Annual Report 2021/22

CVR NO. 17 00 21 47

RTX

Helping people perform at their best

Wireless communication is an integral part of all our lives. It seamlessly helps us connect and communicate – in our work as well as in our spare time. RTX's purpose is to help people perform at their best by providing our customers with the best possible wireless communications solutions.

Visit our website to learn more about our turn-key solutions

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The long-term financial ambitions of RTX are to realize significant revenue and earnings growth in the coming years.

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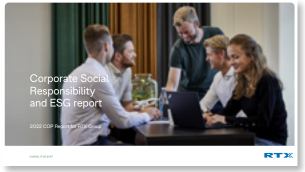
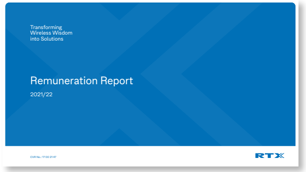
The 2021/22 RTX reporting suite

CSR report/COP



Corporate Governance report

Remuneration report



RTX – at a Glance

RTX delivers turnkey, customized wireless communications solutions to globally recognized B2B customers.

Rooted in a unique combination of software and hardware capabilities – our **Wireless Wisdom** – we help customers turn ideas into solutions. We take responsibility and create value throughout the value chain: From conceptualization of ideas, design and development, testing and certification to manufacturing and deliveries of modules and end products to customers.

Our key competences within wireless technology combined with our end-to-end, turnkey offering set us apart and enable us to customize each solution to meet individual requirements and end-user configurations.

Working in long-term partnerships with customers in a well-proven ODM/OEM-model, understanding market needs and trends, and acting as a professional partner are integral parts of how we do business.

How We Work

Specification and Design
Turning user needs and customer requirements into solutions

Development and Integration
From software and hardware into fully integrated products

Testing and Certification
Ensuring and validating performance

Production and Supply Chain Management
Delivery throughout the entire product life-cycle via certified manufacturers

Who we are

Purpose
Our purpose is to help people perform at their best. We provide our customers with the best possible wireless communications solutions, allowing their customers to seamlessly connect and communicate.

Investment Case
By increasing product sales to large customers, through framework agreements, we aim to increase recurring revenues and strengthen resource scalability.

Mission
Our mission is to help customers make a difference in their markets. We aim to strengthen our customers' competitiveness by delivering turn-key customized solutions.

People
Our unique capabilities reside with our 294 dedicated employees in Europe, Asia, and North America.

Heritage
Our expertise and knowledge in designing and manufacturing short-range digital wireless systems and products has been the backbone of our business for close to 30 years.

2021/22 Highlights

Outlook 2022/23

Financial highlights

Revenue
DKKm
663
+ 45% / (+30% FX corrected)

EBITDA
DKKm
85
+ 129%

EBIT
DKKm
46
+ 653%

ESG highlights

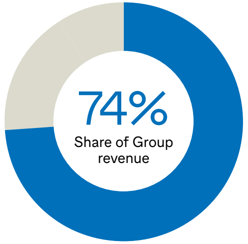
Energy consumption
MWh
707
-2.2%

Employee absence
%
2.5
+ 1.4%-points

Board gender diversity
Members elected by AGM
Male / Female
4/2
-1 male
+2 female

Market segments

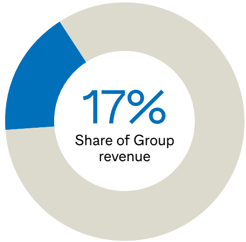
Enterprise



493
Revenue DKK million

60%
YOY Growth

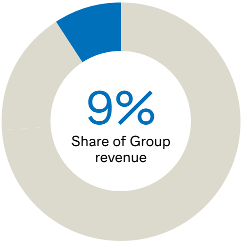
ProAudio



114
Revenue DKK million

12%
YOY Growth

Healthcare



56
Revenue DKK million

20%
YOY Growth

Letter from the Chair & the CEO

Returning to our Growth Track

Demand increased strongly in 2021/22 and led to record high revenue. Component and supply chain challenges impacted revenue and gross margin throughout the year, but there were signs of component availability improving towards the end of the financial year. RTX expects further growth for 2022/23.

Global conditions were unstable, yet again, in 2021/22. While the COVID-19 pandemic subsided in importance and impact, geopolitical tension and outright warfare as well as macroeconomic shifts marked the world in 2021/22. Given such challenging times, RTX is satisfied with the performance in 2021/22. Revenue increased 45% and reached an all-time high of DKK 663 million with very strong demand for RTX products. Earnings also increased significantly. EBITDA increased by 129% to DKK 85 million and EBIT increased by 653% to DKK 46 million aided by the growth in revenue. Both revenue and earnings surpassed our original expectations for the year and the outlook for 2021/22 was revised upwards twice during the year.

Supply challenges such as component scarcity and logistic impediments impacted deliveries during the year. Without such challenges, revenue could have been even higher. However, towards the end of the financial year there are signs that the component scarcity in the global electronics industry begins to improve.

Record demand but global supply challenges

RTX experienced very strong demand for our products and services in 2021/22. The preceding year, 2020/21, was impacted demand-wise by COVID-19, however demand started to increase towards the end of that year. This strong demand development continued and accelerated in 2021/22 and was the basis for RTX exceeding the original revenue expectations for the year.

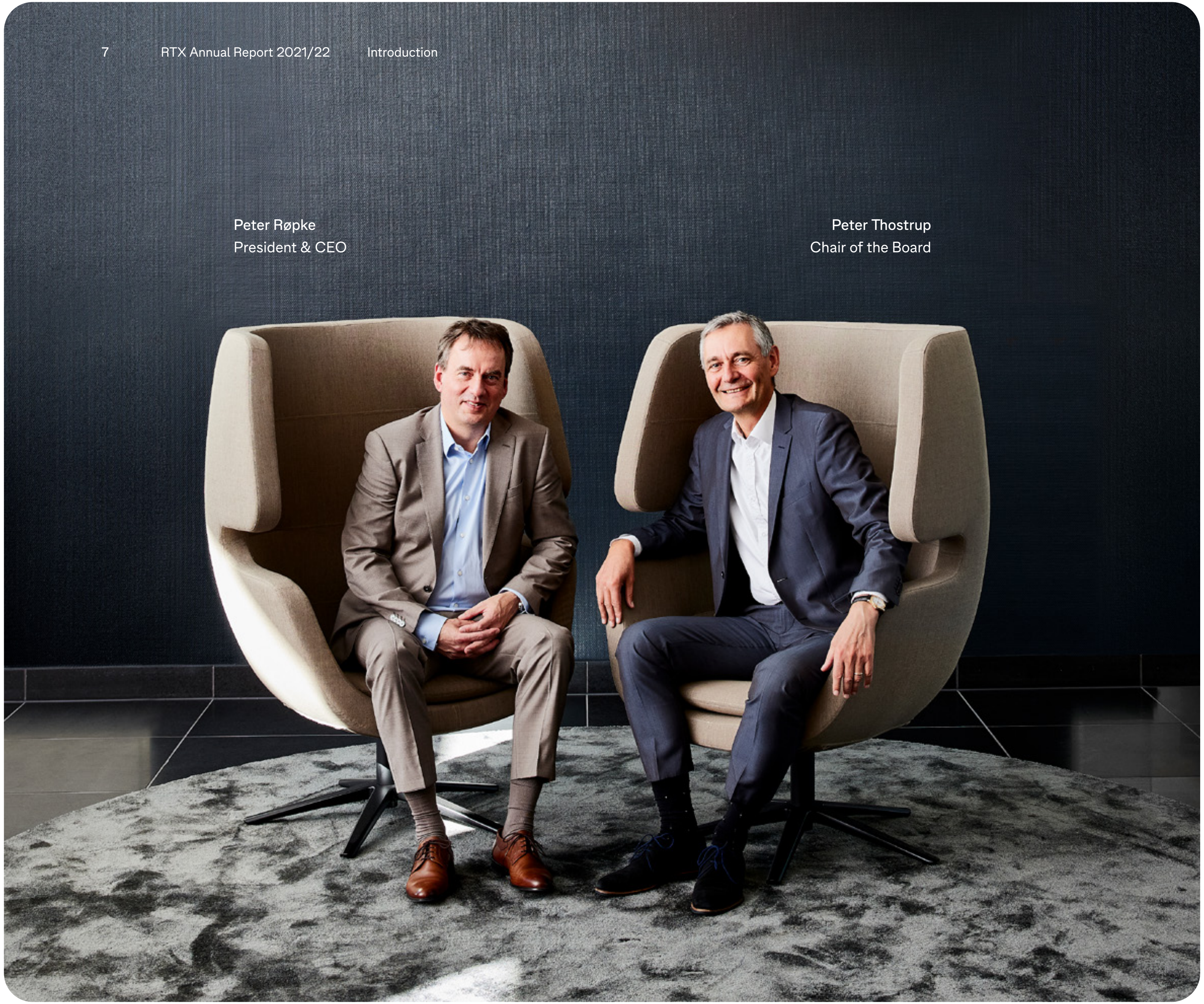
"I am pleased that RTX returned to our long-term growth trajectory in 2021/22 and that we achieved our highest single year revenue ever. When I look ahead, I see many macroeconomic and geopolitical challenges and uncertainties. But I firmly believe that RTX is strongly positioned for further growth. Our business model and strategy for generating recurring revenue from the partnerships with our customers who are global leaders in their respective industries are strong foundations for realizing our future ambitions."

Peter Røpke, CEO

Demand increased in all segments. The Enterprise segment saw very strong growth especially from RTX's large framework agreement customers – both long-standing and newer framework agreement customers. In the ProAudio segment, demand for RTX's products and product solutions increased strongly. Also, the conversion of customers and revenue from an hourly-based engineering services to a recurring revenue product sales business model continued. Therefore, revenue from engineering services declined in 2021/22 in line with the strategy. RTX Healthcare segment demand and revenue also increased in 2021/22.

Since the beginning of 2021 a number of different supply chain challenges have impacted societies and businesses around the world. RTX has been no exception. A significant shortage of electronics components – especially semiconductors – has been seen. Shipping and port capacity issues as well as electricity scarcity and COVID-19 lockdowns in China have also impacted global supply chains – and also RTX's supply chain.

These supply chain challenges have impacted RTX in various ways in 2021/22. First, they have led to postponement of deliveries to customers and thus of revenue from one period into the next. The situation with postponed deliveries worsened over the first half of 2021/22 primarily due to worsened component availability. In the third quarter of 2021/22 the situation



stabilized and towards the end of the financial year the situation began to improve somewhat with increased component availability. All in all, the effect on 2021/22 has been negative with a net postponement of revenue in the year, however, the improvement towards year-end provides some ground for optimism for 2022/23.

Second, the component scarcity has also impacted costs and gross margin in 2021/22. The scarcity impacts which products can be produced and thus the product mix. The tight component markets have also led to higher component prices on many components. RTX has been able to partially offset this with higher sales prices. The difficulty in securing components have also made it necessary to procure components in the spot buy market and through other channels at higher costs than list prices.

Finally, start-up and ramp-up of production of new products have been more time consuming as it has been more difficult than usual for our engineers and supply chain professionals to travel across borders to assist in the troubleshooting of new production lines due to continued travel restrictions especially in Asia.

The impact of supply challenges is still tangible as we move into in 2022/23 and will continue to impact the year to a degree. However, as mentioned, there are signs that the situation may be improving especially regarding availability of components.

RTX strategy for profitable growth

The strong growth in 2021/22 and the return to our long-term growth track have confirmed the belief we have in our strategic direction: We deploy our wireless capabilities to create recurring revenue as an ODM/OEM supplier via long-term framework agreements with our customers in the B2B Enterprise, ProAudio and Healthcare markets.

Over the past five years we have grown revenues organically by 9% per year on average despite the challenges of COVID-19 and global supply chain impediments impacting the last three of these years. In total, this corresponds to more than 50% growth for the five-year period. Growth in 2021/22 has especially been fueled by our largest framework agreement customers and these customers continue to invest into joint product development activities with us. Together with our own investments into RTX products and product solutions for our three segments, these development activities create the basis for further growth for RTX.

While we are satisfied with the growth in both revenue and earnings in 2021/22, we have seen the gross margin decline. Part of this is as planned. As we have moved from our previous business model which included selling hourly based engineering services to the current model focusing on generating recurring revenue from product sales via long-term framework agreements, the gross margin declines solely for accounting reasons. The main costs of engineering services are the salaries of engineers which are part of capacity costs and not part of cost of goods sold. Another reason for the declining gross margin in 2021/22 is the tight electronics component supply markets where the costs for securing components have risen significantly. An important focus area for RTX in the coming years will therefore be to ensure a normalization of component costs as the supply-demand balance in the component markets also becomes more normal.

Capital policy and allocation

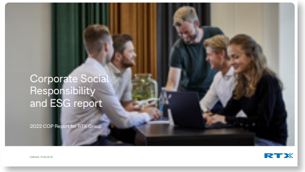
The guiding principle for the policy on capital allocation and structure of RTX is to (i) maintain sufficient financial flexibility to realize RTX's strategic objectives including investments into growth opportunities as well as balance sheet robustness needed for long term framework agreements and needed to support operations, while at the same time (ii) ensuring a financial structure maximizing the return for our shareholders. Thus, any excess capital after the funding of growth opportunities and after ensuring such robustness should be returned to shareholders. RTX targets a net liquidity position (total cash funds plus current securities less any bank debt) of approximately 25-30% of revenues. However, interim deviations to the target cash level can occur depending on specific growth opportunities or other operational or strategic considerations.

At the end of 2021/22, the net liquidity position of RTX corresponds to 11% of revenue and is thus lower than the target ratio primarily due to increased working capital. During 2021/22, inventories and receivables have increased to secure growth and as result of growth. Inventories have helped to ensure better component availability and have thus helped to secure the growth in 2021/22 while higher receivables are a result of the revenue growth. Over the coming financial years, the net liquidity ratio is expected to be brought back to the target position via the cash generated by RTX operations.

To proceed with caution, the Board of Directors will recommend to the Annual General Meeting on 26 January 2023 that no dividends be distributed based on the financial year 2021/22. However, at the Annual General Meeting, the Board of Directors will seek a new authorization to conduct share buy-backs when the current authorization expires during January 2023 so that the Board of Directors can initiate a share buy-back program during 2022/23 if the circumstances warrant this.

Acting responsibly

RTX develops and delivers wireless communication solutions that help people perform at their best. In addition to the direct benefits of wireless interconnectivity, such solutions can contribute to a sustainable global development reducing the need for travel and the need for physical infrastructure such as cables etc. At RTX, we recognize that our impact on people, environment and communities globally is broader than the direct impact of our wireless solutions. Acting responsibly therefore also means to strive for reducing any potential harm that operations may cause.



Read more about our sustainability focus areas and actions in our CSR and ESG report.

Read more

RTX has been a member of the UN Global Compact for many years and we remain committed to the ambitions of the Global Compact. We work on furthering the UN Sustainable Development Goals especially where we see that RTX can make the largest contributions. RTX uses a materiality assessment to identify the main focus areas for our sustainability and ESG efforts and these focus areas include product safety and traceability, a sustainable supply chain, employee working conditions and corporate governance.

The separate CSR and ESG report of RTX details these focus areas and our efforts. It includes the materiality assessment, policies for key areas such as environment, human rights and labor as well as KPI reporting for key ESG areas including employee and diversity related KPIs, energy consumption and carbon (CO_2) footprint. Our CSR and ESG report also serves as our Communication of Progress for the UN Global Compact. The report can be found at www.rtx.dk/corporate/csr.

Looking ahead to 2022/23 and beyond

As mentioned, the strong growth in 2021/22 underlines the belief that our strategy will drive profitable growth for RTX. The potential in the framework agreements we have signed with key customers and in the scaling effect from increased recurring revenue remains significant for RTX.

The macroeconomic and geopolitical turmoil creates higher than usual uncertainty for the coming years. The impact of the current economic uncertainty is especially strong for consumer businesses and RTX is almost exclusively operating on business-to-business markets. But possible recessions in Western economies could also impact RTX in shorter time periods. However, over the longer run we are confident that the growth potential inherent in RTX's framework agreements with leading global players in their respective industries outweighs the shorter term fluctuations.

Therefore, we believe that 2022/23 will be the next step on the long-term growth track for RTX – but with relatively high uncertainty for the year. Management expects revenue of DKK 700-760 million, EBITDA of DKK 85-105 million and EBIT of DKK 45-65 million for the 2022/23 financial year. The width of the outlook interval reflects an uncertainty especially around the impact of the macroeconomic developments on customer demand. Secondly, the developments on the global supply markets – including the availability and costs of electronics components – also create some uncertainty for the year.

The promising prospects for the future of RTX are due to the strong work by our employees in the present. The past year has yet again been challenging with supply markets that have made planning and execution difficult – and we express our gratitude to our employees for managing these circumstances very well. We also thank our customers and other stakeholders for their cooperation and support during the year.

Peter Thostrup
Chair

Peter Røpke
President & CEO

Financial Highlights for the Group

Amounts in DKK million	2021/22	2020/21	2019/20	2018/19	2017/18
Income statement items					
Revenue	663.3	457.2	555.9	560.3	475.3
Gross Profit	309.3	239.1	309.3	316.9	264.8
EBITDA	85.4	37.3	108.2	100.2	83.1
EBITDA %	12.9%	8.2%	19.5%	17.9%	17.5%
Operating profit/loss (EBIT)	45.6	6.1	83.6	86.7	74.9
Net financials	-3.4	-6.6	-3.4	4.6	1.4
Profit/loss before tax	42.3	-0.6	80.2	91.3	76.3
Profit/loss for the year	33.9	3.6	63.1	71.4	60.0
Balance sheet items					
Net liquidity position (1)	73.8	120.4	194.8	226.7	182.6
Total assets	556.8	485.3	533.6	463.3	422.7
Equity	331.6	288.5	352.2	347.4	312.0
Liabilities	225.2	196.8	181.4	115.8	110.7
Other key figures					
Development cost financed by RTX before capitalization	30.6	42.3	43.8	39.0	34.3
Capitalized development cost	15.8	24.9	28.7	16.8	16.3
Depreciation, amortization and impairment	39.7	31.3	24.6	13.5	8.3
Cash flow from operations	-0.0	44.5	70.6	107.7	95.7
Cash flow from investments	30.5	9.7	-37.1	-52.4	-29.2
Investment in property, plant and equipment	11.4	18.6	7.9	5.4	8.4
Increase/decrease in cash and cash equivalents	24.9	-22.4	-33.7	10.9	30.3

(1) Equals total of cash and current asset investments.

Amounts in DKK million	2021/22	2020/21	2019/20	2018/19	2017/18
Key ratios (percentage)					
Growth in net turnover	45.1	-17.8	-0.8	17.9	9.7
Profit margin	6.9	1.3	15.0	15.5	15.7
Return on invested capital	25.6	10.7	54.1	75.1	69.5
Return on equity	10.9	1.1	18.1	21.6	20.2
Equity ratio	59.6	59.5	66.0	75.0	73.8
Employment					
Average number of full-time employees	282	286	292	277	246
Average number of FTE employed directly	249	257	264	253	226
Revenue per employee (DKK '000)	2,352	1,598	1,904	2,023	1,932
Operating profit per employee (DKK '000)	162	21	286	313	304
Shares (number of shares in thousands)					
Average number of shares in distribution	8,169	8,243	8,376	8,545	8,556
Average number of diluted shares	8,198	8,302	8,503	8,633	8,691
Share data (DKK per share at DKK 5)					
Profit/loss for the year (EPS), per share	4.2	0.4	7.5	8.4	7.0
Profit/loss for the year, diluted (DEPS), per share	4.1	0.4	7.4	8.3	6.9
Dividends, per share	-	-	2.5	2.5	2.0
Equity value, per share	40.5	35.4	42.2	41.0	36.4
Listed price, per share	115.0	165.0	216.0	164.0	179.6

Note: The Group's financial year runs from 1 October to 30 September. The calculation of the financial highlights is described on page 95.

Figures prior to 2018/19 have not been restated to reflect new accounting policies, IFRS 9 and IFRS 15, implemented in 2018/19. Figures prior to 2019/20 have not been restated to reflect new accounting policy IFRS 16, implemented in 2019/20.

Business, Strategy and Outlook

Our Growth Strategy Enterprise ProAudio Healthcare
Outlook 2022/23 Long-Term Financial Ambitions

Our Growth Strategy

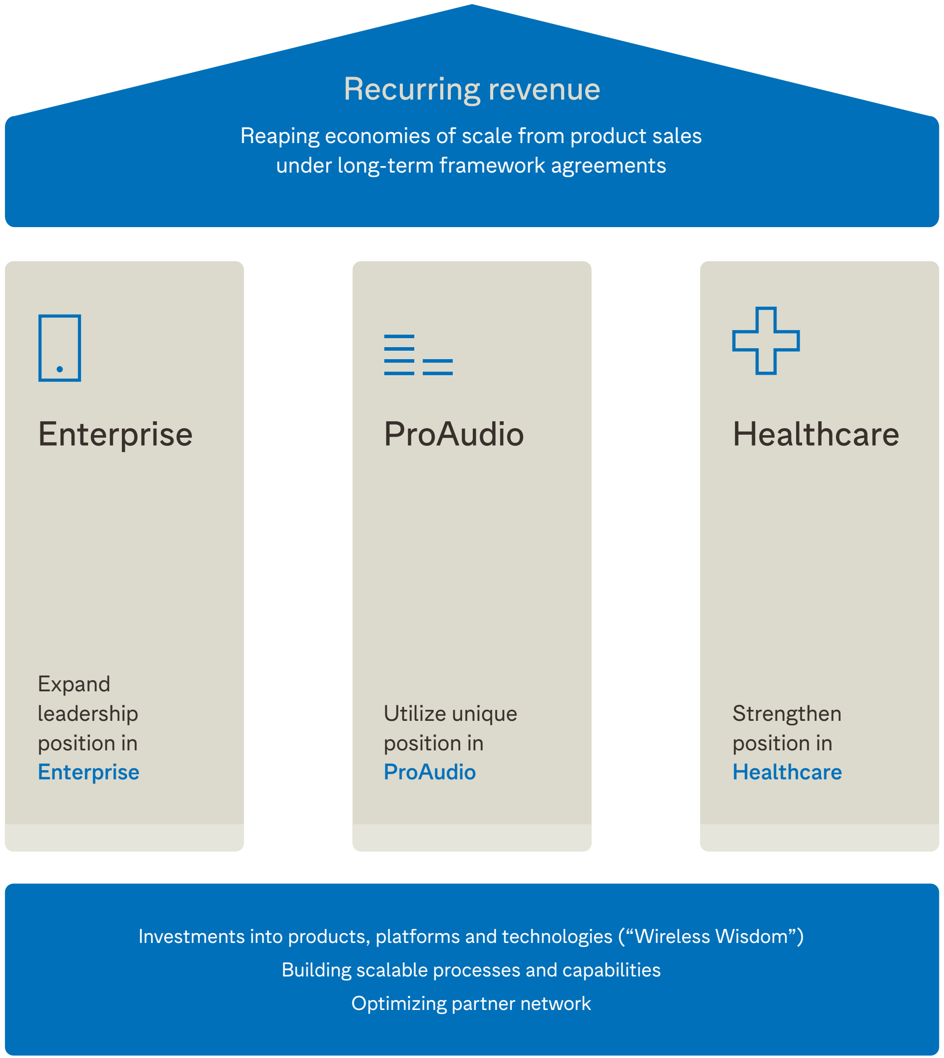
Deploying our *Wireless Wisdom* across multiple attractive B2B markets in an ODM/OEM model to secure profitable growth via increased recurring revenue and scalability.

RTX continues to target long-term profitable growth, as we deploy our wireless capabilities to generate recurring revenue from long-term framework agreements with globally recognized B2B customers in three attractive market segments: Enterprise, ProAudio and Healthcare.

Across segments, we will continuously invest into products and product platforms, both together with customers and through strategic investments funded by RTX. We aim at developing products with a long lifecycle to exploit the full potential in current long-term framework agreements as well as entering into new customer agreements. Ramping up existing long-term framework agreements will be an important growth driver.

We will build on our uniform business model and go-to-market approach to further reap economies of scale. Focus will be on establishing robust and scalable processes across RTX as well as consolidating our technological capabilities and continuously upgrade these.

Finally, we will continue to optimize our supplier network and strengthen the value chain to further capitalize on our growth.



Enterprise

Enterprise

Our business

In Enterprise, we help our B2B customers, primarily large global players, provide better wireless communication solutions for their customers. The solutions are used in places like retail operations, healthcare facilities, warehouses, offices, call centers, and public buildings, and in even the most demanding commercial and industrial environments where equipment certified as explosion-proof and water-proof is crucial.

Focusing on making sure all the component systems integrate seamlessly and reliably, we design, develop and manufacture wireless IP telephony products and sub-systems that include headsets, handsets, base stations, repeaters, location beacons, and advanced cloud-based tools.

We provide the know-how, services, and specialist capabilities that help our customers win contracts for forward-thinking enterprise wireless communication installations: Scalable to changing requirements, connections with very high stability, high audio quality everywhere, and easy integration with other systems and hardware.

Market trends

Within the global enterprise communications market more and more businesses are moving enterprise telephony to the cloud to enable digital transformation, greater agility, and better support of distributed workforce. This transition often prompts organizations to refresh their existing endpoints and thus drives a demand for new endpoints - especially handsets and headsets which are replacing the more traditional corded desktop phones. There is also an ongoing consolidation in the manufacturing of handsets which RTX continues to both drive and benefit from. This consolidation is driven by increased outsourcing of handset development and production, especially to pure play ODM/OEM providers like RTX. In 2021, RTX was again

Enterprise

the largest manufacturer of multi-cellular handsets globally, according to MZA, with a share of 22% which has increased steadily for several years.

The total global professional market for wireless handsets is, according to Frost & Sullivan, estimated at USD 900 million or 4 million units annually. DECT technology handsets constitute 3 million units and are expected to grow 3% p.a. from 2021 to 2025 driven by its mobile nature, superior performance, and cost effectiveness. RTX is experiencing additional demand upside in DECT, primarily from large players in the USA market, an enterprise market which traditionally has been focused on Wi-Fi/VoWLAN handsets. The total global wireless professional headsets market is, by Frost & Sullivan, estimated at USD 1 billion or almost 10 million headsets annually with growth expectation of 12% p.a. from 2021 to 2025.

2021/22 highlights

During 2021/22 we accelerated the ramp-up of product deliveries under the two newest major Enterprise framework agreements; both customers are leading global brands with strong sales channels. Also, the work on tailoring the wireless headset platform, developed by RTX to potential customers and on commercial agreements, has continued as planned and holds further growth potential. RTX also continued the development of own financed product ranges, e.g., new versions of handsets and base stations as well as our cloud-based deployment and device management tools. Multiple customers have launched the tools in their organizations and additional customers are in the pilot phase.

RTX's Enterprise segment saw significant growth in 2021/22, driven by strong demand for RTX products and solutions and in particular strong growth among the large framework agreement customers. The segment was also impacted by increasing component costs, the global component shortages and other supply chain challenges, though the situation improved towards the end of 2021/22.

Communication systems for any requirements

RTX Enterprise systems are modular, scalable solutions that provide reliable, high-quality audio connections for communication devices in various industries. The devices used by the individual, such as handsets and headsets, connect via a wireless link to USB dongles or base stations within the building or area where the individuals are operating. Repeaters linked to base stations extend the range for the individual's operational area – even outside. This eliminates poor audio or calls dropping out when people move around and ensure people can perform at their best by staying connected everywhere. The systems include other additional features, such as location detection of devices, unique safety- and alarm features, as well as cloud-based deployment and device management tools. Enterprise systems are ideal for all sizes of enterprises. Systems can ensure reliable coverage for 20 to 15,000+ users, making the system and its capabilities easily scalable to meet customers' exact needs.

