



Rovsing

**INTERIM REPORT FIRST HALF
YEAR 2017 / 18**



PROFILE

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

The products and systems are used for testing of all spacecraft sub-systems, including external communication connections and instruments.

The company's products are generic and are sold either on a stand-alone basis or used as modules in system solutions, customised for the specific spacecraft. In connection with the configuration of system solutions, third parties' products are also used, and new software is developed for the individual spacecraft.

The products, inclusive software packages, are flexible and configurable, facilitating tailor-made customer solutions.

More specifically, Rovsing offers, inter alia, the following equipment and products:

- Power check-out equipment
- Spacecraft interface simulators
- Payload/system front-ends
- RF suitcases
- Instrument EGSEs
- Avionics test beds
- Real-time simulators

In addition, Rovsing develops software solutions, including solutions based on specific customer specifications, and performs independent software verification/validation (ISVV) for critical space-related software developed by third parties.

Rovsing also provides engineering support for large corporations in the space industry, such as Airbus DS, at various locations in Europe and in South America. For more than 15 years, Rovsing has been awarded responsibility for configuration control of ground installations at the European space base CSG in Kourou in French Guiana.

Rovsing also performs software testing, sub-supplier management and helpdesk support for European corporates in the space industry at various locations in Europe.

The main customers of Rovsing are all European and US-based space groups and their key sub-suppliers. The European Space Agency, ESA and various national space agencies in Europe are also among Rovsing's customers.

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STATEMENT FROM THE CHAIRMAN

The first half year of 2017/2018 has been a challenging time for Rovsing. A realized Revenue of DKK 11,6 million and an EBITDA of DKK -2.9 million is a disappointing result. The main reason for the underperformance is delays in the finalization of major projects, which affected our milestone payments, lack of new orders and a cost base, which is too high compared to the current revenue.

Rovsing is at the beginning of a transformation period with a new board, new management and a new strategy and the board is fully committed to implement and execute the turnaround plan to secure significant improvements in the future profitability of Rovsing.

As with every turnaround plan, the effects of initiatives which was launched together with the strategy plan in December 2017, cannot be seen in the results short term, but we expect to improve our performance going forward quarter by quarter.

Regarding our announcement no. 273 where CEO Cristian Bank announced his leave due to a new job opportunity, I am pleased to announce that we have successfully identified our new CEO, Mr. Hjalti Pall Thorvardarson, who will resume his new position on 1 March 2018.

Mr. Thorvardarson has a long track record within the Space Industry and has been with Rovsing for the last 8 years in different positions. Mr. Thorvardarson will be head of our new management team together with our CFO Mr. Sigurd Hundrup, who joined the company in September 2017.

Cristian Bank will secure a successful handover in February and I will support the new management team for the next 6 months as working Chairman to secure that all routines around the new board/management setup becomes fully implemented.

To accelerate the transformation towards profitability, the board recently launched a sourcing programme to review all suppliers and

contracts to reduce the current cost base. The work is ongoing, and we have already been able to save significant amounts on our rented facilities and with other major suppliers. These savings will have an immediate effect on our results, and the sourcing process will continue to secure savings.

Regarding our guidance for the full financial year 2017/2018, we have been revising the current order books and pipeline and we have to adjust our guidance to a revenue in the level of DKK 26-28 million and an EBITDA in the range from DKK -2 to -4 million.

Rovsing is currently in a process of negotiating two large contracts, which can affect our second half year results in a positive direction if the related order intake is achieved. If there will be a positive outcome short term, we will inform about that in a separate announcement including comments about our guidance if it will have any effect in that regard.

Finally, in the first half of 2017/18, Rovsing has successfully executed two capital increases and obtained a bond loan to strengthen the company's capital structure and repay all loans to insiders. With this consolidation of our capital structure, Rovsing's loan structure is only based on professional counterparts

Michael Hove, Chairman of the Board of Directors

HIGHLIGHTS OF THE HALF YEAR

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- In the first half year of 2017/18, the revenue amounted to DKK 11.6 million, a decrease of 41% from DKK 19.7 million in first half year of 2016/17.
- The decrease in revenue in the first six month of the financial year was mainly due to a significant delay in the MetOp-SG instrument software development impacting Rovsing's activities within Independent Software Validation & Verification (ISVV), and to a delay of several procurement decisions of Rovsing's customers, leading to a lower than forecasted activity level from new orders and a general lower activity in ESA-driven projects.
- EBITDA amounted to DKK - 2.9 million, corresponding to a change of DKK -3.4 million compared to the first half year of 2016/17. The lower EBITDA was primarily due to the lower revenue.
- Rovsing carried out two directed share issues amounting to a total of DKK 9.8 million partly used to refinance various loans, including loans from related parties, with a new loan of DKK 4.0 million under more favorable conditions.
- At the General Assembly in October 2017, a new Board was elected. In September 2017 Sigurd Hundrup was appointed as new CFO.
- Rovsing adopted a new 4-year strategy for growth and profitability in December 2017, aiming at doubling the revenue and achieving an EBITDA margin of 10% until 2021.

