Annual Report 2020/21

Transforming
Wireless Wisdom
into Solutions

CVR NO. 17 00 21 47

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

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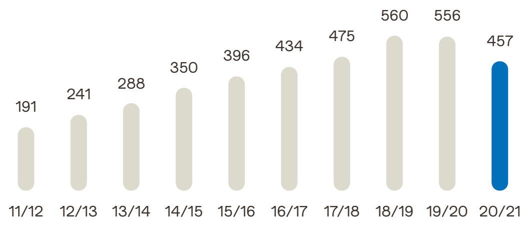
RTX – the Big Picture

RTX is a company with global reach and +25 years of extensive experience and knowledge in designing and manufacturing advanced wireless short-range radio systems and products. Our heritage has provided us with a unique combination of software and hardware capabilities, which RTX leverages with globally recognized customers from conceptualization to finished products and modules.

Our business model and strategy for profitable growth builds on these unique core capabilities – our Wireless Wisdom – which we deploy across multiple attractive B2B target markets via an ODM/OEM model. This model secures recurring revenue and increased resource scalability. Our target markets include Enterprise, ProAudio and Healthcare

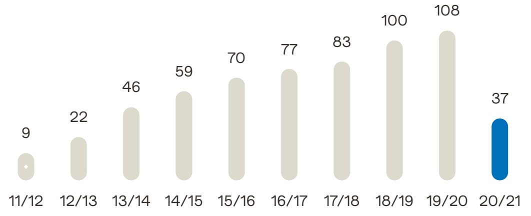
10-year revenue

DKK million



10-year EBITDA

DKK million



Who we are

People

Our unique capabilities reside with our employees. We have 280 dedicated employees in Europe, Asia and North America making a difference every day.

Purpose

Wireless communication is an integral part of all our lives. It seamlessly helps us connect and communicate. Our purpose is to help people perform at their best by providing our customers with the best possible wireless communication solutions.

Values

Commitment – to build long-term relationships
Ingenuity – to create the best solution for each customer
Openness – to build trust and act with efficiency.

2020/21 at a Glance

Financial highlights

Revenue
DKKm

457

-18% /
FX corrected -13%

EBITDA margin
%

8.2

-11.3%-points

Cash Generation (CFFO)
DKKm

45

-37%

Dividends and Share Buy-Back
DKKm paid

71

+15%

ESG highlights

Electricity consumed MWh

723

-20.7%

Employee absence
%

1.1

-0.3 %-points

Market segments

Enterprise

67%
Share of Group revenue

308
Revenue
DKK million

-19%
YOY Growth

ProAudio

23%
Share of Group revenue

102
Revenue
DKK million

-20%
YOY Growth

Healthcare

10%
Share of Group revenue

47
Revenue
DKK million

+1%
YOY Growth

Letter from the Chair & the CEO

Rebounding after a Challenging Year

COVID-19 affected demand in the first part of 2020/21, while global supply chain impediments impacted the second part of 2020/21. The demand situation is normalizing rapidly and we see this as proof that the strategic direction of RTX is sound and that the future growth opportunities are intact.

2020/21 was a disappointing year for RTX. Revenue declined by 18% compared to last year and reached DKK 457 million. Revenue was negatively impacted by COVID-19 reducing customer demand in the first part of the year and by component scarcity and logistic impediments in the second part of the year. Part of the decline in revenue was attributable to the weaker US dollar - corrected for the dollar development the decrease was 13% compared to last year.

The shortfall in revenue adversely affected earnings and EBITDA declined by 66% to DKK 37 million while EBIT declined by 93% to DKK 6 million. Going into 2020/21, a larger than usual uncertainty regarding the year was expected and communicated in the outlook for the year. The financial results were within the updated outlook for the year, but below the original expectations set out at the beginning of the financial year.

Demand recovering strongly

Especially in the first and second quarter of 2020/21, demand in the Enterprise and ProAudio segments were impacted significantly by COVID-19. In the Enterprise segment, COVID-19 countermeasures around the world caused restrictions in the access of RTX's customers to the sites of their end customers for installation of communication systems. In the ProAudio segment, restrictions on live events impacted some RTX customers – especially in the Intercom sub-segment.

> "2020/21 was a challenging year in several ways. COVID-19 had a significant impact in the first part of the year, and global component shortage and supply chain challenges impacted the second half of the year. But the strong ending to the year with the highest ever RTX single quarter revenue recorded in our Q4 underlines the confidence I have in our growth strategy and our growth opportunities"
>
> Peter Røpke, CEO

In several ways, the demand-side impact of COVID-19 came later for RTX than for many other industries and companies. RTX has orders from customers several months into the future and forecasts for the longer-term. During the first wave of COVID-19, RTX delivered these orders and customer forecasts were reduced only to a smaller degree. However, when the COVID-19 restrictions continued, affected customers saw their inventories grow and therefore postponed their re-ordering and reduced their quantities when re-ordering. However, this happened several months later than the first COVID-19 wave.

We have seen the demand situation gradually normalizing over the course of 2020/21. Revenue has been increasing quarter-on-quarter throughout the year. Q4 revenue in 2020/21 increased by 205% compared to Q1 revenue – in 2018/19 and 2019/20 the corresponding increases over the year were 35% and 22% respectively. Therefore, while revenue in the first half of the financial year was significantly below the previous years, the revenue in the second half of 2020/21 amounted to DKK 307 million which is the same level as in the two previous years. In the fourth quarter of 2020/21, revenue amounted to DKK 187 million; the highest revenue ever recorded in a single quarter for RTX – so demand has been rebounding.

Peter Thostrup
Chair of the Board

Peter Røpke
President & CEO

Global supply chain challenges

During 2020/21 we began to see – as did the whole world – a number of supply chain challenges emerging. These challenges included component shortages of various electronic components – especially semiconductors – supply chain and logistic impediments such as shipping capacity issues, periodic port closures and electricity scarcity in China, as well as travel restrictions complicating troubleshooting in relation to ramp-up of new production lines.

The main effect on RTX has been the postponement of deliveries of part of customer orders in 2020/21 – causing postponement of some revenue from one quarter into the next over the year. While Q1 was not impacted, the impact has been increasing over the year. Therefore, revenue of approximately DKK 30 million was postponed from Q2 into Q3, revenue of approximately DKK 40 million was postponed from Q3 into Q4 and revenue of approximately DKK 45 million was postponed from Q4 into Q1 of 2021/22. Another effect, especially in the last part of the year, is higher cost of goods sold with increases in certain component and logistic costs.

These impediments to the global supply chains and flow of goods must be expected to continue at least well into 2022. In response, RTX's Supply Chain organization has been actively complementing our external (outsourced) production partners in the efforts to locate and secure components. Further, we have extended the order and forecast time horizon towards suppliers of key components significantly and have expanded the supplier base where feasible.

During 2020/21, we paid dividends of 2.5 DKK per share for the financial year 2019/20 and made share repurchases of treasury shares for a total of DKK 50 million. With the initial demand challenges and later supply challenges in 2020/21 and the resulting lower revenue and earnings, profit for the year was close to zero in 2020/21 (DKK 4 million). Therefore, we will not be recommending any dividends to be distributed for the year at the upcoming Annual General Meeting on 27 January 2022.

Growth opportunities and strategy intact

A challenging year such as 2020/21 has of course led to an assessment of our growth strategy. It is our firm belief that the uniform business model and go-to-market approach across our three target market segments – Enterprise, ProAudio and Healthcare – which we have been working towards over the last couple of years remain fundamentally sound and robust. Thus, our overall growth strategy for the coming years remains intact: 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.

We still see our key customers investing into the joint product development activities with us. And even during 2020/21 we see the strategy working as we have seen significant growth from some of the newest areas where we and customers have invested into growth. These areas include the newest Enterprise framework agreement announced at the end of 2018/19 where we delivered the first products during 2020/21 and the unique ProAudio product platforms, such as Sheerlink™, Sheersound™ and TeamEngage™, where we have on-boarded several new customers and have seen significant growth especially for content creation purposes.

Therefore, we have also maintained our key investments into the important products and product platforms for the Enterprise, ProAudio and Healthcare segments in 2020/21 – both together with customers and as strategic investments by RTX. We have done this while maintaining a cautious and prudent cost management to balance the shorter-term results with the longer-term growth opportunities. These opportunities remain significant; while the growth from the ramp of some of our newer customers and framework agreements has been slowed by COVID-19 and supply challenges, the fundamental growth opportunities from these remain strong. Coupled with the rebound in demand seen towards the end of 2020/21, we therefore see the strategic direction of RTX as sound and the long-term growth opportunities as large – even if the short-term supply circumstances are challenging. In light hereof, we have largely maintained the number of employees to be preprared to benefit from these growth opportunities.

Read more about our work with sustainability in our CSR and ESG report.

Read more

Our sustainability focus

For several years, RTX has been a member of the UN Global Compact and we remain committed to the ambitions of the Global Compact. Additionally, we have in recent years begun our work with the UN Sustainable Development Goals. The main focus areas for our sustainability and ESG efforts have been identified using a materiality assessment and they include, among others, product safety and traceability, a sustainable supply chain, employee working conditions and corporate governance.

To explain and document our priorities and efforts, we have expanded our CSR and ESG reporting over the recent years. 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. For this year, we have added measurement and reporting of our climate (CO_2) footprint to the KPIs reported. Our CSR and ESG report also serves as our Communication of Progress for the UN Global Compact. Please find the report at www.rtx.dk/corporate/csr.

RTX outlook – gradually back on track

As mentioned, we remain confident in our belief that our strategy will drive profitable growth for RTX when looking into the longer term. 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.

We also believe that the next financial year, 2021/22, will represent an improvement over 2020/21 and we enter the year with a strong order book. However, the component scarcity, logistic impediments and other supply challenges will continue for the remainder of 2021 and most likely also persist in 2022. Therefore, 2021/22 will be a stepping stone back towards the long-term growth trend for RTX, however, still impacted by the supply challenges. Hence, management expects revenue of more than DKK 520 million, EBITDA of more than DKK 50 million and EBIT of more than DKK 10 million for the 2021/22 financial year. The outlook reflects an uncertainty primarily around the component and other supply constraints in the year which remains significant especially around semiconductors, while demand is less uncertain with the strong order backlog. However, a resurgence of significant restrictions in the face of any new COVID-19 waves can affect both the demand and supply situation. On the other hand, if the component and supply situation was to significantly improve over the financial year, this could have a positive impact on our financial results in 2021/22.

Back in early 2020 before the onset of COVID-19 and long before the component shortages, we would have expected that RTX's revenue and earnings in 2021/22 would significantly exceed the outlook for the year mentioned above. However, given our fundamental belief in our growth strategy and the growth opportunities for RTX, we consider that these global macro developments are solely temporary impediments to the long-term growth of RTX. But in light of the prolonged impact – especially of the supply chain constraints – we have re-evaluated our long-term financial ambitions, and while we maintain the ambitions for significant growth we have "parallel shifted" the ambitions by one year. Therefore, the end year for our long-term financial ambitions is now 2023/24 instead of 2022/23.

Helping people perform at their best

During the year, we have zoomed in on the purpose and values of RTX – what RTX fundamentally is and does. 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 'helping people perform at their best' by providing our customers with the best possible wireless communications solutions. We do so through long-term partnerships with our customers aiming at strengthening our customers positioning in their markets.

Our employees make this possible – and we owe our employees a special thank you for their dedicated efforts under challenging and unpredictable circumstances throughout the year. The ways in which they have handled adverse global conditions and new ways of working have impressed us. We would also like to thank our customers and other stakeholders for their cooperation during 2020/21.

Peter Thostrup
Chair

Peter Røpke
President & CEO

Financial Highlights for the Group

Amounts in DKK million	2020/21	2019/20	2018/19	2017/18	2016/17
Income statement items					
Revenue	457.2	555.9	560.3	475.3	433.5
Gross Profit	239.1	309.3	316.9	264.8	238.5
EBITDA	37.3	108.2	100.2	83.1	77.2
EBITDA %	8.2%	19.5%	17.9%	17.5%	17.8%
Operating profit/loss (EBIT)	6.1	83.6	86.7	74.9	72.3
Net financials	-6.6	-3.4	4.6	1.4	-1.9
Profit/loss before tax	-0.6	80.2	91.3	76.3	70.4
Profit/loss for the year	3.6	63.1	71.4	60.0	58.2
Balance sheet items					
Cash and current asset investments	120.4	194.8	226.7	182.6	151.3
Total assets	485.3	533.6	463.3	422.7	353.0
Equity	288.5	352.2	347.4	312.0	283.0
Liabilities	196.8	181.4	115.8	110.7	70.0
Other key figures					
Development cost financed by RTX before capitalization	42.3	43.8	39.0	34.3	36.9
Capitalized development cost	24.9	28.7	16.8	16.3	17.4
Depreciation, amortization and impairment	31.3	24.6	13.5	8.3	4.9
Cash flow from operations	44.5	70.6	107.7	95.7	46.7
Cash flow from investments	9.7	-37.1	-52.4	-29.2	-37.0
Investment in property, plant and equipment	20.9	7.9	5.4	8.4	8.9
Increase/decrease in cash and cash equivalents	-22.4	-33.7	10.9	30.3	-61.4

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.

