-3.877.324**	**2.019.741**
	Proposed distribution of net profit:		
	Transferred to retained earnings	0	2.019.741
	Allocated from retained earnings	-3.877.324	0
	Total allocations and transfers	**-3.877.324**	**2.019.741**

Balance sheet at 31 December

All amounts in DKK.

Note	Assets	2024	2023
	Non-current assets		
7	Completed development projects, including patents and similar rights arising from development projects	200.110	1.771.142
8	Acquired concessions, patents, licenses, trademarks, and similar rights	1.283.031	1.022.221
9	Development projects in progress	3.919.585	833.581
	Total intangible assets	5.402.726	3.626.944
10	Other fixtures, fittings, tools and equipment	580.460	843.503
11	Leasehold improvements	262.074	359.497
	Total property, plant, and equipment	842.534	1.203.000
12	Investments in group enterprises	0	0
13	Investments in participating interests	7.059	15.058
	Total investments	7.059	15.058
	Total non-current assets	**6.252.319**	**4.845.002**
	Current assets		
	Trade receivables	5.130.845	6.522.858
14	Contract work in progress	9.454.162	16.906.938
	Receivables from group enterprises	4.088.668	4.250.129
	Receivables from participating interest	42.307	0
	Income tax receivables	0	334.209
	Other receivables	750.462	1.051.710
	Prepayments	368.033	247.900
	Total receivables	19.834.477	29.313.744
	Cash and cash equivalents	297.376	83.506
	Total current assets	**20.131.853**	**29.397.250**
	Total assets	**26.384.172**	**34.242.252**

Balance sheet at 31 December

All amounts in DKK.

Note	Equity and liabilities	2024	2023
	Equity		
	Contributed capital	1.090.833	1.090.833
	Reserve for development costs	3.213.361	2.031.683
	Reserve for foreign currency translation	-281.622	0
	Retained earnings	3.870.257	8.929.259
	Total equity	**7.892.829**	**12.051.775**
	Provisions		
	Provisions for deferred tax	1.436.399	2.341.114
	Total provisions	**1.436.399**	**2.341.114**
	Liabilities other than provisions		
	Other payables	1.219.647	1.165.750
15	Total long term liabilities other than provisions	1.219.647	1.165.750
	Bank loans	13.423.761	15.661.950
	Trade payables	1.718.341	1.715.187
	Other payables	693.195	1.306.476
	Total short term liabilities other than provisions	15.835.297	18.683.613
	Total liabilities other than provisions	**17.054.944**	**19.849.363**
	Total equity and liabilities	**26.384.172**	**34.242.252**

1 Going concern
2 Fees for auditor
16 Charges and security
17 Contingent liabilities

Statement of changes in equity

All amounts in DKK.

	Contributed capital	Reserve for development costs	Reserve for foreign currency translation	Retained earnings	Total
Equity 1 January 2024	1.090.833	2.031.683	0	8.929.259	12.051.775
Retained earnings for the year	0	0	0	-3.877.324	-3.877.324
Transferred from retained earnings	0	1.181.678	0	0	1.181.678
Foreign currency translation adjustments	0	0	-281.622	0	-281.622
Transferred from retained earnings	0	0	0	-1.181.678	-1.181.678
	1.090.833	**3.213.361**	**-281.622**	**3.870.257**	**7.892.829**

Statement of cash flows 1 January - 31 December

All amounts in DKK.

