

# DANISH AEROSPACE MEDICAL COMPANY A/S

Hvidkærvej 31A st, 5250 Odense SV

*Company reg. no. 25 13 60 71*

***Annual report***

***1 January - 31 December 2023***

*The annual report was submitted and approved by the general meeting on the 18 April 2024.*

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Chantal Pernille Patel Simonsen  
*Chairman of the meeting*

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**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***

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Today, the Board of Directors and the Managing Director have approved the annual report of DANISH AEROSPACE MEDICAL COMPANY A/S for the financial year 1 January - 31 December 2023.

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 2023 and of the results of the Company's operations for the financial year 1 January – 31 December 2023.

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, 25 March 2024*

### ***Managing Director***

Thomas Axel Esbern Andersen

### ***Board of directors***

Niels Thomas Heering

Søren Bjørn Hansen

Tina Moe

James Vernon Zimmerman

## ***Independent auditor's report***

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To the shareholder of DANISH AEROSPACE MEDICAL 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 2023, and of the results of the Company's operations for the financial year 1 January - 31 December 2023 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Danish Aerospace Medical Company A/S for the financial year 1 January - 31 December 2023, which comprise income statement, balance sheet, statement of changes in equity 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 conclusion 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 Statements Act. We did not identify any material misstatement in Management's Review.

## ***Independent auditor's report***

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### **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.

## ***Independent auditor's report***

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- 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.

*Odense M, 25 March 2024*

### **PricewaterhouseCoopers**

*Statsautoriseret Revisionspartnerselskab  
CVR No 33 77 12 31*

**Henrik Kyhnav**  
*State Authorised Public Accountant*  
mne40028

**Kristian Rath**  
*State Authorised Public Accountant*  
mne42817

## ***Company information***

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### ***The company***

DANISH AEROSPACE MEDICAL COMPANY A/S  
Hvidkærvej 31A st  
5250 Odense SV

*Company reg. no.* 25 13 60 71

*Established:* 15 December 1999

*Domicile:* Odense

*Financial year:* 1 January 2023 - 31 December 2023

### ***Board of directors***

Niels Thomas Heering  
Søren Bjørn Hansen  
Tina Moe  
James Vernon Zimmerman

### ***Managing Director***

Thomas Axel Esbern Andersen

### ***Auditors***

PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab  
Munkebjergvænget 1  
5230 Odense M

## ***Management's review***

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### **Description of key activities of the company**

The primary activities of the company is to carry out research, development and other related activities.

### **Development in activities and financial matters**

The income statement of the Company for 2023 shows a loss of DKK 108.299 and at 31 December 2023 the balance sheet of the Company shows an equity of DKK 476.880.

### **Events occurring after the end of the financial year**

No event materially affecting the assessment of the Annual Report have occurred after the Balance sheet date.



**Income statement 1 January - 31 December**

All amounts in DKK.

<u>Note</u>	<u>2023</u>	<u>2022</u>
<b>Gross profit</b>	<b>-26.994</b>	<b>-23.855</b>
2 Other financial income	657	97
3 Other financial expenses	-116.073	-108.359
<b>Pre-tax net profit or loss</b>	<b>-142.410</b>	<b>-132.117</b>
4 Tax on net profit or loss for the year	34.111	75.470
<b>Net profit or loss for the year</b>	<b>-108.299</b>	<b>-56.647</b>
<b>Proposed distribution of net profit:</b>		
Allocated from retained earnings	-108.299	-56.647
<b>Total allocations and transfers</b>	<b>-108.299</b>	<b>-56.647</b>

**Balance sheet at 31 December**

All amounts in DKK.

<b>Assets</b>		
<u>Note</u>	<u>2023</u>	<u>2022</u>
<b>Non-current assets</b>		
5 <i>Development projects in progress</i>	5.853.426	5.687.892
<i>Total intangible assets</i>	5.853.426	5.687.892
<b>Total non-current assets</b>	<b>5.853.426</b>	<b>5.687.892</b>
<b>Current assets</b>		
6 <i>Income tax receivables</i>	36.417	154.683
<i>Other receivables</i>	21.719	80.398
<i>Total receivables</i>	58.136	235.081
<i>Cash and cash equivalents</i>	33.878	34.442
<b>Total current assets</b>	<b>92.014</b>	<b>269.523</b>
<b>Total assets</b>	<b>5.945.440</b>	<b>5.957.415</b>

**Balance sheet at 31 December**

All amounts in DKK.

<b>Equity and liabilities</b>		
<u>Note</u>	<u>2023</u>	<u>2022</u>
<b>Equity</b>		
Contributed capital	500.000	500.000
Reserve for development costs	4.565.673	4.436.556
Retained earnings	-4.588.793	-4.351.377
<b>Total equity</b>	<b><u>476.880</u></b>	<b><u>585.179</u></b>
<b>Provisions</b>		
Provisions for deferred tax	746.927	744.621
<b>Total provisions</b>	<b><u>746.927</u></b>	<b><u>744.621</u></b>
<b>Liabilities other than provisions</b>		
Payables to group enterprises	4.698.883	4.607.115
Other payables	22.750	20.500
<b>Total short term liabilities other than provisions</b>	<b><u>4.721.633</u></b>	<b><u>4.627.615</u></b>
<b>Total liabilities other than provisions</b>	<b><u>4.721.633</u></b>	<b><u>4.627.615</u></b>
<b>Total equity and liabilities</b>	<b><u>5.945.440</u></b>	<b><u>5.957.415</u></b>

1 **Going Concern**7 **Contingencies**

**Statement of changes in equity**

All amounts in DKK.