	2020/21	2019/20	2018/19	2017/18	2016/17
Key ratios (percentage)					
Growth in net turnover	-17.8%	-0.8%	17.9%	9.7%	9.6%
Profit margin	1.3%	15.0%	15.5%	15.7%	16.7%
Return on invested capital [1]	10.7%	54.1%	75.1%	69.5%	92.1%
Return on equity	1.1%	18.1%	21.6%	20.2%	20.7%
Equity ratio	59.5%	66.0%	75.0%	73.8%	80.2%
Employment					
Average number of full-time employees	286	292	277	246	227
Average number of FTE employed directly	257	264	253	226	207
Revenue per employee (DKK '000)	1,598	1,904	2,023	1,932	1,910
Operating profit per employee (DKK '000)	21	286	313	304	318
Shares (number of shares in thousands)					
Average number of shares in distribution	8,243	8,376	8,545	8,556	8,735
Average number of diluted shares	8,302	8,503	8,633	8,691	8,916
Share data (DKK per share at DKK 5)					
Profit/loss for the year (EPS), per share	0.4	7.5	8.4	7.0	6.7
Profit/loss for the year, diluted (DEPS), per share	0.4	7.4	8.3	6.9	6.5
Dividends, per share	0.0	2.5	2.5	2.0	2.0
Equity value, per share	34.4	42.2	41.0	36.4	32.9
Listed price, per share	165.0	216.0	164.0	179.6	180.0

[1] Return on invested capital regarding 2016/17 was restated in 2017/18

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

Business, Strategy and Outlook

Our Fundamentals

Helping people perform at their best is at the heart of RTX – and it is done across multiple B2B target market segments in a scalable business model based on recurring revenue.

RTX purpose and values

During 2021 we have worked on updating the definition of RTX's purpose, mission, vision and values to create a joint external and internal understanding of what RTX fundamentally is and does. 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. We do so through long-term partnerships with our customers aimed at strengthening our customers' competitiveness.

The core of RTX

Our Purpose Helping people perform at their best

↓

Our Mission To help our customers make a difference in their markets

↓

The Vision To be the preferred partner for wireless technology solutions

↓

Our Values

Commitment: to build long-lasting relationships

Ingenuity: to create the best solution for each customer

Openness: to build trust and act with efficiency

Our Business Model

We unfold our purpose and mission through our business model operating in three domains/target segments – thereby also translating the value which we create for our customers into long-term value creation for RTX.

Leverage effect for profitable growth

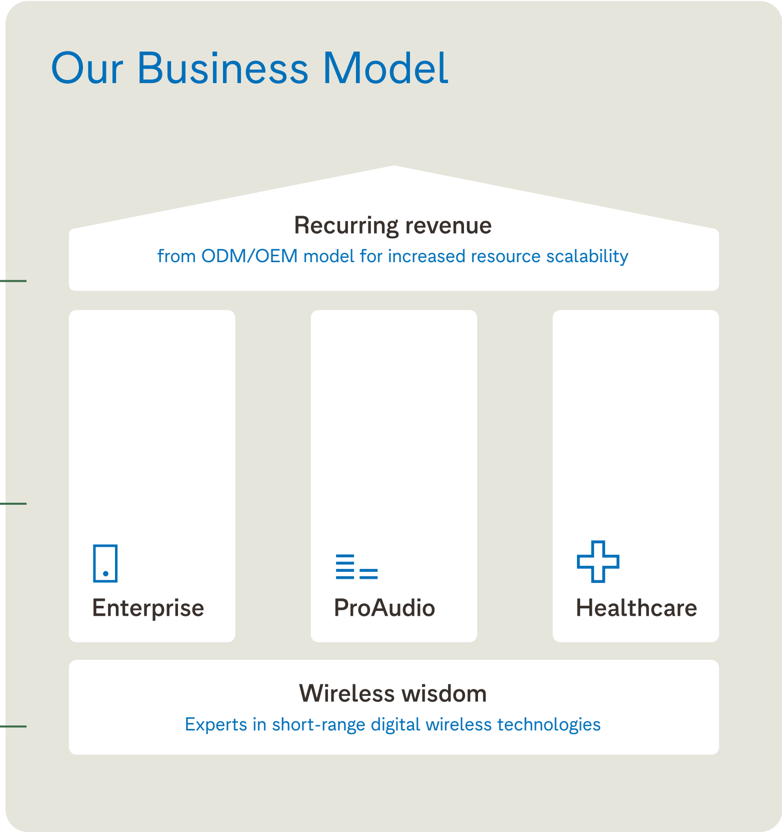
By increasing product sales to large customers, through framework agreements, we are able to increase recurring revenues and strengthen resource scalability. The tried and tested ODM/OEM model originated in Enterprise and is now used across all target segments.

Deployment in attractive B2B target markets

Working in long-term partnerships with large and internationally leading customers, understanding market trends and acting as a professional partner are integral parts of how we do business at RTX. We believe that we provide a true value proposition and best results when collaborating closely with our customers in our B2B target markets.

Core capabilities

RTX's expertise in short-range digital wireless technologies has been the backbone of our success for close to 30 years. Our heritage has provided us with a unique combination of software and hardware capabilities, including patented solutions, to be leveraged in both modules and finished products.



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

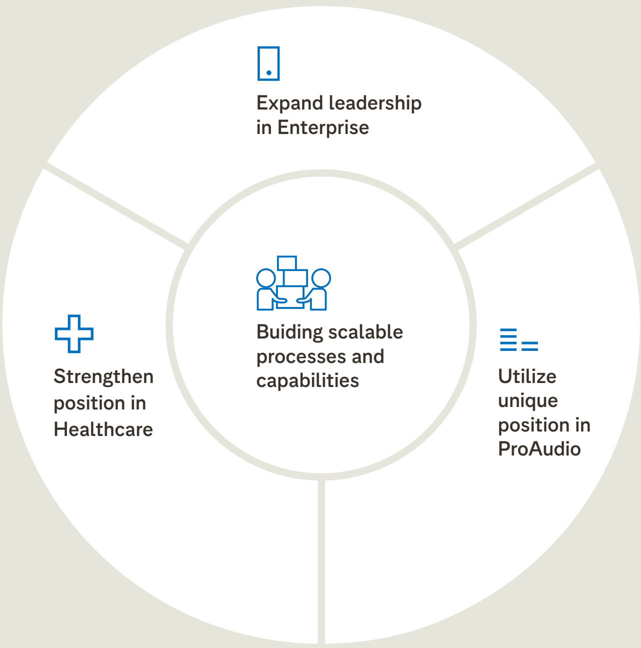
Ensuring and validating performance

Production and Supply Chain Management

Delivery throughout the entire product life-cycle via certified manufacturers

Our Growth Strategy

Four key priorities to ensure profitable growth from our business model



Expand leadership in Enterprise

RTX aims to expand its leadership position in Enterprise products and solutions by continuing to gain share and drive market consolidation. Via our pure play ODM/OEM model, customers will not experience channel conflicts with RTX, 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 benefits our customers and their end-users and facilitates increasing share-of-wallet for RTX.

Utilize unique position in ProAudio

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 done 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.

Strengthen position in Healthcare

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. We do this through three avenues: 1) Continued expansion of our existing centralized continuous patient monitoring business with our long-term blue-chip healthcare customer. 2) Expanding share of value chain via broadened portfolio and increased production of sub-assemblies. 3) Expansion into decentralized continuous patient monitoring.

Building scalable processes and capabilities

Building on a strong foundation, RTX will further develop selected processes and capabilities to succeed with our strategic priorities for each of the three target markets segments: Enterprise, ProAudio and Healthcare. With the implementation of 'One RTX' we have moved from two business units into one joint organization. The uniform structure facilitates our work to build robust and scalable processes within and across the different functional areas. Further it consolidates our technological capabilities and allows us to strengthen these further.

Enterprise

Enterprise

Our business

In Enterprise, RTX helps our B2B customers, primarily large global players, to provide better wireless communication solutions for their customers. The solutions are used in places like retail operations, healthcare facilities, storage facilities, offices, call centers and public buildings, and in even the most demanding commercial and industrial environments where equipment certified as explosion-proof and waterproof 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. Our unique know-how and capabilities, Wireless Wisdom, make it much easier for customers to deliver commercially attractive wireless communication solutions that feature stand-out technological capabilities, constant technical innovation, effective systems design and engineering, and user-friendly functionality.

Market trends

There are several different types of communication endpoints within the global enterprise communications market and usage depends on end-user needs. Over time, handsets and headsets have been replacing the more traditional corded office desktop phones, in part due to unified communication and a desire for mobility driving the need for headsets, handsets and wireless devices in general.

According to Frost & Sullivan, the total global professional market for wireless handsets is estimated at more than USD 750 million or 3 million units annually. DECT technology handsets are expected to grow 3% p.a. from 2020 to 2024 driven by its mobile nature, superior performance, and cost effectiveness. RTX is

Enterprise

seeing 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. Also, RTX continues to both drive and benefit from ongoing consolidation in the manufacturing of handsets; driven by increased outsourcing of handset development and production, especially to pure play ODM/OEM providers like RTX. In 2020, RTX was the largest manufacturer of multi-cellular handsets, according to MZA, with a share of 20%. The total global professional headsets market is, by Frost & Sullivan, estimated at more than USD 1.5 billion or almost 30 million headsets annually with growth expectation of 15% p.a. from 2020 to 2024.

RTX and market highlights 2020/21

During 2020/21, we started product deliveries under the newest major Enterprise framework agreement. Our customer is a leading global brand with very strong sales channels and the product portfolio includes handsets, base stations, and repeaters. Also, our wireless headset offering has been developed and we are working with potential customers on tailoring the solution and on commercial agreements. Additionally, we introduced our Cloud Services, a software platform that increases integration and serviceability via online tools for deployment, monitoring, tracking, etc. Multiple customers have already been onboarded for testing and piloting.

COVID-19 countermeasures impacted customer demand in first half of 2020/21. This was partly due to limited access to end customers' sites for installation of communication systems and partly due to inventory build-up over the previous months causing lower orders. Market participants in general, including RTX, were also impacted by the global supply chain challenges from the global electronics component scarcity and logistic challenges, especially in the second half of 2020/21.

Cloud Services by RTX

Cloud Services is an online platform providing RTX customers with a series of easy-to-use tools for administration, deployment, monitoring, site management, and tracking of enterprise wireless installations of any size. A comprehensive set of specialist tools that seamlessly integrate the management of wireless base stations, location gateways, handsets, headsets, and repeaters into a single cloud-based solution that is easy to administer. Cloud Services makes it easier for RTX customers to provide commercial partners as well as end-customers with faster, better support by dealing with the practical challenges of deploying, configuring, and administering large-scale enterprise solutions.

RTX can configure and customize the platform to the specific customer's individual product portfolio, technical specifications, and brand identity requirements.

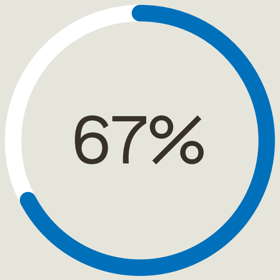
Strategy for growth in Enterprise

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 benefits our customers and their end users and facilitates increasing share-of-wallet for RTX.

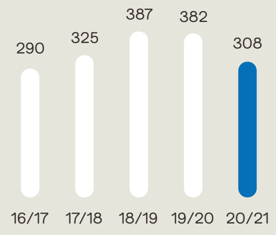
An important growth driver in the coming years will be ramping of the partnerships associated with the major Enterprise framework agreements signed over the past couple of years.