Note		2024	2023
	Net profit or loss for the year	-3.877.324	2.019.741
18	Adjustments	1.178.156	2.783.546
19	Change in working capital	7.681.907	-13.139.104
	Cash flows from operating activities before net financials	4.982.739	-8.335.817
	Interest received, etc.	249.613	245.657
	Interest paid, etc.	-1.173.271	-976.014
	Cash flows from ordinary activities	4.059.081	-9.066.174
	Income tax paid	334.209	122.472
	Cash flows from operating activities	**4.393.290**	**-8.943.702**
	Purchase of intangible assets	-1.923.023	-1.799.254
	Purchase of property, plant, and equipment	-18.208	-35.734
	Cash flows from investment activities	**-1.941.231**	**-1.834.988**
	Changes in short-term bank loans	-2.238.189	10.755.763
	Cash flows from financing activities	**-2.238.189**	**10.755.763**
	Change in cash and cash equivalents	**213.870**	**-22.927**
	Cash and cash equivalents at 1 January 2024	83.506	106.433
	Cash and cash equivalents at 31 December 2024	**297.376**	**83.506**
	Cash and cash equivalents		
	Cash and cash equivalents	297.376	83.506
	Cash and cash equivalents at 31 December 2024	**297.376**	**83.506**

Notes

All amounts in DKK.

1. Going concern

The Company has obtained approval from the bank for the liquidity needed according to the budget for the coming year. The approval is subject to the Company‘s fulfilment of the budget for 2025. In 2025, the Company expect a gross cash inflow of DKK 30.3 million of which DKK 27.6 million is based on signed or agreed customer contracts and DKK 2.7 million is expected new contracts. The budget is subject to uncertainty, as it includes expected cash flow from additional customer contracts not yet signed. This indicates that material uncertainty exists that may cast significant doubt on the Company’s ability to continue as a going concern.

It is Management's view that the budget will be met, including signing additional customer contracts, and the Financial Statements has therefore been prepared on a going concern basis.

	2024	2023
2. Fees for auditor		
Total remuneration for PricewaterhouseCoopers, Statsautoriseret Revisionspartnerselskab	195.000	319.500
Fees for auditors performing statutory audit	160.000	319.500
Other services	35.000	0
	195.000	**319.500**
3. Staff costs		
Salaries and wages	14.024.032	14.721.976
Pension costs	927.603	919.378
Other costs for social security	257.419	204.139
	15.209.054	**15.845.493**
Average number of employees	26	28
4. Depreciation, amortisation, and impairment		
Amortisation of development projects	74.755	264.228
Amortisation of concessions, patents, and licences	63.843	48.685
Depreciation of leasehold improvements	97.423	110.441
Depreciation of other fixtures and fittings, tools and equipment	281.251	337.815
Profit/loss on the sale of property, plant, and equipment	3.765	0
	521.037	**761.169**

Notes

All amounts in DKK.

		2024	2023
5.	**Income from investments in group enterprises**		
	Income from group enterprise	-625.295	-568.351
	Adjustment of intra-group profits	0	-20.086
		-625.295	**-588.437**
6.	**Tax on net profit or loss for the year**		
	Tax on net profit or loss for the year	0	-334.209
	Adjustment of deferred tax for the year	-904.715	1.028.557
		-904.715	**694.348**
7.	**Completed development projects, including patents and similar rights arising from development projects**		
	Cost 1 January 2024	6.214.043	4.717.765
	Additions during the year	0	855.424
	Transfers	-1.496.278	640.854
	Cost 31 December 2024	**4.717.765**	**6.214.043**
	Amortisation and depreciation 1 January 2024	-4.442.901	-4.178.673
	Amortisation and depreciation for the year	-74.754	-264.228
	Amortisation and depreciation 31 December 2024	**-4.517.655**	**-4.442.901**
	Carrying amount, 31 December 2024	**200.110**	**1.771.142**

The Company's portfolio of internal development projects comprises a new generation of exercise and medical monitoring equipment for astronauts. The expectation is that the improved and new products may be sold to commercial private aerospace companies such as ESA and NASA. The depreciation periods have been adjusted to the expected sales periods. Projects in progress are progressing as planned and the Company has sufficient resources to complete the projects within 1-2 years from balance date.

All amounts in DKK.