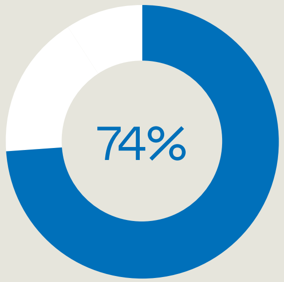
Enterprise growth strategy

RTX aims to expand its leadership position in Enterprise products and solutions by continuing to gain share and drive market consolidation.

Our pure play model ensures our ODM/OEM customers, that they will not experience channel conflicts with RTX branded products and solutions in the market. Via this model, and with focus on system integration as competitive advantage, we benefit from customer outsourcing of products and solutions, which ensures recurring revenue via long-term framework agreements with large global customers. The unique system integration across RTX products in the enterprise space, supported by our cloud-based deployment and device management tools, benefits our customers and their end users and facilitates increasing share-of-wallet for RTX.

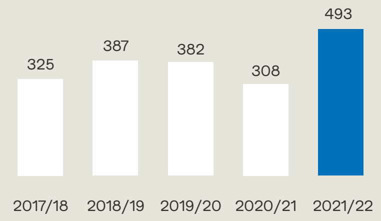
Important growth drivers in the coming years will be continued ramping of the partnerships associated with the major Enterprise framework agreements signed over the past couple of years.

Share of Group revenue 2021/22



5-year Enterprise revenue

DKK million



ProAudio

Our business

In ProAudio, we help our B2B customers design, develop, and manufacture wireless audio solutions, with products ranging from modules, to circuit boards, and to full ODM products; all featuring RTX software. Examples of final products and solutions include connectivity of microphones or instruments; conference systems; content creation solutions; intercom systems for restaurants, construction sites, or more complex systems for TV productions or large sporting events etc.; wireless gaming headsets, controllers, mice, keyboards etc.

When customers need the optimal sound quality in products for professional environments, our unique capabilities help them raise the bar via resilient wireless connectivity, low latency, high capacity, zero-distortion high quality audio, and patented methods for coping with harsh environments. Building on our proven platforms – e.g., Sheerlink™ and TeamEngage™ – and associated modules, we enable customers in getting attractive professional audio solutions to market faster, with less hassle, and at a lower investment. RTX makes it easy for our customers to provide unique quality and professional-grade wireless audio devices for their customers.

Market trends

The market for professional audio solutions is ever-expanding and relatively fragmented. New application areas arise, and existing ones convert to modern digital wireless. Our platform driven approach enables us to provide broad coverage of this attractive market with a few select, but well defined, hardware modules and software assets. Additionally, there is a strong match between our platforms and key industry trends – desire for more capacity (number of users and audio channels), automatic configuration, and ease of use; all features we can help address via our platforms.

ProAudio

Market areas dependent on live performances were still impacted demand-wise by COVID-19 during 2021/22, though less than prior years and improving throughout the period. Across the RTX ProAudio application areas there are sizable and growing wireless shares. Arizton estimates annual global sales of professional wireless microphones at more than 2 million units and on top of this comes growth opportunity from instruments, DJ products etc. where wireless transmission also is relevant. The global intercom market is estimated at approximately USD 6 billion of which more than half is wireless.

2021/22 highlights

In 2021/22 we successfully continued implementation of our ProAudio productization strategy. The aim is to transition from non-recurring revenue to recurring revenue via product platforms – e.g., Sheerlink™ and TeamEngage™ – and associated modules as well as full products for the professional audio market. In line with our strategy, revenue from one-off engineering services decreased compared to last year, while recurring revenue from product sales and royalty increased over last year.

We saw growth in product sales from RTX's product platforms and associated modules and beginning pick-up in business dependent on live performances after the COVID-19 pandemic. Additionally, our major ProAudio framework agreement customer, a large international group and a leading brand in the professional audio space, launched its marketing activities for the product suite focused on audio conference systems. The agreement has thereby moved into the ramp phase where product deliveries are expected to start to increase gradually. The ProAudio segment was also impacted by increasing component costs as well as the global component shortages – directly via deliveries of RTX products and indirectly via royalty customers' volumes – though the situation improved towards the end of 2021/22.

Connecting audio devices in any environment

RTX ProAudio systems provide audio solutions for connecting multiple devices at once in a wide range of environments. Based on RTX modules, the systems provide a robust connection with low latency that can intelligently adapt to the environment. The technology within the modules ensures clear audio without connection interference and dropouts. The RTX modules are incorporated into customers' products creating a system of devices connected via wireless links. The combination of products and number of devices can variate depending on the specific setting from two devices to a base station, such as microphones on a stage, up to 10 devices group-connected creating an ideal communication setup for example for firefighters. The small size of the modules makes very compact product solutions possible, so devices can be small enough to fit the mobility and freedom in movement, the user needs to perform in the best way.

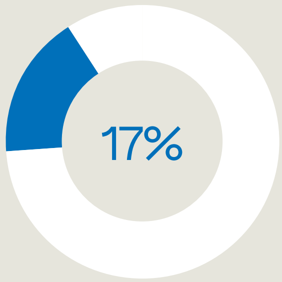
ProAudio growth strategy

In ProAudio we want to lead the transition to digital wireless in professional audio markets and leverage our unique technology into recurring revenue.

This is being accomplished by refining and productizing our existing technology base into flexible product platforms – e.g., Sheerlink™ and TeamEngage™ – with dedicated RTX modules and select full product custom ODM/OEM. For RTX customers this modular and flexible platform approach results in attractive value propositions, namely short time to market and attractive cost of entry. For RTX this results in increased scalability through recurring revenue via framework agreements.

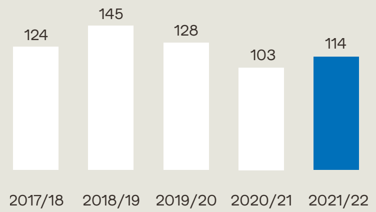
An important growth driver in the coming years will be continued ramping of our major ProAudio framework agreement as well as continued market expansion with our Sheerlink™ and TeamEngage™ platforms and modules.

Share of Group revenue 2021/22



5-year ProAudio revenue

DKK million



Healthcare

Healthcare

Our business

In Healthcare, we help our B2B customers build wireless technology into modern healthcare services. We make it easy for RTX customers to provide better patient monitoring solutions and devices for their customers, by providing the wireless communication infrastructure which they can embed seamlessly and reliably into patient monitoring and other high-tech medical devices.

In corporation with customers, the RTX technology platform enables plug-and-play delivery of infrastructure access points, repeaters, and modules to embed within the full solutions offered by our customers and in endpoints such as patient-worn devices and near-patient monitors. The wireless solutions, that RTX provides, are designed, manufactured, assembled, and delivered as compatible, standards-compliant modules that customers can quickly and easily integrate into their own products and systems. As a result, we help customers get commercially and technically attractive healthcare solutions to market faster.

Market trends

In healthcare, it is crucial to know exactly what is happening with each patient – and to be informed as soon as the patient's condition changes. Better awareness and more reliable data about a patient's condition pave the way to more cost-effective deployment of healthcare resources, as well as more effective care. Those using healthcare technology in these markets often depend heavily on the wireless transfer of key data about patients, pulled in from increasing numbers of devices, monitoring sensors and other appropriate data points. Modern healthcare technology opens up new vistas for patient mobility and independence, and for hospital patient monitoring as well as treatment.

Healthcare

IHS Markit estimates the continuous patient monitoring market at 1.8 million in units and more than USD 4 billion in value. The market includes both centralized systems, used in critical care settings in hospitals, and decentralized systems, used for post-acute bedside, ambulatory, home patient, or small and field hospital installation, and both are expected to grow. While Healthcare is a relatively recession-proof market, one need to remember that it also is a very conservative business, with products living for a decade or more. This makes introduction of new products a lengthy process, but once a foothold is established, it of course also serves as a source of stable revenue.

2021/22 highlights

During 2021/22 we continued, as planned, the ongoing development activities on the next generation of the full ODM product, a wireless transmission product, in close collaboration with our long-term global blue-chip healthcare customer. We also continued, in close cooperation with existing RTX customers, development on a new wireless product solutions aimed at increasing the ease of installation of wireless monitoring systems for healthcare.

Ensuring effective critical patient care

RTX Healthcare systems constitute an infrastructure of access points, repeaters, and modules to integrate within devices such as patient-worn devices and near-patient monitors. The system is based on a technology that supports secure handling of data to provide enhanced reliable connections and reduce downtime in hospitals and other healthcare settings. By allowing concurrent measurement over a single connection, the system provides a wireless connection handling data types such as; heart rate, blood pressure, body temperature, and ECG, as well as side-channel information, such as; signal strength, battery levels, etc., at the same time. The system is ideal for effective patient monitoring in all aspects of healthcare. As healthcare staff is provided with patient data at all times, the individuals can act on alarms and oversee the patient to secure effective care.

RTX's Healthcare segment saw solid growth in 2021/22. The growth was partly driven by higher volumes of the full ODM products supplied to our global blue-chip healthcare customer and partly driven by higher volumes of the modules and accessories supplied by RTX. The segment was also impacted by increasing component costs, the global component shortages and other supply chain challenges, though the situation improved towards the end of 2021/22.

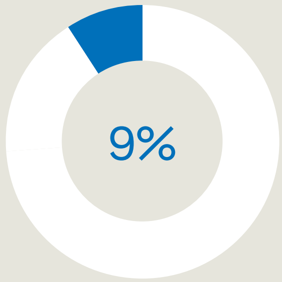
Healthcare growth strategy

RTX aims to expand our existing Healthcare business, currently focused on wireless solutions for centralized continuous patient monitoring, by both broadening and deepening our offerings and presence in continuous patient monitoring.

This is to be accomplished by focusing on three different but interrelated dimensions:

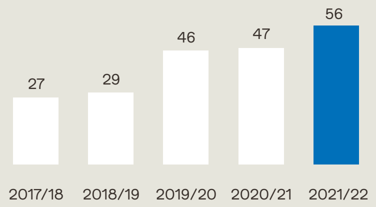
- Continued expansion of our existing centralized continuous patient monitoring business, including increased share-of-wallet with our long-term blue-chip healthcare customer.
- Expanding share of value chain via broadened portfolio and increased production of subassemblies and infrastructure.
- Expansion into decentralized continuous patient monitoring.

Share of Group revenue 2021/22



5-year Healthcare revenue

DKK million



Outlook 2022/23

Revenue growth is expected in 2022/23 based on a strong order book and a partial normalization of the global component shortages. Macroeconomic volatility creates uncertainty regarding demand, and component costs are expected to remain at a high level. As opposed to recent years, 2022/23 is not expected to be backloaded.

Revenue Outlook

Revenue is expected to grow and reach DKK 700-760 million in 2022/23. The revenue outlook is based on a strong order book going into the year and an expectation of a partial normalization of the global electronics component shortages seen since 2021. The main uncertainty for the year will be the impact of macroeconomic volatility and potential recessions on customer demand and inventory replenishment. The revenue expectation is based on and subject to the following assumptions:

- While macroeconomic uncertainty is assumed to be high in the outlook for 2022/23 and also have some impact on RTX, it is not assumed that it will lead to larger decreases in customer demand 2022/23.
- Improved product availability compared to 2021/22 with a partial normalization of the global component shortages and other supply chain challenges seen in 2021/22.
- RTX growth mainly driven by product sales and mainly to existing customers.
- Currency exchange rates against DKK – especially USD/DKK – in line with current level (11 November 2022).
- No impact on product availability due to geopolitical upheaval or COVID-19 related lockdowns and no major demand impact from COVID-19 lockdowns.

700-760 DKKm

Revenue expectation for 2022/23 based on a strong order book and an assumed partial normalization of the global electronics component shortages, however with uncertainty regarding demand due to the macroeconomic volatility.

Forward-looking statements

This Annual Report includes forward-looking statements on various matters such as future product development, future expected revenue and earnings as well as future strategies and potential business expansion. Such statements are subject to risks and uncertainties as various factors, many of which are outside the control of RTX, may cause the actual development and results to differ materially from the expectations expressed directly or indirectly in this Annual Report. Such factors include, but are not limited to, economic and geopolitical conditions and developments, changes in demand for RTX's products and services, competition, technological changes, fluctuations in currencies and interest rates, component availability and fluctuations in sub-contractor supplies as well as legislative and/or regulatory changes.

- No other material changes in competitive situation, market landscape etc.

As the normalization of the supply situation and thus improved product availability is expected to continue in the beginning of 2022/23, the revenue and earnings distribution over 2022/23 is not expected to be back-loaded as it has been in recent years.

Earnings outlook

EBITDA is expected to be DKK 85-105 million and EBIT is expected to be DKK 45-65 million in 2022/23. These expectations are based on the revenue outlook above. They are also based on and subject to the same assumptions as the revenue outlook with the addition of the following assumptions:

- Component and logistic costs overall are not assumed to increase as the effects of inflationary pressures are expected to be neutralized by lower costs for securing components through spot buys and a price normalization for certain electronics components.
- The revenue mix will continue to shift towards product sales which in turn impacts gross margin.
- Higher capacity costs are expected due to inflationary pressures and due to investments into e.g. product management, sourcing, and specialized R&D capabilities.

As mentioned for the revenue outlook, earnings are also not expected to be backloaded this year as opposed to what they have been in recent years.

Main sensitivities

While different outcomes on one or more of the assumptions stated for the outlook for 2022/23 can cause the actual financial results of RTX to differ from the outlook, the outlook is subject to unusually high uncertainty related to the demand impact of the macroeconomic conditions and the risk of recession. Secondarily, the outlook is subject to uncertainty related to the supply situation, especially if the component shortages do not normalize and/or if component costs continue to increase also in 2022/23. Lastly the USD/DKK exchange rate can impact the actual results in 2021/22 if its deviates materially from expectations.

85-105 DKKm

2022/23 EBITDA expectation based on the revenue expectation and component costs at a relatively high but stable level and a higher share of revenue from product sales.

Outlook 2022/23

(DKK million)

	Actual 2021/22	Outlook 2022/23
Revenue	663	700-760
EBITDA	85	85-105
EBIT	46	45-65

FX (USD) sensitivity

Average USD/DKK rate 2021/22	6.88
Current USD/DKK rate (11 Nov 2022)	7.22
Impact of 5% USD/DKK rate increase on	
Revenue	DKK 34 to 37 million
EBITDA and EBIT	DKK 15 to 17 million

Long-Term Financial Ambitions

The growth strategy of RTX is expected to lead to continued profitable growth and RTX confirms our long-term financial ambitions for the financial year 2023/24.

Revenue ambition

Based on the strategy of deploying RTX's "wireless wisdom" in selected B2B target markets for growth via recurring revenue, and based on execution of long-standing and newer framework agreements, it is the ambition of RTX to grow revenues organically to reach at least DKK 800 million in the financial year 2023/24.

Earnings ambition

Given the long-term revenue growth ambitions and given the leverage effect of increased recurring revenue on the scalability of human resources and other costs, it is the ambition of RTX to reach EBITDA of at least DKK 145 million in 2023/24.

Current status

The strong growth of RTX after the pandemic underlines the growth potential in the business model of RTX and re-confirms the belief in realizing the ambitions for 2023/24, subject to the assumptions below. With realized revenue in 2021/22 of DKK 663 million the ambitions for 2023/24 corresponds to an average annual revenue growth rate of approximately 10%.

To realize the earnings ambition, a full or partial normalization of component costs will be necessary given the higher than usual costs for securing component in 2021/22. If such a normalization should not occur, a higher revenue will be needed to realize the earnings ambition. With realized EBITDA in 2021/22 of DKK 85 million the ambitions for 2023/24 corresponds to an average annual EBITDA growth rate of approximately 32%.

Organic revenue growth

Revenue > 800 DKKm in 2023/24

Profitability

EBITDA > 145 DKKm in 2023/24

Assumptions

The long-term financial ambitions are based on constant currencies with the ambitions being especially sensitive to the USD/DKK exchange rate. They are also based on the current macroeconomic and political climate, where major developments may impact the ambitions. Specifically, it is expected that potential recessions do not have a large impact on customer demand in 2023/24 and that COVID-19 and the resulting global economic consequences will have no material effect on demand and supply in 2023/24. Further, it is expected that the global component shortages and supply chain and logistic impediments will normalize at least before 2023/24. The ambitions are also based on component costs returning to their long-term trend lines (i.e., that the increased costs seen on certain components normalize before 2023/24).

Performance

2021/22 Performance

RTX returned to our growth track in 2021/22 with 45% revenue growth leading to significantly higher earnings. Both revenue and earnings were stronger than the original expectations for the year.

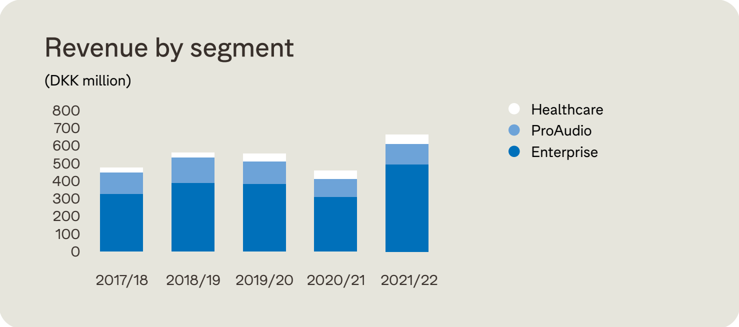
Revenue

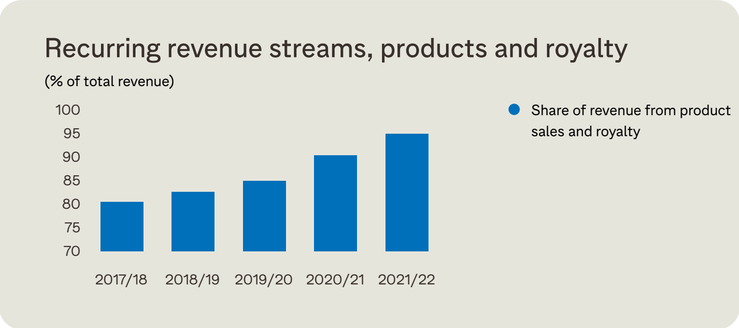
The RTX Group revenue increased by 45% and reached DKK 663 million in 2021/22, (2020/21: DKK 457 million). The post-pandemic normalization of demand continued in 2021/22 and the order book developed stronger than originally expected. Revenue was negatively impacted by the global electronics component shortage and supply chain impediments affecting the global flow of goods. However, the situation began to improve towards the end of the financial year. The US dollar strengthened over 2021/22 and contributed to the growth – FX corrected growth was 30%.

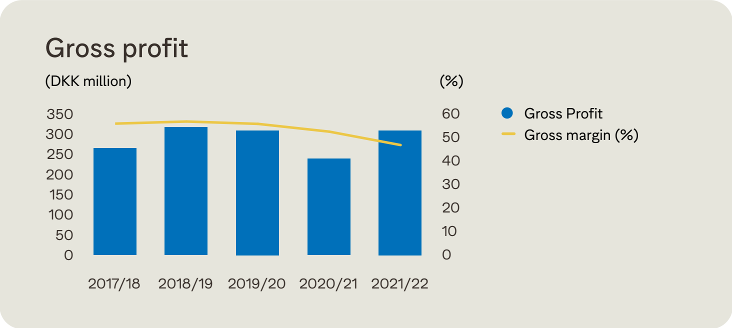
The revenue realized in 2021/22 exceeded the original expectations and the revenue outlook was therefore upgraded twice during 2021/22. A strong demand situation and order book especially in the Enterprise segment were key reasons behind the higher than expected revenue. Towards the end of the financial year, a stronger than expected delivery performance driven by a beginning improvement in the situation with component scarcity also contributed to the revenue realized.

In the beginning of the year, the supply situation with component scarcity worsened which caused increases in postponed revenue from one quarter into the next, but the situation improved later in the financial year. All in all, revenue of approx. DKK 65 million was postponed from 2021/22 into 2022/23 – an increase from approx. DKK 45 million postponed from 2020/21 into 2021/22 and therefore a net negative impact of approx. DKK 20 million on revenue in 2021/22.

The deplorable Russian invasion of Ukraine has not had any direct impact on 2021/22 for the Group. RTX has not had any material business relations with Russia, Belarus and Ukraine and has ceased all sales to Russia and Belarus which has only accounted for 0.1% of revenue in recent years.







RTX revenue in the Enterprise segment amounted to DKK 493 million and increased by 60% over last year (2020/21: DKK 308 million). The significant growth is due to strong demand for RTX products and solutions in the segment and is especially driven by strong growth among the large framework agreement customers. Corrected for the FX impact of the stronger US dollar, revenue in 2021/22 increased by 44%.

In the ProAudio segment, RTX posted revenue of DKK 114 million – an increase of 11% (2020/21: DKK 102 million). Recurring revenue from product sales increased in the segment after the COVID-19 pandemic while revenue from one-off engineering services declined in line with the strategy to focus on generating recurring revenue. Corrected for the stronger US dollar, the two opposite developments in revenue from product sales and engineering services combined to yield a close to flat revenue development with FX corrected revenue growth of -4%.

Healthcare revenue increased by 20% to DKK 56 million in 2021/22 (2020/21: DKK 47 million). The growth is driven by growth in revenue from the full ODM products and secondarily from the wireless modules supplied by RTX in the segment. FX corrected revenue growth was 10%.

Gross profit

Driven by the higher revenue in 2021/22, the gross profit of RTX increased to DKK 309 million (2020/21: DKK 239 million). The gross margin in 2021/22 was

Revenue 2021/22

Enterprise (DKK)

493 million

ProAudio (DKK)

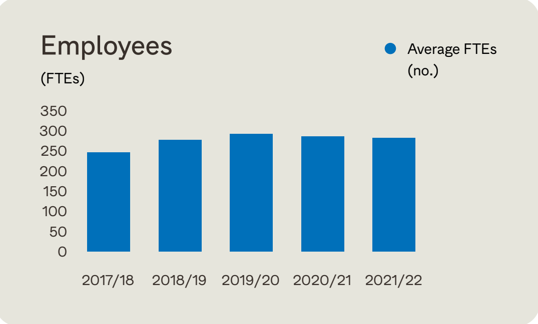
114 million

Healthcare (DKK)

56 million

46.6% compared to 52.3% in the previous financial year. The gross margin development is impacted by the revenue mix with a lower share of revenue from engineering services, which is as planned given the Group's strategy to focus on generating recurring revenue from product sales.

Further, the margin is impacted by the tight component markets in 2021/22 with scarcity on especially semiconductors but also on other electronics components. These tight component markets have impacted the realized product mix given the specific component shortages in the year, and they have caused higher component costs in the year both via higher general prices and via higher costs for securing components through e.g. spot buys. Finally, the tight component markets have also led to customers paying for the additional costs to secure certain components, however such additional payments yield approximately zero margin for RTX.



Capacity costs

Capacity costs (staff costs and other external expenses) amounted to DKK 240 million in 2021/22 – an increase from DKK 227 million in 2020/21. The average total headcount of 282 in 2021/22 was close to 286 in 2020/21. Towards the end of 2021/22, RTX has added capacity and capabilities and has grown the number

Financial expectations and results 2021/22

(DKK million)

	Realized	2nd updated guidance 19 Sep 2022	1st updated guidance 7 Jul 2022	Original guidance 30 Nov 2021
Revenue	663	Around 650	550-610	Above 520
EBITDA	85	Around 80	50-70	Above 50
EBIT	46	Around 40	10-30	Above 10

of employees from 280 FTEs at the end of 2020/21 to now 294 at the end of 2021/22. Hereof 194 are employed in Denmark (2020/21: 183) and 100 are employed internationally (2020/21: 97). Employee bonus costs are higher in 2021/22 than last year where no bonusses were earned due to the financial performance.

External costs for development work assisted by hired-in consultants (as freelancers or via outsourcing to e.g. Eastern Europe) increased in 2021/22 to add R&D capacity in tight recruiting markets. Compared to last year, costs for utilities increased and there were additional costs for a new RTX website and additional IT equipment and licenses. Also, costs for travel and fairs began to normalize somewhat in 2021/22 after COVID-19.

Capitalized development projects, depreciation and amortization

During 2021/22, RTX has continued to invest in the development of product platforms and solutions for the various segments – including, for instance, cloud-based deployment and administration tools, ProAudio product platforms, updated Enterprise handsets and product development for the Healthcare segment. Development costs of DKK 16 million were capitalized in 2021/22 compared to DKK 25 million in 2020/21. The level of capitalized development costs in 2021/22 is lower due to a slower start of certain new development projects impacting Q1 2021/22 capitalizations, due to a high focus on direct customer related development tasks and due to a part of the development work being assisted by external consultants (instead of inhouse resources) which are recorded directly in the balance sheet and are thus not capitalized through the P&L statement.

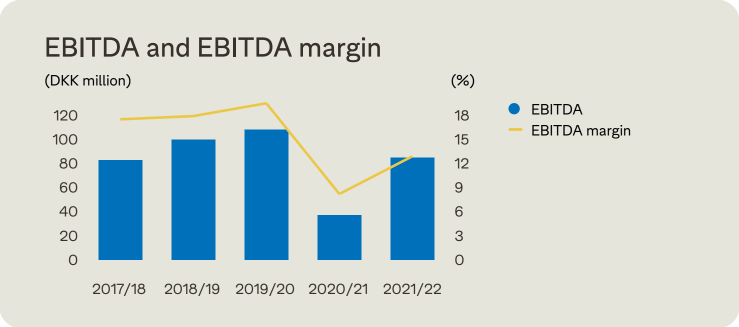
The level of R&D costs reflects RTX's strategy to create increased recurring revenue by turning the Group's wireless and audio capabilities into products and product platforms. In line with this strategy, depreciation, amortization and impairment, as expected, increased to DKK 40 million (2020/21: DKK 31 million) of which 15 million were depreciations (2020/21: DKK 13 million) and 25 million were amortizations and impairment (2020/21: DKK 18 million in amortizations and impairment).

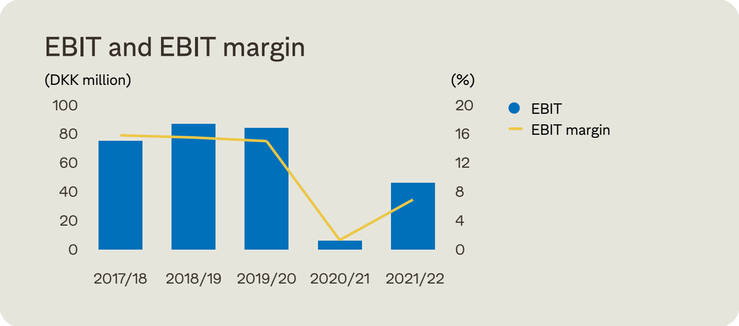
Operating profits – EBITDA and EBIT

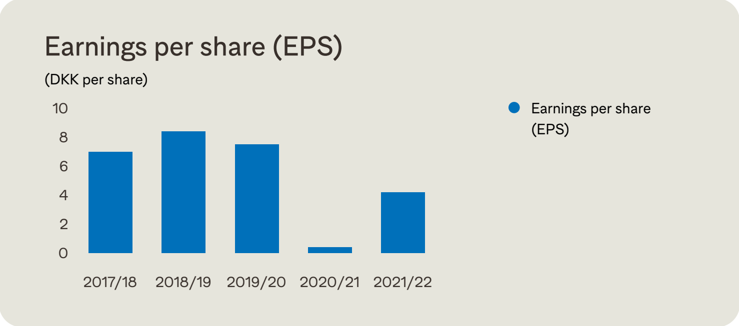
RTX earnings increased substantially in 2021/22 driven by the revenue growth. EBITDA increased by 129% to DKK 85 million (2020/21: DKK 37 million) corresponding to an EBITDA margin of 12.9% (2020/21: 8.2%). EBIT increased by 653% to DKK 46 million (2020/21: DKK 6 million) also impacted by the higher depreciation and amortization as a result of the increased in-house development of products and product platforms over the latest years.