Share of Group revenue 2020/21



5-year Enterprise revenue

DKK million



ProAudio

Our business

In ProAudio, RTX technology and knowhow, our Wireless Wisdom, is leveraged for offerings in applications across Mics & Stage, Intercom, and Gaming. For Mics & Stage it could be connectivity of microphones or instruments, conference systems, content creation solutions etc. For Intercom examples are systems for restaurants, construction sites, or more complex systems for TV productions or large sporting events etc. For Gaming it could be wireless gaming headsets, controllers, mice, keyboards etc.

In the past our focus was purely on design services, but today we have transitioned to a business model with a high share of recurring revenue via product sales and royalty. Central to this transition are our product platforms with dedicated modules: Sheerlink™ focused on AV production incl. live events and content creation and TeamEngage™ focused on intercom systems and communication. Both platforms constitute a base upon which our customers can build out their unique offerings, thus both accelerating their process and lowering the costs of their product development. Based on these product platforms, we design, develop, and manufacture wireless systems for our customers with products ranging from modules, circuit boards to full ODM products all featuring RTX software – enabling unparalleled wireless performance for RTX customers and their end users.

Market trends

The professional audio market is large but relatively fragmented. 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.

All the RTX ProAudio application areas – Mics & Stage, Intercom, and Gaming – have sizable and grow-

ProAudio

ing wireless shares. Arizton estimates that global sales of professional wireless microphones are 2 million annually 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.

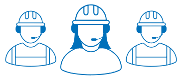
COVID-19 has resulted in the emergence of new formats, including more hybrid meetings and a mix of live and remote audiences – something that may well be retained in the post-COVID world and constitutes new opportunities.

RTX and market highlights 2020/21

We have, as planned, succeeded in growing our product platforms and dedicated modules, which is an important part of our transition to a recurring revenue model. The growth is driven by continued market expansion with Sheerlink™ as well as our newly launched TeamEngage™.

In the second half of 2020/21 we also had our first deliveries of full ODM products under the newest major ProAudio framework agreement. Our customer is a large international group and a leading brand in the professional audio space, and the product is audio conference systems. These deliveries will continue in 2021/22 and beyond and mark a major milestone in our transition to recurring revenue in ProAudio.

The impact of COVID-19 in ProAudio was asymmetric. COVID-19 countermeasures, such as lockdowns, posed significant demand side challenges in some areas, especially in the intercom market related to live events. Simultaneously it constituted growth opportunities in other areas, e.g., the content creation space, driven by the demand from both journalists, vloggers, streamers etc. Despite the challenges, our customers continued their product development activities with us, thus confirming the fundamental strength of our business model. Like Enterprise, ProAudio was also impacted by the global supply chain challenges from the global electronics component scarcity and logistic challenges, especially in the second half of 2020/21.



TeamEngage™ – an intercom product solution

TeamEngage™ is a wireless communication solution for scenarios where direct and reliable two-way communication is critical for getting the job done. By providing excellent audio and radio performance for both portable and installed systems, the solution fits the end-users needs and allows each team member to feel secure. Additionally, TeamEngage™ is developed for communication either in a fixed geographical area or in an area without geographical boundaries – such as search and rescue operations.

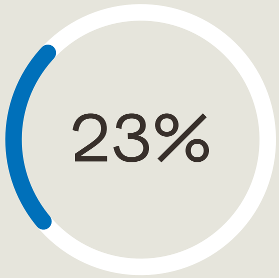
All RTX ProAudio product solutions are built on RTX modules which can be incorporated into customers' end products. All modules are designed for flexibility and durability to accommodate many different product implementations.

Strategy for growth in ProAudio

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 done 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.

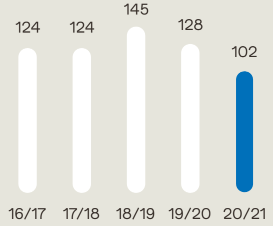
An important growth driver in the coming years will be ramping of our major ProAudio framework agreement as well as continued market expansion with our Sheerlink™ and TeamEngage™ platforms and modules.

Share of Group revenue 2020/21



5-year ProAudio revenue

DKK million



Healthcare

Healthcare

Our business

In Healthcare, RTX is involved in the design, development and supply of wireless modules and products used for continuous patient monitoring in hospitals, primarily in critical care or acute settings. We work with our long-term blue-chip healthcare customer, for whom we provide design and development support as well as actual modules, sub-components, and end products on an ODM basis for the wireless solutions. These products are an integral part of the full solution supplied by our customer.

There are special wireless requirements in Healthcare, particularly in critical care: Medical frequency bands constitute restrictions, there is a need for ultra-reliable transmission when human health or life is at stake, and there are compliance and approval requirements. With our RTX technology and knowhow, Wireless Wisdom, and in close partnership with our customer, we develop solutions to address these unique needs and restrictions within healthcare.

Market trends

The continuous patient monitoring market is estimated at 1.8 million in units and more than USD 4 billion in value, according to IHS Markit. The market is dominated by a few large players and can be divided into centralized- and decentralized systems. Centralized systems are typically used in critical care settings in hospitals and constitute approximately one-third of the units and two-thirds of the value. Decentralized systems are typically used for post-acute bedside, ambulatory, home patient, or small and field hospital installation and constitute approximately two-thirds of the units and one-third of the value. Both sub-markets, and in particular demand for decentralized systems, are growing.

Healthcare

Currently, RTX is engaged in offerings exclusively for centralized systems. Consequently, decentralized systems, with the largest unit share and highest growth rates, constitute a promising growth opportunity for RTX in the medium- to long-term. 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.

RTX and market highlights 2020/21

This is the first year, where we have the full financial impact of the transition from modules to delivery of full ODM products for our long-standing customer within the Healthcare segment. This transition was completed towards the end of 2019/20, and revenue growth is therefore aided by this conversion with a higher value captured by RTX per unit. The transition has extended the scope of our healthcare deliveries and the relationship with our customer and there are ongoing development activities on the next generation of this full product, a wireless transmission product, in close collaboration with our customer.

Wireless patient monitoring

RTX has been designing and delivering wireless patient monitoring solutions for more than ten years. The comprehensive RTX technology platform enables turn-key delivery of infrastructure access points, repeaters, and modules to embed within the full solutions offered by our customer and in end-points such as patient-worn devices and near-patient monitors.

One RTX solution in the Healthcare segment is based on a technology that supports richer data types to provide enhanced features and reduce downtime. The RTX medical telemetry solution, allows for concurrent measurement – aggregated over a single stream with the flexibility to support specific payload size and data types depending on the customer system requirements such as heart rate, blood pressure, body temperature, capnography, ECG, QT measurement, and side-channel information, such as signal strength, battery levels, etc.

To support a reliable and scalable deployment and monitoring, RTX also offers a floor-planning tool to assist customers and end-users in the placement of network elements.

During the year, and in close cooperation with existing RTX customers, we also started working on new wireless product solutions aimed at increasing the ease of installation of both centralized- and decentralized wireless monitoring systems for healthcare.

In 2020/21, we also saw demand normalization in unit terms after significant growth due to the outbreak of COVID-19 during the previous financial year – an outbreak which temporarily resulted in an unusually high demand from healthcare, including for products used in intensive care monitoring systems. In the long-term, we expect COVID-19 to accelerate the already ongoing transition to telemedicine and more monitoring.

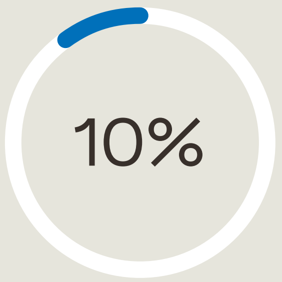
Strategy for growth in Healthcare

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:

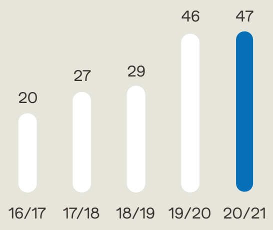
- Continued expansion of our existing centralized continuous patient monitoring business, including increased share-of-wallet with our long-term blue-chip healthcare customer.
- Expanding share of value chain via broadened portfolio and increased production of subassemblies.
- Expansion into decentralized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

Share of Group revenue 2020/21



5-year Healthcare revenue

DKK million



Outlook 2021/22

RTX expects revenue growth in 2021/22 supported by a strong order book but dampened by the component shortage and supply chain challenges. Uncertainty, especially due to the component situation, remains higher than normal.

Revenue Outlook

Revenue is expected to be above DKK 520 million in 2021/22, corresponding to a growth of more than ~14%. While RTX enters 2021/22 with a strong order book and thus a good starting point demand wise, the revenue outlook is especially impacted by the global component shortage and the uncertainty associated herewith. The revenue expectation is based on and subject to the following assumptions:

- No significant worsening of product availability. The impact of component shortages and other supply chain and logistic impediments is on a similar level as during the latter part of 2020/21.
- Growth mainly driven by product sales.
- Limited impact on demand from any new COVID-19 waves.
- Demand rebound after last year's COVID-19 impact primarily in the Enterprise and ProAudio segments which were most affected last year.
- Currency exchange rates against DKK – in particular USD/DKK – in line with current level (October 2021).
- No negative impact from macroeconomic and political environments, e.g. economic growth rates, price developments, and trade barriers.
- No other material changes in competitive situation, market landscape etc.

As in prior years, the revenue and earnings distribution over the year is expected to be backloaded towards the second half of the year.

>520 DKKm

The 2021/22 revenue expectation based on a strong order book but with uncertainty due to the global electronics component shortages.

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, general economic conditions and developments including the impact of the COVID-19 pandemic, changes in demand for RTX's products and services, competition, technological changes, fluctuations in currencies, component availability and fluctuations in sub-contractor supplies as well as legislative and/or regulatory changes.

Earnings outlook

EBITDA is expected to be above DKK 50 million and EBIT is expected to be above DKK 10 million in 2021/22. These expectations are based on the revenue outlook above. They are based on and subject to the same assumptions as the revenue outlook with the addition of the following assumptions:

- Component and logistic costs overall assumed to stay at the increased level experienced in Q4 2020/21. While some individual components may increase or decrease in price, the overall expectation is a full-year effect of the cost increases seen towards the end of 2020/21, partially counterbalanced by sales price increases.
- The revenue mix will continue to develop towards product sales which impacts gross margin.
- Continued cautious management of capacity costs with some additional costs due to partial resumption of travel, fairs, as well as salary development etc.
- The investments in RTX platforms and products via capitalized R&D costs over the last years are expected to lead to increased amortizations.

As mentioned under the revenue outlook, earnings are also expected to be backloaded towards the end of the year.

Component and COVID-19 sensitivities

While different outcomes on one or more of each of the assumptions stated for the outlook 2021/22 can cause the actual financial results of RTX to differ from the outlook, heightened uncertainty must be acknowledged in specific areas for 2021/22. The situation with component shortage and other supply chain challenges creates larger than normal uncertainty for 2021/22 as does the risk that renewed COVID-19 waves cause restrictions impacting demand. Incremental changes from the current situations in these areas should not affect the outlook, but if the component and supply chain situation or the COVID-19 demand impact were to significantly worsen this may lead to a scenario where the outlook cannot be realized. On the other hand, a significant improvement in the component/supply chain situation could lead to a scenario where the minimum level in the outlook is significantly exceeded.

>50 DKKm

The 2021/22 EBITDA expectation based on the revenue expectation and component costs at a relatively high level and a higher share of revenue from product sales compared to the previous years.

Outlook 2021/22

(DKK million)

	Actual 2020/21	Outlook 2021/22
Revenue	457	Above 520
EBITDA	37	Above 50
EBIT	6	Above 10

FX (USD) sensitivity

Average USD/DKK rate 2020/21	6.226
Current USD/DKK rate (29 Oct 2021)	6.388
Impact of 5% USD/DKK rate increase on	
Revenue	> DKK 26 million
EBITDA and EBIT	> DKK 11 million

Long-Term Financial Ambitions

The growth strategy of RTX holds potential for significant profitable growth, however due to the current global challenges the long-term financial ambitions now run until 2023/24.

Our ambitions and the current global challenges

Last year, in our Annual Report for 2019/20, RTX announced our long-term financial ambitions for growth and earnings for the three-year period from the end of 2019/20 until and including the financial year 2022/23. We believe that the significant opportunities in RTX's growth strategy remain intact. Increased recurring revenue from the increased number of large framework agreements holds significant potential for profitable growth. While we believe that the COVID-19 pandemic with its impact on demand and the global supply chain challenges are solely temporary impediments to the long-term growth of RTX, we have nonetheless re-assessed our long-term financial ambitions. We maintain the ambitions for significant profitable growth, but we have "parallel shifted" the ambitions by one-year especially due to prolonged impact of supply chain challenges. Therefore, the end year for our long-term financial ambitions is now 2023/24. Further, we now set the targets in absolute numbers to make them more straightforward.