		31/12 2024	31/12 2023
8.	**Acquired concessions, patents, licenses, trademarks, and similar rights**		
	Cost 1 January 2024	4.654.990	4.374.870
	Additions during the year	333.297	280.120
	Disposals during the year	-8.784	0
	Cost 31 December 2024	**4.979.503**	**4.654.990**
	Amortisation and write-down 1 January 2024	-3.632.769	-3.584.084
	Amortisation and depreciation for the year	-63.856	-48.685
	Reversal of depreciation, amortisation, and impairment loss, assets disposed of	153	0
	Amortisation and write-down 31 December 2024	**-3.696.472**	**-3.632.769**
	Carrying amount, 31 December 2024	**1.283.031**	**1.022.221**

		31/12 2024	31/12 2023
9.	**Development projects in progress**		
	Cost 1 January 2024	833.581	810.725
	Additions during the year	1.589.726	663.710
	Transfers	1.496.278	-640.854
	Cost 31 December 2024	**3.919.585**	**833.581**
	Carrying amount, 31 December 2024	**3.919.585**	**833.581**

		31/12 2024	31/12 2023
10.	**Other fixtures, fittings, tools and equipment**		
	Cost 1 January 2024	4.219.027	4.183.293
	Additions during the year	18.208	35.734
	Cost 31 December 2024	**4.237.235**	**4.219.027**
	Amortisation and write-down 1 January 2024	-3.375.524	-3.037.709
	Amortisation and depreciation for the year	-281.251	-337.815
	Amortisation and write-down 31 December 2024	**-3.656.775**	**-3.375.524**
	Carrying amount, 31 December 2024	**580.460**	**843.503**

All amounts in DKK.

		31/12 2024	31/12 2023
11.	**Leasehold improvements**		
	Cost 1 January 2024	1.491.598	1.491.598
	Cost 31 December 2024	**1.491.598**	**1.491.598**
	Depreciation and write-down 1 January 2024	-1.132.101	-1.021.660
	Amortisation and depreciation for the year	-97.423	-110.441
	Depreciation and write-down 31 December 2024	**-1.229.524**	**-1.132.101**
	Carrying amount, 31 December 2024	**262.074**	**359.497**

		31/12 2024	31/12 2023
12.	**Investments in group enterprises**		
	Cost 1 January 2024	5.536.240	5.592.667
	Disposals during the year	0	-56.427
	Cost 31 December 2024	**5.536.240**	**5.536.240**
	Writedown, opening balance 1 January 2024	-5.536.240	-5.592.667
	Translation at the exchange rate at the balance sheet date	-281.622	173.969
	Net profit or loss for the year	-625.295	-568.351
	Reversal of prior writedown	0	56.427
	Adjustment of intra-group profits	0	-20.086
	Investments with negative equity value depreciated over receivables	906.917	414.468
	Writedown 31 December 2024	**-5.536.240**	**-5.536.240**
	Carrying amount, 31 December 2024	**0**	**0**

Group enterprises:

	Domicile	**Equity interest**
Danish Aerospace Company - North America Inc.	USA	100 %
Danish Aerospace Medical Company A/S	Odense	100 %

All amounts in DKK.

		31/12 2024	31/12 2023
13.	**Investments in participating interests**		
	Cost 1 January 2024	40.000	40.000
	Cost 31 December 2024	**40.000**	**40.000**
	Writedown, opening balance 1 January 2024	-24.942	-15.709
	Net profit or loss for the year before amortisation of goodwill	-7.999	-9.233
	Writedown 31 December 2024	**-32.941**	**-24.942**
	Carrying amount, 31 December 2024	**7.059**	**15.058**

Participating interests:

	Domicile	**Equity interest**
Aquaporin Space Alliance ApS	Odense	50 %

		31/12 2024	31/12 2023
14.	**Contract work in progress**		
	Selling price of the production for the period	71.259.900	63.875.427
	Progress billings	-61.805.738	-46.968.489
	Contract work in progress, net	**9.454.162**	**16.906.938**
	The following is recognised:		
	Contract work in progress (current assets)	9.454.162	16.906.938
		9.454.162	**16.906.938**

Contract work in progress consists of two projects, which both are expected to be completed in 2025.