Financial items, tax, net profit and EPS

Net financials amounted to an expense of DKK 3 million in 2021/22 compared to an expense of DKK 7 million in 2020/21. The net expense was primarily caused by the fair value adjustment of investments in the trading portfolio due to the increasing interest rates on bonds over the year and by the calculated financing







cost element from capitalized leases according to IFRS 16. Conversely, the strengthening of the US dollar in 2021/22 increased exchange rate gains partially offset by the value developments of the Group's FX hedging arrangements.

Given the net financials and taxes recognized, net profit after tax amounted to DKK 34 million (2020/21: DKK 4 million). Therefore, Earnings per Share (EPS) increased to DKK 4.2 in 2021/22 compared to DKK 0.4 last year.

Cash flow

Cash flow from operations (CFFO) in 2021/22 were impacted by increased working capital with increased receivables due to the revenue growth and with significantly increased inventories. The higher inventories are due to higher finished goods inventory with more goods in transit towards customers and due to higher component buffer stocks for key components where possible due to the tight component markets. The higher earnings and the higher working capital largely cancelled each other out and yielded CFFO of DKK 0 million in 2021/22 (2020/21: DKK 45 million). The operating cash flows generated were re-invested into future growth via investments in capitalized development projects and fixed assets for a total amount of DKK 30 million (2020/21: DKK 40 million).

Assets, equity and liabilities

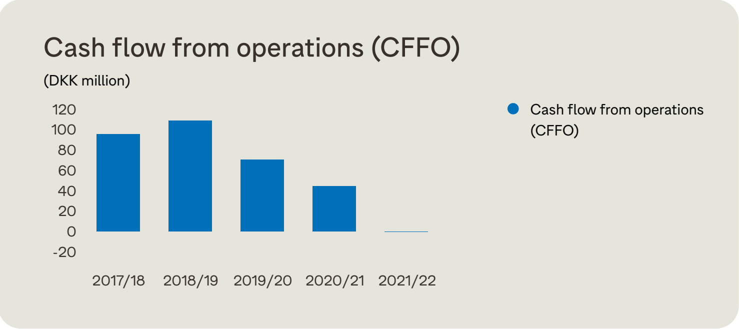
The total assets of RTX amounted to DKK 557 million at the end of 2021/22 (2020/21: DKK 485 million). Receivables are higher than last year with the higher revenue in Q4 and inventories are significantly higher both for finished goods in transit towards customers and component buffer stocks. The Group's total net liquidity position (total cash funds plus current securities less bank debt) decreased to DKK 74 million at the end of 2021/22 (2020/21: DKK 120 million) positively impacted by the earnings in 2021/22 and negatively impacted by increased working capital and by investments into development projects and fixed assets.

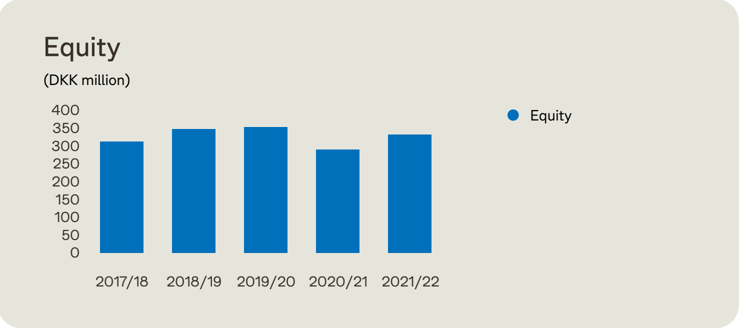
At the end of 2021/22, total equity was DKK 332 million (2020/21: DKK 289 million) corresponding to an equity ratio of 59.6% (2020/21: 59.5%). RTX thus continues to have a strong balance sheet and a strong cash position. Trade payables are higher than last year due to the increased activity level. Other payables are lower due to additional payments of salary taxes etc. in 2021/22 after the postponements hereof in 2020/21 as part of the liquidity enhancing schemes enacted by the Danish government to counteract COVID-19.

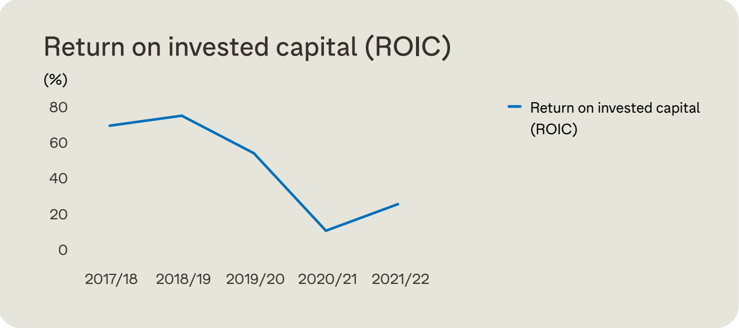
The Group's return on invested capital (ROIC) increased significantly in 2021/22 to 26% compared to 11% in 2020/21 due to the higher earnings.

Parent company

The comments above relates to the development and performance of the Group. The development and performance of the parent company, RTX A/S, are in all material aspects similar to the descriptions for the Group.







Quarterly Financial Highlights

	2021/22					2020/21				
Amounts in DKK million	Q1	Q2	Q3	Q4	Full year	Q1	Q2	Q3	Q4	Full year
Income statement items										
Revenue	126.4	134.3	164.8	237.8	663.3	61.3	88.5	120.6	186.7	457.2
Gross Profit	60.3	67.0	71.9	110.1	309.3	30.5	49.8	60.8	98.0	239.1
EBITDA	5.0	11.7	16.1	52.6	85.4	-18.8	-4.0	10.1	50.0	37.3
EBTIDA %	4.0%	8.7%	9.7%	22.1%	12.9%	-30.6%	-4.5%	8.3%	26.8%	8.2%
Operating profit/loss (EBIT)	-4.8	1.7	5.9	42.8	45.6	-25.3	-11.3	3.0	39.7	6.1
Net financials	0.7	-4.4	-4.1	4.4	-3.4	-2.0	-3.0	-1.1	-0.5	-6.6
Profit/loss before tax	-4.1	-2.7	1.8	47.3	42.3	-27.3	-14.3	1.9	39.1	-0.6
Profit/loss for the year	-3.2	-2.3	1.4	38.0	33.9	-21.4	-11.3	1.4	34.9	3.6
Segment information										
Enterprise revenue	89.8	84.0	131.3	188.0	493.1	35.5	58.6	82.1	131.7	307.9
ProAudio revenue	25.6	35.2	22.6	30.7	114.1	19.1	21.6	25.8	36.0	102.5
Healthcare revenue	11.1	15.1	10.8	19.1	56.1	6.8	8.4	12.7	18.9	46.8
Balance sheet items										
Cash and current asset investments	128.6	118.3	104.2	73.8	73.8	207.0	123.3	117.8	120.4	120.4
Total assets	475.3	471.7	512.7	556.8	556.8	470.4	415.6	436.1	485.3	485.3
Equity	287.6	286.8	290.9	331.6	331.6	323.2	268.5	257.2	288.5	288.5
Liabilities	187.8	185.0	221.9	225.2	225.2	147.1	147.1	178.8	196.8	196.8
Cash flow items										
Cash flow from operations	14.3	6.6	-0.2	-20.7	-0.0	30.7	-20.8	22.1	12.5	44.5
Paid dividend	0.0	0.0	0.0	0.0	0.0	0.0	-20.7	0.0	0.0	-20.7
Acquisition of treasury shares	0.0	0.0	0.0	0.0	0.0	-7.0	-23.8	-14.0	-5.2	-50.0

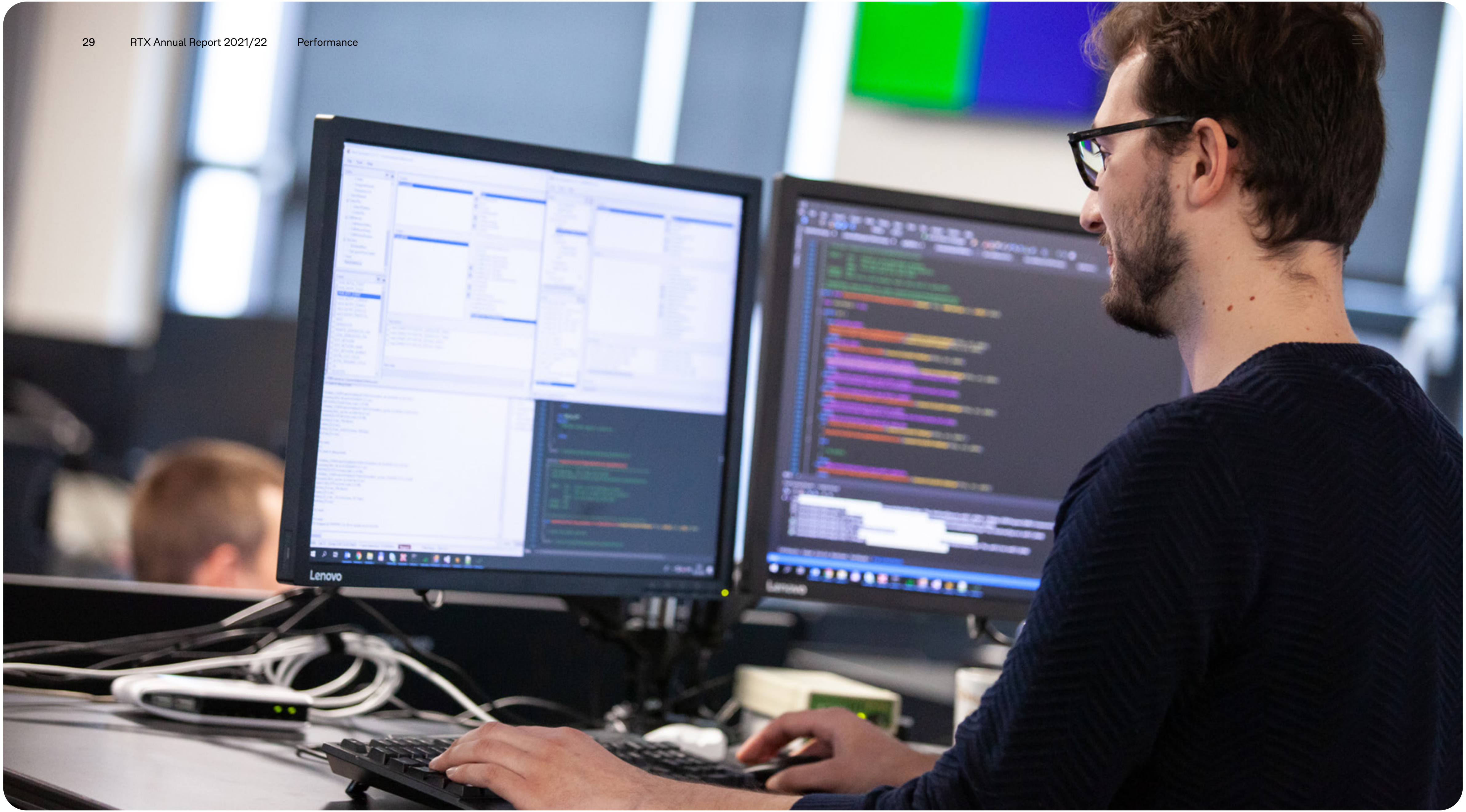
Q4 2021/22 – record quarter to end the year

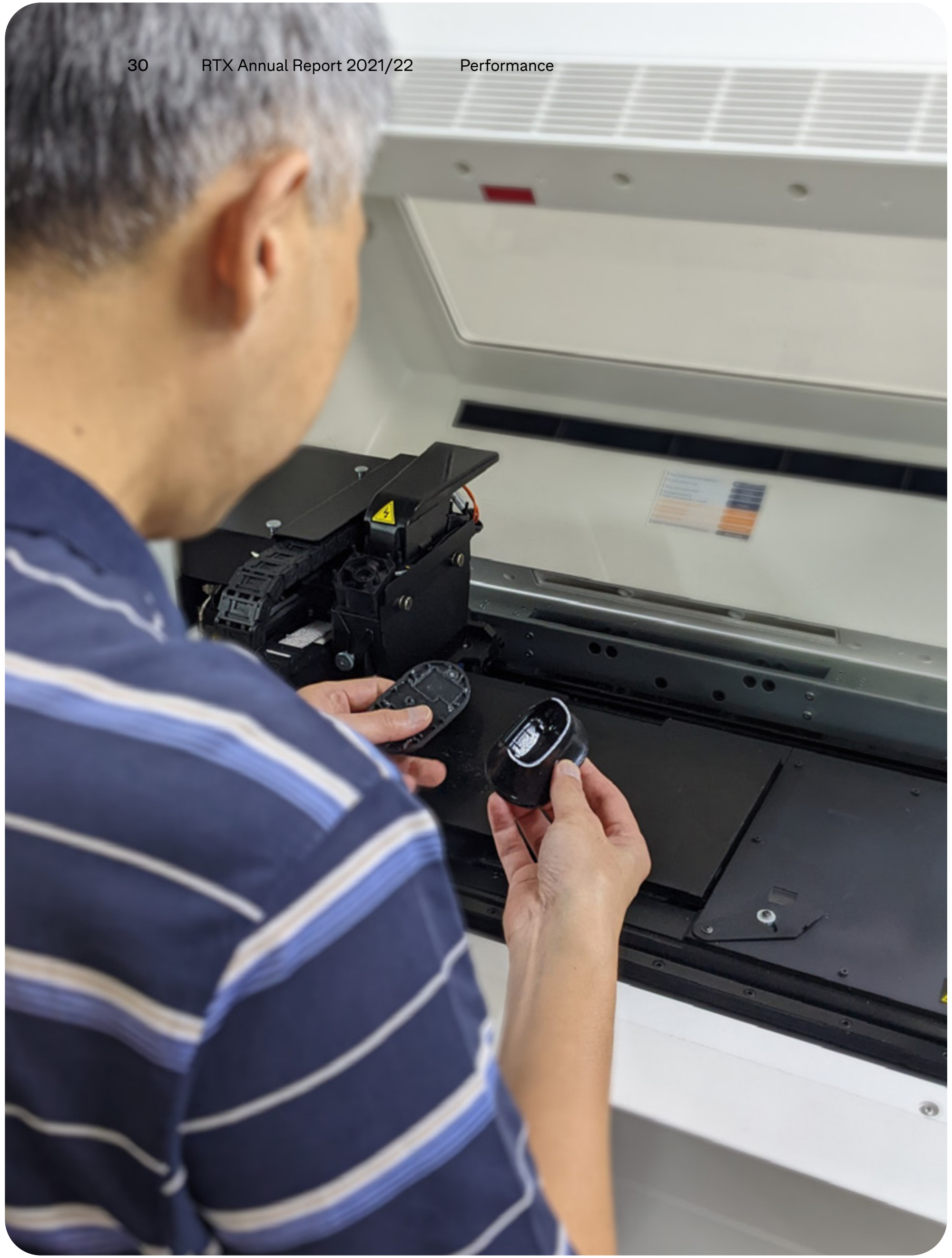
RTX revenue increased by 27.4% in Q4 2021/22 to DKK 237.8 million (Q4 2020/21: DKK 186.8 million). FX corrected revenue growth in Q4 was 8.5% compared to last year. The revenue growth in Q4 was driven by the Enterprise segment with growth of 42.7%, while ProAudio segment revenue decreased by 14.8% and Healthcare revenue increased by 1.0 % in Q4.

The component scarcity in the global electronics industry still impacted revenue, however, the scarcity showed signs of improving in Q4 2021/22. Therefore, revenue of approx. DKK 65 million was postponed from Q4 2021/22 into Q1 2022/23. As similar supply challenges had postponed revenue of approx. DKK 90 million from Q3 into Q4, the net effect on Q4 2021/22 from supply challenges was a positive revenue impact of approx. DKK 25 million.

The gross margin in Q4 2021/22 amounted to 46.3% compared to 52.5% in Q4 last year due to a lower share of revenue from engineering services, due to higher component costs including costs for spot buys, and due to customer payments for extraordinarily expensive components at zero margin for RTX. Capacity costs in Q4 amounted to DKK 61.1 million compared to DKK 50.8 million in Q4 2020/21 with a higher provision for staff bonuses than last year due to the stronger than expected full year financial performance and with higher costs for travel, fairs, utilities and IT equipment and licenses.

With the higher revenue and lower gross margin, EBITDA increased by 5.1% to DKK 52.6 million in Q4 2021/22 (Q4 2020/21: DKK 50.0 million). EBIT amounted to DKK 42.8 million in Q4 (Q4 2020/21 DKK 39.7 million).





Capital Structure and Allocation

Maintaining flexibility to invest into growth opportunities, displaying robustness for long-term framework agreements and optimizing return for shareholders.

Capital Allocation Policy

As stated in the Group's capital policy, the guiding principle for RTX's capital allocation and structure is to (i) maintain sufficient financial flexibility to realize RTX's strategic objectives including investments into growth opportunities as well as balance sheet robustness needed for long term framework agreements and needed to support operations, while at the same time (ii) ensuring a financial structure maximizing the return for our shareholders. Therefore, any excess capital after the funding of growth opportunities and after ensuring such robustness should be returned to shareholders. RTX targets a net liquidity position (total cash funds plus current securities less any bank debt) of approximately 25-30% of revenues; interim deviations to the target cash level can occur depending on specific growth opportunities or other operational or strategic considerations.

Subject to the guiding principle for the capital structure, RTX aims to pay out a dividend corresponding to approximately 25-35% of the annual net results (i.e. profit for the year after tax) and will initiate share buy-back programs when deemed appropriate and contingent upon authorization granted by the shareholders. RTX strives to maintain a reasonable balance between distributions to shareholders via dividends and via share buy-back programs, however modifications to the capital structure will primarily be done via share buy-backs. Depending on the growth opportunities at hand or other

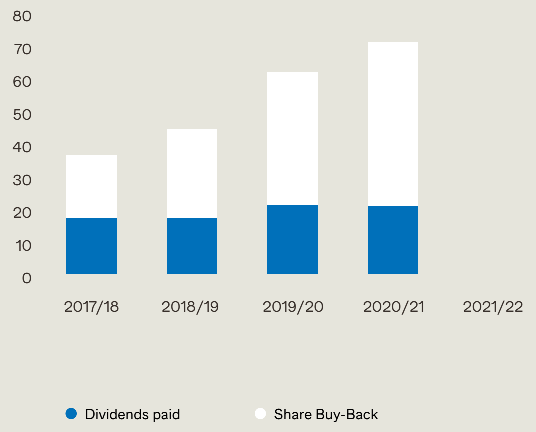
Distribution to shareholders

	2021/22	2020/21
Dividends per share (DKK)	0.00*	0.00
Dividends, total (DKK million)	0.0*	0.0
Pay-out ratio (%)	0.0%*	0.0%
Share buy-back (DKK million)	0.0	50.0

* Based on recommended dividend

Dividend payments and share buy-backs

(DKK million)



operational or strategic considerations, RTX may deviate from the above payout ratio in a specific year.

RTX has a net liquidity position of DKK 74 million at the end of 2021/22 corresponding to 11% of revenue in 2021/22. While the net liquidity position is impacted by the higher working capital in 2021/22 (inventories and receivables) which have helped to secure the strong growth of RTX in the year, the liquidity remains solid and is expected to be brought back to the target position for net liquidity according to the capital policy gradually over the coming financial years.

Dividends and share buy-back

In recent years, RTX has paid out significant distributions to shareholders through dividends and share buy-back programs. Given the financial performance in the preceding financial year (2020/21) no dividends for 2020/21 were paid out and a new share buy-back program was not commenced.

The Board of Directors will monitor developments during 2022/23 and intends – if the actual developments are in line with the expectations – to initiate a share buy-back program during 2022/23.

To proceed with caution in light of the macroeconomic uncertainty and the liquidity position of RTX, the Board of Directors will recommend to the Annual General Meeting in January 2023 that no dividends be distributed based on the financial year 2021/22.

However, at the Annual General Meeting, the Board of Directors will seek a new authorization to conduct share buy-backs in the coming years when the current authorization expires during January 2023 so that the Board of Directors can initiate a share buy-back program during 2022/23 if the circumstances warrant this.

Capital structure adjusted in 2021/22

To adjust and optimize the capital structure of RTX, the share capital was reduced during 2021/22 by nominal DKK 875,000 via cancellation of 175,000 treasury shares acquired through share buy-back programs. The capital reduction was decided by the general meeting in 2022 and was completed and registered on 7 April 2022 (cf. company announcement 10/2022).

Our Sustainability Focus

At RTX, we strive to act responsibly in all we do, and by doing so we want to contribute to a sustainable future for our society. We base our approach on our commitment to the ten principles of the UN Global Compact and the UN's 17 Sustainable Development Goals.

RTX develops and delivers wireless communication solutions that help people perform at their best. In addition to the direct benefits of wireless interconnectivity, such solutions can contribute to a sustainable global development by reducing the need for travel and the need for physical infrastructure such as cables etc. But we recognize that our impact on people, environment and communities across the globe is broader than the direct impact of our wireless solutions. We therefore constantly strive for reducing any potential harm, while at the same time maximizing the benefits for our stakeholders.

Corporate social responsibility (CSR) is an integral part of the way we work at RTX. We have aligned our business priorities and values with the ten principles of the United Nations Global Compact (UNGC) and the UN Sustainable Development Goals. For several years, we have reported on CSR by way of a Communication of Progress (COP) and we report in compliance with sections 99a, 99b and 107 of the Danish Financial Statements Act.

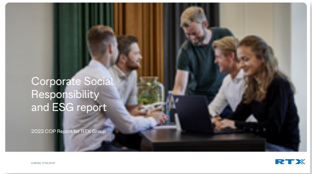
Our CSR approach

Our approach to sustainability is based on the belief that, as a business, RTX influences and impacts people, environments and communities around the globe and we must always act responsibly in this regard. The starting points for our CSR approach and efforts are our commitment to the UN Global Compact and to the UN Sustainable Development Goals most relevant for RTX as well as to an assessment of which CSR issues and risks are most material to RTX and to our stakeholders.

The focus for our sustainability due diligence and risk management is related to the areas with the highest materiality to our stakeholders and to RTX. Our annual CSR/ESG report for 2021/22 (which is also our COP report for 2022) details our policies for handling CSR issues and risks including due diligence, risk management, CSR-related actions and KPIs especially for the CSR issues and risks with the highest materiality.

Focus areas and activities

The most material CSR issues identified include product safety, REACH, RoHS, traceability, supply



Further reading

Our separate CSR and ESG report which also serves as our Communication on Progress (COP) and which reports in compliance with sections 99a, 99b, 107d of the Danish Financial Statements Act can be downloaded from RTX's website: www.rtx.dk/corporate/csr chain management and employee working conditions. We have standardized processes for handling product safety and product regulations as well as materials and components used. A significant part of RTX's CSR footprint occurs throughout our supply chain as manufacturing is outsourced to suppliers and we therefore work on CSR issues together with our supply chain. Our Code of Conduct for suppliers is central to this work and outlines our expectations to suppliers on a range of CSR issues based on the principles of the UN Global Compact. CSR compliance is an important parameter in supplier selection.

The welfare of our employees and their working conditions are other highly material CSR issues for RTX. We conduct annual employee satisfaction surveys which in general display high satisfaction, and we measure and follow up on KPIs such as employee absence and employee turnover.

Other material CSR issues include corporate governance, diversity, environmentally friendly products and sustainable packaging. We also measure our CO_2 emissions according to the Greenhouse Gas Protocol and report this measurement to the Carbon Disclosure Project (CDP).

During 2021/22, we have taken a variety of actions to continue to advance our sustainability agenda. We have decreased our electricity consumption and have focused on LED lighting, motion sensors and innovative lighting to reduce the consumption. We have continued our work on making our packaging more sustainable by reducing surplus packaging space allowing for more sustainable transportation and by substituting plastic bags inside the packaging with sustainable cardboard boxes. The female share of board members elected by the annual general meeting increased to 33% during the year and thus met our target for the representation of the under-represented gender on our Board of Directors. We have now set a new and more ambitious target. Regarding corporate governance, we also adopted an updated tax policy and a new data ethics policy.

CSR AND ESG REPORTING

KPI	Unit	2021/22	2020/21
Environment data			
Energy consumption (absolute)	MWh	707	723
Energy consumption (relative)	MWh/average FTE	2.51	2.53
Scope 1 carbon emissions (absolute)[1]	CO_2e tons	26.8	22.9
Scope 2 carbon emissions (location-based, absolute)[1]	CO_2e tons	523.8	519.6
Scope 2 carbon emissions (market-based, absolute)[1]	CO_2e tons	648.4	677.9
Scope 1 and 2 carbon emissions (relative)[1]	CO_2e tons/average FTE	1.93	1.84
Social data			
Employee absence ratio	%	2.5	1.1
Employee turnover ratio	%	13.6	13.6
Gender diversity			
Women as share of all employees	%	20	17
Women as share of Group Executive Management	%	0	0
Women as share of Board of Directors (elected by AGM)	%	33	0
Governance data			
Whistleblower reports	no.	0	0
Attendance at ordinary board meetings	%	98	98
Attendance at extraordinary board meetings	%	88	100

[1] Measured for 2021 and 2020 respectively

707 MWh

Energy consumption (absolute)

2.5%

Employee absence ratio

0

Whistleblower reports

Governance

Corporate Governance
Risk Management
The RTX Share
Board of Directors and Executive Board

Corporate Governance

Ensuring the active, transparent and accountable management of RTX as well as compliance with applicable legislation, rules and recommendations.

Governance model

RTX's corporate governance framework is based on a two-tier system in which the Board of Directors and Group Executive Management together form the governing body of RTX but have two distinct roles. The ultimate authority over the company rests with the shareholders at the annual general meeting. Rules and deadlines applying to annual general meetings are stipulated in the Articles of Association of RTX, which are available at www.rtx.dk.

The Board of Directors appoints and controls the Executive Board and Group Executive Management and defines the overall strategy and objectives in close collaboration with Group Executive Management. The Executive Board and Group Executive Management are responsible for the operational and tactical management of the company, for ensuring progress on the outlined strategic direction, for daily risk management and for ensuring compliance with relevant legislation and procedures as well as for submitting reports on performance, strategy and budget suggestions etc. to the Board of Directors. At present, the Executive Board consists of two members and Group Executive Management consists of six members (including the Executive Board).

RTX governance model

Find more information on the Board of Directors and the Executive Management on our website: www.rtx.dk

Read more

Composition of Board of Directors

The Board of Directors consists of nine members, six of which are elected at the annual general meeting. Shareholder-elected members are elected individually and for terms of one year and may stand for re-election. The number of board members and the composition of the board, in terms of professional experience and relevant competencies is considered by the Chair and Deputy Chair as well as by the full Board of Directors on an ongoing basis and is considered to be appropriate. The competencies of the members of the Board of Directors cover, among others, general international management as well as business development, sales, operations, technology, R&D and financial management in a variety of industries relevant to RTX.

During 2021/22, two new members were elected to the Board of Directors – Ellen Andersen and Katja Millard – replacing Christian Engsted who did not seek re-election. Through these new members the board added further competencies within areas such as management of IT, IoT, digital development as well as sales, marketing, and product development within the hardware and electronics industries.

Pursuant to the Danish Companies Act, three additional board members are elected by the employees for a term of four years with the latest election held in January 2019. The employee representatives serving on the board hold the same rights and obligations as the shareholder-elected members.

The Board of Directors conducts a self-evaluation of the work in the board and of the cooperation between the Board of Directors and the Executive Board. This evaluation was carried out with external assistance during the autumn of 2020 and is followed up by internal evaluations by the board. The result of these evaluations did not give rise to any significant observations and validated the appropriateness of the composition of the Board of Directors.