FINANCIAL HIGHLIGHTS AND RATIOS

INCOME STATEMENT	1H 2017/2018	1H 2016/2017	Full year 2016/17
DKK'000			
Revenue	11,614	19,720	38,968
Earnings before interest, taxes, depreciation and amortisation, EBITDA	-2,861	567	1,260
Operating profit (EBIT)	-4,408	-926	-1,921
Financial income and expenses, net	-740	-484	-1,344
Profit/loss for the year	-5,148	-1,410	-2,675
BALANCE SHEET			
Non-current assets	24,962	25,863	25,741
Current assets	11,835	14,373	15,718
Total assets	36,797	40,235	41,459
Equity	22,719	19,203	18,217
Non-current liabilities	0	0	0
Current liabilities	14,078	21,032	23,243
Total equity and liabilities	36,797	40,235	41,459
CASH FLOW STATEMENT			
Cash flow from operating activities	-4,140	-8,784	-5,038
Cash flow from investing activities	-768	-351	-1,329
Cash flow from financing activities	4,139	10,860	7,552
Total cash flow	-769	1,725	1,185
KEY FIGURES			
EBITDA margin, %	-24.6	2.9	3.2
EBIT margin, %	-38.0	-4.7	-4.9
Return on equity, %	-27.6	-8.6	-15.3
Earnings per share (EPS)	-0.01	-0.01	-0.01
Cash flow per share (CFPS)	-0.02	-0.04	-0.04
Dividends per share of DKK 0.05	-	-	-
Pay-out ratio, %	-	-	-
Equity per share, DKK	0.06	0.06	0.05
Solvency, %	61.7	47.7	43.9
Average number of shares (1,000 shares)	344,069	307,045	316,778
Number of share at year-end (1,000 shares)	399,854	332,212	333,212

The key figures are calculated in accordance with the recommendations issued by the Danish Society of Financial Analysts ("Finansforeningens") in 2015.

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

CORPORATE INFORMATION

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The Company

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2740 Skovlunde, Denmark

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

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

Board of Directors

Michael Hove (Chairman)
Jørgen Hauglund
Flemming Hynkemejer
Ulrich Beck

Executive Management

Christian Bank, CEO

Auditors

BDO Statsautoriseret revisionsaktieselskab
Birk Centerpark 30
7400 Herning, Denmark

MANAGEMENTS' REVIEW

REVENUE AND RESULT

Revenue for the first half year 2017/18 amounted to DKK 11.6 million or 41% below revenue for the same period last year but in line with revenue in first half year of 2015/16. The decrease in revenue was primarily caused by a lower activity in ESA driven projects and some specific programme delays.

Gross profit for the period amounted to DKK 8.1 million compared to DKK 15.6 million in the first half of 2016/17, reflecting the decrease in the overall activity level.

Staff cost amounted to DKK 8.7 million or DKK 4.2 million lower compared to the same period in the financial year 2016/17.

EBITDA for the period amounted to DKK -2.9 million compared to DKK 0.6 million in the same period of the financial year 2016/17.

The net profit for the first half year amounted to DKK -5.1 million compared to DKK -1.4 million in the same period last year.

Equity as per 31 December 2017 amounted to DKK 22.7 million (31 December 2016: DKK 19.2 million).

Cash flow from operating activities for the period amounted to DKK -4.1 million compared to DKK -8.8 million in the first half year 2016/17. Cash flow from investing activities amounted to DKK -0.8 million (2016/17 DKK -0.4 million) and cash flow from financing activities amounted to DKK 4.1 million (2016/17 DKK 10.9 million). The positive cash flow from financing activities included DKK 9.8 million from two directed shares issues.

OPERATIONAL REVIEW

In the first half of financial year 2017/18, Rovsing had to face a reduction in revenue and EBITDA compared to the first half year 2016/17, but still remaining on a high level compared to preceding business years.