All amounts in DKK.

15. Long term labilities other than provisions

	Total payables 31 Dec 2024	Current portion of long term payables	Long term payables 31 Dec 2024	Outstanding payables after 5 years
Other payables	1.219.647	0	1.219.647	1.219.647
	1.219.647	**0**	**1.219.647**	**1.219.647**

16. Charges and security

Credit facilities are secured by a mortgage on following assets:

Corporate mortgage in the company's receivables, inventory, fixed assets, equipment and intangible fixed assets for a total of DKK 12.000k. The carrying amount of pledged assets for credit facilities amounts to DKK 26.429k.

17. Contingent liabilities

Lease liabilities

The Company has a rent obligation of DKK 312k in the period of interminabiliy.

The Company has an accumulated lease obligation of DKK 159k.

The Entity serves as the administration company in a Danish joint taxation arrangement. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable for income taxes etc for the jointly taxed entities, and for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for these entities.

A statement of support has been submitted from the company's management to the subsidiary. This must ensure that the company is able to continue operations and meet its obligations as they fall due.

All amounts in DKK.

17. Contingent liabilities (continued)

Joint taxation

The company acts as administration company for the group of companies subject to the Danish scheme of joint taxation and is unlimitedly, jointly, and severally liable, along with the other jointly taxed companies, to pay the total corporation tax.

The total tax payable under the joint taxation scheme totals DKK 0k.

Any subsequent adjustments of corporate taxes or withholding taxes, etc., may result in changes in the company's liabilities.

	2024	2023
18. Adjustments		
Depreciation, amortisation, and impairment	521.037	761.169
Income from investments in group enterprises	625.295	588.437
Income from investments in participating interest	7.999	9.233
Other financial income	-249.613	-245.655
Other financial expenses	1.173.271	976.014
Tax on net profit or loss for the year	-904.715	694.348
Other adjustments	4.882	0
	1.178.156	**2.783.546**

	2024	2023
19. Change in working capital		
Change in inventories	0	462.349
Change in receivables	8.238.136	-11.646.427
Change in trade payables and other payables	-556.229	-1.955.026
Other changes in working capital	0	0
	7.681.907	**-13.139.104**

Accounting policies

The annual report for Danish Aerospace Company A/S has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class B enterprises. Furthermore, the company has decided to comply with certain rules applying to reporting class C enterprises.

The accounting policies are unchanged from last year, and the annual report is presented in DKK.

Recognition and measurement in general

Assets are recognised in the statement of financial position when it seems probable that future economic benefits will flow to the company and the value of the asset can be reliably measured.

Liabilities are recognised in the statement of financial position when it is seems probable that future economic benefits will flow out of the company and the value of the liability can be reliably measured.

Assets and liabilities are measured at cost at the initial recognition. Hereafter, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost, allowing a constant effective interest rate to be recognised during the useful life of the asset or liability. Amortised cost is recognised as the original cost less any payments, plus/less accrued amortisations of the difference between cost and nominal amount. In this way, capital losses and gains are allocated over the useful life of the liability.

Upon recognition and measurement, allowances are made for such predictable losses and risks which may arise prior to the presentation of the annual report and concern matters that exist on the reporting date.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the rate in effect at the payment date, or the rate at the balance sheet date, are recognised in the income statement as financial income or financial expenses.

Property, plant and equipment, intangible assets, inventories and other non-monetary assets that have been purchased in foreign currencies are translated using historical rates.

When recognising foreign subsidiaries and associates that are independent entities, the income statements are translated at average exchange rates for the months that do not significantly deviate from the rates at the transaction date. Balance sheet items are translated using the exchange rates at the balance sheet date. Goodwill is considered belonging to the independent foreign entity and is translated using the exchange rate at the balance sheet date. Exchange differences arising out of the translation of foreign subsidiaries' equity at the beginning of the year at the balance sheet date exchange rates and out of the translation of income statements from average rates to the exchange rates at the balance sheet date are recognised directly in translation reserve in equity.