Board meetings

At least four ordinary board meetings are held per year. In 2021/22, seven ordinary board meetings were held. Extraordinary board meetings are held according to need. In 2021/22, a total of ten board meetings were held. The attendance of board members at board meetings in 2021/22 was 98% of full attendance at ordinary board meetings and 88% of full attendance at extraordinary board meetings. One of the board meetings is the annual strategy seminar where the Board of Directors has in-depth discussions of and approves the strategic direction and actions, both for RTX's target market segments and for the enabling functional areas within RTX, based on presentations by Group Executive Management.

Board of Directors 2021/22 focus areas

Business and Strategy

- Review, discuss and approve the Company's strategy plans
- Monitor and discuss market developments
- Component scarcity and supply chain challenges
- Monitor macroeconomic impact (e.g. inflation)
- Financial performance, reporting and budgets
- Capital structure and distributions to shareholders

Governance and Remuneration

- Risk management and internal controls
- Selection of and dialogue with external auditor
- Evaluating work in the board and in executive management
- Onboarding new board members
- Executive remuneration and incentive programs
- Updated tax policy
- New policy on data ethics

Board committees

The Audit Committee of RTX operates according to its terms of reference approved by the Board of Directors and refers to the Board of Directors. Four Audit Committee meetings are held per year and the committee consists of three members. The main tasks of the Audit Committee are to supervise financial reporting, accounting policies and estimates, internal controls, risk management, overseeing any whistleblower reports, external audit and to recommend to the Board of Directors the approval of financial statements and the appointment of external auditors. During the year, the Audit Committee additionally focused specifically on CSR and ESG reporting, IT and cyber security and risks, the updated tax policy, as well as a new policy on data ethics. In 2021/22, there have been no incidents reported to RTX's whistleblower system.

The Nomination & Remuneration Committee refers to the Board of Directors. The Nomination and Remuneration Committee consists of two members. The main tasks of the committee include succession planning at the Board of Directors and Group Executive Management levels, suggesting appropriate management remuneration and incentive programs and planning the evaluation process of the Board of Directors.

Recommendations on corporate governance

In general, RTX complies with the Danish Recommendations on Corporate Governance. The recommendations applicable for the financial year 2021/22 were issued on 2 December 2020, and it is the first RTX reporting period for which these newest recommendations are applicable.

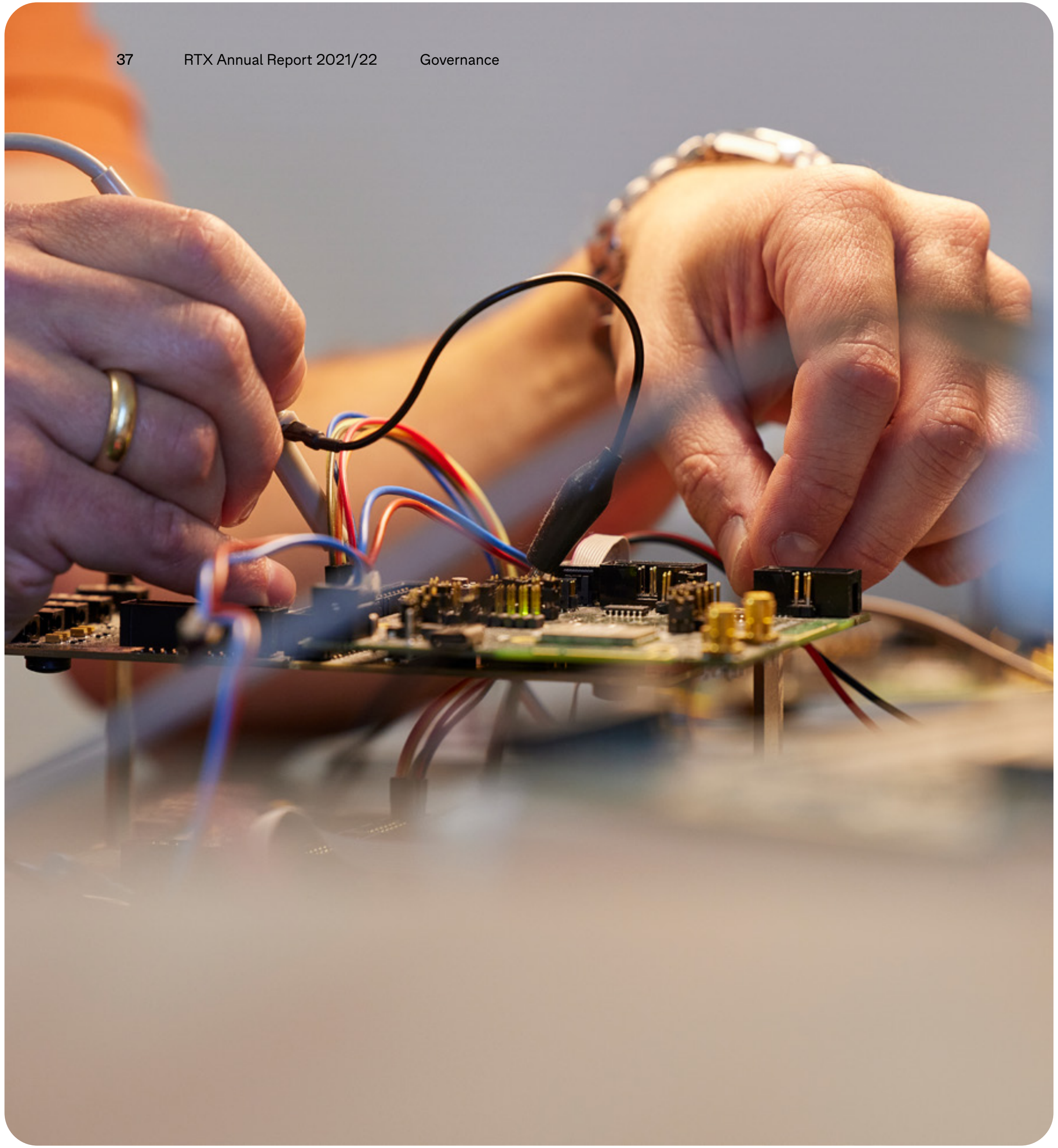
RTX complies with all of the 40 recommendations of the Danish Committee on Corporate Governance in 2021/22. In connection with the annual report, RTX publishes the statutory report on corporate governance, cf. section 107b of the Danish Financial Statements Act. The full statutory report is available at: www.rtx.dk/CorporateGovernance.

Remuneration

Remuneration of the Board of Directors and the Executive Board is carried out in accordance with the RTX Remuneration Policy as adopted at the Annual General Meeting in 2020. As stated in the Remuneration Policy, the overall objectives of the policy are to attract, motivate and retain qualified members of management; to ensure alignment of interests between management,

RTX compliance with Danish recommendations on corporate governance

Complies with recommendation	40
Does not comply with recommendation	0



company and shareholders; and to promote long-term value creation in RTX and support RTX's business strategy. To align interests for RTX's shareholders and management, and to meet both short-term and long-term goals, the policy further defines appropriate limits on incentive programs and longer-term share-based remuneration programmes for management. The policy is available at RTX's website at www.rtx.dk/RemunerationPolicy.

Remuneration of the Board of Directors and the Executive Board is reported in the separate RTX Remuneration Report for 2021/22 prepared and published in accordance with section 139b of the Danish Companies Act. The report details remuneration of the Board of Directors and the Executive Board. It also explains the structure and performance criteria of incentive programs. The Remuneration Report is available at RTX's website at www.rtx.dk/RemunerationReport. At the Annual General Meeting in 2022, the Remuneration Report for 2020/21 was presented and approved in an advisory vote. For details on the accounting treatment of remuneration for the Board of Directors and the Executive Board see note 2.4 later in this annual report.

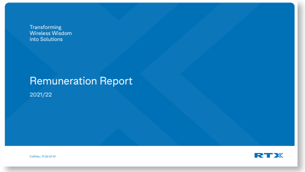
Diversity

It is the objective of RTX to attract and retain highly qualified and motivated employees, and RTX strives to have a reasonable split between male and female candidates and employees, even though we operate in an industry with a very high share of male candidates. RTX encourages female and international applicants to apply

Further reading
Our separate reports on Corporate Governance and Remuneration are available from RTX's website:

Corporate Governance report

Remuneration report



for vacant positions. RTX's objective of minimum 20% as the proportion of the under-represented gender (currently women) of the total shareholder-elected members on the Board of Directors by 2024 was met already in 2021/22. Currently 33% (2 of 6) shareholder-elected members of the Board of Directors are female. With the fulfilment of the previous objective, the Board of Directors have set a new objective of 40% of the shareholder-elected members on the Board of Directors being of the under-represented gender by 2026.

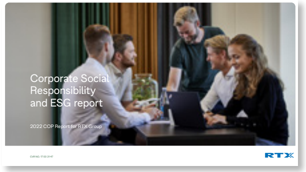
For further information regarding RTX's policy and objectives on diversity and for our report pursuant to sections 99b (target for gender distribution) and 107d (diversity) of the Danish Financial Statements Act, please refer to our CSR and ESG report, which is available for download at www.rtx.dk/corporate/csr.

Data ethics

Statement on data ethics, cf. Section 99d of the Danish Financial Statements Act.

During 2021/22, RTX has increased our focus on data ethics and the Board of Directors has adopted a Data Ethics Policy. The purpose of this new Data Ethics Policy is to describe the principles under which RTX works with ethical use of data and new technology as well as to raise awareness of our data ethical principles. Our Data Ethics Policy is available at RTX's website at www.rtx.dk/DataEthicsPolicy.

During 2021/22, the female share of members on the RTX Board of Directors elected by the annual general meeting increased from 0% to 33% (2 of 6) and thus met our target. Subsequently, the Board of Directors has set an even more ambitious target.



Read more about our diversity policy and targets in our CSR and ESG report.

Read more

RTX uses data related to employees, customers, suppliers, and visitors to our website and it includes both personal and non-personal data. Our data ethics principles are based on security, transparency and responsibility. During the year, RTX has upgraded its IT security infrastructure and has updated employees' understanding of potential cyber security threats in order to strive to maintain a high level of IT security to protect confidential information and personal data handled by RTX against unauthorized use and publication. Also, RTX strives to act responsibly by considering whether any collection and processing of data is warranted and legitimate and ensuring that it does not violate fundamental privacy or other rights. Further, RTX does not sell any data to any third parties.

RTX will periodically review and revise our data ethics principles to reflect evolving technologies, regulatory requirements, stakeholder expectations and based on an understanding of the risks and benefits to individuals and society from the use and processing of data.

Risk Management

Identifying, monitoring and mitigating risks are key parts of RTX's governance model, and the latest years have seen the emergence of a variety of risks – lockdowns, component scarcity as well as macroeconomic and geopolitical instability.

RTX operates as an international provider of technological ODM/OEM products and solutions and is therefore exposed to various risks inherent to our business operations. Managing these risks is an integrated part of our management activities.

At RTX, risks are defined as "an occurrence caused by external or internal events which hinders us in meeting our objectives". The risk management approach is based on risk identification and assessment followed by defining mitigating actions and implementing those mitigating actions which are deemed relevant and attractive. Mitigating actions are planned and conducted to decrease the likelihood of a risk occurring and/or to decrease the impact of a risk if occurring.

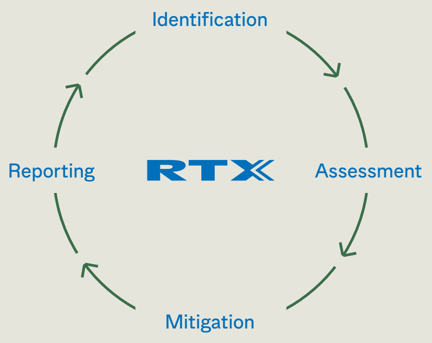
Group Executive Management is responsible for reviewing the overall risk exposure of RTX on an ongoing basis. Once risks have been identified, assessed and mitigating actions defined, executive management evaluates the risk exposure to ensure that appropriate plans are in place. The Board of Directors is ultimately responsible for risk management, and it has appointed the Audit Committee to supervise the risk profile evaluation on a quarterly basis. Significant risks are reported to the Board of Directors at least on a quarterly basis. During 2021/22, risks stemming from the global COVID-19 pandemic, from the global component and supply chain challenges as well as from the significant geopolitical and macroeconomic uncertainty have been in particular focus in this process.

RTX takes out statutory insurances as well as the insurances deemed to be relevant in order to eliminate or reduce unwanted and insurable risks. At regular intervals, RTX conducts a review of the insurances and their coverage in cooperation with external advisers. The Group's insurances are reviewed periodically by the Audit Committee.

For an overview of financial risks and RTX's handling of such refer to note 5.6 to the financial statements in this annual report.

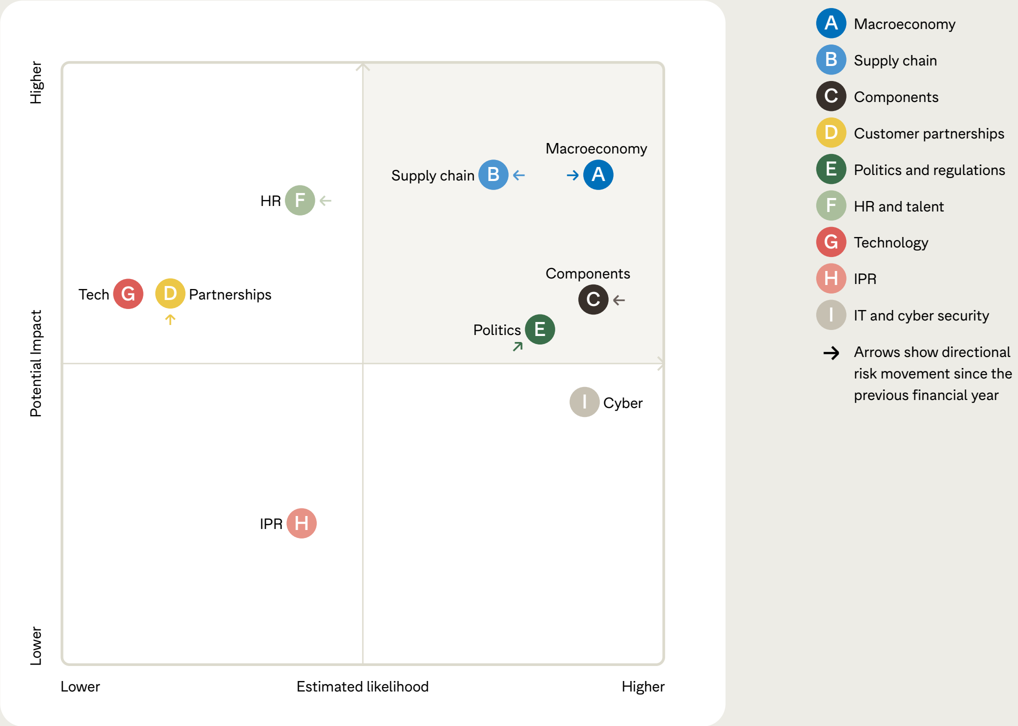
The risk management process

The risk management process at RTX includes the interlinked processes of risk identification, assessment and mitigation managed by Group Executive Management and reported to and supervised by the Board of Directors.



Risk heat map

Risks are assessed using a two-dimensional risk matrix – estimating the impact on RTX earnings and "license to operate" and the estimated likelihood of a risk materializing.



A Macroeconomy

Risk description

Macroeconomic uncertainty and adverse economic conditions with low rates of economic growth may lead to a reduced demand from end users and thereby from RTX's customers thus impacting the activity level and financial results of RTX.

Fluctuations in currency exchange rates – especially USD/DKK exchange rate – impact RTX revenue and operating profits measured in DKK. Given the high solidity and the liquidity position RTX does not have risk related to external providers of interest-bearing debt.

Mitigation

To safeguard against the potential impact of low economic growth rates, RTX has, over the past years, enlarged its customer base – e.g. through further long-term framework agreements – to increase the likelihood of an underlying growth in RTX's activity level regardless of any lower economic growth. Also, RTX operates in different industrial sectors/segments to reduce the exposure to any one sector. While the strong and enlarged customer relationships through framework agreements create significant growth opportunities for RTX, we have maintained a cautious approach to our capacity cost base in light of the macroeconomic uncertainty in 2022 (inflation and recession risk).

Regarding foreign exchange risk, RTX's trading and currency policy with customers and suppliers is, to the greatest possible extent, to attempt to match the currencies of its purchase and sales. If deemed appropriate, RTX may enter into transactions for the purpose of reducing net currency exposures. During 2021/22, RTX has continued to hedge part of the future (expected) net inflow of USD to reduce such exposure.

Risk assessment 2021/22

Likelihood: High / Impact: High

During 2021/22, RTX was positively impacted by the demand rebound after COVID-19. However, the high inflation in many countries and the risk of recession creates high uncertainty regarding the global demand levels in the near future. Thus the global uncertainty seems to be shifting from a supply uncertainty to a demand uncertainty. The USD has strengthened over 2021/22 which has had a positive impact on RTX financials compared to last year.

B Supply chain

Risk description

The Group's production is handled by suppliers (contract manufacturers), which are located both in Asia and Europe with the majority of sourced volume from Asia. The Group depends on the ability of these suppliers to produce and supply the planned volume at the agreed time and quality and thus significant fluctuations in revenue and gross profit may arise if some suppliers fail to supply as agreed.

Mitigation

RTX is in ongoing close contact with its suppliers in order to plan and monitor supplies, quality assurance systems and production. To reduce our reliance on any single supplier, RTX operates with more than one supplier where possible, while in other cases it may be necessary to reduce the delivery uncertainty with a buffer inventory.

A 12-month rolling forecast is managed by RTX from customers through RTX to suppliers, which increases the ability of suppliers to plan operations in order to meet RTX's demand.

RTX cooperates with major contract manufacturers that operate multiple factories across countries and continents, which means that production can be transferred from one factory to another should one of the sites temporarily be out of operation for a prolonged period.

Risk assessment 2021/22

Likelihood: High / Impact: High

The significant disruptions to the global flow of goods seen in 2020/21 continued in 2021/22 with for instance, production shutdowns in China due to COVID-19 lockdowns and temporary electricity cut-offs, container shipping impediments leading to prolonged transportation times and long-lead time for components (also see risk section on components). While some of these disruptions still occur and the supply chain risk thus overall remains high, improvements have been seen towards the end of 2021/22 with an improved flow of goods.

RTX's Supply Chain organization has continued to work even closer with its suppliers in 2021/22 to always have a detailed overview of the delivery situation and assist the supply base in improving the situation where possible. Further, buffer stocks have been built for important components and products where possible.

C Components

Risk description

Increasing component lead times and temporary allocation of components (i.e. component suppliers not fulfilling the full demand) may impact revenue, gross profits and gross margins – especially via postponements (and only to a lesser degree cancellations). The issue has historically been pertinent for certain electronics components from time to time.

Mitigation

RTX has a well-established 12-month rolling forecast process in place, from customers via RTX to its manufacturing partners. This has ensured a long planning horizon for components and production, and thereby has, to the extent possible, de-risked component allocation to secure that components are received on time.

When necessary, the RTX Supply Chain organization works, closely and directly with suppliers of components (by-passing, but in agreement, with our manufacturing partners) to increase allocations of components. This involves making spot buys to fill short-term gaps while working with suppliers to ensure allocation and prioritization. Further, component buffer stocks may be built where possible and attractive to ensure availability of key components.

Risk assessment 2021/22

Likelihood: High / Impact: Medium

Lead time for many electronics components has been very high in 2021/22 and certain components have been under allocation – especially semiconductors. This has had a significant impact on the timing of deliveries and thus revenue for RTX with revenue being postponed from one period into the next – but it is primarily postponements not cancellations. The impact increased in the first half of 2021/22, then stabilized before improving somewhat towards the end of the financial year. So, while the component risk remains high, there are signs that the situation may be gradually improving.

D Customer partnerships

Risk description

A significant part of RTX's business is based on long-term partnerships with leading international companies in the market segments where RTX operates. The cooperation with these customers is based on long-term framework agreements, and RTX's products are an integrated part of these customers' solutions and offerings.

The company's top three customers represent 52% of 2021/22 revenue. It would have a considerable impact on RTX's organizational setup as well as its financial performance, if key customers – for any given reason – face financial challenges, if RTX and a given customer are not able to be successful together or if the market situation were to significantly change.

Mitigation

Considerable resources have been invested in the technical integration of RTX's technology and products into the customers' solutions and replacing RTX would accordingly trigger substantial switching cost for the customers.

Also, RTX is expanding the base of significant customers through additional framework agreements as announced over the past years which will reduce RTX's reliance on individual customers.

In general, RTX's large customers are large and well-reputed international companies. To further mitigate financial consequences from any possible customer specific occurrences, RTX takes out credit insurance on customers to the extent possible.

Risk assessment 2021/22

Likelihood: Low / Impact: Medium

Some of RTX's largest customers have had higher than average revenue growth with RTX and therefore the share of revenue from the largest customers have increased which would cause a slightly larger impact if these customers are not able to perform. However, at present there are no indications of a heightened risk.

E Politics and regulations

Risk description

International trade barriers out of protectionism or for other reason could influence the ability of RTX to export products from certain countries to e.g. the US. Further, geopolitical disturbances can have an indirect effect on economic growth (see risk section on “Macroeconomy”) or could impact RTX's ability to utilize supply chains in certain countries.

The countermeasures against pandemics (e.g. COVID-19) are often politically decided and may lead to a temporary decrease in customer demand within RTX specific sub-segments or in supply with any lockdowns affecting production (e.g. in China).

Also, RTX is subject to product safety regulations such as e.g. REACH and RoHS and failure to comply with these may harm RTX's reputation and license to operate.

Mitigation

RTX is engaging with several internationally oriented suppliers with operations across multiple countries and continents, which provides an agile setup in case of significant trade barriers or geopolitical disturbances.

RTX operates in different industrial sectors/segments to reduce the exposure to any one sector.

Regarding product safety, RTX's management system, supplier agreements and compliance frameworks are designed to deal with customer and regulatory requirements. The management system is subject to both internal and external reviews and audits.

Risk assessment 2021/22

Likelihood: High / Impact: Medium

Overall, the risk related to any disruptive pandemic countermeasures has reduced compared to last year. However, the geopolitical instability in the world has increased with the Russian invasion of Ukraine. While RTX does not have any activities in Russia, Belarus or Ukraine, the markets have in no way been important markets for RTX (accounting for less than 0.1% of revenue over the latest years) and all business in Russia and Belarus has been discontinued, the increased geopolitical instability may spill over to other geographies and can thus pose an indirect risk also to RTX.

F HR and talent

Risk description

RTX is a knowledge intensive company and to develop innovative products and solutions and to ensure our competitive position, it is essential to attract, develop and retain the right talent. Failure to do so may ultimately hinder RTX's ability to successfully execute our strategy and thereby reduce our competitiveness.

Mitigation

RTX's goal is to be an attractive workplace. This is achieved e.g. through attractive working conditions, employee and manager development dialogue, employee satisfaction surveys, social gatherings and incentive programs.

RTX maintains close cooperation with leading universities close to RTX knowledge hubs both regarding student assignments, PH.D dissertations and regarding recruiting.

RTX monitors employee turnover and retention on an ongoing basis.

Risk assessment 2021/22

Likelihood: Medium / Impact: High

The tight labor market which was seen last financial year, has been gradually loosened over 2021/22. So, while employee turnover still has been relatively high compared to long-term historic levels, it has stabilized in 2021/22 and the opportunities for attracting new employees have improved during 2021/22.

G Technology

Risk description

A significant part of RTX's business is based on its unique knowledge within advanced wireless radio systems. Therefore, technological changes may affect future business opportunities for RTX.

A revolution of the wireless communication standards and competence platforms, which RTX currently incorporates into its products and solutions, may lead to lost business opportunities, especially longer term.

Mitigation

Through close relationships with leading international customers, RTX has a solid understanding of the customers' future product development plans. The close relations enable RTX to predict and react to changes in technologies requested by the customers on an ongoing basis.

Via innovation projects, RTX develops the technological competencies that will enable RTX to offer products and solutions based on a wider range of technological opportunities. This reduces the dependence on single technologies. RTX's corporate technology office works on this continuously and also team up with leading research institutions for specific innovation projects.

Further, RTX monitors and impacts technological standards through active participation in highly reputed industry organizations worldwide.

Risk assessment 2021/22

Likelihood: Low / Impact: Medium

The CTO Office of RTX scouts emerging technologies and evaluates technologies with potential implications (opportunities or threats) for RTX especially within wireless and audio platforms and protocols. In 2021/22, the CTO Office has prepared the foundation for the future operating system for RTX software and products.

H IPR

Risk description

Operating in a highly IPR protected industry, RTX's freedom of action may from time to time be limited by patents from third parties. Further, RTX holds and has applied for patents within selected key areas.

There may be a risk that RTX inadvertently infringes on third party rights. Further, RTX's practices for protecting the company's intellectual property rights may be inadequate so that competitors may develop similar technologies. This can lead to loss of business opportunities for RTX.

Mitigation

The company's model for development projects includes a review of the project to assess if there is a risk that RTX may infringe on or is limited by third party rights. It is also a formal point of our project model that the project is considered for relevant patents.

RTX has competences within design, development and manufacturing of wireless solutions and combinations of wireless technologies. The number of wireless technologies, that RTX has competences within, are expanded over time to avoid dependency on a single technology.

RTX is a member of ETSI (European Telecommunications Standards Institute) and other technology forums. Such memberships ensure that RTX stays up to date on relevant issues in the industry, including e.g. frequency bands, that may affect RTX's business or infringe on third party rights.

Risk assessment 2021/22

Likelihood: Low / Impact: Low

RTX CTO Office has continued its increased focus on screening for potential IPR infringements and screening for potential opportunities for taking out relevant patents and the number of patent applications made by RTX is increasing.

I IT and cyber security

Risk description

RTX's business depends to a large and increasing extent on reliable and secure IT systems. Severe breaches of IT security or system outages may have a negative effect on RTX's knowledge base, reputation and/or competitive position, and thus may cause financial losses, lost business opportunities or lack of ability to meet contractual obligations.

Mitigation

While these risks cannot be fully eradicated, RTX is continuously working to reduce the risks via regular adjustments of technical security controls and guidelines and policies for IT security. This is done centrally from corporate IT rolling out centrally managed solutions to reduce the number of applications in use. This allows for central management of platforms, master data and security functions, where possible.

Additionally, RTX conducts internal employee awareness campaigns regarding IT security. The Group also assesses and tests the IT infrastructure and security level in collaboration with external experts from time to time.

The outsourcing of RTX's production to a number of different suppliers also in the short-term protects delivery performance in case of shorter duration unavailability of IT service at RTX.

Risk assessment 2021/22

Likelihood: High / Impact: Medium

Globally, the number of cyber security attacks continues to be very high and the risk of IT security breaches thus remains significant. RTX has continued to implement IT infrastructure upgrades to increase the resilience of our systems and have during 2022 instituted mandatory cyber security training for all personnel.

The RTX Share

Despite better than expected financial performance of RTX, the share price decreased over 2021/22 in a difficult general stock market.

The share

RTX shares were priced at DKK 115 per share at the end of the financial year at 30 September 2022, corresponding to a market capitalization of DKK 974 million. The stock market in general has been declining in 2022 and the RTX share has seen the same development. Despite upgraded RTX expectations over the financial year, the RTX share price has decreased by 30.3% during 2021/22 while the Nasdaq Copenhagen mid-cap index (OMXCMCGI), which includes the RTX share, decreased by 18.4% over the same period.

With the completion of the capital reduction in April 2022, the share capital of RTX is comprised of 8,467,838 shares.

