

# Danish Aerospace

M E D I C A L   C O M P A N Y



## DANISH AEROSPACE MEDICAL COMPANY A/S

Hvidkærvej 31, st.  
5250 Odense SV  
CVR No. 25136071

## Annual report 2021

The Annual General Meeting adopted the  
annual report on 27.04.2022

**Chantal Pernille Patel**

Chairman of the General Meeting

# Contents

Entity details	2
Statement by Management	3
Independent auditor's report	4
Management commentary	7
Income statement for 2021	8
Balance sheet at 31.12.2021	9
Statement of changes in equity for 2021	11
Notes	12
Accounting policies	14

# Entity details

## Entity

DANISH AEROSPACE MEDICAL COMPANY A/S

Hvidkærvej 31, st.

5250 Odense SV

Business Registration No.: 25136071

Registered office: Odense

Financial year: 01.01.2021 - 31.12.2021

## Board of Directors

Niels Thomas Heering, chairman

Søren Bjørn Hansen, deputy chairman

Tina Moe

James Vernon Zimmerman

## Executive Board

Thomas Axel Esbern Andersen

## Auditors

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

Munkebjergvænget 1, 3. og 4. sal

5230 Odense M

CVR No.: 33 77 12 31

# Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of DANISH AEROSPACE MEDICAL COMPANY A/S for the financial year 01.01.2021 - 31.12.2021.

The annual report is presented in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2021 and of the results of its operations for the financial year 01.01.2021 - 31.12.2021.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Odense, 28.03.2022

## Executive Board

**Thomas Axel Esbern Andersen**

## Board of Directors

**Niels Thomas Heering**  
chairman

**Søren Bjørn Hansen**  
deputy chairman

**Tina Moe**

**James Vernon Zimmerman**

# Independent Auditor's Report

## 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 2021, and of the results of the Company's operations for the financial year 1 January - 31 December 2021 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 2021, 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.

### 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.

### 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 judgment and maintain professional skepticism 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.

Odense, 28.03.2022

**PricewaterhouseCoopers**

Statsautoriseret Revisionspartnerselskab

CVR No. 33 77 12 31

**René Otto Poulsen**

State Authorised Public Accountant

Identification No (MNE) mne26718

**Kristian Rath**

State Authorised Public Accountant

Identification No (MNE) mne42817

# Management commentary

## Primary activities

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

## Development in activities and finances

The income statement of the Company for 2021 shows a loss of DKK 367 and at 31 December 2021 the balance sheet of the Company shows an equity of DKK 641,826.

## Events after the balance sheet date

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



# Income statement for 2021

	Notes	2021 DKK	2020 DKK
<b>Gross profit/loss</b>		<b>(25,140)</b>	<b>(17,648)</b>
Other financial expenses	1	(84,132)	(63,977)
<b>Profit/loss before tax</b>		<b>(109,272)</b>	<b>(81,625)</b>
Tax on profit/loss for the year	2	108,905	110,147
<b>Profit/loss for the year</b>		<b>(367)</b>	<b>28,522</b>
<b>Proposed distribution of profit and loss</b>			
Retained earnings		(367)	28,522
<b>Proposed distribution of profit and loss</b>		<b>(367)</b>	<b>28,522</b>

# Balance sheet at 31.12.2021

## Assets

	Notes	2021 DKK	2020 DKK
Development projects in progress	4	4,984,788	3,698,959
<b>Intangible assets</b>	3	<b>4,984,788</b>	<b>3,698,959</b>
<b>Fixed assets</b>		<b>4,984,788</b>	<b>3,698,959</b>
Other receivables		121,428	149,010
Income tax receivable	5	282,882	0
<b>Receivables</b>		<b>404,310</b>	<b>149,010</b>
<b>Cash</b>		<b>61,102</b>	<b>10,661</b>
<b>Current assets</b>		<b>465,412</b>	<b>159,671</b>
<b>Assets</b>		<b>5,450,200</b>	<b>3,858,630</b>

**Equity and liabilities**

	Notes	2021 DKK	2020 DKK
Contributed capital		500,000	500,000
Reserve for development expenditure		3,888,135	2,885,188
Retained earnings		(3,746,309)	(2,742,995)
<b>Equity</b>		<b>641,826</b>	<b>642,193</b>
Deferred tax		665,408	396,323
<b>Provisions</b>		<b>665,408</b>	<b>396,323</b>
Trade payables		20,000	13,175
Payables to group enterprises		4,122,966	2,806,939
<b>Current liabilities other than provisions</b>		<b>4,142,966</b>	<b>2,820,114</b>
<b>Liabilities other than provisions</b>		<b>4,142,966</b>	<b>2,820,114</b>
<b>Equity and liabilities</b>		<b>5,450,200</b>	<b>3,858,630</b>

Contingent liabilities

6

# Statement of changes in equity for 2021

	Contributed capital DKK	Reserve for development expenditure DKK	Retained earnings DKK	Total DKK
Equity beginning of year	500,000	2,885,188	(2,742,995)	642,193
Transfer to reserves	0	1,002,947	(1,002,947)	0
Profit/loss for the year	0	0	(367)	(367)
<b>Equity end of year</b>	<b>500,000</b>	<b>3,888,135</b>	<b>(3,746,309)</b>	<b>641,826</b>

# Notes

## 1 Other financial expenses

	2021 DKK	2020 DKK
Financial expenses from group enterprises	83,849	63,875
Other interest expenses	283	102
	<b>84,132</b>	<b>63,977</b>

## 2 Tax on profit/loss for the year

	2021 DKK	2020 DKK
Current tax	(282,882)	0
Change in deferred tax	173,977	(110,147)
	<b>(108,905)</b>	<b>(110,147)</b>

## 3 Intangible assets

	Development projects in progress DKK
Cost beginning of year	3,698,959
Additions	1,285,829
<b>Cost end of year</b>	<b>4,984,788</b>
<b>Carrying amount end of year</b>	<b>4,984,788</b>

## 4 Development projects

During 2021 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 and the Company has adequate resources to complete the project within the determined deadlines.

## 5 Tax receivable

According to LL §8X, receivable tax is regarding tax credit for incurred development costs which is expected to be paid in November 2022.

## **6 Contingent liabilities**

The Entity participates in a Danish joint taxation arrangement where Danish Aerospace Company A/S serves as the administration company. 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 the jointly taxed entities. The jointly taxed entities' total known net liability under the joint taxation arrangement is disclosed in the administration company's financial statements.

# Accounting policies

## Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of a few provisions for reporting class C.

The accounting policies applied to these financial statements are consistent with those applied last year.

## Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

## Income statement

### Gross profit or loss

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

### Other external expenses

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.

### Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital or exchange losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities, and tax surcharge under the Danish Tax Prepayment Scheme etc.

### Tax on profit/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.

## Balance sheet

### 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.

### Receivables

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

### Tax payable or receivable

Current tax payable or receivable is recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax.

### Cash

Cash comprises cash in hand and bank deposits.

### Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amount and the tax-based value of assets and liabilities, for which the tax-based value is calculated based on the planned use of each asset. However, no deferred tax is recognised for amortisation of goodwill disallowed for tax purposes and temporary differences arising at the date of acquisition that do not result from a business combination and that do not have any effect on profit or loss or on taxable income.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

Deferred tax relating to retaxation of previously deducted losses in foreign subsidiaries is recognised on the



basis of an actual assessment of the purpose of each subsidiary.

**Other financial liabilities**

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.