Exchange adjustments of outstanding accounts with independent foreign subsidiaries, which are considered part of the total investment in the subsidiary in question, are recognised directly in translation reserve in equity.

When recognising foreign group enterprises which are integral units, the monetary items are translated using the closing rate. Non-monetary items are translated using the exchange rate prevailing at the time of acquisition or at the time of the subsequent revaluation or write-down for impairment of the asset. Income statement items are translated using the exchange rate prevailing at the date of the transaction. However, items in the income statement derived from non-monetary items are translated using historical prices.

Income statement

Revenue

Revenue is recognised in the income statement if delivery and passing of risk to the buyer have taken place before the end of the year and if the income can be determined reliably and inflow is anticipated. Revenue is measured at the fair value of the consideration promised exclusive of VAT and taxes and less any discounts relating directly to sales.

Contract work in progress is included in revenue based on the stage of completion so that revenue corresponds to the selling price of the work performed in the financial year (the percentage-of-completion method).

Cost of sales

Cost of sales comprise the consumption of raw materials and consumables for the financial year after adjustment for changes in inventories of these goods from the beginning to the end of the year. This item includes shrinkage, if any, and ordinary writedowns of the relevant inventories.

Own work capitalised

Own work capitalised comprises staff costs and other costs incurred in the financial year and recognised in cost for proprietary intangible assets and property, plant and equipment.

Other operating income

Other operating income comprises subsidies from the European Union and salary reimbursements received.

Staff costs

Staff costs include salaries and wages, including holiday allowances, pensions, and other social security costs, etc., for staff members.

Depreciation, amortisation, and write-down for impairment

Depreciation, amortisation and impairment losses relating to property, plant and equipment and intangible assets comprise depreciation, amortisation and impairment losses for the financial year, and gains and losses from the sale of intangible assets and property, plant and equipment.

Results from investments in group enterprises and participating interest

Income from investments in group enterprises and participating interest comprises the pro rata share of the individual enterprises' profit/loss after full elimination of intra-group profits or losses.

Financial income and expenses

Financial income and expenses are recognised in the income statement with the amounts concerning the financial year. Financial income and expenses comprise interest income and expenses, realised and unrealised capital gains and losses relating to securities, debt and transactions in foreign currency, amortisation of financial assets and liabilities as well as surcharges and reimbursements under the advance tax scheme, etc.

Tax on net profit or loss for the year

Tax for the year comprises the current income tax for the year and changes in deferred tax and is recognised in the income statement with the share attributable to the net profit or loss for the year and directly in equity with the share attributable to entries directly in equity.

The company is subject to Danish rules on compulsory joint taxation of Danish group enterprises. The company acts as an administration company in relation to the joint taxation. This means that the total Danish tax payable by the Danish consolidated companies is paid to the tax authorities by the company.

The current Danish income tax is allocated among the jointly taxed companies proportional to their respective taxable income (full allocation with reimbursement of tax losses).

Statement of financial position

Intangible assets

Development projects, patents, and licences

Development projects, patents, and licences comprise development projects completed and in progress with related intellectual property rights, acquired intellectual property rights and prepayments for intangible assets.

Development projects on clearly defined and identifiable products and processes, for which the technical rate of utilisation, adequate resources and a potential future market or development opportunity in the enterprise can be established, and where the intention is to manufacture, market or apply the product or process in question, are recognised as intangible assets. Other development costs are recognised as costs in the income statement as incurred. When recognising development projects as intangible assets, an amount equalling the costs incurred less deferred tax is taken to equity in the reserve for development costs that is reduced as the development projects are amortised and written down.

The cost of development projects comprises costs such as salaries and amortisation that are directly and indirectly attributable to the development projects.