As already explained in the Annual Report 2016/17 (cf. p. 6, "The European Market"), Management considers the decrease in revenue a temporary effect resulting from some specific programme delays and overall market situation

The European market

In the first half of the financial year 2017/18, Rovsing suffered from a temporary decrease in the

level of activity on the European market, which remains the most important market to Rovsing.

This decrease was due to delays of several ESA programmes either in procurement or development activities. Revenue from new contracts suffered from several delays of procurement decisions on Rovsing proposals.

In the second quarter of the financial year 2017/18, Rovsing delivered one more SAS-based test system to the European service module (ESM) to the NASA-ESA vehicle Orion MPCV. This system was a copy of two systems delivered in 2016.

Also in Q2, Rovsing produced and partially delivered several DSTE-based Front End systems to various ESA programmes, among them MetOp-SG, Sentinel-3, and JUICE.

Rovsing also successfully pursued the prolongation or renewal of its service contracts to assure a stable revenue contribution in 2018.

The ESA co-financed development project, which is aimed at ensuring that Rovsing's ESSE software package is compatible with ESA's future ground software "common core" standards, was put on hold by ESA due to a delay in the development of ESA's underlying control software and is expected to resume in March 2018.

The development of the Man-Machine Interface (MMI) for MetOp-SG's RF SCOE continues, providing an excellent opportunity to collaborate with a new customer and incorporate improvements in EGSE software for MMI.

The US market

Rovsing's activities on the US market take place in cooperation with the company's US partner RT Logic in Colorado Springs.

While the contract for the supply of Power SCOE for Boeing is ongoing, RT Logic and Rovsing are pursuing further opportunities in the US market on both the institutional and the commercial market.

The Chinese market

Following two industry conferences in Shanghai, in which connection Rovsing also presented a SAS and a SLP demo suitcase, Rovsing's Chinese partner supported a number of potential customers in their assessment of Rovsing's products. As expected, sales in the Chinese market proved to rely very much on personal support and mutual trust which require time to establish.

Product development and production

In the financial year 2016/17, following the newly approved SAS module and its portfolio of Power and Digital test products (SLP, MASC and DSTE) with adjoining software testing packages, Rovsing succeeded in establishing a stable product base and related logistics, production and testing environments. These products are now the foundation for Rovsing's test systems and contribute to stabilizing the revenue.

Rovsing evaluated the CAN Bus Controller future commercial market potential and concluded that significant investments would be necessary in order to keep the product commercially attractive. Taking into account the company's focus on test systems and products, and the goal of improving the bottom line financial performance, Rovsing decided not to maintain this product further and sold off the associated IPR to Celestia STS, one of Rovsing's key partners in the EGSE business.

Capital increase of DKK 5.1 million and DKK 4.7 million respectively

By way of a directed share issue executed in October 2017, Rovsing issued 33,321,204 new shares of nominal value DKK 0.05 each. The subscription price was DKK 0.153 per share, and the total capital raised was DKK 5.1 million. In December 2017 Rovsing issued 33,321,204 new shares. The subscription took place at a price of DKK 0.141 per share. The total proceeds to the Company amounted to DKK 4.7 million, of which DKK 1.9 million was received in cash and DKK 2.8 million was settled by conversion of debt.

Organisation and management

By the end of December 2017, Rovsing employed a total of 33 employees, counted on a full-time-equivalent basis. Most employees were employed at the company's head office in Skovlunde, Denmark, but the company also has employees at several local destinations where they provide support services and consultancy services.

In October 2017, the Company's annual general meeting elected a new Board. As two members of the former Board, Kalle Hvidt Nielsen and Greg Sims, members did not apply for reelection, the Board was significantly rearranged, and three new Board members were elected (cf. announcement no. 266). In December 2017, Board member Søren A. Rasmussen resigned from the board.

Outlook for 2017/18

Initiated in December 2017, and ongoing in 2018, the Board of Directors and management has initiated a comprehensive cost saving program. As part of the program, several administrative cost items as well as the rent for the company's premises have already been re-negotiated resulting in significant savings. These savings will have partial impact on the financial performance in 2017/18 and full impact in later financial years.

In light of the above developments and in particularly the expected level of ESA activity during the financial year 2017/18, management expects for the financial year 2017/18 a revenue of around DKK 26-28 million and an EBITDA of around DKK -2 to -4 million.

EVENTS AFTER THE REPORTING PERIOD

After the balance sheet date, no events have occurred that materially affect the Company's financial position other than the events described in the Management's review.