Share capital and treasury shares

As of 30 September 2022, RTX's share capital had a nominal value of DKK 42,339,190 comprising 8,467,838 shares each with a nominal value of DKK 5. All shares carry equal rights and they are not divided into classes. RTX holds a total of 284.924 treasury

The RTX Share

Stock Exchange
Nasdaq Copenhagen A/S

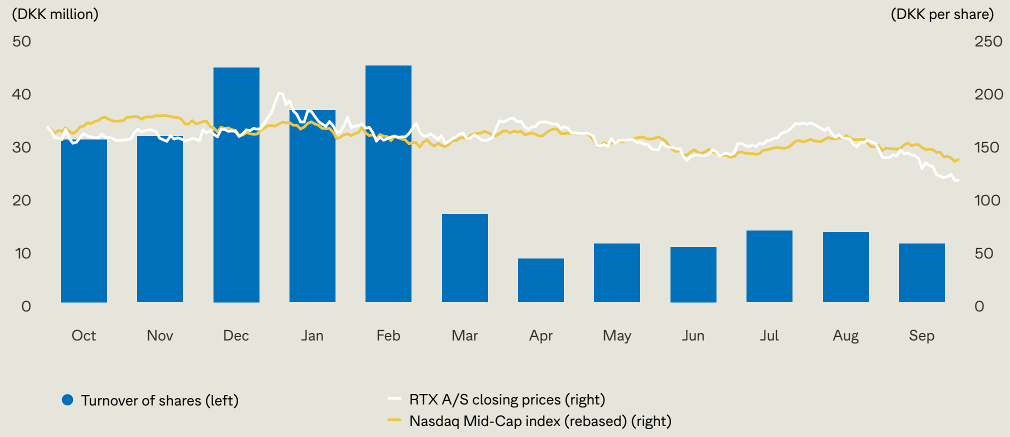
ISIN Code
DK0010267129

Index
Mid-Cap (OMXCMCGI)

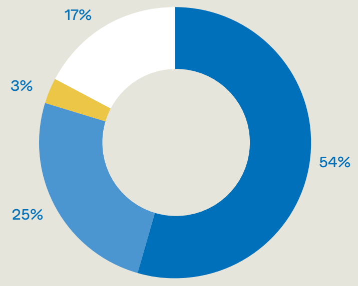
Restriction in voting rights
None

	30 Sep. 2022	30 Sep. 2021
Share price (DKK per share)	115	165
Market capitalization (DKK million)	974	1,426
Average daily turnover (DKK million)	1.1	2.3
Shares issued (no.)	8,467,838	8,642,838
Treasury shares (no.)	284,924	502,906
Earnings per share (DKK)	4.2	0.4
Price/earnings	27.7	372.8

Share price development and trading activity 2021/22



Shareholder Composition
30 September 2022
(% of shares)



Shareholder composition

At 30 September 2022, RTX had more than 4,700 shareholders registered by name, including custodian banks, constituting approximately 83% of the company's share capital. According to registered addresses, the majority of shareholders are based in Denmark, but with a sizeable share of shareholders being based internationally. Approximately 56% of the share capital was held or managed by the 20 largest shareholders registered by name.

In accordance with section 55 of the Danish Companies Act, the following investors have reported holdings of more than 5% of RTX's share capital:

- Jens Hansen: 8.0%
- Fundamental Invest Stock Pick and related Fundamental Invest Stock Pick II Acc: 7.5%
- ATP: 6.8%
- Jens Toftgaard Petersen: 5.3%

shares corresponding to 5.8% of the share capital. The treasury shares are held to fulfil obligations arising from share-based incentive programs to management and key employees as well as to adjust the capital structure from time to time. In 2022, the Board of Directors proposed, and the general meeting approved, a capital reduction of 175,000 shares at a nominal value of DKK 875,000 by cancellation of RTX treasury shares. The capital reduction was completed in April 2022.

Authorizations granted to the Board of Directors

At the 2018 Annual General Meeting, the Board of Directors was granted the right to authorize the Company to acquire treasury shares for a nominal value of DKK 4,400,000 (equivalent to approximately 10% of the Company's share capital at the time of the authorization) during the period until 24 January 2023. The Company's holding of treasury shares after the acquisition must not exceed 10% of the share capital from time to time, while the acquisition price must not deviate by more than 10% from the share price at Nasdaq Copenhagen at the time of the acquisition. The Board of Directors expects to seek approval from the Annual General Meeting in January 2023 for a renewed right to acquire treasury shares.

At the 2019 Annual General Meeting, the Board of Directors was authorized to increase the Company's share capital in one or more issues of new shares up to a maximum of nominal value of DKK 8,900,000 without pre-emption rights for the Company's existing shareholders. The right may not be utilized for an amount exceeding 20% of the outstanding share capital at the time of the exercise of the authorization. The authorization is valid until 23 January 2024.

Financial Calendar

26 January 2023
Annual General Meeting
Deadline to submit proposals for items on the agenda is 14 December 2022

26 January 2023
Interim report Q1 2022/23

2 May 2023
Interim report Q2 2022/23

29 August 2023
Interim report Q3 2022/23

30 November 2023
Annual report 2022/23

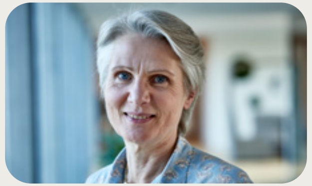
Investor relations

RTX aims to maintain an open dialogue with investors and analysists about the company's business model, strategic priorities and financial performance. RTX further aims to ensure equal, timely and adequate information for all investors by publishing company announcements in Danish and English on the RTX website and by release to Nasdaq Copenhagen. In addition to financial reports and other company announcements, RTX's Executive Board uses investor meetings, roadshows and conference calls as the primary channels when communicating with stakeholders.

RTX's website provides information about analyst coverage and access to investor-related materials etc.

Board of Directors and Executive Board

Board of Directors

						
	Peter Thostrup Chair	**Jesper Mailind** Deputy Chair	**Ellen Andersen** Board member	**Katja Millard** Board member	**Henrik Schimmell** Board member	**Lars Christian Tofft** Board member
Title	Professional board member	Professional board member	Professional board member	Vice President, Enterprise Products, Motorola Solutions	President, Radiometer	Senior Advisor TMT industry Professional Board Member
Education	M.Sc. Economics and Finance, 1987. MBA, 1986.	Graduate Diploma in Business Administration, 1982. MBA, 1984.	Executive education at IMD, INSEAD and London Business School among others 2007-2015.	CBA from AVT Business School 2007. International Trade and Marketing 2002.	Ph.D. from Danish Technical University, 1992. M.Sc. in Electrical Engineering, 1986.	M.Sc. in Business Administration and Business Law, 1990. Executive education at INSEAD, Colombia University and Boston University.
Directorships	Chair of the boards of directors of Holmris B8 A/S, Power Stow A/S and Linstol LLC; Member of the board of directors of A/S Th. Wessel & Vett, Magasin du Nord	Chair of the board of directors of Aidian Oy; Deputy Chair Leo Pharma A/S; Member of the boards of directors of Etac AB and Contour Design A/S			Chair of the boards of directors of HemoCue AB, Radiometer Medical, several Radiometer subsidiaries; Chair of Danaher European Board	Member of the board of directors of Sternula A/S
Competencies	In-depth knowledge of finance, corporate governance in listed companies, management experience from international technology and consumer firms. General and solid board experience.	General management and transition management from global industries including life science, medtech, diagnostics, technology and manufacturing.	International management experience within IT, IoT and digital development from large global and listed companies. Substantial experience in managing large development teams across multiple international locations.	International tech management background – software and hardware with deep knowledge of the electronics industry incl. two-way radio systems and devices. Experience covers sales, marketing, innovation and product development.	General management within medical device/diagnostics and hearing instrument industries. Additionally, competencies within strategic planning, lean business operations, M&A and process development.	General management with specialty in sales & marketing, transformation and digitalization. International experience from global market leader in the ICT space. Specific technology expertise in 4G/5G technology, Internet of Things (IoT) and AI.
Committees	Member of the Audit Committee and Chair of the Nomination & Remuneration Committee	Member of the Audit Committee and of the Nomination & Remuneration Committee			Chair of the Audit Committee	
Meeting attendance	Ordinary: 7 of 7 Extraordinary: 3 of 3	Ordinary: 7 of 7 Extraordinary: 3 of 3	Ordinary: 5 of 5 Extraordinary: 2 of 2	Ordinary: 5 of 5 Extraordinary: 2 of 2	Ordinary: 7 of 7 Extraordinary: 2 of 3	Ordinary: 6 of 7 Extraordinary: 2 of 3
Elected period	Since 2009	2009-2009 and since 2013	Since 2022	Since 2022	Since 2019	Since 2017
Considered independent	No (due to duration of elected term)	Yes	Yes	Yes	Yes	Yes
Nationality	Danish	Danish	Danish	Danish	Danish	Danish
Y.O.B & gender	1960, male	1956, male	1967, female	1978, female	1962, male	1966, male

Board Members Elected by the Employees

	Flemming V. Andersen Board member	Kevin Harritsø Board member	Kurt Heick Rasmussen Board member
Title	RF Manager, RTX A/S	Team Lead, RTX A/S	Senior Project Manager, RTX A/S
Education	M.Sc. in Electrical Engineering, 1999. Graduate Diploma in Business Administration, 2008.	M.Sc. in Electrical Engineering 2009.	B.Sc. in Engineering, 2000. Graduate Diploma in Business Administration, 2009.
Directorships			
Meeting attendance	Ordinary: 7 of 7 Extraordinary: 3 of 3	Ordinary: 7 of 7 Extraordinary: 3 of 3	Ordinary: 7 of 7 Extraordinary: 2 of 3
Elected/appointed period	Since 2015	Since 2019	Since 2015
Term of office expires	2023	2023	2023
Nationality	Danish	Danish	Danish
Year of birth and gender	1973, male	1984, male	1974, male

Executive Board

	Peter Røpke	Morten Axel Petersen
Title	President and CEO	CFO
Education	M.Sc. in Electrical, Electronics and Communications Engineering, 1992.	M.Sc. in Business Administration and Management, 1999.
Directorships	Member of the boards of directors of DEIF A/S and Audientes A/S.	
Meeting attendance		
Elected/appointed period	Since 2016	Since 2019
Term of office expires		
Nationality	Danish	Danish
Year of birth and gender	1966, male	1974, male

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Income statement

Amounts in DKK '000	Note	Group 2021/22	Group 2020/21	Parent 2021/22	Parent 2020/21
Revenue	2.1 - 2.2	663,289	457,157	663,289	457,157
Value of own work capitalized	2.5	15,759	24,899	15,759	24,899
Cost of sales	2.3	-354,037	-218,068	-354,037	-218,059
Other external expenses	2.5 - 2.6	-62,376	-55,336	-102,457	-90,772
Staff costs	2.4 - 2.5	-177,280	-171,341	-142,923	-141,524
Operating profit/loss before depreciation and amortization (EBITDA)		85,355	37,311	79,631	31,701
Depreciation, amortization and impairment	3.1 - 3.3	-39,714	-31,251	-37,283	-29,297
Operating profit/loss (EBIT)		45,641	6,060	42,348	2,404
Financial income	2.7	13,480	1,617	15,319	4,202
Financial expenses	2.7	-16,846	-8,251	-17,353	-8,563
Profit/loss before tax		42,275	-574	40,314	-1,957
Tax on profit/loss	2.9	-8,359	4,222	-7,848	3,728
Profit/loss for the year		33,916	3,648	32,466	1,771
Earnings per share					
Earnings per share (DKK)	5.4	4.2	0.4		
Earnings per share, diluted (DKK)	5.4	4.1	0.4		
Attributable to:					
Shareholders of the parent		33,916	3,648		
		33,916	3,648		

Statement of Comprehensive Income

Amounts in DKK '000	Group 2021/22	Group 2020/21	Parent 2021/22	Parent 2020/21
Profit/loss for the year	33,916	3,648	32,466	1,771
Items that can be reclassified subsequently to the income statement				
Exchange rate adjustments of foreign subsidiaries	6,168	179	-	-
Fair value adjustment relating to hedging instruments	-4,904	-59	-4,904	-59
Tax on hedging instruments	1,079	13	1,079	13
Fair value of hedging instruments reclassified to the income statement	2,965	62	2,965	62
Tax on hedging instruments reclassified	-652	-14	-652	-14
Other comprehensive income, net of tax	4,656	181	-1,512	2
Comprehensive income for the year	38,572	3,829	30,954	1,773
Attributable to:				
Shareholders of the parent	38,572	3,829		
	38,572	3,829		

Balance Sheet 30 September

		Group		Parent	
Amounts in DKK '000	Note	2021/22	2020/21	2021/22	2020/21
Assets					
Own completed development projects	3.1	38,734	49,551	38,734	49,551
Own development projects in progress	3.1	16,896	12,643	16,896	12,643
Goodwill	3.1	7,797	7,797	-	-
Intangible assets		63,427	69,991	55,630	62,194
Right-of-use assets (lease assets)	3.2	54,384	57,461	49,154	52,592
Plant and machinery	3.3	16,724	12,305	16,724	12,305
Other fixtures, tools and equipment	3.3	4,575	4,157	4,377	4,029
Leasehold improvements	3.3	11,273	11,840	11,273	11,814
Tangible assets		86,956	85,763	81,528	80,740
Investments in subsidiaries	3.4	-	-	39,078	38,167
Deposits	3.5	6,817	6,836	5,923	6,082
Deferred tax assets	2.9	2,151	1,452	-	-
Other non-current assets		8,968	8,288	45,001	44,249
Total non-current assets		159,351	164,042	182,159	187,183
Inventories	4.1	102,494	32,371	102,494	32,371
Trade receivables	4.2	195,485	148,893	195,485	148,893
Contract development projects in progress	4.3	8,037	10,163	8,037	10,163
Income taxes	2.9	-	562	-	435
Other receivables		13,103	4,912	12,525	4,406
Prepaid expenses		4,545	3,954	3,836	3,341
Receivables	5.6	221,170	168,484	219,883	167,238
Current asset investments in the trading portfolio	5.1	30,083	100,952	30,083	100,952
Current asset investments	5.1	30,083	100,952	30,083	100,952
Cash at bank and in hand		43,725	19,461	41,054	16,419
Total current assets		397,472	321,268	393,514	316,980
Total assets		556,823	485,310	575,673	504,163

		Group		Parent	
Amounts in DKK '000	Note	2021/22	2020/21	2021/22	2020/21
Equity and liabilities					
Share capital	5.2	42,339	43,214	42,339	43,214
Share premium account		170,439	203,714	170,439	203,714
Currency adjustments		12,140	5,972	-	-
Cash flow hedging		-1,717	-205	-1,717	-205
Reserve related to development costs		-	-	43,391	48,511
Retained earnings		108,439	35,838	65,239	-11,118
Equity		331,640	288,533	319,691	284,116
Lease liabilities	5.6	52,896	55,539	49,598	52,325
Deferred tax liabilities	2.9	3,347	6,581	3,347	6,581
Provisions	4.4	1,855	1,149	1,855	1,149
Other payables	4.5	13,389	13,272	13,389	13,272
Non-current liabilities		71,487	76,541	68,189	73,327
Lease liabilities	5.6	6,300	5,857	4,196	4,160
Prepayments received from customers		8,169	1,540	8,169	1,540
Trade payables		80,517	61,562	80,034	61,375
Contract development projects in progress	4.3	7,515	1,724	7,515	1,724
Payables to subsidiaries		-	-	45,909	33,883
Income taxes	2.9	11,049	160	10,766	-
Provisions	4.4	1,793	1,909	1,793	1,909
Other payables	2.8; 4.5	38,353	47,484	29,411	42,129
Current liabilities		153,696	120,236	187,793	146,720
Total liabilities		225,183	196,777	255,982	220,047
Total equity and liabilities		556,823	485,310	575,673	504,163

Equity Statement for the Group

Amounts in DKK '000	Share capital	Share premium	Currency adjust-ments	Cash flow hedging	Retained earnings	Total
Equity at 1 October 2020	43,214	203,714	5,793	-207	99,678	352,192
Profit/loss for the year	-	-	-	-	3,648	3,648
Exchange rate adjustments of foreign subsidiaries	-	-	179	-	-	179
Fair value adjustment relating to hedging instruments	-	-	-	-59	-	-59
Tax on hedging instruments	-	-	-	13	-	13
Fair value of hedging instruments reclas-sified to the income statement	-	-	-	62	-	62
Tax on hedging instruments reclassified	-	-	-	- 14	-	-14
Other comprehensive income, net of tax	-	-	179	2	-	181
Comprehensive income for the year	-	-	179	2	3,648	3,829
Share-based remuneration	-	-	-	-	4,093	4,093
Deferred tax on equity transactions	-	-	-	-	-822	-822
Paid dividend for 2019/20	-	-	-	-	-20,710	-20,710
Acquisition of treasury shares	-	-	-	-	-50,049	-50,049
Other transactions	-	-	-	-	-67,488	-67,488
Equity at 30 September 2021	43,214	203,714	5,972	-205	35,838	288,533

Amounts in DKK '000	Share capital	Share premium	Currency adjust-ments	Cash flow hedging	Retained earnings	Total
Equity at 1 October 2021	43,214	203,714	5,972	-205	35,838	288,533
Profit/loss for the year	-	-	-	-	33,916	33,916
Exchange rate adjustments of foreign subsidiaries	-	-	6,168	-	-	6,168
Fair value adjustment relating to hedging instruments	-	-	-	-4,904	-	-4,904
Tax on hedging instruments	-	-	-	1,079	-	1,079
Fair value of hedging instruments reclas-sified to the income statement	-	-	-	2,965	-	2,965
Tax on hedging instruments reclassified	-	-	-	-652	-	-652
Other comprehensive income, net of tax	-	-	6,168	-1,512	-	4,656
Comprehensive income for the year	-	-	6,168	-1,512	33,916	38,572
Share-based remuneration	-	-	-	-	4,865	4,865
Current tax on equity transactions	-	-	-	-	1,302	1,302
Deferred tax on equity transactions	-	-	-	-	-1,612	-1,612
Annulment of treasury shares	-875	-33,275	-	-	34,130	-20
Other transactions	-875	-33,275	-	-	38,685	4,535
Equity at 30 September 2022	42,339	170,439	12,140	-1,717	108,439	331,640

Equity Statement for the Parent

Amounts in DKK '000	Share capital	Share premium	Cash flow hedging	Reserve related to development costs (1)	Retained earnings	Total
Equity at 1 October 2020	43,214	203,714	-207	45,866	56,845	349,432
Profit/loss for the year	-	-	-	-	1,771	1,771
Fair value adjustment relating to hedging instruments	-	-	-59	-	-	-59
Tax on hedging instruments	-	-	13	-	-	13
Fair value of hedging instruments reclassified to the income statement	-	-	62	-	-	62
Tax on hedging instruments reclassified	-	-	-14	-	-	-14
Other comprehensive income, net of tax	-	-	2	-	-	2
Comprehensive income for the year	-	-	2	-	1,771	1,773
Share-based remuneration	-	-	-	-	4,093	4,093
Deferred tax on equity transactions	-	-	-	-	-423	-423
Paid dividend for 2019/20	-	-	-	-	-20,710	-20,710
Acquisition of treasury shares	-	-	-	-	-50,049	-50,049
Development costs, net of tax	-	-	-	2,645	-2,645	-
Other transactions	-	-	-	2,645	-69,734	-67,089
Equity at 30 September 2021	43,214	203,714	-205	48,511	-11,118	284,116

Amounts in DKK '000	Share capital	Share premium	Cash flow hedging	Reserve related to development costs (1)	Retained earnings	Total
Equity at 1 October 2021	43,214	203,714	-205	48,511	-11,118	284,116
Profit/loss for the year	-	-	-	-	32,466	32,466
Fair value adjustment relating to hedging instruments	-	-	-4,904	-	-	-4,904
Tax on hedging instruments	-	-	1,079	-	-	1,079
Fair value of hedging instruments reclassified to the income statement	-	-	2,965	-	-	2,965
Tax on hedging instruments reclassified	-	-	-652	-	-	-652
Other comprehensive income, net of tax	-	-	-1,512	-	-	-1,512
Comprehensive income for the year	-	-	-1,512	-	32,466	30,954
Share-based remuneration	-	-	-	-	4,865	4,865
Current tax on equity transactions	-	-	-	-	1,302	1,302
Deferred tax on equity transactions	-	-	-	-	-1,526	-1,526
Annulment of treasury shares	-875	-33,275	-	-	34,130	-20
Development costs, net of tax	-	-	-	-5,120	5,120	-
Other transactions	-875	-33,275	-	-5,120	43,891	4,621
Equity at 30 September 2022	42,339	170,439	-1,717	43,391	65,239	319,691

(1) In accordance with the Danish Financial Statements Act a reserve equivalent to the capitalized development costs net of tax is recognized in equity. The reserve is reduced as the capitalized development costs are depreciated.

Cash Flow Statement

Amounts in DKK '000	Note	Group 2021/22	Group 2020/21	Parent 2021/22	Parent 2020/21
Operating profit/loss (EBIT)		45,641	6,060	42,348	2,404
Reversal of items with no effects on cash flow					
Depreciation, amortization and impairment		39,714	31,251	37,283	29,297
Other items with no effects on cash flow	6.2	15,051	2,703	8,766	1,773
Change in working capital					
Change in inventories		-73,498	-17,911	-73,498	-17,911
Change in receivables		-55,579	14,050	-55,411	14,252
Change in trade payables, etc.		22,361	19,437	30,504	24,058
Cash flow from operating activities		-6,310	55,590	-10,008	53,873
Financial income received		13,968	2,144	14,130	2,110
Financial expenses paid		-6,962	-3,309	-7,469	-3,720
Income taxes paid	2.9	-724	-9,920	322	-10,558
Cash flow from operations		-28	44,505	-3,025	41,705
Investments in own development projects		-19,064	-21,669	-19,064	-21,669
Acquisition of property, plant and equipment		-11,415	-18,563	-11,262	-18,518
Deposits on leaseholds		19	1,102	159	1,084
Acquisition / sale of current asset investments in the trading portfolio, net		60,985	48,721	60,985	48,721
Dividends from subsidiaries		-	-	1,566	2,586
Sale of tangible assets		24	107	24	107
Cash flow from investments		30,549	9,698	32,408	12,311

Amounts in DKK '000	Note	Group 2021/22	Group 2020/21	Parent 2021/22	Parent 2020/21
Repayment of lease liabilities	5.6	-5,660	-5,815	-4,131	-3,867
Acquisition of treasury shares	5.3	-	-50,049	-	-50,049
Paid dividend	5.5	-	-20,710	-	-20,710
Cash flow from financing activities		-5,660	-76,574	-4,131	-74,626
Increase/decrease in cash and cash equivalents		24,861	-22,371	25,252	-20,610
Exchange rate adjustments on cash		-597	1,047	-617	1,061
Cash and cash equivalents at 1 October		19,461	40,785	16,419	35,968
Cash and cash equivalents at 30 September		43,725	19,461	41,054	16,419
Cash and cash equivalents at 30 September are composed as follows:					
Cash at bank and in hand		43,725	19,461	41,054	16,419
Cash and cash equivalents at 30 September		43,725	19,461	41,054	16,419

Section 1
Basis of preparation

NOTES

Notes

1.1 Basis of preparation and changes in accounting principles

RTX A/S is a Danish public limited company. The annual report of RTX for 2021/22, including both the consolidated financial statements and the Parent financial statements, is presented in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and additional Danish disclosure requirements for annual reports of listed companies, with reference to the disclosure requirements of listed companies from Nasdaq Copenhagen A/S and the Danish Executive Order on IFRS Adoption issued in accordance with the Danish Financial Statements Act.

The consolidated financial statements and the separate financial statements are presented in DKK, which is the presentation currency for the Group's activities and the functional currency for the Parent Company. The annual report is based on historical cost prices, except items where IFRS require measurement at fair value. Except for the implementation of new and amended standards as described below, the accounting policies have been applied consistently in the preparation of the consolidated financial statements for all the years presented.

The Board of Directors considered and approved the 2021/22 Annual Report of RTX on 29 November 2022, and it will be submitted to the shareholders of RTX A/S for approval at the Annual General Meeting on 26 January 2023.

Group financial statement

The consolidated financial statement includes the Parent Company, RTX A/S, and the entities (subsidiaries) controlled by the Parent. The Parent Company is considered to have control when it directly or indirectly holds more than 50% of the voting rights or otherwise controls or actually exercises control.

RTX A/S and its subsidiaries are collectively referred to as the Group.

Consolidation principles

The consolidated financial statements are prepared on the basis of financial statements of the Parent Company and its subsidiaries by combining accounting items of a uniform nature, with subsequent elimination of intercompany income and expenses, shareholdings, intercompany balances, dividends as well as unrealized profit and losses on transactions between the consolidated entities in the Group. The accounts used for consolidation are prepared in accordance with the Group's accounting principles.

1.1 Basis of preparation and changes in accounting principles (continued)

Acquisitions of subsidiaries
On acquisition of subsidiaries the acquisition method is applied whereby the acquired identifiable assets, liabilities and contingent liabilities are recognized and measured at fair value. Newly acquired subsidiaries are consolidated from the date of acquisition. The acquisition date is the date on which control of the subsidiary is effectively transferred. Sold or liquidated subsidiaries are recognized in income until the sale or liquidation. The date of sale is the date on which control of the subsidiary is effectively transferred to a third party. Transaction costs are recognized as operating costs as they incur.

Foreign currency
The financial statement items for each of the Group's subsidiaries are measured in the currency used in the country of which the subsidiary operates, while the functional currency of the Parent Company is Danish kroner (DKK). The consolidated financial statement of the Group is presented in Danish kroner (DKK).

Transactions in currencies different of the functional currency in the Parent Company (DKK), are translated into the functional currency at the exchange rate of the transaction date.

Monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the closing rate. Exchange rate differences between the transaction date and the date of payment, the balance sheet date respectively, are recognized in the income statement as financial items.

On recognition in the consolidated financial statements of entities that report in a functional currency other than Danish kroner (DKK), income statements are translated at average exchange rates for the months. Balance sheet items are translated at the closing exchange rates. Goodwill is considered to belong to the acquired entity and translated at the closing rate at the balance sheet date.

Exchange rate differences between foreign subsidiaries' balance sheet items and income statement items are recognized in other comprehensive income. Similarly, exchange rate differences arising as a result of changes made directly in the foreign subsidiaries' equity are also recognized in other comprehensive income. Other foreign exchange rate gains and losses are recognized in the income statement under financial items.

The effect of amendments to existing standards
IASB has published a number of amendments to existing standards and interpretations in effect for the financial year 2021/22. None of the amended accounting standards and interpretations have had significant impact on recognition, measurement or disclosure in the consolidated financial statements of 2021/22.

Implementation of the now prolonged amendment to IFRS 16, Leases COVID-19-Related Rent Concessions, is optional, and RTX has chosen not to implement the amendment as it was assessed to have no impact on the consolidated financial statements.

New accounting standards not yet adopted
New and revised accounting standards and interpretations issued by IASB in effect for fiscal years commencing on 1 January 2022 or later have not been incorporated in the financial statements. None of the new standards or interpretations are expected to have a significant impact on the financial statements of RTX.

1.2 Uncertainties and estimates

The Group's accounting policy described in the following notes requires that Management makes assessments and estimates and outlines the assumptions for the financial value of assets and liabilities that cannot be concluded from other sources. Several financial statement items cannot be measured with certainty but only be estimated. Such estimates comprise assessments made on the basis of the latest information available at the time of the financial reporting. The estimates and assumptions are evaluated on an ongoing basis. Changes to the accounting estimates are included in the financial period in which the changes take place, and in future financial periods in the event that the changes have effect both in the actual period and future financial periods. The most significant estimates and assessments are introduced below.

Material accounting estimates

In relation to the practical application of the accounting policies described, Management performs material accounting estimates and assessments which may have a significant impact on the annual report's assets and liabilities at the balance sheet date. Management bases its estimates on historical experiences as well as assumptions which are assessed as being reasonable under the given circumstances. The result thereof forms the basis for the reported carrying amounts of assets and liabilities as well as the reported income and expenses which are not directly disclosed in other documentation. The realized results may deviate from these estimates recognized at the balance sheet date. The following accounting estimates are likely to be significant for the Group and the Parent Company's financial report.