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 existing 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. This corresponds to an average annual growth rate of approximately 20% from the relatively low starting point in 2020/21.

Organic revenue growth

Revenue > DKK 800 mio. in 2023/24

Profitability

EBITDA > DKK 145 mio. in 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. This corresponds to an average annual growth rate of approximately 57% from the relatively low starting point in 2020/21.

Assumptions

The long-term financial ambitions are based on constant currencies with the ambitions especially being 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 the effects of COVID-19 and the resulting global economic consequences will continue to diminish and have no effect on the last two years of the period. 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

2020/21 Performance

2020/21 was a challenging and volatile year for the Group, significantly impacted by COVID-19 and by global supply chain impediments. However, the year saw improvements quarter-on-quarter and ended strongly.

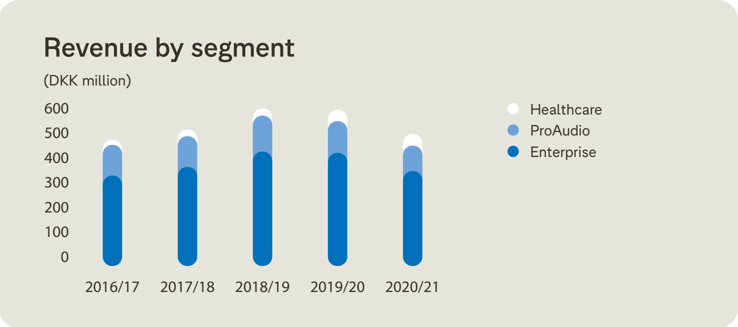
Revenue

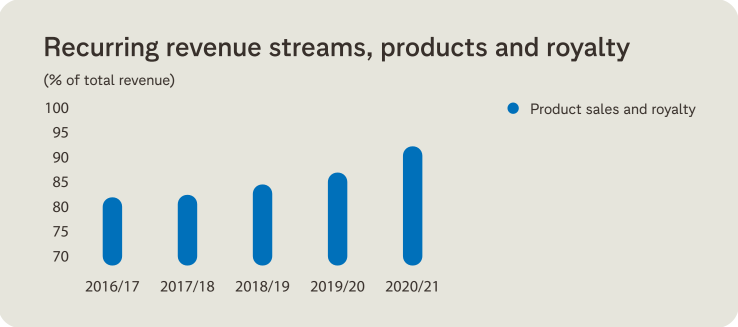
The RTX Group posted revenue of DKK 457 million in 2020/21, corresponding to a decrease of 18% (2019/20: DKK 556 million). Due to the revenue shortfall, the original expectations for the year were not met. Demand and supply challenges were the main reasons for the shortfall relative to expectations and the weaker US dollar in 2020/21 contributed to the decrease. FX corrected growth was -13%. Demand was significantly affected in the first part of 2020/21 due to COVID-19. In the second half of the year the global component shortage and supply chain impediments affecting the global flow of goods impacted revenue by postponing the delivery of orders into future quarters.

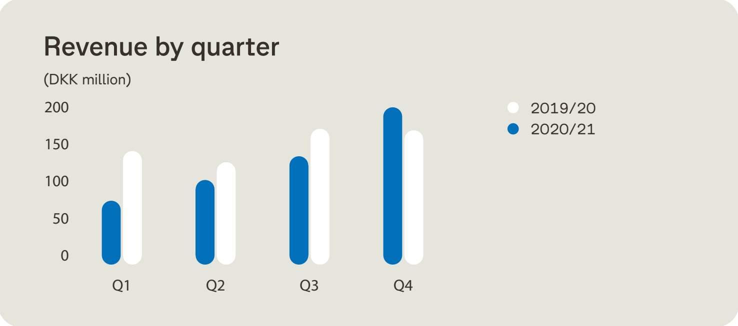
The demand situation improved significantly over the year with quarter-on-quarter growth in revenues and was close to being normalized in the second half of the year. Therefore, Q4 revenues in 2020/21 grew 205% compared to Q1 revenues (2019/20: 22%).

The global component shortage especially of semi-conductors, but also periodically of other electronic components, and supply chain impediments such as port closures, shipping capacity issues and electricity scarcity impacted deliveries from Q2 onwards in 2020/21. The effect is postponed deliveries and thus revenue into future periods. At the end of 2020/21, revenue of approx. DKK 45 million was thus postponed into the next financial year due to the global supply chain challenges. Without these supply chain challenges, revenue would therefore have exceeded DKK 500 million in the financial year.

In the Enterprise segment, RTX realized revenue of DKK 308 million – a decrease of 19% (2019/20: DKK 382 million). COVID-19 countermeasures restricted customer access to end customer sites for installation of communication systems in the first part of the year. Also, customers were cautious in re-stocking their inventories in the first part of the year due to the un-







certainty around COVID-19. Further, revenue has been negatively impacted by component scarcity and supply chain challenges postponing revenue into next financial year. Corrected for the FX impact of the weaker US dollar, revenue in 2020/21 decreased by 15%.

ProAudio revenues decreased by 20% to DKK 102 million in 2020/21 (2019/20: DKK 128 million). Recurring revenue from product sales and royalties increased in 2020/21 in line with RTX's strategy to move from one-off engineering services to recurring revenue streams. Revenue from engineering services therefore decreased significantly and the transformation to a business model based on recurring revenue has come far. Due to the impact of COVID-19 and supply challenges, revenue from product sales increased less than expected at the start of the year, however, especially the revenue from RTX's product platforms and associated modules increased significantly in 2020/21. Corrected for the FX impact of the weaker US dollar, revenue in 2020/21 decreased by 15%.

RTX revenues in the Healthcare segment amounted to DKK 47 million and increased by 1% (2019/20: DKK 46 million). Compared to last year, revenue was positively impacted by the conversion into deliveries of a full ODM product instead of purely modules for part of the deliveries. On the other hand, the significant volume (unit) growth for patient monitoring devices seen over 2019/20 due to the COVID-19 pandemic was more normalized in 2020/21 as equipment ramp-up at hospitals etc. has levelled off. FX corrected revenue growth was 6%.

Revenue 2020/21

Enterprise (DKK)

308 mio.

ProAudio (DKK)

102 mio.

Healthcare (DKK)

47 mio.

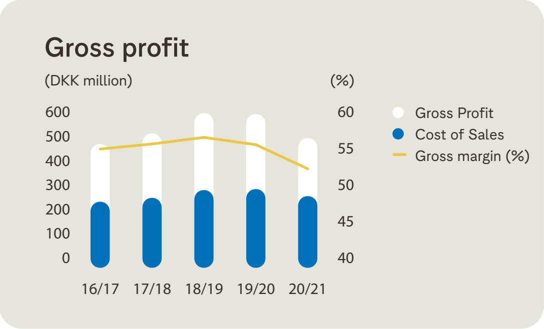
Gross profit

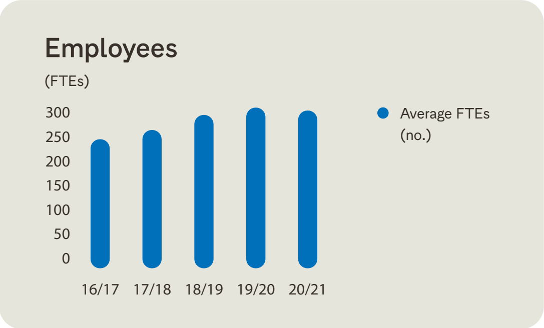
The lower revenue level in 2020/21 decreased the gross profit of the Group to DKK 239 million (2019/20: DKK 309 million). The gross margin amounted to 52.3% in 2020/21 compared to 55.6% last financial year. The margin is primarily impacted by the revenue mix with a significantly lower share of revenue from engineering services. Secondarily, the margin is impacted by increasing component costs in the second half of the year as a result of the component scarcity in the global electronics industry.

Capacity costs

Due to the impact of and uncertainty created by the COVID-19 pandemic and the global supply chain challenges, the capacity cost base continued to be managed carefully during the year. This led to capacity costs (staff costs and other external expenses) amounting to DKK 227 million in 2020/21 equaling a decrease of 1% (2019/20: DKK 230 million). On the other hand, RTX has maintained a reasonable capacity cost level so as not to jeopardize the Company's ability to realize the growth opportunities in its large framework agreements longer term.

RTX has postponed any additional headcount investments and has instead redeployed employees internally to maintain full momentum on the development activities with the highest potential for RTX and customers. The average total headcount was 286 FTEs in 2020/21 compared to the 292 in 2019/20.





The number of employees at year-end 2020/21 (including employees hired-in) decreased to 280 FTEs (2019/20: 294 FTEs) of which 183 are employed in Denmark (2019/20: 195) and 97 are employed internationally (2019/20: 99). Additionally, travel costs, fairs, external assistance and employee bonus levels have been kept at relatively low levels.

Financial expectations and results 2020/21

(DKK million)

	Realized	Updated guidance 22 Apr 2021	Original guidance 24 Nov 2020
Revenue	457	450-500	545-600
EBITDA	37	30-55	95-120
EBIT	6	0-25	63-90

Capitalized development projects, depreciation and amortization

RTX still considers the Group's growth opportunities intact despite the challenges of 2020/21. Therefore, RTX has continued to invest in the development of product platforms and solutions for the various segments. These investments include, for instance, Enterprise headsets (wireless models), cloud-based deployment and administration tools and ProAudio product platforms for Mics & Stage, Intercom and Conference. RTX realized R&D costs of DKK 42 million in 2020/21 (2019/20: DKK 44 million) of which DKK 25 million were capitalized (2019/20: DKK 29 million). Realized R&D costs only reflect R&D expenditure on internal RTX development, not where RTX is compensated for product or solution development by external customers. 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 31 million (2019/20: DKK 25 million) of which 13 million were depreciations (2019/20: DKK 12 million) and 18 million were amortizations and impairment (2019/20: DKK 13 million).

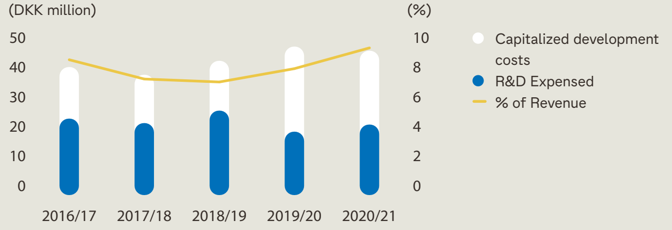
Operating profits – EBITDA & EBIT

Driven by the lower revenue level, EBITDA decreased by 66% to DKK 37 million (2019/20: DKK 108 million) corresponding to an EBITDA margin of 8.2% (2019/20: 19.5%). EBIT decreased by 93% to DKK 6 million (2019/20: DKK 84 million) primarily due to the lower revenue level and secondarily due to the higher depreciation and amortization as a result of the increased in-house development of products and product platforms over the latest years.

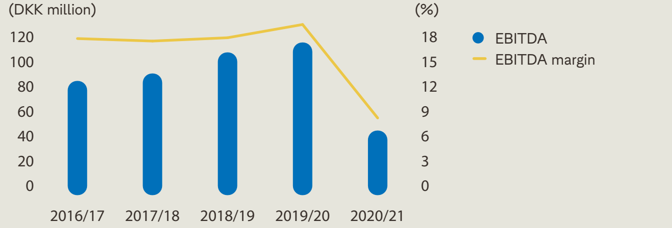
Financial items, tax, net profit & EPS

Net financials amounted to an expense of DKK 7 million in 2020/21 compared to an expense of DKK 3 million in 2019/20. 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.

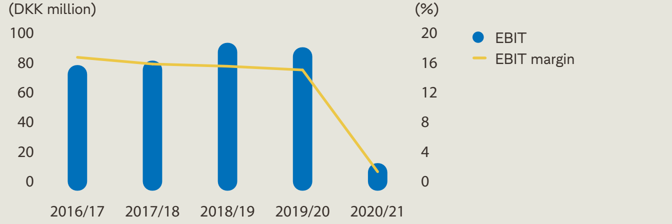
Research & development cost



EBITDA and EBITDA margin



EBIT and EBIT margin



Due to temporarily increased tax deductibles for development costs according to the Danish tax code, taxes recognized for 2020/21 were a tax income of DKK 4 million (2019/20: tax expense of DKK 17 million).