Referring to company announcement no 272 the Board of Directors appointed Michael Hove as new chairman of the Board. The former chairman Jørgen Hauglund continues as member of the Board.

In January 2018 the CEO of Rovsing announced his resignation from his position as from the end of March to take up a new position cf. company announcement no. 273.

As from 1. March 2018 Mr. Hjalti Pall Thorvardarson has been appointed as new CEO.

MANAGEMENT STATEMENT

The Board of Directors and the Executive Management have today discussed and approved the interim report for Rovsing A/S for the period 1 July – 31 December 2017.

The interim report, which has neither been audited nor reviewed by the company's auditor, has been prepared in accordance with IAS 34, "Interim Financial Reporting", as adopted by the EU and in line with additional Danish interim reporting requirements for listed companies.

In our opinion, the financial statements give a true and fair view of Rovsing A/S' assets, liabilities and financial position as at 31 December 2017 and of the results of the company's operations and cash flow for the period 1 July – 31 December 2017.

Further, in our opinion, the management review gives a true and fair review of the development in the company's operations and financial matters, the result of the company's operations for the period and the financial position as a whole as well as a description of the principal risks and uncertainties that the company faces.

Skovlunde, February 16 2018

Executive Management

Cristian Bank (CEO)

Board of Directors

Michael Hove (Chairman)

Jørgen Hauglund

Ulrich Beck

Flemming Hynkemejer

INCOME AND COMPREHENSIVE INCOME STATEMENT

Note	INCOME AND COMPREHENSIVE INCOME STATEMENT	1H 2017/18	1H 2016/2017	Full year 2016/17
	DKK'000			
3	Revenue	11,614	19,720	38,968
	Production costs, external	-3,500	-4,102	-10,411
	Gross profit/loss	8,114	15,618	28,557
	Other external expenses	-2,269	-2,151	-4,606
	Staff costs	-8,706	-12,900	-22,691
	Operating profit before depreciation and amortisation (EBITDA)	-2,861	567	1,260
	Depreciation, amortisation and impairment	-1,547	-1,493	-3,181
	Operating profit/loss (EBIT)	-4,408	-926	-1,921
	Financial income	12	20	30
	Financial expenses	-752	-504	-1,373
	Profit/loss before tax	-5,148	-1,410	-3,264
	Tax on profit/loss for the year	0	0	590
	Net profit	-5,148	-1,410	-2,675
	Comprehensive income	-5,148	-1,410	-2,675
	Allocation of profit/loss:			
	Shareholders of Rovsing A/S	-5,148	-1,410	-2,675
	Transferred from share premium	0	0	0
	Retained earnings	-5,148	-1,410	-2,675
	Earnings per share			
	Earnings per share (EPS Basic)	-0.01	-0.01	-0.01
	Earnings per share (EPS-D)	-0.01	-0.01	-0.01

BALANCE SHEET

Note **BALANCE SHEET, ASSETS**

	31/12/2017	31/12 2016	30/6 2017
DKK'ooo			
Non-current assets			
Intangible assets			
3 Completed development projects	17,781	19,966	19,240
3 Patents and licenses	1,547	2,040	1,681
3 Development projects in progress	889	0	0
	20,217	22,006	20,921
Property, plant and equipment			
Other fixtures and fittings, tools and equipment	339	40	414
	339	40	414
Other non-current assets			
Tax	206	0	206
Deferred tax	4,200	3,816	4,199
	4,406	3,816	4,406
Total non-current assets	24,962	25,862	25,741
Current assets			
Inventories	2,257	2,830	2,889
Trade receivables	4,360	4,627	2,647
Contract work in progress	4,015	3,302	6,538
Tax	0	0	1,508
Other receivables	416	2,016	498
Prepaid expenses	363	124	446
Cash	424	1,473	1,192
Total current assets	11,835	14,373	15,718
TOTAL ASSETS	36,797	40,235	41,459

BALANCE SHEET

Note **BALANCE SHEET, EQUITY AND LIABILITIES**

	31/12/2017	31/12 2016	30/6 2017
DKK'000			
Equity			
Share capital	19,993	19,177	16,661
Reserves for development costs	1,827	0	938
Retained earnings	898	26	618
Total equity	<u>22,718</u>	<u>19,203</u>	<u>18,217</u>
Current liabilities			
Credit institutions	3,813	7,024	7,205
Funding guaranteed by EKF	1,190	4,999	4,650
Intermediate term loans	4,000	0	0
Prepayments, customers	0	0	417
Trade payables	1,331	2,186	2,719
Other payables	3,495	6,328	8,002
Provisions	250	495	250
Total current liabilities	<u>14,079</u>	<u>21,032</u>	<u>23,243</u>
Total liabilities	<u>14,079</u>	<u>21,032</u>	<u>23,243</u>
TOTAL EQUITY AND LIABILITIES	<u>36,797</u>	<u>40,235</u>	<u>41,459</u>