Recognition of contract development projects

Contracts with customer financed development giving the customers full or partial exclusivity for the outcome are classified as development projects with customer financing being recognized in line with the finalization for the project. The percentage of completion method is the basis for the ongoing recognition of revenue in the Company's use of the production method for contracts and determined by the ratio between the Company's used resources (primarily internal engineering/development time and secondarily any external costs) compared to latest total estimate of required resources. The percentage of completion is estimated on an ongoing basis by the responsible employees, and Management carefully follows the development and adjusts the estimates if deemed necessary. The revenue from contract development projects in progress at others' expense amounts to DKK 33.0 million in 2021/22 (2020/21: DKK 43.6 million).

Capitalized (own) development projects

Development costs are generally recognized as expenses in the income statement when incurred. In cases where it is likely that the development projects financed by RTX will be marketed in the form of new products with likely revenue over time, and where development projects are clearly defined (including establishment of technical and commercial project plans), the development costs are capitalized and recognized as an asset. The product's lifetime is estimated when development costs are capitalized. Management has assessed that the lifetime of a typical RTX product is three years, which is therefore the typical amortization period. In the balance sheet the development projects amount to DKK 55.6 million as at 30 September 2022 (DKK 62.2 million as at 30 September 2021).

Section 2
Results for the year

NOTES

2.1 Segment information

In accordance with internal reporting, RTX reports on the three target markets segments; Enterprise, ProAudio and Healthcare. Costs are reported by allocating costs directly attributable to the three reportable market segments whereas common functions costs etc. (primarily other external expenses, staff costs and depreciations related to IT, finance, overall management, joint facilities, joint technology projects, and supply chain management) are reported as non-allocated in accordance with internal reporting.

For a presentation of the events within the segments in the financial year and the development compared to 2020/21, please refer to the Management Review

Information relating to the Group's segments:

Amounts in DKK '000	Enterprise	ProAudio	Healthcare	Non-allocated	Group
2021/22					
Revenue	493,141	114,056	56,092	-	663,289
EBITDA	173,128	47,776	8,886	-144,435	85,355
EBIT	153,161	40,194	8,014	-155,728	45,641
2020/21					
Revenue	307,924	102,470	46,763	-	457,157
EBITDA	104,394	32,534	16,667	-116,284	37,311
EBIT	93,441	25,199	15,862	-128,442	6,060

2.1 Segment information (continued)

Management comments

In the financial year 2021/22 three customers in Enterprise each represent a revenue higher than 10% of Group revenue. The largest customer in 2021/22 represents 24.6% (2020/21: 20.6%) of revenue, the second largest 2021/22 customer represents 17.2% (2020/21: less than 10%), and the third largest customer in 2021/22 represents 10.6% (2020/21: 10.0%).

The Group's revenue from customers is specified below.

	Group		Parent	
Amounts in DKK '000	2021/22	2020/21	2021/22	2020/21
Denmark	4,016	7,241	4,016	7,241
France	168,999	100,804	168,999	100,804
Germany	63,109	27,513	63,109	27,513
Other Europe	98,869	92,587	98,869	92,587
USA	139,635	125,127	139,635	125,127
Hong Kong	114,277	32,783	114,277	32,783
Other Asia and Pacific	68,219	67,346	68,219	67,346
Other	6,165	3,756	6,165	3,756
Total	663,289	457,157	663,289	457,157

Revenue distributed to geographic area according to the geographical location of the customer entity being invoiced.

As posted in the balance sheet, all significant assets in the Group are owned by the Parent Company in Denmark and the majority hereof is located in Denmark.

2.2 Revenue

Accounting policies

Revenue comprises sale of products, development projects and royalties etc. attributable to the fiscal year. Revenue is calculated net of VAT, duties, etc. collected on behalf of a third party.

Revenue from sale of products is recognized at the point in time when transfer of control to the customer has taken place.

Revenue from development projects at the expense of customers and services are recognized over time as the projects are performed according to the percentage of completion method and as agreed services are delivered. Contract costs are expensed when incurred.

The transaction price of a development contract is measured at the expected consideration the Group will be entitled to and allocated to the performance obligations of the contract. If the outcome of a development project in progress cannot be estimated reliably, revenue is recognized equivalent to the incurred project costs in the period to the extent that it is probable that these costs will be recovered.

Royalty and license fees are recognized as revenue in the period they concern. If the income depends on future events including the customers' sale of the products containing the technology developed by RTX, the royalty is recognized in the income statement after this event.

If an arrangement contains multiple deliverables, these are divided into separate deliveries addressed individually to the extent that they have been separately quoted, that the promise to transfer the good or service under each deliverable is distinct within the contract, that the customer can benefit from each deliverable on its own and that the fair value of each deliverable can be measured reliably.

Costs of securing contracts are recognized in the income statement when incurred.

2.2 Revenue (continued)

Revenue by type of income:

	Group		Parent	
Amounts in DKK '000	2021/22	2020/21	2021/22	2020/21
Products, etc.	612,930	391,531	612,930	391,531
Development projects	32,971	43,569	32,971	43,569
Royalty and license fees	16,613	21,326	16,613	21,326
Other services	775	731	775	731
Total	663,289	457,157	663,289	457,157

Management comments

Revenue mainly arises from sale of products, development projects as well as from royalties and license fees. A contract for a development project is typically followed by a supply agreement for the products developed or a royalty agreement.

The sale of products comprises sale of ODM/OEM products and customized modules at fixed prices. Sale of products normally constitutes one performance obligation and revenue is recognized at the point in time when transfer of control occurs. RTX is usually entitled to payment at delivery which in the majority of cases coincide with transfer of control.

Development projects carried out at the expense of customers are predominantly characterized by a fixed price contract and a duration less than two years. A development project is usually considered a single performance obligation as different elements of the contract are interdependent in most cases. Revenue is recognized over time applying the percentage of completion method based on the ratio between the Company's used resources (primarily internal engineering/development time and secondarily any external costs) compared to latest total estimate of required resources. Upon contract signature, RTX is often entitled to a down payment from the customer. The remaining contract amount is invoiced and becomes due at completion of defined milestones as the project progresses.

Royalties are generated by licenses of intellectual property granted to customers. The majority of royalties are recognized in the period the customer report them as they are sales-based and occur after all performance obligations have been satisfied. Royalties from a license granted without a sales-based element are recognized when the customer is provided with access to the intellectual property and as performance obligations are satisfied. Entitlement to payment for royalties usually follows the revenue recognition. Licenses that are granted for a period of time against a fixed fee for that period are recognized over time proportionally over the period.

The Group uses standard forward contracts to partially or fully hedge expected net USD cash in flow. Hedging had a negative net effect of DKK 3.0 million on recognized revenue in 2021/22 (2020/21: negative net effect of DKK 0.1 million).

2.3 Cost of sales

Accounting policies

Cost of sales comprises cost paid in order to generate revenue in the financial year, including consumables, freight, customs and write-downs on inventories.

	Group		Parent	
Amounts in DKK '000	2021/22	2020/21	2021/22	2020/21
Direct cost of sales	332,109	207,636	332,109	207,636
Write-down on inventories	3,375	722	3,375	722
Other sales related costs	18,553	9,710	18,553	9,701
Total	354,037	218,068	354,037	218,059

Other sales related costs include freight, warranties, commissions, quality assurance etc.

2.4 Staff costs and remuneration

Accounting policies

Staff costs comprise wages and salaries, share-based remuneration as well as social security costs, pension contributions etc. for the company's management and staff.

Share-based incentive schemes in the form of restricted share rights (RSU and Accelerated RSU), where the employees are awarded shares in the Parent (equity-settled share-based payment scheme), are measured at fair value of the rights at the time of issue and are recognized in the income statement under staff costs for the period during which the employees achieve final right to the shares. The setoff entry is recognized directly in equity.

On initial recognition of the restricted share rights, an estimate is made regarding the number of rights for which the employees are expected to acquire final right. Subsequently, adjustments are made for changes to this estimate whereby final recognition of the cost corresponds to the actual number of acquired rights to shares.

The fair value of the restricted share rights is computed by using the Black & Scholes model for valuation of European call options with the parameters shown overleaf.

	Group		Parent	
Amounts in DKK '000	2021/22	2020/21	2021/22	2020/21
Remuneration of the Board of Directors	2,483	2,350	2,483	2,350
Wages and salaries	159,781	153,954	126,644	125,231
Defined contribution pension plans	10,027	10,316	8,893	9,299
Other social security costs, etc.	2,164	2,001	1,771	1,797
Public grants related to staff costs	-2,103	-1,373	-822	-422
Staff costs before share-based remuneration	172,352	167,248	138,969	138,255
Share-based remuneration	4,928	4,093	3,954	3,269
Total	177,280	171,341	142,923	141,524
Number of full-time employees at 30 September	294	280	194	183
Average number of full-time employees	282	286	181	189
Average number of full-time employees employed directly	249	257	181	189

Management comments

Public grants related to staff costs

The Group has received wages compensation of DKK 1.4 million in 2021/22 (DKK 1.0 million in 2020/21) as part of a public COVID-19 support package in Hong Kong related to the Group entity RTX Hong Kong Ltd. Other public grants cover customary wages compensation.

2.4 Staff costs and remuneration (continued)

The Group has entered into defined contribution pension plans
The Group finances defined contribution plans through regular payments to independent pension and insurance companies, which are responsible for the pension obligations. After payment of pension contributions to defined contribution plans, the Group has no further pension obligations to current or former employees with regard to future developments in interest rates, inflation, mortality, disability, etc. in respect of the amount eventually to be paid to the employee.

Remuneration to the Board of Directors, the Executive Board and other key management:

	2021/22			2020/21		
Amounts in DKK '000	Board of directors	Executive Board	Other key manage-ment	Board of directors	Executive Board	Other key manage-ment
Group						
Wages, salaries and fees	2,483	5,848	7,997	2,350	5,492	6,091
Bonus	-	1,164	1,808	-	-	-
Pensions	-	144	331	-	137	238
Total	2,483	7,156	10,136	2,350	5,629	6,329
Share-based remuneration	-	1,472	1,162	-	1,112	1,060
Total remuneration	2,483	8,628	11,298	2,350	6,741	7,389
Parent						
Wages, salaries and fees	2,350	5,848	4,475	2,350	5,492	3,188
Bonus	-	1,164	948	-	-	-
Pensions	-	144	331	-	137	238
Total	2,350	7,156	5,754	2,350	5,629	3,426
Share-based remuneration	-	1,472	577	-	1,112	483
Total remuneration	2,350	8,628	6,331	2,350	6,741	3,909

Management comments

On dismissal by the company, the Executive Board shall be entitled to salary in the period of notice and severance pay totaling up to 12 months' salary and incentive pay, equivalent to DKK 7.3 million (DKK 7.0 million in 2020/21).

The remuneration for each member of the Board of Directors is as follows:

	Group	
Amounts in DKK '000	2021/22	2020/21
Peter Thostrup, Chair	600	600
Jesper Mailind, Deputy Chair	400	400
Lars Christian Tofft	200	200
Henrik Schimmell, Chair of Audit Committee (from 27 Jan 2022)	300	200
Katja Haukohl Millard (from 27 Jan 2022)	133	-
Ellen Andersen (from 27 Jan 2022)	133	-
Christian Engsted (until 27 Jan 2022), Chair of the Audit Committee	117	350
Flemming Vendbjerg Andersen, employee representative	200	200
Kurt Heick Rasmussen, employee representative	200	200
Kevin Harritsø, employee representative	200	200
Total	2,483	2,350

Management comments

RSU program:
The Board of Directors at RTX has in 2019/20, 2020/21 and 2021/22 granted restricted share units (RSU) to management as well as key employees as part of the Company's long-term incentive program. The granted restricted share units are earned and matured over a three-year period and cannot vest before the Annual General Meetings in January 2023, January 2024 and January 2025 respectively. Once vested, the employees can freely dispose of the shares.

2.4 Staff costs and remuneration (continued)

The grant is conditioned by defined targets for share price and EBITDA achieved in the three years' mature period as well as requirements on employment. If the restrictions for the RSU's are fulfilled, they are finally transferred at a price of DKK 0.

The grant is in accordance with the company's Remuneration Policy. Besides the Executive Board and five other key management employees, 48 key employees have been granted restricted stock units in 2021/22 under the same terms as the terms for the Executive Board. The total number of RSU's is covered by the treasury shares of RTX A/S.

Due to the weaker financial performance in 2020/21, the number of Restricted Share Units (RSUs) outstanding for the RSU programs issued in 2019/20 and 2020/21 was reduced (lapsed) for all participants. No such lapsing occurred based on the financial performance in 2021/22.

Fair value of RSU's, conditions:

	RSUs granted in		
	2021/22	2020/21	2019/20
Vesting period	Feb 2022 - Jan 2025	Feb 2021 - Jan 2024	Feb 2020 - Jan 2023
Price per share	174.4	201.0	225.0
Volatility	0.56	0.50	0.38
Expected dividend	0.69%	1.20%	1.34%
Risk-free interest rate	-0.44%	-1.40%	-0.78%
The expected maturity	3 years	3 years	3 years
Fair value (Black-Scholes) per RSU is calculated to	107.45	136.18	178.33

Number of RSU's in RTX A/S:

	Executive Board	Other key management	Other employees	Total
Granted in 2018/19	9,699	12,195	21,088	42,982
Granted in 2019/20	9,870	8,039	18,225	36,134
Granted in 2020/21	13,712	11,978	24,400	50,090
Granted in 2021/22	18,605	15,261	33,400	67,266
Granted as per September 30 2022	51,886	47,473	97,113	196,472
Regulations - ceased employments 2018/19	-	-	-	-
Regulations - ceased employments 2019/20	-	-	-	-
Regulations - ceased employments / lapsed 2020/21	-3,538	-3,003	-7,647	-14,188
Regulations - ceased employments 2021/22	-	-2,436	-14,303	-16,739
RSU's vested in 2021/22	-9,699	-12,195	-21,088	-42,982
Outstanding as per September 30 2022	38,649	29,839	54,075	122,563

Management comments

Accelerated RSU program:
The Board of Directors at RTX has in 2019/20, 2020/21 and 2021/22 granted accelerated restricted share units (Accelerated RSU) to top management in addition to the regular RSU programs as part of the Company's long-term incentive program. The granted restricted share units are earned and matured over a three-year period (for the programs granted in 2019/20 and 2021/22) respectily a two-year period (for the period granted in 2020/21) , and cannot vest before the Annual General Meeting in January 2023 and January 2025. Once vested, the employees can freely dispose of the shares.

The grant is conditioned by defined highly ambitious targets for revenue, EBITDA and share price achieved in year two or three of the vesting period as well as requirements on employment. If the restrictions for the RSU's are

2.4 Staff costs and remuneration (continued)

fulfilled, they are finally transferred at a price of DKK 0. The fair value of the Accelerated RSU's according to IFRS 2 (i.e. the basis for any cost recognition if applicable) are (per Accelerated RSU) DKK 178.33 (2019/20 program), DKK 149.67 (2020/21 program) and DKK 114.54 (2021/22 program) based on the parameters in the fair value calculation as shown below. If adjusting for the reduced probability of vesting due to the highly ambitious targets the fair value (Black Scholes) of each Accelerated RSU when granted was calculated to DKK 40.44 (2019/20 program), DKK 34.45 (2020/21 program) and DKK 72.33 (2021/22 program). The Accelerated RSU programs granted in 2019/20 and 2020/21 have lapsed due to the highly ambitious financial targets not having been fulfilled. The Accelerated RSU program granted in 2021/22 is currently considered more likely not to vest. Therefore, no cost has been expensed to profit and loss regarding these remuneration programs in 2021/22.

The grant is in accordance with the company's Remuneration Policy. Besides the Executive Board, six other key management employees have been granted Accelerated restricted stock units in 2022/22 under the same terms as the terms for the Executive Board. The total number of RSU's is covered by the treasury shares of RTX A/S.

Fair value of Accelerated RSUs, conditions:

	Accelerated RSUs granted in		
	2021/22	2020/21	2019/20
Vesting period	Feb 2022 - Jan 2025	Feb 2021 - Jan 2023	Feb 2020 - Jan 2023
Price per share	174.4	201.0	225.0
Volatility	0.56	0.46	0.38
Expected dividend	0.69%	1.20%	1.34%
Risk-free interest rate	-0.44%	-0.77%	-0.78%
Adjustment for likelihood of achievement (at award)	-34%	-77%	-77%
The expected maturity	3 years	2 years	3 years
Fair value (Black-Scholes) per RSU at award	72.33	34.45	40.44
Fair value (IFRS 2) per RSU at cost recognition if applicable	114.54	149.67	178.33

Number of Accelerated RSU's in the Group:

	Executive Board	Other key manage-ment	Other employees	Total
Granted in 2019/20	52,176	29,127	-	81,303
Granted in 2020/21	65,086	34,193	-	99,279
Granted in 2021/22	33,169	20,943	-	54,112
Granted as per September 30 2022	150,431	84,263	-	234,694
Regulations - ceased employments 2019/20	-	-	-	-
Regulations - ceased employments / lapsed 2020/21	-52,176	-29,127	-	-81,303
Regulations - ceased employments / lapsed 2021/22	-65,086	-34,193	-	-99,279
Outstanding as per September 30 2022	33,169	20,943	-	54,112

The below amounts have been expensed concerning share-based remuneration:

	Group		Parent	
Amounts in DKK '000	2021/22	2020/21	2021/22	2020/21
RSU programs	4,928	4,093	3,954	3,269
Accelerated RSU programs	-	-	-	-
Share-based remuneration posted as staff costs	4,928	4,093	3,954	3,269

2.5 Development costs

	Group		Parent	
Amounts in DKK '000	2021/22	2020/21	2021/22	2020/21
Research and development cost incurred before capitalization	30,568	42,349	30,568	42,349
Value of own work capitalized	-12,401	-24,899	-12,401	-24,899
Total amortization and impairment on own development projects	25,627	18,279	25,627	18,279
Development cost recognized in the profit and loss account	43,794	35,729	43,794	35,729
Development costs are recognized as follows:				
Other external expenses	1,849	5,660	1,849	5,660
Staff costs	28,719	36,689	28,719	36,689
Value of own work capitalized	-12,401	-24,899	-12,401	-24,899
Amortization on development projects	25,627	18,279	25,627	18,279
Total	43,794	35,729	43,794	35,729

Management comments

Total value of own work capitalized of DKK 15.8 million in 2021/22 according to the income statement includes own tangible assets of DKK 3.4 million.

2.6 Fees to auditors elected at the annual general meeting

	Group		Parent	
Amounts in DKK '000	2021/22	2020/21	2021/22	2020/21
Total fees to Deloitte can be specified as follows:				
Statutory audit	600	575	600	575
Other auditing and assurance services	205	138	100	50
Tax advisory services	48	33	48	33
Total	853	746	748	658

Management comments

Fee for services other than statutory audit of the financial statements provided by Deloitte Statsautoriseret Revisionspartnerselskab to the RTX Group amounts to DKK 0.3 million in 2021/22 mainly consisting of fees related to advice on tax matters regarding taxable income, remuneration report, ESEF filing, and other general accounting advice.

2.7 Financial income and expenses

Accounting policies

These items comprise interest income and expenses, the interests on lease liabilities recognized in accordance with IFRS 16, fair value adjustments of investments in trading portfolio (current asset investments), foreign exchange gains and losses on receivables, liabilities and transactions in foreign currency, amortization premium/allowance on financial assets and liabilities as well as tax surcharge and repayment under the Danish Tax Prepayment Scheme.

Interest income and interest expenses are accrued based on the principal sum and the effective interest rate. Dividends from investments in other securities and equity investments are recognized when the right to the dividends has been finally obtained.

	Group		Parent	
Amounts in DKK ‘000	2021/22	2020/21	2021/22	2020/21
Financial income				
Exchange rate gain (net)	9,502	-	9,775	-
Dividends from subsidiaries	-	-	1,566	2,586
Other financial income	3,978	1,617	3,978	1,616
Total financial income	13,480	1,617	15,319	4,202
Financial expenses				
Interest costs to subsidiaries	-	-	721	495
Exchange rate losses (net)	-	605	-	506
Fair value adjustments of investments in trading portfolio	9,884	4,337	9,884	4,337
Loss on hedging instruments (net)	3,793	96	3,793	96
Financing element, IFRS 16	2,387	2,524	2,190	2,454
Other financial costs	782	689	765	675
Total financial expenses	16,846	8,251	17,353	8,563

Management comments

Amount disclosed as dividends from subsidiaries covers recharge of RSU cost for subsidiaries’ part of the programs.

2.8 Derivatives

Accounting policies

Derivatives are measured at fair value and recognized as other current receivables or other current liabilities, respectively.

Fair value changes of derivatives which are classified as and qualifies for recognition as cash flow hedges are recognized in other comprehensive income. When the hedged item is realized, accumulated gain or loss on the hedge transaction is transferred from other comprehensive income and recognized together with the hedged item.

Fair value changes of derivatives which are classified as and qualifies for fair value hedges are recognized in the income statement together with the changes in value of the hedged assets or liabilities.

Any derivatives that do not qualify as hedging are recognized as financial items in the income statement.

Management comments

The Group uses commercial hedge transactions to hedge foreign currency exposure related to expected net USD in-flow against DKK. Hedging is carried out using standard forward contracts.

At 30 September 2022 open hedging contracts of USD 8.6 million (30 September 2021: USD 3.9 million) are recognized in other current liabilities at a negative fair value of DKK 4.8 million (2020/21: negative fair value of DKK 0.6 million). The 82 open contracts mature gradually over twelve months from the balance sheet date with 39%, 30%, 24% and 7% of the total amount hedged maturing in Q1, Q2, Q3 and Q4 of FY 2022/23 respectively.

2.9 Income taxes

Accounting policies

Tax for the year consisting of current tax for the year and changes in deferred tax, is recognized in the income statement by the portion attributable to the profit/loss for the year and classified directly as equity by the portion attributable to entries directly on equity.

The current tax payable or receivable is recognized in the balance sheet, stated as tax calculated on this year's taxable income, adjusted for prepaid tax. When calculating the current tax for the year, the tax rates in effect at the balance sheet date are used.

Deferred tax is recognized applying the liability method on all temporary differences between the carrying amount and tax based value of assets and liabilities.

Deferred tax is calculated based on the planned use of each asset or the planned winding-up of each liability, respectively. Deferred tax is measured by using the tax rates and tax rules of the respective countries which are expected to apply when deferred tax is expected to be released as current tax.

Deferred tax assets, including the tax base of tax loss carry-forwards, are recognized in the balance sheet at their estimated realizable value, either as a set-off against deferred tax liabilities or as net tax assets for set-off in future positive taxable income. At each balance sheet date, it is reassessed whether sufficient taxable income is likely to occur in the future for the deferred tax asset to be used.

Management comments

The 2020/21 adjustment concerning previous years primarily relates to the temporarily increased tax deductibles for development costs according to the Danish tax code.

	Group		Parent	
Amounts in DKK '000	2021/22	2020/21	2021/22	2020/21
Tax on profit/loss for the year				
Current tax on profit/loss for the year	-12,733	-206	-12,210	-
Change in deferred tax	5,002	2,650	5,014	2,304
Adjustment concerning previous years				
Current tax	-883	2,051	-398	1,384
Deferred tax	255	-273	-254	40
Total	-8,359	4,222	-7,848	3,728
Reconciliation of the effective tax percentage				
Result before tax	42,275	-574	40,314	-1,957
Calculated tax at a tax percentage of 22.0%	-9,301	126	-8,869	431
Effect of different tax percentages for foreign companies	251	286	-	-
Tax value of not tax-deductible costs/taxable income	1,319	2,032	1,673	1,873
Adjustment concerning previous years	-628	1,778	-652	1,424
	-8,359	4,222	-7,848	3,728
Effective tax percentage (%)	19.8%	-735.5%	19.5%	-190.5%

2.9 Income taxes (continued)

	Group		Parent	
Amounts in DKK '000	2021/22	2020/21	2021/22	2020/21
Tax paid/received during the year	724	9,920	-322	10,558
Income taxes, net				
Income taxes on 1 October, net	402	-11,352	435	-11,508
Current tax on profit/loss for the year	-12,733	-206	-12,210	-
Tax paid during the year				
Current year	477	326	6	-
Previous years, net	-16	9,554	-327	10,558
Adjustment of current tax concerning previous years, net	-883	2,051	-398	1,385
Current tax of changes in equity	1,728	-	1,728	-
Exchange rate adjustments	-24	29	-	-
Income taxes at 30 September, net	-11,049	402	-10,766	435
Which can be specified as follows:				
Income tax receivable	-	562	-	435
Income tax payable	-11,049	-160	-10,766	-
Total	-11,049	402	-10,766	435

	Group		Parent	
Amounts in DKK '000	2021/22	2020/21	2021/22	2020/21
Deferred Tax				
Deferred tax, net at 1 October	-5,129	-6,694	-6,581	-8,500
Adjustment of deferred tax concerning previous years	255	-273	-254	40
Foreign exchange adjustment	286	11	-	-
Change in deferred tax on profit/loss for the year	5,002	2,650	5,014	2,304
Change in deferred tax on equity for the year	-1,610	-823	-1,526	-425
Deferred tax, net at 30 September	-1,196	-5,129	-3,347	-6,581
Specification of deferred tax:				
Intangible assets	-12,239	-13,386	-12,239	-13,386
Plant, equipment and leasehold improvements	2,791	2,673	2,642	2,594
Inventories	2,032	1,324	2,032	1,324
Receivables	2,260	181	2,260	181
Non-current liabilities	1,655	1,947	802	673
Tax loss carryforwards	-	199	-	195
Share-based remuneration	2,305	1,933	1,156	1,838
Total	-1,196	-5,129	-3,347	-6,581
Which can be specified as follows:				
Deferred tax assets	2,151	1,452	-	-
Deferred tax liability	-3,347	-6,581	-3,347	-6,581
Total	-1,196	-5,129	-3,347	-6,581

Section 3 Invested Capital

NOTES

3.1 Intangible assets

Accounting policies

Own completed development projects and projects in progress
Development projects financed by RTX are recognized as intangible assets to the extent that it is likely that the product will generate future financial benefits for the Group, and the development costs associated with each asset can be measured reliably.

Development projects are measured initially at cost. The cost of development projects comprises costs directly attributable to the development projects.

Completed development projects are amortized over the expected lifetime. The amortization period is usually three years. For development projects protected by intellectual property rights, the maximum amortization period is the remaining term of the rights.

Ongoing development projects recognized in the balance sheet are not amortized, but tested at least annually for impairment.

Goodwill
Goodwill arisen in relation to business combinations is recognized and measured initially as the difference between the cost of the acquisition and the fair value of the acquired assets, liabilities and contingent liabilities.

On recognition of goodwill the amount is allocated, at the time of acquisition, to the cash-generating units which are expected to obtain financial advantages from the acquisition. The determination of cash-generating units follows the management structure, internal financial management and financial reporting in the Group.

Goodwill is not amortized, but the carrying amount is tested for impairment at least once a year and more frequently if indications of impairment exist. If the carrying amount of an asset exceeds its recoverable amount, it is written down to its recoverable amount.

3.1 Intangible assets (continued)

The carrying amount of goodwill is allocated as follows to the respective cash-generating units:

Amounts in DKK '000	Group 2021/22	Group 2020/21
Enterprise	7,797	7,797

As the cash generating activities of the business acquired with RTX Hong Kong Ltd. are integrated into the Enterprise segment, it has been determined that the carrying amount of goodwill is allocated to the Enterprise segment as the cash-generating unit.

The recoverable amounts for the individual cash-generating units to which the goodwill amounts have been allocated are calculated on the units' present value of expected cash flows.