Given the net financials and taxes recognized, net profit after tax amounted to DKK 4 million (2019/20: DKK 63 million). This net profit translates into Earnings per Share (EPS) of DKK 0.4 in 2020/21 compared to DKK 7.5 last year.

Cash flow

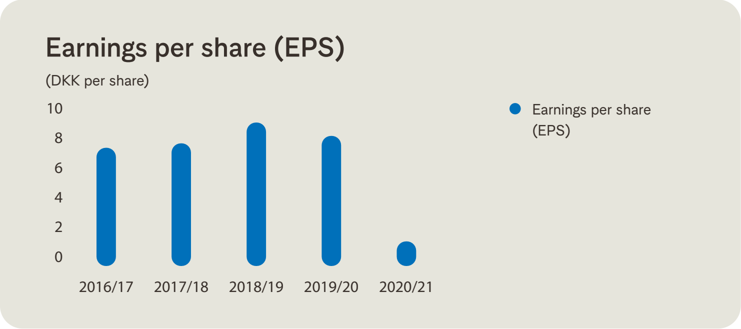
RTX continued to realize positive cash flow from operations (CFFO) in 2020/21 – in spite of the lower revenue and earnings in the year and aided by the working capital development – with CFFO of DKK 45 million (2019/20: DKK 71 million). The operating cash flows generated were re-invested into future growth via investments in capitalized development projects and fixed assets for a total amount of DKK 40 million (2019/20: DKK 35 million). Further, cash was returned to shareholders via dividends of DKK 21 million, corresponding to 2.5 DKK per share, and via share buy-backs of DKK 50 million in 2020/21.

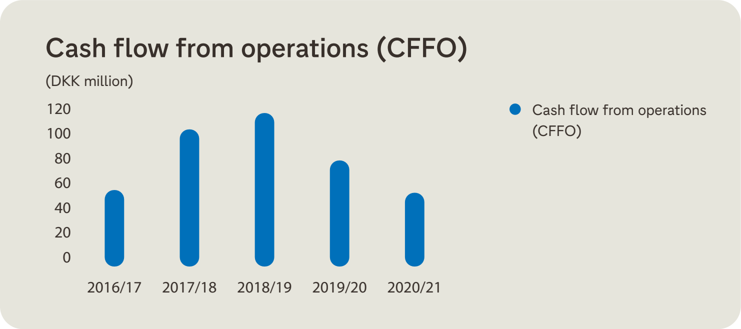
Assets, equity and liabilities

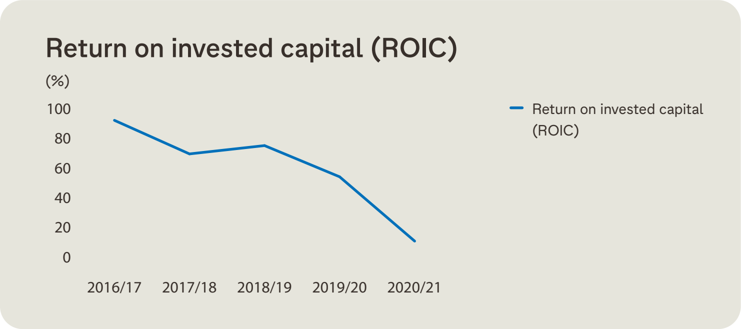
At the end of 2020/21, the Group's total assets amounted to DKK 485 million compared to DKK 534 million at the end of last year. The development is partly driven by a lower liquidity position. The Group's total net liquidity position (total cash funds plus current securities less bank debt) decreased to DKK 120 million at the end of 2020/21 (2019/20: DKK 195 million) positively impacted by cash generated from operations and negatively by investments and the distributions to shareholders via dividend payment and share buy-back for a total of DKK 71 million during the year. Inventories were higher at the end of 2020/21 at DKK 32 million (2019/20: DKK 15 million) primarily due to higher finished goods in transit.

Total equity was DKK 289 million at the end of 2020/21 (2019/20: DKK 352 million) corresponding to an equity ratio of 59.5% (2019/20: 66%). RTX continues to have a strong balance sheet and a strong cash position. Equity is negatively impacted by shareholder-related activities from dividend distribution and share buy-back programmes during 2020/21. The Group's liabilities have increased by 8% with higher trade payables due to the timing of sales and purchases towards the end of the year and due to postponed payments of salary taxes etc. as part of the liquidity enhancing schemes enacted by the Danish government to counteract COVID-19.

The lower earnings level impacted the Group's return on invested capital (ROIC) which reached 11% in 2020/21 compared to 54% in 2019/20.







Quarterly Financial Highlights

	2020/21					2019/20				
Amounts in DKK million	Q1	Q2	Q3	Q4	Full year	Q1	Q2	Q3	Q4	Full year
Income statement items										
Revenue	61.3	88.5	120.6	186.8	**457.2**	128.3	112.7	158.5	156.4	**555.9**
Gross Profit	30.5	49.8	60.8	98.0	**239.1**	75.5	66.3	85.9	81.6	**309.3**
EBITDA	-18.8	-4.0	10.1	50.0	**37.3**	21.4	11.3	38.9	36.6	**108.2**
EBTIDA %	-30.6%	-4.5%	8.3%	26.8%	**8.2%**	16.7%	10.0%	24.6%	23.3%	**19.5%**
Operating profit/loss (EBIT)	-25.3	-11.3	3.0	39.7	**6.1**	16.3	5.7	32.6	29.0	**83.6**
Net financials	-2.0	-3.0	-1.1	-0.5	**-6.6**	-2.8	-2.5	1.2	0.7	**-3.4**
Profit/loss before tax	-27.3	-14.3	1.9	39.1	**-0.6**	13.5	3.3	33.8	29.6	**80.2**
Profit/loss for the year	-21.4	-11.3	1.4	34.9	**3.6**	10.6	2.6	26.3	23.6	**63.1**
Segment information										
Enterprise revenue	35.5	58.6	82.1	131.7	**307.9**	89.5	78.2	110.3	104.0	**382.0**
ProAudio revenue	19.1	21.6	25.8	36.0	**102.5**	33.3	29.1	30.6	34.7	**127.7**
Healthcare revenue	6.8	8.4	12.7	18.9	**46.8**	5.5	5.4	17.6	17.7	**46.2**
Balance sheet items										
Cash and current asset investments	207.0	123.3	117.8	120.4	**120.4**	208.3	172.3	210.5	194.8	**194.8**
Total assets	470.4	415.6	436.1	485.3	**485.3**	483.9	430.2	499.7	533.6	**533.6**
Equity	323.2	268.5	257.2	288.5	**288.5**	344.8	299.8	328.3	352.2	**352.2**
Liabilities	147.1	147.1	178.8	196.8	**196.8**	139.1	130.4	171.4	181.4	**181.4**
Cash flow items										
Cash flow from operations	30.7	-20.8	22.1	12.5	**44.5**	6.5	23.7	48.2	-7.8	**70.6**
Paid dividend	0.0	-20.7	0.0	0.0	**-20.7**	0.0	-21.0	0.0	0.0	**-21.0**
Acquisition of treasury shares	-7.0	-23.8	-14.0	-5.2	**-50.0**	-12.6	-28.0	0.0	0.0	**-40.6**

Q4 2020/21 – Strong ending to a difficult year

RTX realized revenues of DKK 186.8 million in Q4 2020/21 – an increase of 19.4% compared to last year (Q4 2019/20: DKK 156.4 million). FX corrected revenue growth in Q4 was 20.3% compared to last year as revenues were impacted by the on average weaker USD than during Q4 last financial year. Revenues in all segments increased in Q4 compared to last year – with Enterprise revenue increase of 26.7%, ProAudio revenue growth of 4.1% and Healthcare revenue increase of 6.9%.

The constraints in the global supply chains and flow of goods from component scarcity, logistic impediments etc. had a negative impact in Q4 of 2020/21. In total the effect of the supply chain challenges across all segments has postponed revenue of approx. DKK 45 million from Q4 2020/21 into Q1 2021/22. As similar supply challenges had postponed revenue of approx. DKK 40 million from Q3 into Q4, the net effect on Q4 2020/21 from supply challenges was a negative revenue impact of approx. DKK 5 million.

The gross margin in Q4 2020/21 was largely unchanged at 52.5% compared to last year (Q4 2019/20: 52.2%). Capacity costs in Q4 amounted to DKK 50.8 million compared to DKK 53.3 in Q4 2019/20. Capacity costs have been managed prudently with cautious headcount investments and low spend on travel, trade fairs etc. as well as lower staff bonus costs than last year due to the full year financial performance. Capitalized development costs amounted to DKK 2.8 million in Q4 2020/21 (Q4 2019/20: DKK 8.2 million).

EBITDA reached DKK 50.0 million in Q4 2020/21, an increase of 36.9% compared to last year (Q4 2019/20: DKK 36.6 million). Due to the investments in RTX's own products and platforms over the last years, depreciations and amortization increased to DKK 10.3 million (Q4 2019/20: DKK 7.5 million) including a smaller impairment charge (DKK 0.6 million) on a capitalized development project due to COVID-19 caused postponements on product test, launch and sales ramp. EBIT reached DKK 39.7 million in Q4 2020/21 (Q4 2019/20: DKK 29.0 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

The Group's policy on capital allocation and capital structure was updated in the fall of 2020. 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. Over time, 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 operational or strategic considerations, RTX may deviate from the above payout ratio in a specific year.

At the end of 2020/21, RTX has a net liquidity position of DKK 120 million corresponding to 26% of revenues in 2020/21 which corresponds to the target position according to the Group's capital policy. RTX thus continues to have a strong balance sheet and liquidity position.

120 DKKm

Our net liquidity position remains very strong and it meets the target for net liquidity position of 25-30% of revenues according to our capital policy.

Dividends and share buy-back

After the Annual General Meeting in January 2021, RTX paid out a dividend of DKK 2.50 per share. In total the dividend amounted to DKK 20.7 million corresponding to a pay-out ratio of 33% in line with the policy on capital allocation and capital structure.

Also, during 2020/21, RTX acquired 257,520 treasury shares for a total amount of DKK 50 million to adjust the capital structure in line with the Group policy on capital allocation and capital structure. The share buy-back was made in accordance with the authorization granted to the Board of Directors at the 2018 Annual General Meeting.

As the profit after tax for 2020/21 is only DKK 4 million and as the net liquidity position of RTX now corresponds to the target position according to our capital policy, the Board of Directors will recommend to the Annual General Meeting in January 2022 that

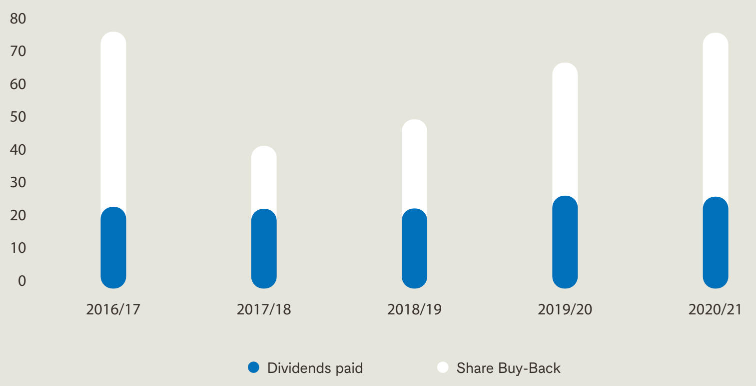
Distribution to shareholders

	2020/21	2019/20
Dividends per share (DKK)	0.00*	2.50
Dividends, total (DKK million)	0.0*	20.7
Pay-out ratio (%)	0.0%*	32.8%
Share buy-back (DKK million)	50.0	40.6

* Based on recommended dividend

Dividends Paid and Share Buy-Backs

(DKK million)



no dividends be distributed for the 2020/21 financial year. The Board of Directors will monitor the developments during 2021/22 and may, if deemed appropriate and attractive, commence a new share buy-back program later in the financial year.

Capital structure adjustment

To adjust and optimize the capital structure of RTX, the Board of Directors intends to recommend to the Annual General Meeting in January 2022 that 175,000 treasury shares with a nominal value of DKK 875,000 acquired through share buy-back programmes and not to be used for long-term share-based incentive programmes are cancelled thereby reducing the share capital of RTX.