STATEMENT OF CHANGES IN EQUITY

Note **STATEMENT OF CHANGES IN EQUITY**

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DKK'000

2016/17	SHARE CAPITAL	RESERVES FOR DEVELOP- MENT COSTS	RETAINED EARNINGS	TOTAL
Equity at 1 July 2016	15,100	0	1,226	16,326
Comprehensive income for the period				
Comprehensive income	0	0	-1,410	-1,410
Total comprehensive income for the period	0	0	-1,410	-1,410
Other transactions				
Issue of new shares	1,511	0	2,566	4,077
Costs of issuing new shares	0	0	0	0
Warrant programme	0	0	265	265
Trading in treasury shares, net	0	0	-55	-55
Total transactions with owners	1,511	0	2,776	4,287
Equity at 31 December 2016	16,611	0	2,592	19,203

2017/18	SHARE CAPITAL	RESERVES FOR DEVELOP- MENT COSTS	RETAINED EARNINGS	TOTAL
Equity at 1 July 2017	16,661	938	618	18,217
Comprehensive income for the period				
Comprehensive income	0	0	-5,148	-5,148
Transferred between reserves	0	889	-887	0
Total comprehensive income for the period	0	889	-6,037	-5,148
Other transactions				
Issue of new shares upon exercise of warrants	0	0	0	0
Share issue	3,332	0	6,466	9,798
Costs share issue			-228	-228
Warrant programme	0	0	79	79
Total transactions with owners	3,332	0	6,317	9,649
Equity at 31 December 2017	19,993	1,827	898	22,718

CASH FLOW STATEMENT

Note	CASH FLOW STATEMENT	1H 2017/18	1H 2016/17	Full year 2016/17
	DKK'000			
	Profit/loss for the year	-5,148	-1,410	-2,675
	Adjustment for non-cash operating items etc.:			
	Depreciation, amortisation and impairment	1,547	1,493	3,181
	Other non-cash operating items, net	79	0	447
	Financial income	-13	-20	-30
	Financial expenses	752	504	1,373
	Tax on profit/loss for the year	0	0	-590
	Cash flows from operations before changes in working capital	-2,783	567	1,707
	Change in working capital	-618	-8,867	-6,235
	Cash flow from operations	-3,401	-8,300	-4,428
	Interest receivable	13	20	30
	Interest payable	-752	-504	-1,373
	Tax reimbursement	0	0	834
	Cash flow from operating activities	-4,140	-8,784	-5,038
	Acquisition of intangible assets	-1,388	-351	-938
	Received development subsidies	620	0	0
	Acquisition of property, plant and equipment	0	0	-390
	Cash flow from investing activities	-768	-351	-1,329
	Debt raised	4,000	5,129	4,650
	Repayment of debt with credit institutions	-6,852	1,709	-1,285
	Repayment of debt bridge loans	-2,579	0	0
	Capital increase, net proceeds from issue	9,798	4,077	4,077
	Trading in treasury shares, net	0	-55	0
	Warrants, employees	0	0	110
	Capital increase, costs	-228	0	0
	Cash flow from financing activities	4,139	10,860	7,552
	Net cash flow for the period	-769	1,725	1,185
	Cash, beginning of year	1,192	6	6
	Cash, end of year	423	1,731	1,192

NOTES

ACCOUNTING

1 POLICIES USED

The half-year report is prepared in accordance with IAS 34 that is approved by the European Union and other requirements for Danish listed companies.

Accounting policies are unchanged compared to 2016/17.

The half-year report is prepared in DKK.

2 SEASON

The company's activities have not been affected by any season in the period.

3 INTANGIBLE ASSETS

The company has during the period 1 July - 31. December 2017 incurred costs for intangible assets (development projects under construction) for DKK 0.9 million. As described in the management's report in the 2016/17 annual report, future earnings are also related to product rights from SSBV and development projects. Earnings size and timely realization is subject to uncertainty. Impairment test for intangible assets will be carried out per 30 June 2018, after completion of budgets, etc. for the next 3 years period. See also the section "Risk factors" in the annual report 2016/17

4 CONTINGENT ASSETS AND LIABILITIES

The company has entered into agreements for grants for research and development. Grants are paid when contracted project deliveries are provided and approved by grants.