Other intangible assets

Other intangible assets are regarded as having determinable useful lives over which the assets are amortized.

	Group			
Amounts in DKK '000	Own completed development projects	Own development projects in progress	Acquired license rights	Goodwill
Cost at 1 October 2020	43,729	36,738	6,763	8,269
Internal additions	-	21,669	-	-
Transfer at completion	45,765	-45,765	-	-
Cost at 30 September 2021	89,494	12,642	6,763	8,269
Amortization and impairment at 1 October 2020	-21,664	-	-6,763	-472
Amortization for the year	-16,892	-	-	-
Impairment for the year	-1,387	-	-	-
Amortization and impairment at 30 September 2021	-39,943	-	-6,763	-472
Carrying amount at 30 September 2021	49,551	12,642	-	7,797
Cost at 1 October 2021	89,494	12,642	6,763	8,269
Internal additions	-	19,064	-	-
Transfer at completion	14,810	-14,810	-	-
Disposals	-	-	-3,165	
Cost at 30 September 2022	104,304	16,896	3,598	8,269
Amortization and impairment at 1 October 2021	-39,943	-	-6,763	-472
Amortization for the year	-25,627	-	-	-
Reversal relating to disposals			3,165	
Amortization and impairment at 30 September 2022	-65,570	-	-3,598	-472
Carrying amount at 30 September 2022	38,734	16,896	-	7,797

Group and Parent figures are the same except for goodwill which only relates to Group.

3.1 Intangible assets (continued)

Uncertainties and estimates

For calculating the recoverable amount of the cash generating units and own development projects, Management's latest budgets and strategy plans for the coming three years are used. These are the inputs for estimating cash flows from the assets over their expected lifetime, and the cash flows are used in net present value calculations to determine the recoverable amount. Management estimates that changes that are likely to occur to the assumptions will not cause the financial value of goodwill or development projects to exceed the recoverable amount. Major uncertainties in this connection are associated with the determination of the discount rate and growth rates as well as expected changes in sales prices and production costs in the budget periods.

The determined discount rate reflects market evaluations of the time value of money, reflected in risk free interest and the specific risks connected to the individual cash-generating unit or own development project. The pre-tax discount rate used in the calculation of recoverable amount is 13.5% (in 2020/21: 12.5%).

The determined growth rates are based on approved budgets, internal strategy plans and forecast for the coming three years. Estimated changes in selling prices and production costs are based on historical experiences as well as expectations for future changes in the market. The prognoses are based on a specific business evaluation of the expected sales prices and production costs. The changes in sales prices and costs are individually assessed and are substantially similar to the ones used in the calculations in 2020/21.

Management comments

No impairment loss has been recognized in the income statement for 2021/22 (2020/21: impairment loss of DKK 1.4 million recognized regarding two development projects due to the products developed not gaining the expected traction in sales partly due to COVID-19). No impairments have been reversed in 2021/22 and in 2020/21.

3.2 Leases

Accounting policies

Right-of-use assets and lease liabilities arising from a lease contract are recognized at the lease commencement date. The right-of-use asset is initially measured at a cost equal to the corresponding lease liability adjusted for any initial direct costs and restoration costs. The lease liability is measured at the present value of the future lease payments discounted using an appropriate RTX incremental borrowing rate.

In determining the lease term, extension or termination options are included if exercise of the options are considered reasonably certain. Service components separable from leasing components are excluded from the lease liability. Low value leases and leases with a lease term of 12 months or less are not recognized as a right-of-use asset and lease liability, but expensed on a straight-line basis in profit or loss.

At subsequent measurement, the right-of-use assets are measured at cost less accumulated depreciation and impairment losses, adjusted for any remeasurement of the lease liability. The right-of-use assets are depreciated following a straight-line basis over the term of the lease contract. The lease liabilities are measured at amortized cost adjusted for any remeasurements or modifications to the contract.

3.2 Leases (continued)

Amounts in DKK '000	Group: Buildings	Group: Other fixtures, tools and equipment
Cost at 1 October 2020	53,960	918
Foreign exchange adjustments	18	-
Disposals	-3,482	-83
Additions	14,509	676
Cost at 30 September 2021	65,005	1,511
Depreciation and impairment at 1 October 2020	-5,614	-347
Foreign exchange adjustments	-10	-
Depreciation for the year	-6,245	-404
Reversal relating to disposals	3,482	83
Depreciation and impairment at 30 September 2021	-8,387	-668
Carrying amount at 30 September 2021	56,618	843
Cost at 1 October 2021	65,005	1,511
Foreign exchange adjustments	959	-
Disposals	-	-244
Additions	3,350	110
Cost at 30 September 2022	69,314	1,377
Depreciation and impairment at 1 October 2021	-8,387	-668
Foreign exchange adjustments	-88	-
Depreciation for the year	-6,933	-475
Reversal relating to disposals	-	244
Depreciation and impairment at 30 September 2022	-15,408	-899
Carrying amount at 30 September 2022	53,906	478

Amounts in DKK '000	Parent: Buildings	Parent: Other fixtures, tools and equipment
Cost at 1 October 2020	50,229	918
Disposals	-287	-83
Additions	9,694	676
Cost at 30 September 2021	59,636	1,511
Depreciation and impairment at 1 October 2020	-3,833	-347
Reversal relating to disposals	287	83
Depreciation for the year	-4,341	-404
Depreciation and impairment at 30 September 2021	-7,887	-668
Carrying amount at 30 September 2021	51,749	843
Cost at 1 October 2021	59,636	1,511
Disposals	-	-244
Additions	1,330	110
Cost at 30 September 2022	60,966	1,377
Depreciation and impairment at 1 October 2021	-7,887	-668
Reversal relating to disposals	-	244
Depreciation for the year	-4,403	-475
Depreciation and impairment at 30 September 2022	-12,290	-899
Carrying amount at 30 September 2022	48,676	478

3.2 Leases (continued)

Uncertainties and estimates

In accounting for lease contracts, Management's assessments are applied in determining the lease term, the likely use of extension or termination options and the incremental borrowing rate.

Management comments

Right-of-use assets mainly relate to lease contracts on buildings. The additions for 2021/22 mainly relates to recalculation of lease of office buildings in Denmark (rent adjustment) and new lease contract regarding building in Hong Kong.

	Group		Parent	
Amounts in DKK '000	2021/22	2020/21	2021/22	2020/21
Expenses relating to short term leases	139	22	139	22
Expenses relating to leases of low-value assets	106	99	61	58
Financing element of lease liabilities	2,387	2,524	2,190	2,454
Total cash outflow on lease arrangements	8,047	8,270	6,321	6,321

3.3 Tangible assets

Accounting policies

Plant and equipment are measured at cost less accumulated depreciation and impairment losses. 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:

Plant and machinery	4 to 10 years
Other fixtures and fittings, tools and equipment, including IT equipment	3 to 7 years
Leasehold improvements	Lease period

Depreciation methods, useful lives and residual amounts are reassessed annually. Plant and equipment are written down to the lower of recoverable amount and carrying amount.

3.3 Tangible assets (continued)

	Group		
Amounts in DKK '000	Plant and machinery	Other fixtures, tools and equipment	Leasehold improvements
Cost at 1 October 2020	31,767	21,992	5,293
Foreign exchange adjustments	-	12	7
Additions	3,740	2,210	9,384
Internal additions	3,230	-	-
Cost at 30 September 2021	38,737	24,214	14,684
Depreciation and impairment at 1 October 2020	-22,644	-18,034	-2,150
Foreign exchange adjustments	-	-12	-4
Depreciation for the year	-3,788	-2,011	-690
Depreciation and impairment at 30 September 2021	-26,432	-20,057	-2,844
Carrying amount at 30 September 2021	12,305	4,157	11,840
Cost at 1 October 2021	38,737	24,214	14,684
Foreign exchange adjustments	-	431	179
Additions	1,119	2,711	885
Internal additions	6,700	-	-
Disposals	-274	-138	-
Cost at 30 September 2022	46,282	27,218	15,748
Depreciation and impairment at 1 October 2021	-26,432	-20,057	-2,844
Foreign exchange adjustments	-	-408	-175
Depreciation for the year	-3,126	-2,305	-1,456
Reversal relating to disposals	-	127	-
Depreciation and impairment at 30 September 2022	-29,558	-22,643	-4,475
Carrying amount at 30 September 2022	16,724	4,575	11,273

	Parent		
Amounts in DKK '000	Plant and machinery	Other fixtures, tools and equipment	Leasehold improvements
Cost at 1 October 2020	31,767	19,645	4,297
Additions	3,740	2,164	9,384
Internal additions	3,230	-	-
Cost at 30 September 2021	38,737	21,809	13,681
Depreciation and impairment at 1 October 2020	-22,644	-15,844	-1,209
Depreciation for the year	-3,788	-1,936	-658
Depreciation and impairment at 30 September 2021	-26,432	-17,780	-1,867
Carrying amount at 30 September 2021	12,305	4,029	11,814
Cost at 1 October 2021	38,737	21,809	13,681
Additions	1,119	2,558	885
Internal additions	6,700	-	-
Disposals	-274	-138	-
Cost at 30 September 2022	46,282	24,229	14,566
Depreciation and impairment at 1 October 2021	-26,432	-17,780	-1,867
Depreciation for the year	-3,126	-2,199	-1,426
Reversal relating to disposals	-	127	-
Depreciation and impairment at 30 September 2022	-29,558	-19,852	-3,293
Carrying amount at 30 September 2022	16,724	4,377	11,273

3.4 Investments in subsidiaries

Accounting policies

Investments in subsidiaries are measured at cost or a lower recoverable amount.

	Parent	
Amounts in DKK '000	2021/22	2020/21
Cost at 1 October	38,167	37,342
Additions	911	825
Cost at 30 September	39,078	38,167
Value adjustment at 1 October	-	-
Value adjustment at 30 September	-	-
Carrying amount at 30 September	39,078	38,167

Management comments

Additions to investment in subsidiaries are capital contributions due to Group RSU programs covering employees in the subsidiaries.

Investments in subsidiaries comprise the following entities at 30 September 2022:

Name and registered office	Nominal share capital	Owner-ship	Equity DKK '000	Profit for the year DKK '000
RTX America, Inc., USA	T.USD 500	100%	6,300	-33
RTX Hong Kong Ltd., Hong Kong	T.HKD 23,325	100%	36,931	2,784
Total			43,231	2,751

Subsidiaries' addresses and time for establishment:
RTX America, Inc., San Diego, California, USA, established in March 2004.
RTX Hong Kong Ltd., Hong Kong, acquired in January 2006.

3.5 Deposits

Accounting policies

Deposits are measured at cost. Deposits are not depreciated.

	Group		Parent	
Amounts in DKK '000	2021/22	2020/21	2021/22	2020/21
Rent and other deposits				
Cost at 1 October	6,836	7,938	6,082	7,166
Exchange rate adjustments	135	3	-	-
Additions for the year	282	6,089	102	6,082
Disposals for the year	-436	-7,194	-261	-7,166
Cost at 30 September	6,817	6,836	5,923	6,082
Carrying amount at 30 September	6,817	6,836	5,923	6,082

Section 4
Working Capital

NOTES

4.1 Inventories

Accounting policies

Inventories are measured at cost using the FIFO method, or net realizable value if this is lower. The net realizable value of inventories is calculated as the estimated selling price less costs of completion and necessary sales costs.

	Group		Parent	
Amounts in DKK '000	2021/22	2020/21	2021/22	2020/21
Raw materials and consumables	63,530	13,121	63,530	13,121
Finished goods	38,964	19,250	38,964	19,250
Total inventories	102,494	32,371	102,494	32,371
Write-down of inventories for the year	3,375	722	3,375	722

4.2 Trade receivables

Accounting policies

Receivables comprise trade receivables, receivables from project contracts as well as other receivables. Receivables are financial assets with fixed or determinable payments which are not listed at an active market and which are not derivatives.

On initial recognition, receivables are measured at fair value and subsequently at amortized cost less allowance for receivables not expected recovered. Allowances for receivables not expected recovered are recognized in the income statement as other external expenses. The expected credit loss approach was applied for receivables other than trade receivables.

4.2 Trade receivables (continued)

RTX applies the simplified expected credit loss approach of IFRS 9 whereby an expected loss allowance is created upon initial recognition of a receivable. The loss model used for determining the expected loss allowance is based on historic information and consider forward looking inputs. In the loss model, receivables are grouped using credit risk characteristics like obtained credit insurance, customer bankruptcy etc. and days past due in determining the allowance. Subsequent to initial recognition, receivables are assessed individually in the event that specific indicators point to further allowance for bad debts or other situations were a receivable is not expected recovered.

	Group		Parent	
Amounts in DKK '000	2021/22	2020/21	2021/22	2020/21
Receivables, gross	198,710	149,879	198,710	149,879
Provision for expected losses	-3,225	-986	-3,225	-986
Carrying amount at 30 September	195,485	148,893	195,485	148,893
Provision for the year	2,239	268	2,239	268
Provisions account at 1 October	986	718	986	718
Losses recorded for the year	-	-198	-	-198
Provisions for expected losses for the year	2,239	466	2,239	466
Provisions account at 30 September	3,225	986	3,225	986

The Group and Parent company have no overdue trade receivables for which no write-down is recognized, with the exception of receivables where sufficient collateral have been attained.

Uncertainties and estimates

The Group's credit risks related to trade receivables are assessed on an ongoing basis.

It is RTX's experience that at times the credit risk is relatively high, as a substantial part of the outstanding amounts often can be related to a relatively small number of partners and customers.

Management comments

For sale on credit RTX makes use of credit evaluations, credit insurance and bank guarantees to secure the debts. On the date of the balance sheet, approximately 46% (2020/21: 57%) of the company's outstanding debts is secured through credit insurance.

In general, RTX has experienced limited risk of loss on accounts receivables. During the past 5 years only three cases resulted in a loss being recorded and for a total cost equal to less than 0.1% of revenue in the five-year period. Calculated provision for the expected credit loss showed an insignificant difference to already recorded provisions.

Bad debts provision for the year primarily relates to receivables due more than 120 days. Please refer to note 5.6 for a list of the outstanding debts sorted by maturity. RTX is closely monitoring any effects from COVID-19 and the current macroeconomic uncertainty on customers' ability to pay, however only limited negative impact has been observed as of 30 September 2022.

4.3 Contract development projects in progress

Accounting policies

Contract development projects are measured at selling price of the work performed at the balance sheet date (percentage of completion) less on account invoicing.

The selling price is measured based on the percentage of completion on the balance sheet date and the total estimated revenue (total selling price at completion) from each development project. Usually, the percentage of completion is estimated as the ratio between the company's used resources compared to latest total estimate of required resources.

Project costs are recognized as expenses in the income statement when incurred.

If the outcome of a development project cannot be estimated reliably, the development project is measured at costs incurred to the extent these can be recovered.

When total project costs are likely to exceed total project income for a development project, the expected loss is immediately recognized as costs.

The individual development project in progress is recognized in the balance sheet under receivables or liabilities, depending on whether net value is a receivable or a liability.

	Group		Parent	
Amounts in DKK '000	2021/22	2020/21	2021/22	2020/21
Construction cost plus recognized profit to date	47,625	56,685	47,625	56,685
Invoiced on account	-47,103	-48,246	-47,103	-48,246
Contract development projects in progress, net	522	8,439	522	8,439
Which are recognized in the balance sheet as follows:				
Receivables	8,037	10,163	8,037	10,163
Current liabilities	-7,515	-1,724	-7,515	-1,724
Contract development projects in progress, net	522	8,439	522	8,439
Total sales value of uncompleted contracts	77,273	76,822	77,273	76,822
Sales value hereof of performed work recognized as income	-47,625	-56,685	-47,625	-56,685
Sales value of non-performed work	29,648	20,137	29,648	20,137
Sales value of non-performed work at the balance sheet date in % of total volume of orders, etc	38%	26%	38%	26%

Revenue recognized that was included in the contract liability balance at the beginning of 2021/22: DKK 1.7 million (2020/21: DKK 1.3 million).

The 38% share of total volume of orders that is non-performed at the balance sheet date is expected to be realized as revenue within 12 months from the balance sheet date.

4.4 Provisions

Accounting policies

Provisions are recognized when the Group has a legal or constructive obligation as a result of events in this or previous financial years, and repayment of the liability is likely to result in an outflow of the Group's financial resources.

Provisions are measured as the best estimate of costs expected for the obligation to be settled on the balance sheet date.

Warranty obligations comprise commitments to remedy defects and deficiencies on goods sold within the warranty period. The liabilities are based on historical experiences.

Provisions on dismissed employees are recognized at the date of the employee's dismissal and are measured as the amount of the salary paid to the employees without any demand for services in return.

	Group		Parent	
Amounts in DKK '000	2021/22	2020/21	2021/22	2020/21
Provision for warranty obligations				
Provisions at 1 October	2,880	3,065	2,880	3,065
Provisions made during the year	1,856	1,440	1,856	1,440
Provisions used during the year	-1,575	-1,625	-1,575	-1,625
Provisions at 30 September	3,161	2,880	3,161	2,880
Provisions for other obligations				
Provisions at 1 October	178	300	178	300
Provisions made during the year	487	178	487	178
Provisions used during the year	-178	-300	-178	-300
Provisions at 30 September	487	178	487	178
Total provisions at 30 September	3,648	3,058	3,648	3,058
Provisions are recognized in the balance sheet as follows:				
Current liabilities (less than 1 year)	1,793	1,909	1,793	1,909
Non-current liabilities (between 1 and 2 years)	1,855	1,149	1,855	1,149
Total	3,648	3,058	3,648	3,058

4.4 Provisions (continued)

Uncertainties and estimates

The warranty obligations are prepared based on previous years' experience. The expenses are expected to be paid in the period 1 October 2022 – 30 September 2024 (2020/21: 1 October 2021 – 30 September 2023).

Management comments

The warranty obligations concern estimated return obligations for any faulty products. The warranty period can be up to two years. Other obligations are primarily related to obligations for employees dismissed and disemployed.

4.5 Other payables

	Group		Parent	
Amounts in DKK '000	2021/22	2020/21	2021/22	2020/21
Wages and salaries, personal income taxes, social security costs, holiday pay, etc.	27,767	37,738	20,935	34,044
Holiday allowance, etc.	5,495	6,742	3,803	5,413
Other costs payable	5,091	3,004	4,673	2,672
Current liabilities	38,353	47,484	29,411	42,129
Holiday allowance	13,389	13,272	13,389	13,272
Non-current liabilities	13,389	13,272	13,389	13,272
Total	51,742	60,756	42,800	55,401

Management comments

Carrying amount of due items concerning wages and salaries, personal income taxes, social security costs, holiday pay etc. and other expenses due etc. equals the fair value of the liabilities.

The holiday allowance obligations represent the Group's obligations to pay salary during holiday periods which the employees have earned the right to hold in subsequent financial years at the balance sheet date.

Section 5 Capital Structure and Financing

NOTES

5.1 Current asset investments

Accounting policies

The Group's portfolio of current asset investments is managed and evaluated on a fair value basis as reflected in the internal information provided to management. The portfolio is measured at fair value through profit and loss as required by IFRS 9 for a business model with these characteristics.

Current assets in the trading portfolio

The Group's available funds are invested via mutual funds in Danish bonds with a solid credit rating – primarily in Danish mortgage bonds (59% at the balance sheet date) and secondarily in Danish government bonds (41% at the balance sheet date). RTX has engaged Danske Bank to provide active investment management of the Group's portfolio of securities.

5.1 Current asset investments (continued)

Amounts in DKK '000	Group 2021/22	Group 2020/21	Parent 2021/22	Parent 2020/21
Cost at 1 October	102,680	152,423	102,680	152,423
Additions for the year	724	1,797	724	1,797
Disposals for the year	-68,703	-51,540	-68,703	-51,540
Cost at 30 September	34,701	102,680	34,701	102,680
Value adjustment at 1 October	-1,728	1,587	-1,728	1,587
Value adjustments for the year	-9,884	-4,337	-9,884	-4,337
Disposals for the year	6,994	1,022	6,994	1,022
Value adjustment at 30 September	-4,618	-1,728	-4,618	-1,728
Carrying amount at 30 September	30,083	100,952	30,083	100,952
The underlying bonds invested in via mutual funds have the below characteristics:				
Average expected maturity of (years)	4.3	4.9	4.3	4.9
Average effective rate of interest of	3.8%	0.1%	3.8%	0.1%
Bonds are expected to be redeemed within the following periods from the balance sheet date:				
Less than one year	1,805	36,343	1,805	36,343
Between one and three years	14,741	7,067	14,741	7,067
Between three and five years	1,504	11,105	1,504	11,105
After five years	12,033	46,437	12,033	46,437
Total	30,083	100,952	30,083	100,952

5.2 Share capital

The share capital of DKK 42,339,190 (2020/21: 43,214,190) consists of 8,467,838 (2020/21: 8,642,838) shares of DKK 5.

The Group holds 284,924 treasury shares at 30 September 2022 (502,906 shares at 30 September 2021).

There are no shares with special rights.

Amounts in DKK '000	Parent 2021/22	Parent 2020/21
Development in share capital:		
Share capital at 1 October	43,214	43,214
Annulment of treasury shares	-875	-
Share capital at 30 September	42,339	43,214
Number of shares at DKK 5 at 30 September	8,467,838	8,642,838

5.3 Treasury shares

Accounting policies

Acquisition and selling prices of treasury shares as well as dividends on these are recognized directly as equity under retained earnings.

	Parent			
Amounts in DKK '000	Nominal value	Number of shares at DKK 5	% of share capital	Trans-action price
2021/22				
Shareholding at 1 October 2021	2,515	502,906	5.8%	96,455
Disposal treasury shares	-215	-42,982	-0.5%	-7,121
Annulment of treasury shares	-875	-175,000	-2.0%	-34,130
Shareholding at 30 September 2022	1,425	284,924	3.4%	55,204
Fair value of shareholding at 30 September 2022, DKK '000		32,766		
2020/21				
Shareholding at 1 October 2020	1,508	301,522	3.5%	55,286
Purchase for the year	1,288	257,520	3.0%	50,049
Disposal treasury shares	-281	-56,136	-0.6%	-8,880
Shareholding at 30 September 2021	2,515	502,906	5.8%	96,455
Fair value of shareholding at 30 September 2021, DKK '000		82,979		

5.4 Earnings per share

The calculation of earnings per share is based on the following:

	Group	
Amounts in DKK '000	2021/22	2020/21
1,000 shares		
Average number of shares	8,558	8,643
Average number of treasury shares	-389	-400
Average number of shares in circulation	8,169	8,243
Average diluted effect on outstanding RSU	29	59
Average diluted number of shares	8,198	8,302
Profit/loss for the year in DKK '000	33,916	3,648
Earnings per share (DKK)	4.2	0.4
Diluted earnings per share (DKK)	4.1	0.4

5.5 Dividend

No dividends will be recommended for financial year 2021/22 (2020/21: no dividend). RTX did not pay dividends during 2021/22 (2020/21: Dividends of DKK 20.7 million were paid in January 2021 equivalent to a dividend per share of DKK 2.50).

Dividends for the shareholders in RTX have no tax related consequences to RTX A/S.

5.6 Financial risks and financial instruments

Categories of financial instruments

	Group		Parent	
Amounts in DKK '000	2021/22	2020/21	2021/22	2020/21
Trade receivables	195,485	148,893	195,485	148,893
Other receivables	17,648	9,428	16,361	8,182
Cash at bank and in hand	43,725	19,461	41,054	16,419
Total receivables and cash measured at amortized cost	256,858	177,782	252,900	173,494
Current asset investments	30,083	100,952	30,083	100,952
Financial assets at fair value through income statement	30,083	100,952	30,083	100,952
Lease liabilities	59,196	61,396	53,794	56,485
Payables to subsidiaries	-	-	45,909	33,883
Trade payables	80,517	61,562	80,034	61,375
Other payables	46,984	60,178	38,042	54,823
Financial liabilities measured at amortized cost	186,697	183,136	217,779	206,566
Financial instruments (hedging)	4,758	578	4,758	578
Financial liabilities at fair value through other comprehensive income	4,758	578	4,758	578

Management comments

Financial risk management policy
As a consequence of its operations, investments and financing, RTX is primarily exposed to changes in exchange rates and the level of interest. The Parent manages the Group's financial risks and coordinates the Group's cash management including financing and investment of surplus liquidity. The Group can use derivatives to some extent. It is the Group's policy not to conduct active speculation in financial risks, but only hedge future net cash flows

The Group's financial management is directed towards management and reduction of financial risks which is a direct consequence of the Group's operations, investments and financing. The objective is that the Group's financial management will contribute to increasing the predictability of the financial performance, including reducing the impact of foreign exchange rate fluctuations on the income statement.

Liquidity risks
The Group ensures sufficient cash resources through cash flow monitoring and control as well as through the Group's portfolio of current asset investments.

In order to reduce the risk on deposits, RTX only places deposits in banks with a high credit worthiness and investments in short-term bonds. Bank deposits carry a floating rate.

The liquidity reserve in the Group is composed as follows:

	Group		Parent	
Amounts in DKK '000	2021/22	2020/21	2021/22	2020/21
Current asset investments in the trading portfolio	30,083	100,952	30,083	100,952
Cash at bank and in hand	43,725	19,461	41,054	16,419
Total	73,808	120,413	71,137	117,371

5.6 Financial risks and financial instruments (continued)

The maturity dates on financial liabilities are specified below. Other than the carrying amounts, the specified amounts represent the amounts due including interests etc.

	Group				
Amounts in DKK '000	Carrying amount	Total cash flow, including interest	Within one year	Between one and five years	After five years
Lease liabilities	59,196	70,556	9,071	25,751	35,734
Trade payables	80,517	80,517	80,517	-	-
Other payables	51,742	51,742	38,353	13,389	-
Total	191,455	202,815	127,941	39,140	35,734

	Parent				
Amounts in DKK '000	Carrying amount	Total cash flow, including interest	Within one year	Between one and five years	After five years
Lease liabilities	53,794	66,006	6,231	24,041	35,734
Trade payables	80,034	80,034	80,034	-	-
Other payables	42,800	42,800	29,411	13,389	-
Total	176,628	188,840	115,676	37,430	35,734

Management comments

Credit risks

The Group's primary credit risk is related to trade receivables. The Group's credit risks are assessed on an ongoing basis concerning the trade receivables. By experience, a relatively large credit risk may occur from time to time as a large part of receivables often relates to a relatively small number of counterparties and customers.

The level of risk related to the trade receivables is highly correlated with the financial status of the debtor. RTX uses credit insurance to the extent possible to secure the outstanding amounts. RTX has one single significant trade debtor responsible for 18% of total accounts receivables (2020/21: 22%), for whom it has not been possible to obtain credit insurance. This debtor has been a close partner to RTX for a number of years and has a solid payment history which has until date not resulted in any losses.

Trade receivables not written down can be specified as follows:

	Group		Parent	
Amounts in DKK '000	2021/22	2020/21	2021/22	2020/21
Amounts not due	184,430	134,799	184,430	134,799
Amounts due with up to 30 days	7,204	7,954	7,204	7,954
Due between 30 and 60 days	1,693	3,940	1,693	3,940
Due between 60 and 90 days	-	26	-	26
Due between 90 and 120 days	931	-	931	-
Due with more than 120 days	1,227	2,174	1,227	2,174
Total	195,485	148,893	195,485	148,893

Approx. 48% (2020/21: 57%) of the company's receivables are secured by credit insurance on the balance sheet date. Provisions for loss on trade receivables are specified in note 4.2. Approximately 75% of amounts due at the balance sheet date have been collected during October 2022 (2020/21: more than 70%).

5.6 Financial risks and financial instruments (continued)

Management comments

Currency risks

The Group is exposed to exchange rate fluctuations as the individual Group entities make investments, conduct purchase and sales transactions and have receivables and payables in foreign currencies. The Group's revenue to customers outside Denmark has been more than 98% of total revenue over the past several years. Moreover, the majority of the Group's purchase of products etc. from sub-suppliers is paid in foreign currencies.