The Board of Directors intends to recommend to the Annual General Meeting in January 2022 that 175,000 treasury shares are cancelled to adjust and optimize the capital structure of RTX.

CSR and ESG

At RTX, we strive to act responsibly in everything we do and we have integrated the ten principles of the UN Global Compact into our work.

Our business priorities and values are aligned with the ten principles of the United Nations Global Compact. For several years, we have reported on corporate social responsibility (CSR) by way of a Communication of Progress (COP) and we report in compliance with sections 99a, 99b and 107d of the Danish Financial Statements Act. We are continuously strengthening our CSR practices and developing our CSR and ESG reporting.

Our CSR approach and activities

Our approach to CSR and sustainability is anchored in the belief that, as a business, RTX influences and impacts people, environments and communities around the globe and that we have a responsibility for reducing any potential harm while maximizing benefits for our stakeholders. The starting points for our CSR approach and efforts are our commitment to the UN Global Compact – of which we have been a member since 2014 – 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.

While RTX has activities related to all risks, the focus for our due diligence and risk management is related to the areas with highest materiality to our stakeholders and our business. Our annual COP report for 2020 details our policies for how we work with 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.

The most material CSR issues identified include product safety, REACH and RoHS, as well as transparency/traceability, supply chain management and employee working conditions. We work closely on CSR issues and risks throughout our supply chain, where the majority of RTX's CSR footprint occurs as manufacturing is outsourced to suppliers. Our Code of Conduct for suppliers is at the heart of key CSR efforts and outlines our expectations to suppliers on a broad range of CSR issues based upon the principles of the UN Global Compact. CSR compliance is an essential parameter in selecting suppliers.

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

During 2020/21, the "Quality and Compliance" function, which we established last year, accelerated its work and further improved our compliance with product safety and other key standards. We continued our work with the UN's 17 Sustainable Development Goals and further integrated the goals most relevant for RTX into our sustainability work. Also, we began to work more holistically with our carbon emissions and climate footprint by initiating mapping and measurement of our CO_2 emissions according to the Greenhouse Gas Protocol in order to create a baseline for measuring our impact and future improvements. We also report this carbon footprint measurement to the Carbon Disclosure Project (CDP).

Further reading
A full Communication on Progress (COP) and reporting in compliance with sections 99a, 99b (the underrepresented gender) and 107d (diversity) can be downloaded from RTX's website: www.rtx.dk/corporate/csr

CSR AND ESG REPORTING

KPI	Unit	2020/21	2019/20
Environment data			
Energy consumption (absolute)	MWh	723	912
Energy consumption (relative)	MWh/average FTE	2.53	3.12
Scope 1 carbon emissions (absolute)[1]	CO_2e tons	22.9	n/a
Scope 2 carbon emissions (location-based, absolute)[1]	CO_2e tons	519.6	n/a
Scope 2 carbon emissions (market-based, absolute)[1]	CO_2e tons	677.9	n/a
Scope 1 and 2 carbon emissions (relative)[1]	CO_2e tons/average FTE	1.8	n/a
Social data			
Employee absence ratio	%	1.1	1.5
Employee turnover ratio	%	13.6	7.3
Gender diversity			
Women as share of all employees	%	17	19
Women as share of Group Executive Management	%	0	0
Governance data			
Gender diversity, woman as share of Board of Directors	%	0	0
Attendance at board meetings	%	99	99

[1] Baseline emission data measured for 2020.

Governance

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

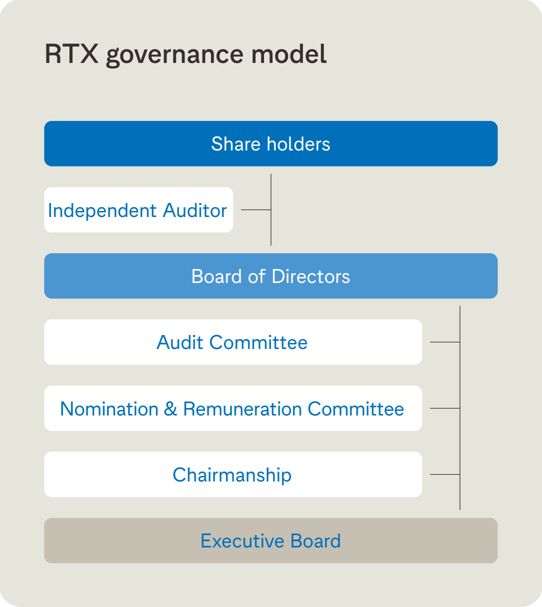
Corporate Governance

RTX's governance model aims to ensure an active, transparent and accountable management of the Group 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).



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

Read more

Composition of Board of Directors

The Board of Directors consists of eight members, five 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 adequate by the Board of Directors. 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.

Pursuant to the Danish Companies Act, three additional board members are elected by the employees for a term of four years with the latest elections held in January 2019. The employee representatives serving on the board hold the same rights and obligations as the shareholder-elected members. There were no changes to the composition of the Board of Directors during 2020/21.

The Board of Directors conducts a self-evaluation of the work in the board as well 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. The result of the evaluation did not give rise to any significant observations and validated the appropriateness of the current composition of the Board of Directors.

Board meetings

At least four ordinary board meetings are held per year. In 2020/21, seven ordinary board meetings were held. Extraordinary board meetings are held according to need. In 2020/21, eleven board meetings were held in total. The attendance of board members at board meetings in 2020/21 was 99% of full attendance. One of the board meetings is the annual strategy seminar where the Board of Directors in-depth discusses 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 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, 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, insurance coverages as well as IT infrastructure and risks. In 2020/21, 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 three 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.

Board of Directors 2020/21 focus areas

Business and Strategy

- Review, discuss and approve the Company's strategy plans
- Monitor and discuss market developments
- COVID-19 impact and mitigation
- Component scarcity and supply chain challenges
- New organizational structure
- Financial performance, reporting and budgets
- Capital structure and distributions to shareholders

Governance and Remuneration

- Review of Board of Directors evaluation process
- Risk management and internal controls
- Approval of and dialogue with external auditor
- CSR considerations added to charter for the Audit Committee

Recommendations on corporate governance

In general, RTX complies with the Danish Recommendations on Corporate Governance. The recommendations applicable for the reporting period (financial year 2020/21) for RTX were issued on 23 November 2017. A new set of recommendations applicable for financial years commencing 1 January 2021 or later have been published and are applicable for RTX from the next financial year (2021/22).

RTX fully complies with 46 of the recommendations of the Danish Committee on Corporate Governance and partially complies with the remaining one of the recommendations. The recommendation partially complied with is the recommendation that the remuneration of board members does not include share-based instruments (recommendation 4.1.3). Remuneration for members of the Board of Directors of RTX does not include variable elements such as bonus, share options, warrants or similar. However, the employee representatives on the Board of Directors may be included in a share-based remuneration programme – not because of their function in the Board of Directors but due to their regular job function and qualification profile.

Each year, 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.

RTX compliance with Danish recommendations on corporate governance

Complies with recommendation	46
Partially complies with recommendation	1
Does not comply with recommendation	0

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, 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 2020/21 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 2021, the Remuneration Report for 2019/20 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.

RTX strives to have a reasonable split between male and female candidates and employees, even though we operate in an industry with primarily male candidates.

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 primarily male candidates. RTX encourages female and international applicants to apply for vacant positions. RTX's objective of minimum 17% of the shareholder-elected members as the proportion of the under-represented gender (currently women) on the Board of Directors was not met in 2020/21. The Board of Directors has established a new target for the proportion of women on the Board of Directors and intensified the work to increase it. 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 the "Communication of Progress" (COP) report regarding corporate social responsibility, which is available for download at www.rtx.dk/corporate/csr.

Risk Management

Monitoring, managing and mitigating risks are key parts of RTX's governance model – especially in the turbulent years 2020 and 2021.

As an internationally operating ODM/OEM provider of technological solutions, RTX is exposed to various risks inherent to our business operations. Managing these risks is an integrated part of our management activities.

At RTX, we define risks 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 before 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.

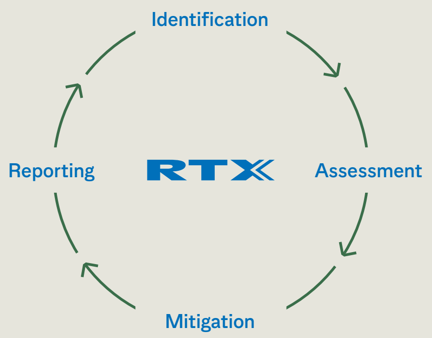
Group Executive Management is responsible for reviewing the overall risk exposure of RTX on an ongoing basis. Once risks have been identified, assessed and mitigating actions defined, Executive Management evaluates the risk exposure to ensure that appropriate plans are in place. The Board of Directors 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 on a quarterly basis or when deemed relevant. During 2020/21, risks stemming from the global COVID-19 pandemic and from the global component and supply chain challenges have been highly pertinent 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.

Handling of the risks arising from the COVID-19 pandemic and from the global component shortage and supply chain challenges have been high on the risk management agenda throughout 2020/21.

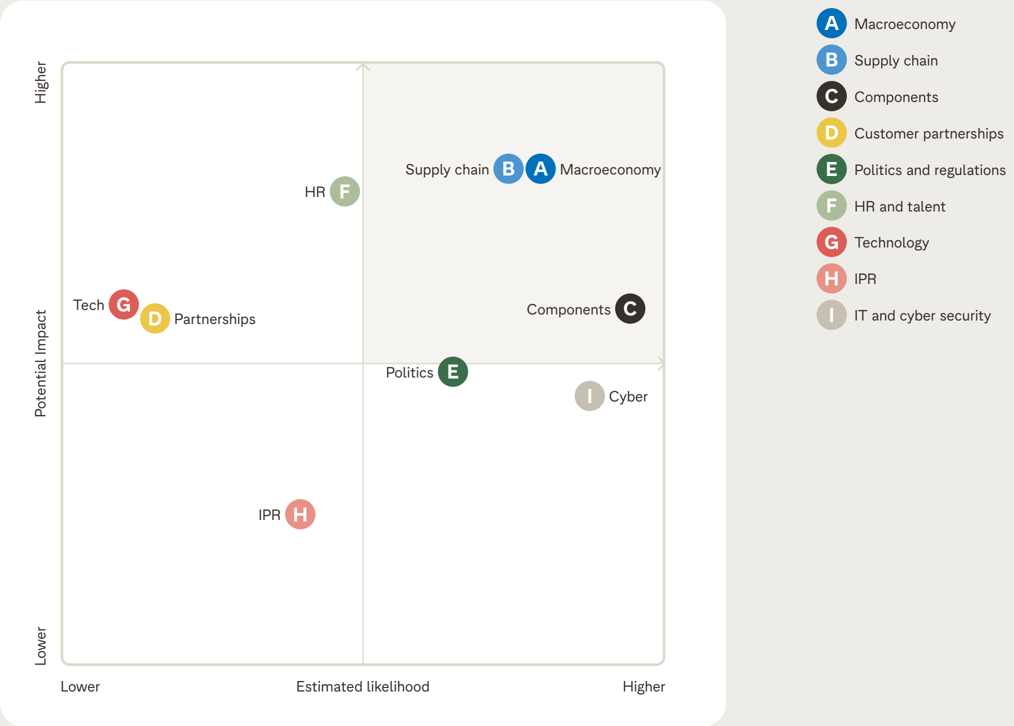
The Risk Management Process

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



Risk Heat Map

Risks are assessed using a two-dimensional risk matrix – estimating the impact on 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 increased 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. During 2020/21, RTX has displayed caution in its cost base in light of the demand impact of COVID-19 on certain sectors in the first half of 2020/21 and of the supply chain impediments especially in the latter part of 2020/21.

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 2020/21, RTX has hedged part of the future (expected) net inflow of USD to reduce such exposure.

Risk assessment 2020/21

Likelihood: High / Impact: High

While economic growth rebounded during the latter part of 2020 and during 2021 after the initial significant negative impact from COVID-19 and countermeasures against the pandemic, the risk of stagflation in many Western countries appears to be increasing towards the end of 2021. The USD has generally been weakening over 2020/21 but has been increasing again towards the end of the financial year.

B Supply chain

Risk description

The Group's production is handled by sub-suppliers, which are located both in Asia and Europe with the majority of sourced volume from Asia. The Group depends on the ability of these sub-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 sub-suppliers fail to supply as agreed.