Completed development projects are amortised on a straight-line basis using their estimated useful lives which are determined based on a specific assessment of each development project. If the useful life cannot be estimated reliably, it is fixed at 10 years. For development projects protected by intellectual property rights, the maximum period of amortisation is the remaining duration of the relevant rights. The amortisation periods used are 5-10 years.

Intellectual property rights acquired are measured at cost less accumulated amortisation. Patents are amortised on a straight-line basis over their remaining duration, and licences are amortised over the term of the agreement.

Intellectual property rights etc. are written down to the lower of recoverable amount and carrying amount.

Property, plant, and equipment

Property, plant, and equipment are measured at cost less accrued depreciation and write-down for impairment. Land is not subject to depreciation.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

	Useful life

Leasehold improvements	8 years
Other fixtures and fittings, tools and equipment	5-8 years

Minor assets with an expected useful life of less than 1 year are recognised as costs in the income statement in the year of acquisition.

For leasehold improvements and assets subject to finance leases, the depreciation period cannot exceed the contract period.

Estimated useful lives and residual values are reassessed annually.

Items of property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

Leases

All other leases are regarded as operating leases. Payments in connection with operating leases and other lease agreements are recognised in the income statement for the term of the contract. The company's total liabilities concerning operating leases and lease agreements are recognised under contingencies, etc.

Leasehold improvements

Leasehold improvements are measured at cost less accrued depreciations. Depreciation is done on a straightline basis over the estimated useful life of the asset, which is set at 8 years.

Investments

Investments in group enterprises and participating interest

Investments in group enterprises and participating interest are recognised and measured by applying the equity method. The equity method is used as a method of consolidation.

Investments in group enterprises and participating interest are recognised in the statement of financial position at the proportionate share of the enterprise's equity value. This value is calculated in accordance with the parent's accounting policies with deductions or additions of unrealised intercompany gains and losses as well as with additions or deductions of the remaining value of positive or negative goodwill calculated in accordance with the acquisition method. Negative goodwill is recognised in the income statement at the time of acquisition of the equity investment. If the negative goodwill relates to contingent liabilities acquired, negative goodwill is not recognised until the contingent liabilities have been settled or lapsed.

Goodwill is the positive difference between cost of investments and fair value of assets and liabilities arising from acquisitions. Goodwill is amortised straight-line over its estimated useful life, which is fixed based on the experience gained by Management for each business area.

Investments in group enterprises and participating interest with a negative equity value are measured at DKK 0, and any accounts receivable from these enterprises are written down to the extent that the account receivable is uncollectible. To the extent that the parent has a legal or constructive obligation to cover an negative balance that exceeds the account receivable, the remaining amount is recognised under provisions.

Impairment loss relating to non-current assets

The carrying amount of both intangible and tangible fixed assets as well as equity investments in group enterprises og participating interest are subject to annual impairment tests in order to disclose any indications of impairment beyond those expressed by amortisation and depreciation respectively.

If indications of impairment are disclosed, impairment tests are carried out for each individual asset or group of assets, respectively. write-down for impairment is done to the recoverable amount if this value is lower than the carrying amount.

The recoverable amount is the higher value of value in use and selling price less expected selling cost. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the asset group and expected net cash flows from the sale of the asset or the asset group after the end of their useful life.

Previously recognised impairment losses are reversed when conditions for impairment no longer exist. Impairment relating to goodwill is not reversed.

Receivables

Receivables are measured at amortised cost, usually equalling nominal value less writedowns for bad and doubtful debts.

In order to meet expected losses, impairment takes place at the net realisable value. The company has chosen to use IAS 39 as a basis for interpretation when recognising impairment of financial assets, which means that impairments must be made to offset losses where an objective indication is deemed to have occurred that an account receivable or a portfolio of accounts receivable is impaired. If an objective indication shows that an individual account receivable has been impaired, an impairment takes place at individual level.

Contract work in progress

Contract work in progress is measured at the selling price of the work carried out at the balance sheet date.

The selling price is measured based on the stage of completion and the total estimated income from the individual contracts in progress. The stage of completion is determined as the ratio of actual to total budgeted consumption of resources within the deliverables of the contracts, i.e. design/programming, hardware, assembly etc.