The Group can enter into commercial hedging transactions, to the extent considered appropriate, to lower any currency exposure. In 2021/22 the Group used commercial hedging transactions to lower the foreign currency risk of expected net USD in-flow against DKK.

The sensitivity – the hypothetical effect om result of the year (and on equity) before tax – for the various currencies are calculated as the net position multiplied by the expected change in currency exchange rates.

Specification of the Group's risks in foreign currencies:

Amounts in DKK '000	Cash and current asset investments	Receivables	Liabilities	Hedging	Net position	Expected change in currency exchange rate	Sensitivity Hypothetical effect on result of the year before tax	Hypothetical effect before tax on equity
Group								
EUR	723	4,004	31	-	4,758	1%	48	48
USD	34,565	205,279	-82,040	-65,225	92,579	10%	9,258	9,258
Other	1,441	-	-14,289	-	-12,828	5%	-642	-642
Total at 30 September 2022	36,729	209,283	-96,298	-65,225	84,489			
EUR	7,948	3,699	-39	-	11,608	1%	116	116
USD	9,375	146,818	-48,138	-24,885	83,170	10%	8,317	8,317
Other	1,169	-	-10,645	-	-9,476	5%	-474	-474
Total at 30 September 2021	18,492	150,517	-58,822	-24,885	85,302			

Specification of the Parent's risks in foreign currencies:

Amounts in DKK '000	Cash and current asset investments	Receivables	Liabilities	Hedging	Net position	Expected change in currency exchange rate	Sensitivity Hypothetical effect on result of the year before tax	Hypothetical effect before tax on equity
Parent								
EUR	554	4,004	31	-	4,589	1%	46	46
USD	33,495	205,279	-82,682	-65,225	90,867	10%	9,087	9,087
HKD	-	-	-44,015	-	-44,015	10%	-4,402	-4,402
Other	9	-	20	-	29	5%	1	1
Total at 30 September 2022	34,058	209,283	-126,646	-65,225	51,470			
EUR	7,748	3,699	-39	-	11,408	1%	114	114
USD	7,692	146,818	-48,546	-24,885	81,079	10%	8,108	8,108
HKD	-	-	-33,231	-	-33,231	10%	-3,323	-3,323
Other	12	-	16	-	28	5%	1	1
Total at 30 September 2021	15,452	150,517	-81,800	-24,885	59,284			

5.6 Financial risks and financial instruments (continued)

Management comments

Interest rate risk
The Group is primarily exposed to interest rate risks through interest-bearing assets and liabilities. The overall objective of controlling the interest rate risk is to reduce the negative impacts of interest rate fluctuations on earnings and the balance sheet.

The Group is only directly exposed to interest rate risks on bank deposits and indirectly on excess liquidity invested in short term liquid bonds in DKK with a strong credit rating. Please refer to note 5.1 on current asset investments.

Uncertainties and estimates

Fluctuations in the interest rate level affect the Group's bond portfolios and bank deposits. An increase in the interest rate level of 1% point per annum compared to the interest rate level at the balance sheet date will expectedly have a positve impact of DKK 0.2 million (30 September 2021: negative impact of DKK 3.3 million) before tax on the Group's income statement and equity. The calculation is based on a) the Group's cash position multiplied by the increased interest rate assumed and b) the effect of the assumed interest rate increase on the fair value of the current asset investments as calculated by the Company's bank which manages the investment portfolio.

A decline in the interest rate level will expectedly have a larger positive impact on the income statement and equity.

Management comments

Capital structure
The Group's capital structure is characterized by a considerable equity share. The business conditions for RTX A/S are characterized by a high degree of uncertainty, which requires a substantial equity, among other things to implement large and long-term development projects at the Group's own expense, for instance in connection with the set-up of technology platforms or by cultivating new business areas and markets. Please refer to the section on Capital Structure and Allocation in the Management Review.

The Group's equity share amounted to 59.6% at the end of the financial year 2021/22 compared to 59.5% in 2020/21.

Management comments

Financial gearing
The Company's Board of Directors reviews the Group's capital structure in connection with the announcements of interim reports and annual reports. As part of these reviews, the Board of Directors reviews the Group's cost of capital and the risks related to the various types of capital.

The financial gearing in the Group, calculated as the ratio of interest-bearing net debt to equity, can be calculated at the balance sheet date as follows:

	Group					
Amounts in DKK '000	Beginning of year	Cash flow	Currency effects	Lease interests	Additions and disposals	End of year
Lease liabilities	61,396	-8,047	153	2,387	3,308	59,196
Current asset investments in the trading portfolio	-100,952					-30,083
Cash at bank and in hand	-19,461					-43,725
Interest-bearing net debt	-59,017					-14,612
Equity	288,533					331,640
Financial gearing	-0.20					-0.04

Compliance with loan agreement terms
The Group has not neglected or been in breach of loan agreements in the financial year or the comparative year.

5.6 Financial risks and financial instruments (continued)

Fair value hierarchy for financial instruments

The below indicates the classification of the financial instruments divided in accordance with the fair value hierarchy:

- Listed prices in an active market for the same type of instrument (level 1)
- Listed prices in an active market for similar assets or liabilities or other valuation methods, where all significant input is based on observable market data (level 2)
- Valuation methods, where any significant input is not based on observable market data (level 3)

	Group			
Amounts in DKK '000	Level 1	Level 2	Level 3	Total
Financial instruments (hedging), liability	-	-4,758	-	-4,758
Bonds listed on the stock exchange, in the trading portfolio	30,083	-	-	30,083
Financial net assets at fair value at 30 September 2022	30,083	-4,758	-	25,325
Financial instruments (hedging), liability	-	-578	-	-578
Bonds listed on the stock exchange, in the trading portfolio	100,952	-	-	100,952
Financial net assets at fair value at 30 September 2021	100,952	-578	-	100,374

Financial hedging instruments comprise standard foreign exchange forward contracts. The calculation of fair value for these standard hedging instruments are made by the Company's bank with the USD/DKK spot vs. forward exchange rate as the main elements affecting the fair value of the contracts.

Section 6 Other Disclosure Requirements

NOTES

6.1 Contingent liabilities, collateral and contractual obligations

Accounting policies

Contingent liabilities
The Group has not incurred any guarantee commitments and has not undertaken any warranty and supply obligations other than the obligations and guarantees relating to the services and products developed by the Group.

In 2021/22, RTX A/S has not provided payment guarantees etc. which was also the case in 2020/21.

Contractual obligations
As part of the Group's business the usual customer and supplier agreements etc. have been concluded, letters of intent have been issued to cooperative partners, and moreover, agreements have been entered into on normal business terms.

6.2 Other items with no effects on cash flow

	Group		Parent	
Amounts in DKK '000	2021/22	2020/21	2021/22	2020/21
Change in write-down to net realizable value of current assets	3,767	872	3,767	872
Change in provisions	590	-307	590	-307
Share-based remuneration	4,866	4,093	3,955	3,268
Unrealized exchange rate adjustments etc.	5,828	-1,955	454	-2,060
Total	15,051	2,703	8,766	1,773

6.3 Related parties

Transactions between related parties
Related parties with significant interest in RTX include the company's Board of Directors, Executive Board and other key management as well as these persons' related nearest family members. In addition, related parties comprise Group entities. An overview of Group entities is disclosed in note 3.4.

Board of Directors and Executive Board
Management's remuneration and share-based remuneration are stated in note 2.4. Three members of the Board of Directors (the employee representatives) are employed in RTX A/S and for their employment they receive a salary equivalent to their position on market-based terms. In 2021/22 the amount totaled DKK 2.3 million (2020/21: DKK 2.2 million).

Subsidiaries
In 2021/22 trade etc. between RTX A/S and related parties amounted to DKK 54.1 million (2020/21: DKK 46.2 million). There have been no transactions between the subsidiaries in 2021/22.

6.3 Related parties (continued)

Transactions with subsidiaries have comprised the following:

	Subsidiaries	
Amounts in DKK '000	2021/22	2020/21
Purchase of services from subsidiaries	54,149	46,221
Received dividends from subsidiaries (recharge of RSU costs)	1,566	2,586
Interest costs for subsidiaries	721	495
Payables to subsidiaries	45,909	33,883

Transactions with subsidiaries are eliminated in the consolidated financial statements in accordance with the applied accounting policies.

In addition, intra-Group balances with subsidiaries comprise intra-Group loans as well as ordinary business balances regarding purchase and sale of services.

During the year no transactions were performed between RTX and the Board of Directors, Executive Board, other key management, large shareholders or other related parties, apart from payment of normal management remuneration as disclosed in note 2.4.

6.4 Events after the balance sheet date

No material events with effect for the annual report have occurred after the balance sheet date.

6.5 Accounting principles applied

Accounting policies

In addition to the descriptions in Notes 1.1 - 6.4, the accounting principles are as described below.

Income statement

Other external costs

Other external costs include costs for premises, marketing and sales, administration, loss of debtors, etc. Other external costs also include external costs of development for own financed projects that does not meet the criteria for capitalization.

Balance sheet

Impairment of tangible and intangible assets and capital shares in subsidiaries

The carrying values of tangible and intangible assets with definite life-time, as well as the Parent Company's capital shares in subsidiaries, are reviewed at the balance sheet date to determine whether there are indications of impairment. If there are indications of impairment, the recoverable value is estimated in order to establish the need for any write-down and the extent thereof. For ongoing development projects and goodwill, the recoverable value is estimated annually, regardless of whether there are indications of impairment.

If the individual assets do not generate cash flows independently of other assets, the recoverable amount is estimated for the smallest cash-generating unit to which the asset belongs.

The recoverable amount is the higher of an asset's fair value less sales costs and capital value. The recoverable amount is determined as the present value of the discounted future net cash flow from the activities goodwill relates to. In calculating the present value, the discount rate applied reflects a risk-free rate added an asset specific risk premium.

If the recoverable value is estimated to be less than the carrying amount, the recoverable amount is used. Impairment losses are recognized in the income statement.

On any subsequent reversal of impairments, the carrying value is increased to the adjusted estimate of the recoverable amount. However, this cannot exceed the carrying amount that the asset would have had in case of a non-impairment. Impairment of goodwill is not reversed.

Other financial liabilities

Other financial liabilities, including bank loans, trade payables and payables to public authorities, etc., are initially measured at fair value, corresponding to the proceeds received net of any transaction costs. Liabilities are subsequently measured at amortized cost using the effective interest method, whereby the difference between the proceeds and the nominal value is recognized as financial costs over the term of the loan.

Cash flow statement

The cash flow statement is prepared using the indirect method divided into operating, investing and financing activities and the impact of how these cash flows have affected the cash position for the year. Cash flows from operations are calculated as net operating profit adjusted for non-cash operating items and changes in working capital, less net financial income and expenses and the financial corporation tax.

Cash flows from investing activities include payments in connection with acquisition and divestment of companies and financial assets as well as acquisition, development, improvement and sale of intangible and tangible assets.

Cash flows from financing activities comprise changes in the Parent Company's share capital and related costs as well as the raising and repayment of loans, repayment of interest-bearing debt and lease liabilities, acquisition and disposal of treasury shares and payment of dividends.

Cash and cash equivalents comprise cash less any overdraft facilities that are an integral part of the Group's cash management.

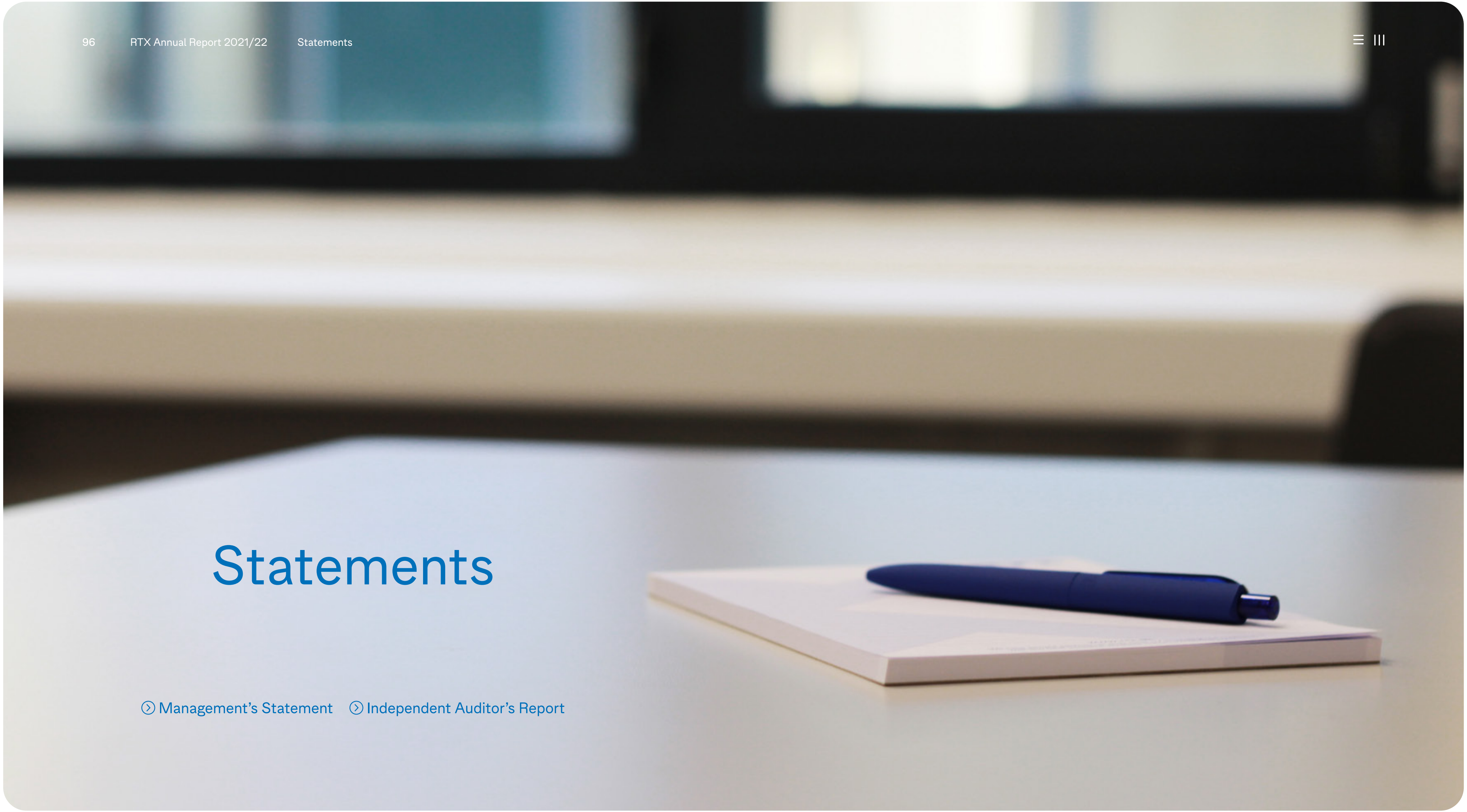
Ratio definitions and calculation formulae

Earnings per Share (EPS) and Diluted Earnings per Share (DEPS) are calculated in accordance with IAS 33.

The other ratios have been calculated in accordance with the latest version of "Recommendations & Financial Ratios" issued by the Danish Society of Financial Analysts, unless otherwise indicated.

Operating profit/loss [1]	Profit/loss before financial income and expenses	
Growth in net turnover [1] [2]	(Revenue in year n - revenue in year n - 1) * 100	Revenue in year n – 1
Profit margin [1]	Operating profit/loss * 100	Revenue
Return on invested capital (ROIC including goodwill) [1]	Operating profit/loss before amortization (EBITA) * 100	Average invested capital including goodwill
Return on equity	Profit/loss from ordinary activities after tax * 100	Average equity
Equity ratio [2]	Equity at year-end * 100	Total assets at year-end
Revenue per employee [2]	Revenue	Average number of full-time employees
Operating profit per employee [2]	Operating profit/loss	Average number of full-time employees
Earnings per share (EPS)	Profit/loss from ordinary activities after tax	Average number of shares in circulation each at a nominal value of DKK 5
Diluted earnings per share (DEPS)	Profit/loss from ordinary activities after tax	Average number of diluted shares each at a nominal value of DKK 5
Equity value per share [2]	Equity at year-end	Number of shares in circulation at year-end
Dividends per share	Total dividends paid	Average number of issued shares each at a nominal value of DKK 5

[1] Key ratios have been calculated on the basis of items comprising the Group's continuing operations.
[2] Not defined by the Danish Association of Financial Analysts.
Computation of earnings per share and diluted earnings per share is specified in note 5.4.



Statements

Management's Statement

The Board of Directors and the Executive Board have today considered and approved the annual report of RTX A/S for the financial year 1 October 2021 - 30 September 2022.

The annual report is prepared in accordance with International Financial Reporting Standards as adopted by the EU and Danish disclosure requirements for listed companies.

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 30 September 2022 and of the results of their operations and cash flows for the financial year 1 October 2021 - 30 September 2022.

In our opinion, the annual report of RTX A/S for the financial year 1 October to 30 September with the file name RTX-2022-09-30.zip is prepared, in all material respects, in compliance with the ESEF Regulation.

In our opinion, the management commentary contains a fair review of the development of the Group's and the Parent's business and financial matters, the results for the year and of the Parent's financial position and the financial position as a whole of the entities included in the consolidated financial statements, together with a description of the most significant principal risks and elements of uncertainties facing the Group and the Parent.

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

Noerresundby, 29 November 2022

Executive Board

Peter Røpke
President and CEO

Morten Axel Petersen
CFO

Board of Directors

Peter Thostrup
Chair of the Board

Jesper Mailind
Deputy Chair

Lars Christian Tofft

Henrik Schimmell

Katja Haukohl Millard

Ellen Andersen

Kurt Heick Rasmussen
Employee Representative

Flemming Vendbjerg Andersen
Employee Representative

Kevin Harritsø
Employee Representative

Independent Auditor's Report

To the shareholders of RTX A/S

Report on the consolidated financial statements and the parent financial statements

Opinion

We have audited the consolidated financial statements and the parent financial statements of RTX A/S for the financial year 01.10.2021 - 30.09.2022, which comprise the income statement, statement of comprehensive income, balance sheet, statement of changes in equity, cash flow statement and notes, including a summary of significant accounting policies, for the Group as well as for the Parent. The consolidated financial statements and the parent financial statements are prepared in accordance with International Financial Reporting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 30.09.2022, and of the results of their operations and cash flows for the financial year 01.10.2021 - 30.09.2022 in accordance with International Financial Reporting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act.

Our opinion is consistent with our audit book comments issued to the Audit Committee and the Board of Directors.

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 consolidated financial statements and the parent financial statements" section of this auditor's report. We are independent of the Group 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.

To the best of our knowledge and belief, we have not provided any prohibited non-audit services as referred to in Article 5(1) of Regulation (EU) No 537/2014.

After RTX A/S was listed on Nasdaq Copenhagen in June 2000, we were appointed auditors at the annual general meeting held on 26 February 2001. We have been reappointed annually by decision of the general meeting for a total contiguous engagement period of 22 years up to and including the financial year 2021/22.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements and the parent financial statements for the financial year 01.10.2021 - 30.09.2022. These matters were addressed in the context of our audit of the consolidated financial statements and the parent financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

CONTRACT DEVELOPMENT PROJECTS IN PROGRESS

Referring to Note 1.2 and 4.3 in the Group financial statements, work in progress at 30 September 2022 consists of several different contracts, the gross value of work in progress and the corresponding revenue recognised.

Significant judgements are required by management in determining stage of completion and estimated profit on each project including assessment of estimated costs to complete for the project.

Contracts are signed on different terms that leads to judgement associated with determining stage of completion and estimated profit. Combined with the significance of revenue recognised, the asset in the balance sheet and the financial statements as a whole, the valuation and recognition of work in progress is considered to be a key audit matter.

HOW THE MATTER WAS ADDRESSED IN OUR AUDIT

Based on our risk assessment we assessed the relevant internal controls for projects in progress primarily relating to contract acceptance and terms, change orders, monitoring of project development, cost incurred and estimating costs to complete.

We obtained from management an overview of the Group's contract development projects in progress at 30 September 2022 as well as completed contracts during the year. Based on project risk and materiality we selected a sample including the underlying contracts, change orders and project reports including cost incurred and estimate of costs to complete. For the selected contracts, we assessed and challenged Management's assumptions for determining stage of completion including estimated profit and cost to complete through interviews with project management and financial controllers as well as our understanding and assessment of the contract terms and final acceptance. Additionally, we discussed and assessed project performance, cost incurred and cost to complete. Furthermore, we performed analysis and retrospective reviews of completed contracts to assess the completeness and accuracy of management's assumptions applied throughout the contract period.

Statement on the management commentary

Management is responsible for the management commentary.

Our opinion on the consolidated financial statements and the parent financial statements does not cover the management commentary, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements and the parent financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the consolidated financial statements and the parent financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the management commentary is in accordance with the consolidated financial statements and the parent financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the management commentary.

Management's responsibilities for the consolidated financial statements and the parent financial statements

Management is responsible for the preparation of consolidated financial statements and parent financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of consolidated financial statements and parent financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements and the parent financial statements, Management is responsible for assessing the Group's and the Parent's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the consolidated financial statements and the parent financial statements unless Management either intends to liquidate the Group or the Entity or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated financial statements and the parent financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and the parent 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 consolidated financial statements and these parent 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 consolidated financial statements and the parent 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 Group's and the Parent'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 consolidated financial statements and the parent 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 Group's and the Parent'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 consolidated financial statements and the parent 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 Group and the Entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements and the parent financial statements, including the disclosures in the notes, and whether the consolidated financial statements and the parent financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. 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 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, safeguards put in place and measures taken to eliminate threats.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements and the parent financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on compliance with the ESEF Regulation

As part of our audit of the consolidated financial statements and the parent financial statements of RTX A/S we performed procedures to express an opinion on whether the annual report for the financial year 01.10.2021- 30.09.2022, with the file name RTX-2022-09-30.zip, is prepared, in all material respects, in compliance with the Commission Delegated Regulation (EU) 2019/815 on the European Single Electronic Format (ESEF Regulation), which includes requirements related to the preparation of the annual report in XHTML format and iXBRL tagging of the consolidated financial statements.

Management is responsible for preparing an annual report that complies with the ESEF Regulation. This responsibility includes:

- The preparing of the annual report in XHTML format;
- The selection and application of appropriate iXBRL tags, including extensions to the ESEF taxonomy and the anchoring thereof to elements in the taxonomy, for financial information required to be tagged using judgement where necessary;
- Ensuring consistency between iXBRL tagged data and the consolidated financial statements presented in human readable format; and
- For such internal control as Management determines necessary to enable the preparation of an annual report that is compliant with the ESEF Regulation.

Our responsibility is to obtain reasonable assurance on whether the annual report is prepared, in all material respects, in compliance with the ESEF Regulation based on the evidence we have obtained, and to issue a report that includes our opinion. The nature, timing and extent of procedures selected depend on the auditor's judgement, including the assessment of the risks of material departures from the requirements set out in the ESEF Regulation, whether due to fraud or error. The procedures include:

- Testing whether the annual report is prepared in XHTML format;
- Obtaining an understanding of the company's iXBRL tagging process and of internal control over the tagging process;
- Evaluating the completeness of the iXBRL tagging of the consolidated financial statements;
- Evaluating the appropriateness of the company's use of iXBRL elements selected from the ESEF taxonomy and the creation of extension elements where no suitable element in the ESEF taxonomy has been identified;
- Evaluating the use of anchoring of extension elements to elements in the ESEF taxonomy; and
- Reconciling the iXBRL tagged data with the audited consolidated financial statements.

In our opinion, the annual report of RTX A/S for the financial year 01.10.2021 - 30.09.2022, with the file name RTX- 2022-09-30.zip, is prepared, in all material respects, in compliance with the ESEF Regulation.

Aarhus, 29 November 2022

Deloitte
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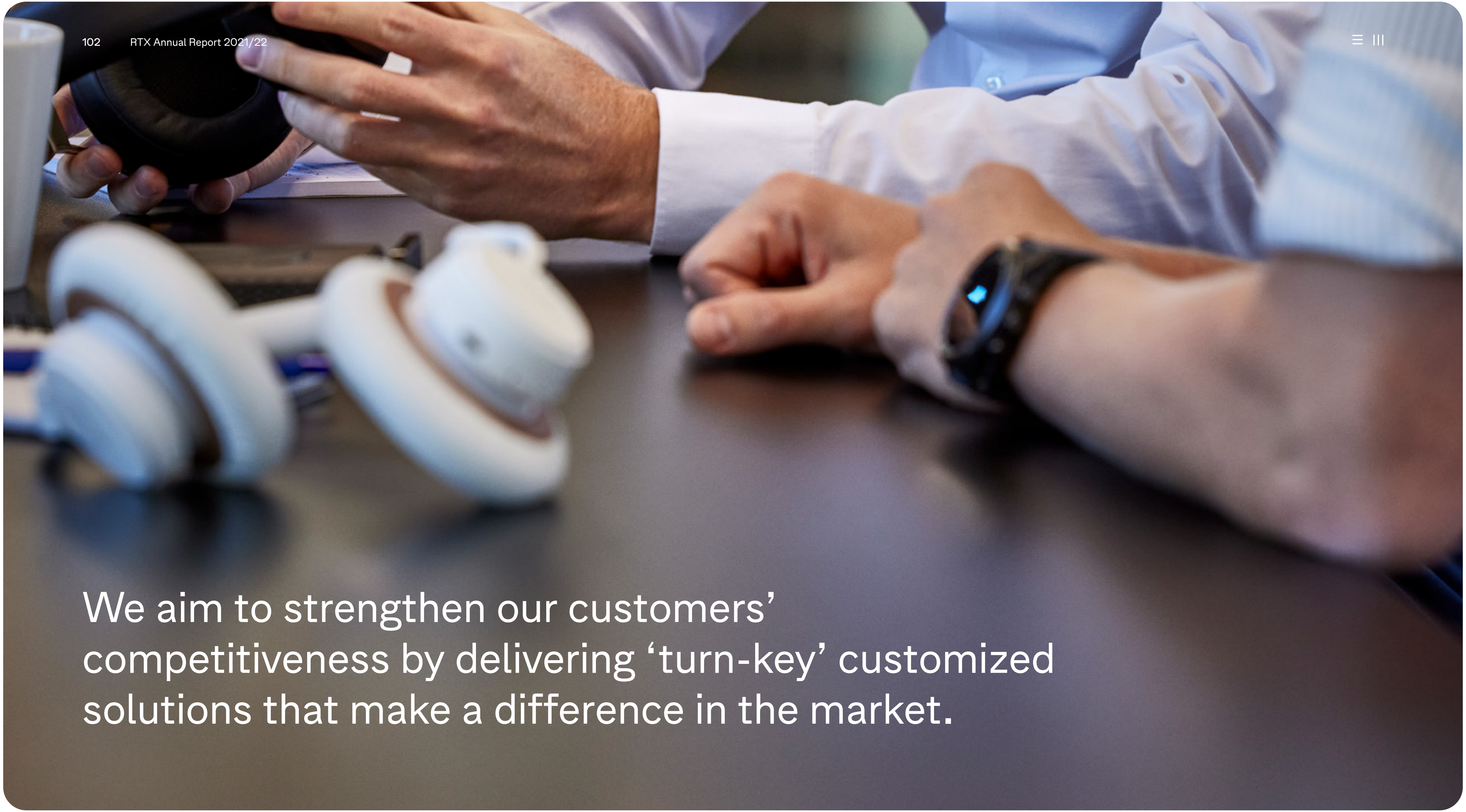

We aim to strengthen our customers' competitiveness by delivering 'turn-key' customized solutions that make a difference in the market.

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Design and production: Noted