The company has a co-financing obligation in the agreements entered into where the

company itself hold about 50% of estimated costs.

5 TRANSACTIONS BETWEEN PARTNERS AND RELATED PARTIES

The company has no related parties or partners with a controlling influence.

The company has registered the following shareholders as holding 5% or more of the share capital:

- 9,36 % Mediuminvest
- 6,54 % Catpen A/S

The company's related parties includes also the board of directors and management.

6 EVENTS AFTER THE 31 DECEMBER 2017

The company knows of no events or issues after 31 December 2017 that has a substantial influence on the financial position of the company.

DEFINITIONS

KPIs / key figures	Definition
Number of shares at end of period	Total number of shares at the end of the period less the number of shares owned by the company.
Cash flow per share	Cash flow from operations divided with average amounts of shares.
EBITDA-margin before special items	Profit before financial items, tax and depreciations and special items as a percentage of revenue.
EBIT-margin	Profit before financial items and tax as a percentage of revenue.
Equity ratio	Equity at end of period as a percentage of total assets.
Return on equity	Profit for the year as a percentage of average equity.
Average numbers of shares	The average number of shares in the period reported.
Payout-ratio	Total payout in the period divided with the result of the period.
Earnings per share	Profit for the year divided with the average number of shares.

DEFINITION OF RATIOS

Ratio	Explanation
No. of shares, end of period	The total number of outstanding shares at any given time, exclusive of the Company's treasury shares.
Cash flow per share (DKK)	Cash flows from operating activities divided by average number of shares.
EBITDA margin (profit margin before depreciation and amortisation) (%)	Earnings before interest, tax depreciation and amortisation as a percentage of revenue.
EBIT margin (profit margin) (%)	Earnings before interest and tax as a percentage of revenue.
Equity ratio	Equity, end of year, as a percentage of total assets.
Return on equity (%)	Profit/loss for the year after tax divided by average equity.
Average no. of outstanding shares (1,000)	Average number of outstanding shares at any given time.
Net asset value per share (DKK)	Equity at year-end divided by number of shares at year-end.
Payout ratio (%)	Total dividends distributed divided by profit/loss for the year.
Earnings per share (DKK)	The Company's share of profit/loss for the year divided by average no. of shares.
Solvency ratio (%)	Traditional way of expressing the Company's financial strength.
Dividend per share of DKK 0.05	Dividend payment in Danish kroner per share.

GLOSSARY

Term	Explanation
Application	Specific use of a product
Airbus Defense & Space	French, German, British and Spanish company operating in the defense, space and telecommunications industry
Check-out system	System for testing and controlling a satellite or instrument
DSTE	Digital Simulation & Test Equipment (the product portfolio acquired by SSBV)
ESA	The European Space Agency
ESRO (European Space Research Organisation)	Organisation preceding ESA
ESTEC	European Space Research and Technology Centre
Gaia	Satellite project under ESA
Galileo	European satellite navigation system similar to the GPS system in the USA
Industrial collaboration agreement	Agreement signed by non-Danish suppliers of defense material to Denmark with the Danish Enterprise and Construction Agency to ensure that the supplier undertakes in return to acquire defense material manufactured by Danish companies.
ISVV (Independent Software Verification & Validation)	Independent verification and validation of software
Kick-Off	Kick-Off meeting to start up a project
Command control system	Guidance system
Critical software	Software, the failure or breakdown of which may cause loss of life, loss of spacecraft or loss of performance of the planned task, or software for which error rectification may prove very costly.
Lockheed Martin	US company operating in the defense and space industry
Counter-purchase obligation	Obligation on a non-Danish supplier of defense material to the Danish Armed Forces to buy defense-related equipment from Danish companies.
Outsourcing	The outsourcing of part of or a whole assignment with a subcontractor
Prime Contractor	The company with the main responsibility for carrying out a major ESA project
Project manager	Person in charge of carrying out a project
Second Generation Location, Determination, Guidance and Navigation System	Electronic unit providing localisation and navigation information
SSBV	Satellite Holdings BV
Thales Alenia Space	European space and defense industry company
EGSE	Electrical Ground Support Equipment
RF Suitcases	Radio Frequently test equipment for testing satellite communication links
Power SCOE	Special Checkout Equipment for testing satellite power systems
SAS	Solar Array Simulator
SLP	Second Level Protection
MetOp-SG	Meteorological Operational Satellite - Second Generation

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