Mitigation

RTX is in ongoing close contact with its sub-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.

Risk assessment 2020/21

Likelihood: High / Impact: High

During 2020/21, there have been significant disruptions to the global flow of goods including, for instance, temporary port closures, container shipping impediments leading to prolonged transportation times, temporary electricity cut-offs in China and long lead-time for components (also see risk section on Components). These disruptions still occur and thus the supply chain risk remains high.

RTX's Supply Chain organization has moved to work even closer with its sub-suppliers in 2020/21 to maintain and overview of the delivery situation and assist the supply base in improving the situation 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 to a lesser degree cancellations). The issue has historically been pertinent for certain electronics components from time to time.

Mitigation

RTX has in place a well-established 12-month rolling forecast from customers via RTX to its manufacturing partners, which 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 purchases to fill short-term gaps while working with suppliers to ensure allocation and prioritization.

Risk assessment 2020/21

Likelihood: High / Impact: Medium

During 2021, lead times for components – not least semiconductors – have increased significantly and certain components have been under allocation. This has affected many industries, not least the electronics industries. Towards the end of 2021 this situation with heightened risk persists.

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 39% of 2020/21 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 2020/21

Likelihood: Low / Impact: Medium

The key customers of RTX appear to have, so far, weathered the challenges from COVID-19 impacting demand and from supply chain impediments in a reasonably sound financial manner.

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. The countermeasures against pandemics (e.g. COVID-19) are often politically decided and may lead to a temporary decrease in customer demand within specific sub-segments in ProAudio and Enterprise.

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 sub-suppliers with operations across multiple countries and continents, which provides an agile setup in case of significant trade barriers.

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 2020/21

Likelihood: High / Impact: Medium

While the international rhetoric regarding trade barriers has improved over the financial year, the risk is still present. Imminent risk of disruptive pandemic countermeasures has reduced somewhat compared to last year with the gradual roll-out of vaccines.

F HR and talent

Risk description	RTX is a knowledge intensive company and in order to develop innovative products and solutions and to retain 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 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 2020/21	**Likelihood: Medium / Impact: High** During 2021 the labor market has heated up and the demand for talent has increased further leading to increased employee turnover.

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 impression 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 2020/21	**Likelihood: Low / Impact: Medium** With the updated organizational structure of RTX, we have strengthened the CTO Office in order to further improve scouting of emerging technologies. The CTO Office also continues to work on developing RTX capabilities to encompass further wireless and audio platforms and protocols.

H IPR

Risk description	Operating within 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 constantly expanded in order 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 band that may affect RTX's business or infringe on third party rights.
Risk assessment 2020/21	**Likelihood: Low / Impact: Low** The strengthening of RTX's CTO Office during 2020/21 also leads to increasing focus on screening for potential IPR infringements and screening for potential opportunities for taking out relevant patents.

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 sub-suppliers also in the short-term protects delivery performance in case of shorter duration unavailability of IT service at RTX.
Risk assessment 2020/21	**Likelihood: High / Impact: Medium** Globally, the number of cyber security attacks is increasing 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.

The RTX Share

The share price development in 2020/21 reflected the challenging nature of the year and the resulting financial performance.

The share

RTX shares were priced at DKK 165 per share at the of the financial year at 30 September 2021, equivalent to a market capitalization of DKK 1,426 million. In line with the challenging nature of 2020/21 for RTX with the impact of COVID-19 on demand in the first half of the financial year and then with the supply chain challenges in the last part of the year, the share price decreased by 23.6% during 2020/21. By comparison the Nasdaq Copenhagen mid-cap index (OMXCMCGI), which includes the RTX share, increased by 46.5% over the same period.

With the completion of DKK 50 million share buy-back during 2020/21, RTX now holds a total of 502,906 treasury shares equaling 5.8% of the share capital.

Share capital and treasury shares

As of 30 September 2021, RTX's share capital had a nominal value of DKK 43,214,190 comprising 8,642,838 shares each with a nominal value of DKK 5. All shares carry equal rights and they are not divided

The RTX Share

Stock Exchange
Nasdaq Copenhagen A/S

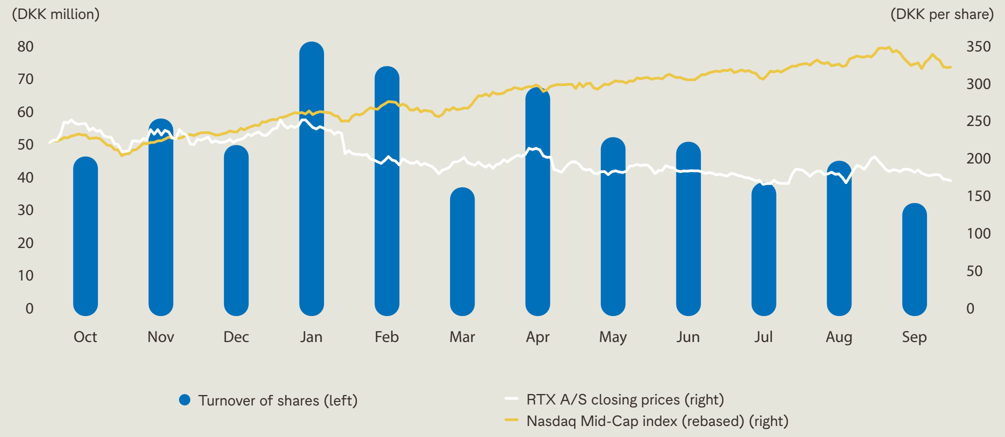
ISIN Code
DK0010267129

Index
Mid-Cap (OMXCMCGI)

Restriction in voting rights
None

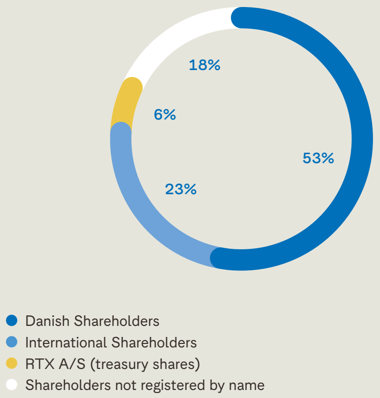
	30 Sep. 2021	30 Sep. 2020
Share price (DKK per share)	165	216
Market capitalization (DKK million)	1,426	1,867
Average daily turnover (DKK million)	2.3	4.4
Shares issued (no.)	8,642,838	8,642,838
Treasury shares (no.)	502,906	301,552
Earnings per share (DKK)	0.4	7.5
Price/Earnings	372.8	28.7

Share price development and trading activity 2020/21



Shareholder Composition 30 September 2021

(% of shares)



into classes. RTX holds a total of 502,906 treasury shares corresponding to 5.8% of the share capital. The treasury shares are held to fulfill obligations arising from share-based incentive programs to management and key employees as well as to adjust the capital structure from time to time.

Shareholder composition

At 30 September 2021, RTX had more than 4,900 shareholders registered by name, including custodian banks, representing approximately 82% of the company's share capital. The majority of shareholders are based in Denmark, according to registered addresses, but with a sizeable share of shareholders being based internationally. Approximately 53% 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: 7.8%
- Fundamental Invest Stock Pick and related Fundamental Invest Stock Pick II Acc: 6.0%
- RTX A/S (treasury shares) 5.8%
- Jens Toftgaard Petersen: 5.2%

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.

Financial Calendar

27 January 2022
Interim report Q1 2021/22
Annual General Meeting
Deadline to submit proposals for items on the agenda is 15 December 2021

3 May 2022
Interim report Q2 2021/22

30 August 2022
Interim report Q3 2021/22

29 November 2022
Annual report 2021/22

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.

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	Christian Engsted Board member	Lars Christian Tofft Board member	Henrik Schimmell Board member
Title	Professional board member	Professional board member	Professional board member	Group CEO, Cell Tower Services	President, Radiometer
Education	M.Sc. in Economics and Finance, 1987. MBA, 1986	Graduate Diploma in Business Administration, 1982. MBA, 1984	B.Sc. in Industrial Eng., 1987. B.Sc. in Finance,1992. IMD INSEAD, 2011	M.Sc. in Business Administration and Business Law,1990. Executive education at INSEAD, Colombia University and Boston University	Ph.D. in Engineering, 1992. M.Sc. in Engineering, 1986
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	Member of the boards of directors of Sonion A/S, Etac AB and Leo Pharma A/S	Chair of the board of directors of On The Spot A/S. Owner and member of the board of directors of Uturn2innovation ApS and UTURN2 ApS		Chair of the boards of directors of HemoCue AB and several Radiometer subsidiaries
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 including transition management from several industries comprising life science, technology and manufacturing	International business development and sales experience combined with operating large-scale operations, with a focus on innovation, product development and brand building within a.o. the high-end technology industry	International senior executive with experience from large global market leader in the ICT space. General management with specialty in sales & marketing, transformation and digitalization. Specific technology expertise in mobile technology (4G/5G), Internet of Things (IoT) and AI	General management within medical device/diagnostics and hearing instrument industries. Additionally, competencies within strategic planning, lean business operations, M&A and process development
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		Member of the Nomination & Remuneration Committee
Meeting attendance	Ordinary: 7 of 7 Extraordinary: 4 of 4	Ordinary: 7 of 7 Extraordinary: 4 of 4	Ordinary: 6 of 7 Extraordinary: 4 of 4	Ordinary: 7 of 7 Extraordinary: 4 of 4	Ordinary: 7 of 7 Extraordinary: 4 of 4
Elected period	Since 2009	2009-2009 and since 2013	Since 2017	Since 2017	Since 2019
Considered independent	No (due to duration of elected term)	Yes	Yes	Yes	Yes
Nationality	Danish	Danish	Danish	Danish	Danish
Year of birth and gender	1960, male	1956, male	1963, male	1966, male	1962, male

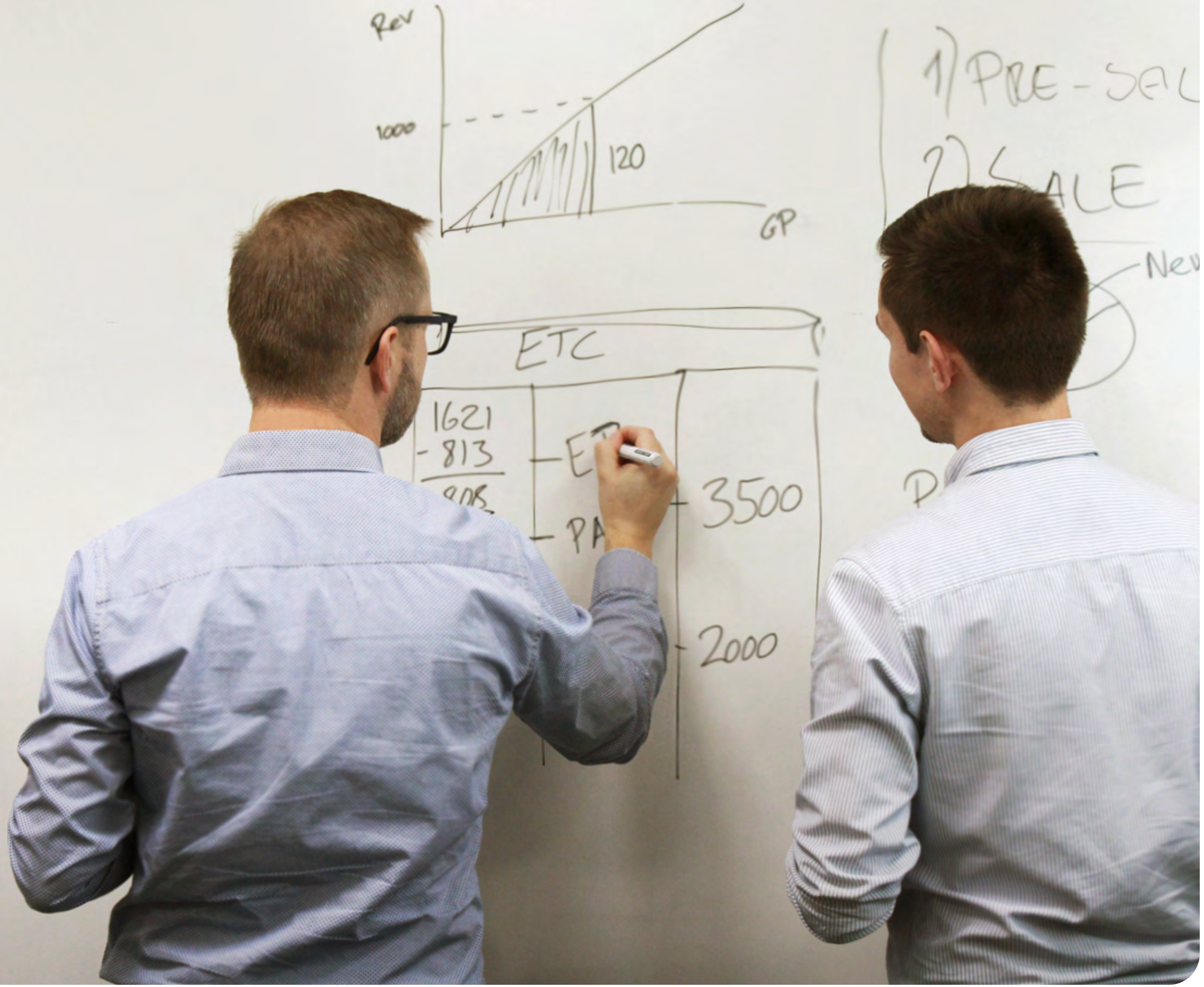
Board Members Elected by the Employees

	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: 4 of 4	Ordinary: 7 of 7 Extraordinary: 4 of 4	Ordinary: 7 of 7 Extraordinary: 4 of 4
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 Board 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