	<u>Contributed capital</u>	<u>Reserve for development costs</u>	<u>Retained earnings</u>	<u>Total</u>
<i>Equity 1 January 2023</i>	500.000	4.436.556	-4.351.377	585.179
<i>Retained earnings for the year</i>	0	0	-108.299	-108.299
<i>Transfer to reserves</i>	0	129.117	-129.117	0
	<b>500.000</b>	<b>4.565.673</b>	<b>-4.588.793</b>	<b>476.880</b>

## Notes

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All amounts in DKK.

	<u>2023</u>	<u>2022</u>
<b>1. Going Concern</b>		
<i>As the Company's financing of its operations is obtained from the Parent Company a support letter stating that the Parent Company will provide financing until 1 January 2025 has been obtained. Due to this, Management has evaluated that the financial statements can be prepared on a going concern basis.</i>		
<i>The Parent Company's ability to continue as a going concern, however, is subject to a material uncertainty. Thus, a material uncertainty exists that the Parent Company will not be able to support the Company as set forth in the support letter which may cast significant doubt on the Company's ability to continue as a going concern.</i>		
<i>The above noted circumstances imply an uncertainty that the Company may not be able to complete and exploit its development project and thus that an uncertainty on the recognition and measurement of development projects in progress exists.</i>		
<b>2. Other financial income</b>		
<i>Interest, banks</i>	657	97
	<u>657</u>	<u>97</u>
<b>3. Other financial expenses</b>		
<i>Financial costs, group enterprises</i>	115.472	108.151
<i>Other financial costs</i>	601	208
	<u>116.073</u>	<u>108.359</u>
<b>4. Tax on net profit or loss for the year</b>		
<i>Tax on net profit or loss for the year</i>	-36.417	-154.683
<i>Adjustment of deferred tax for the year</i>	2.306	79.213
	<u>-34.111</u>	<u>-75.470</u>

## Notes

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All amounts in DKK.

	<u>31/12 2023</u>	<u>31/12 2022</u>
<b>5. Development projects in progress</b>		
Cost 1 January 2023	5.687.892	4.984.788
Additions during the year	<u>165.534</u>	<u>703.104</u>
<b>Cost 31 December 2023</b>	<b><u>5.853.426</u></b>	<b><u>5.687.892</u></b>
 <b>Carrying amount, 31 December 2023</b>	 <b><u>5.853.426</u></b>	 <b><u>5.687.892</u></b>

During 2023 the Company continued an internal development project about its health monitoring technology for astronauts and private space tourists. The development project is expected to lead to new products with commercial potential such as sale to space agencies and private spaceflight companies. The project progresses according to plan. A statement of support has been submitted from the parent company Danish Aerospace Company A/S and the Company has adequate resources to complete the project within the determined deadlines.

### 6. Income tax receivables

According to LL §8X, receivable tax is regarding tax credit for incurred development costs which is expected to be paid in November 2024.

### 7. Contingencies

#### Joint taxation

With DANISH AEROSPACE COMPANY A/S, company reg. no 12424248 as administration company, the company is subject to the Danish scheme of joint taxation and unlimitedly, jointly, and severally liable, along with the other jointly taxed companies, for the total corporation tax.

The company is unlimitedly, jointly, and severally liable, along with the other jointly taxed companies, for any obligations to withhold tax on interest, royalties, and dividends.

The jointly taxed entities' total known net liability under the joint taxation arrangement is disclosed in the administration company's financial statements.

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

## ***Accounting policies***

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The annual report for DANISH AEROSPACE MEDICAL 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.

As discussed in the management report, the condition for going concern has not been met. Assets and liabilities are therefore, in accordance with current accounting policies, measured at expected realizable values.

All value adjustments of assets and liabilities as well as derived operating items are consequently recognized in the income statement, including expected losses, various disposal costs, fees etc.

### **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.

## **Income statement**

### **Gross loss**

Gross loss comprises the revenue, changes in inventories of finished goods, and work in progress, own work capitalised, other operating income, cost of raw materials, consumables and external costs.

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes write downs of receivables recognised in current assets.

## ***Accounting policies***

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### **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, 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, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

## **Statement of financial position**

### **Intangible assets**

#### **Intellectual property rights etc.**

Intellectual property rights etc 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.

### **Impairment loss relating to non-current assets**

The carrying amount of intangible assets are subject to annual impairment tests in order to disclose any indications of impairment beyond those expressed by amortisation and depreciation respectively.



## ***Accounting policies***

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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.

### **Receivables**

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

### **Cash and cash equivalents**

Cash 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.

#### **Income tax and deferred tax**

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.

According to the rules of joint taxation, DANISH AEROSPACE MEDICAL COMPANY A/S is unlimitedly, jointly, and severally liable to pay the Danish tax authorities the total income tax, including withholding tax on interest, royalties, and dividends, arising from the jointly taxed group of companies.

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.

Adjustments take place in relation to deferred tax concerning elimination of unrealised intercompany gains and losses.

## ***Accounting policies***

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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**

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