If the selling price of a project in progress cannot be made up reliably, it is measured at the lower of costs incurred and net realisable value.

Each contract in progress is recognised in the balance sheet in receivables or liabilities other than provisions, depending on whether the net value, calculated as the selling price less prepayments received, is positive or negative.

Costs of sales work and of securing contracts, and finance costs are recognised in the income statement as incurred.

Prepayments

Prepayments recognised under assets comprise incurred costs concerning the following financial year. Prepayments are measured at cost.

Cash and cash equivalents

Cash and cash equivalents comprises cash in hand and bank deposits.

Equity

Reserve for development costs

The reserve for development costs comprises recognised development costs less related deferred tax liabilities.

The reserve cannot be used as dividends or for covering losses.

The reserve is reduced or dissolved if the recognised development costs are amortised or abandoned. This is done by direct transfer to the distributable reserves of the equity.

Reserve for foreign currency translation

The reserve for foreign currency translation arises when translating accounting items in foreign currency.

The reserve is dissolved once the value adjustments have been applied or reversed.

The reserve is distributable.

Income tax and deferred tax

As administration company, Danish Aerospace Company A/S is liable to the tax authorities for the subsidiaries' corporate income taxes.

Current tax liabilities and current tax receivable are recognised in the statement of financial position as calculated tax on the taxable income for the year, adjusted for tax of previous years' taxable income and for tax paid on account.

The company is jointly taxed with consolidated Danish companies. The current corporate income tax is distributed between the jointly taxed companies in proportion to their taxable income and with full distribution with reimbursement as to tax losses. The jointly taxed companies are comprised by the Danish tax prepayment scheme.

Deferred tax is measured on the basis of temporary differences in assets and liabilities with a focus on the statement of financial position. Deferred tax is measured at net realisable value.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation prevailing in the respective countries on the reporting date when the deferred tax is expected to be released as current tax. Changes in deferred tax due to changed tax rates are recognised in the income statement, except for items included directly in the equity.

Liabilities other than provisions

Financial liabilities other than provisions related to borrowings are recognised at the received proceeds less transaction costs incurred. In subsequent periods, the financial liabilities are recognised at amortised cost, corresponding to the capitalised value when using the effective interest rate. The difference between the proceeds and the nominal value is recognised in the income statement during the term of the loan.

Other liabilities concerning payables to suppliers, group enterprises, and other payables are measured at amortised cost which usually corresponds to the nominal value.

Prepayments received from customers

Prepayments received from customers comprise amounts received from customers prior to delivery of the goods agreed or completion of the service agreed.

Statement of cash flows

The cash flow statement shows the cash flows for the year, divided in cash flows deriving from operating activities, investment activities and financing activities, respectively, the changes in the liabilities, and cash and cash equivalents at the beginning and the end of the year, respectively.

The effect on cash flows derived from the acquisition and sale of enterprises appears separately under cash flows from investment activities. In the statement of cash flows, cash flows derived from acquirees are recognised as of the date of acquisition, and cash flows derived from sold enterprises are recognised until the date of sale.

Cash flows from operating activities

Cash flows from operating activities are calculated as the company's share of the profit adjusted for non-cash operating items, changes in the working capital, and corporate income tax paid. Dividend income from equity investments are recognised under “Interest income and dividend received”.

Cash flows from investment activities

Cash flows from investment activities comprise payments in connection with the acquisition and sale of enterprises and activities as well as the acquisition and sale of intangible assets, property, plant, and equipment, and investments, respectively.

Cash flows from financing activities

Cash flows from financing activities include changes in the size or the composition of the company's share capital and costs attached to it, as well as raising loans, repayments of interest-bearing payables and payment of dividend to shareholders.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits and short-term financial instruments with a term of less than 3 months, which can easily be converted into cash and cash equivalents and are associated with an insignificant risk of value change.