Financial Statements 2020/21



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Income statement

		Group		Parent	
Amounts in DKK '000	Note	2020/21	2019/20	2020/21	2019/20
Revenue	2.1 - 2.2	457,157	555,869	457,157	555,869
Value of work transferred to assets	2.5	24,899	28,737	24,899	28,737
Cost of sales	2.3	-218,068	-246,574	-218,059	-245,095
Other external expenses	2.5 - 2.6	-55,336	-53,444	-90,772	-94,361
Staff costs	2.4 - 2.5	-171,341	-176,430	-141,524	-143,939
Operating profit/loss before depreciation and amortization (EBITDA)		**37,311**	**108,158**	**31,701**	**101,211**
Depreciation, amortization and impairment	3.1 - 3.3	-31,251	-24,587	-29,297	-22,487
Operating profit/loss (EBIT)		**6,060**	**83,571**	**2,404**	**78,724**
Financial income	2.7	1,617	4,560	4,202	9,441
Financial expenses	2.7	-8,251	-7,910	-8,563	-8,159
Profit/loss before tax		**-574**	**80,221**	**-1,957**	**80,006**
Tax on profit/loss	2.9	4,222	-17,075	3,728	-16,594
Profit/loss for the year		**3,648**	**63,146**	**1,771**	**63,412**
Earnings per share					
Earnings per share (DKK)	5.4	0.4	7.5		
Earnings per share, diluted (DKK)	5.4	0.4	7.4		
Attributable to:					
Shareholders of the parent		3,648	63,146		
		3,648	**63,146**		

Statement of Comprehensive Income

	Group		Parent	
Amounts in DKK '000	2020/21	2019/20	2020/21	2019/20
Profit/loss for the year	**3,648**	**63,146**	**1,771**	**63,412**
Items that can be reclassified subsequently to the income statement				
Exchange rate adjustments of foreign subsidiaries	179	-1,983	-	-
Fair value adjustment relating to hedging instruments	-59	-496	-59	-496
Tax on hedging instruments	13	109	13	109
Fair value of hedging instruments reclassified to the income statement	62	289	62	289
Tax on hedging instruments reclassified	-14	-63	-14	-63
Other comprehensive income, net of tax	**181**	**-2,144**	**2**	**-161**
Comprehensive income for the year	**3,829**	**61,002**	**1,773**	**63,251**
Attributable to:				
Shareholders of the parent	3,829	61,002		
	3,829	**61,002**		

Balance Sheet 30 September

Amounts in DKK '000	Note	Group 2020/21	Group 2019/20	Parent 2020/21	Parent 2019/20
Assets					
Own completed development projects	3.1	49,551	22,065	49,551	22,065
Own development projects in progress	3.1	12,643	36,738	12,643	36,738
Goodwill	3.1	7,797	7,797	-	-
Intangible assets		**69,991**	**66,600**	**62,194**	**58,803**
Right-of-use assets (lease assets)	3.2	57,461	48,917	52,592	46,967
Plant and machinery	3.3	12,305	9,123	12,305	9,123
Other fixtures, tools and equipment	3.3	4,157	3,958	4,029	3,801
Leasehold improvements	3.3	11,840	3,143	11,814	3,088
Tangible assets		**85,763**	**65,141**	**80,740**	**62,979**
Investments in subsidiaries	3.4	-	-	38,167	37,342
Deposits	3.5	6,836	7,938	6,082	7,166
Deferred tax assets	2.9	1,452	1,806	-	-
Other non-current assets		**8,288**	**9,744**	**44,249**	**44,508**
Total non-current assets		**164,042**	**141,485**	**187,183**	**166,290**
Inventories	**4.1**	**32,371**	**15,182**	**32,371**	**15,182**
Trade receivables	4.2	148,893	145,436	148,893	145,436
Contract development projects in progress	4.3	10,163	28,403	10,163	28,403
Income taxes	2.9	562	-	435	-
Other receivables		4,912	4,128	4,406	3,643
Prepaid expenses		3,954	4,152	3,341	3,720
Receivables	**5.6**	**168,484**	**182,119**	**167,238**	**181,202**
Current asset investments in the trading portfolio	5.1	100,952	154,010	100,952	154,010
Current asset investments	**5.1**	**100,952**	**154,010**	**100,952**	**154,010**
Cash at bank and in hand		**19,461**	**40,785**	**16,419**	**35,968**
Total current assets		**321,268**	**392,096**	**316,980**	**386,362**
Total assets		**485,310**	**533,581**	**504,163**	**552,652**

Amounts in DKK '000	Note	Group 2020/21	Group 2019/20	Parent 2020/21	Parent 2019/20
Equity and liabilities					
Share capital	5.2	43,214	43,214	43,214	43,214
Share premium account		203,714	203,714	203,714	203,714
Currency adjustments		5,972	5,793	-	-
Cash flow hedging		-204	-207	-204	-207
Reserve related to development costs		-	-	48,511	45,866
Retained earnings		35,837	99,678	-11,119	56,845
Equity		**288,533**	**352,192**	**284,116**	**349,432**
Lease liabilities		55,539	47,116	52,325	46,777
Deferred tax liabilities	2.9	6,581	8,500	6,581	8,500
Provisions	4.4	1,149	1,325	1,149	1,325
Other payables	4.5	13,272	13,106	13,272	13,106
Non-current liabilities		**76,541**	**70,047**	**73,327**	**69,708**
Lease liabilities		5,857	4,911	4,160	3,205
Prepayments received from customers		1,540	1,176	1,540	1,176
Trade payables		61,562	50,849	61,375	50,791
Contract development projects in progress	4.3	1,724	1,273	1,724	1,273
Payables to subsidiaries		-	-	33,883	30,360
Income taxes	2.9	160	11,352	-	11,508
Provisions	4.4	1,909	2,040	1,909	2,040
Other payables	4.5	47,484	39,741	42,129	33,159
Current liabilities		**120,236**	**111,342**	**146,720**	**133,512**
Total liabilities		**196,777**	**181,389**	**220,047**	**203,220**
Total equity and liabilities		**485,310**	**533,581**	**504,163**	**552,652**

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 2019	**44,714**	**252,367**	**7,776**	**-**	**42,583**	**347,440**
Changes in accounting policies, IFRS 16	-	-	-	-	-2,726	-2,726
Tax on changes in accounting policies, IFRS 16	-	-	-	-	578	578
Equity at 1 October 2019 (restated)	**44,714**	**252,367**	**7,776**	**-**	**40,435**	**345,292**
Profit/loss for the year	**-**	**-**	**-**	**-**	**63,146**	**63,146**
Exchange rate adjustments of foreign subsidiaries	-	-	-1,983	-	-	-1,983
Fair value adjustment relating to hedging instruments	-	-	-	-496	-	-496
Tax on hedging instruments	-	-	-	-	109	109
Fair value of hedging instruments reclassified to the income statement	-	-	-	289	-	289
Tax on hedging instruments reclassified	-	-	-	-	-63	-63
Other comprehensive income, net of tax	**-**	**-**	**-1,983**	**-207**	**46**	**-2,144**
Comprehensive income for the year	**-**	**-**	**-1,983**	**-207**	**63,192**	**61,002**
Share-based remuneration	-	-	-	-	5,431	5,431
Current tax on equity transactions	-	-	-	-	2,633	2,633
Deferred tax on equity transactions	-	-	-	-	-624	-624
Paid dividend for 2018/19	-	-	-	-	-20,960	-20,960
Annulment of treasury shares	-1,500	-48,653	-	-	50,131	-22
Acquisition of treasury shares	-	-	-	-	-40,560	-40,560
Other transactions	**-1,500**	**-48,653**	**-**	**-**	**-3,949**	**-54,102**
Equity at 30 September 2020	**43,214**	**203,714**	**5,793**	**-207**	**99,678**	**352,192**

Amounts in DKK ‘000	Share capital	Share premium	Currency adjust-ments	Cash flow hedging	Retained earnings	Total
Equity at 30 September 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 reclassified to the income statement	-	-	-	62	-	62
Tax on hedging instruments reclassified	-	-	-	-	-14	-14
Other comprehensive income, net of tax	**-**	**-**	**179**	**3**	**-1**	**181**
Comprehensive income for the year	**-**	**-**	**179**	**3**	**3,647**	**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**	**-204**	**35,837**	**288,533**

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 2019	44,714	252,367	-	33,186	12,278	342,545
Changes in accounting policies, IFRS 16	-	-	-	-	-2,629	-2,629
Tax on changes in accounting policies, IFRS 16	-	-	-	-	578	578
Equity as at 1 October 2019 (restated)	44,714	252,367	-	33,186	10,227	340,494
Profit/loss for the year	-	-	-	-	63,412	63,412
Fair value adjustment relating to hedging instruments	-	-	-496	-	-	-496
Tax on hedging instruments	-	-	-	-	109	109
Fair value of hedging instruments reclassified to the income statement	-	-	289	-	-	289
Tax on hedging instruments reclassified	-	-	-	-	-63	-63
Other comprehensive income, net of tax	-	-	-207	-	46	-161
Comprehensive income for the year	-	-	-207	-	63,458	63,251
Share-based remuneration	-	-	-	-	5,431	5,431
Current tax on equity transactions	-	-	-	-	2,633	2,633
Deferred tax on equity transactions	-	-	-	-	-835	-835
Paid dividend for 2018/19	-	-	-	-	-20,960	-20,960
Annulment of treasury shares	-1,500	-48,653	-	-	50,131	-22
Acquisition of treasury shares	-	-	-	-	-40,560	-40,560
Development costs, net of tax	-	-	-	12,680	-12,680	-
Other transactions	-1,500	-48,653	-	12,680	-16,840	-54,313
Equity at 30 September 2020	43,214	203,714	-207	45,866	56,845	349,432

Amounts in DKK ‘000	Share capital	Share premium	Cash flow hedging	Reserve related to development costs [1]	Retained earnings	Total
Equity at 30 September 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	-	-	3	-	-1	2
Comprehensive income for the year	-	-	3	-	1,770	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	-204	48,511	-11,119	284,116

(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 2020/21	Group 2019/20	Parent 2020/21	Parent 2019/20
Operating profit/loss (EBIT)		6,060	83,571	2,404	78,724
Reversal of items with no effects on cash flow					
Depreciation, amortization and impairment		31,251	24,587	29,297	22,487
Other items with no effects on cash flow	6.2	2,703	5,071	1,773	5,868
Change in working capital					
Change in inventories		-17,911	6,233	-17,911	6,233
Change in receivables		14,050	-42,881	14,252	-42,855
Change in trade payables, etc.		19,437	8,078	24,058	4,150
Cash flow from operation activities		**55,590**	**84,659**	**53,873**	**74,607**
Financial income received		2,144	4,560	2,110	4,560
Financial expenses paid		-3,309	-8,847	-3,720	-9,198
Income taxes paid	2.9	-9,920	-9,779	-10,558	-8,055
Cash flow from operations		**44,505**	**70,593**	**41,705**	**61,914**
Investments in own development projects		-21,669	-27,547	-21,669	-27,547
Acquisition of property, plant and equipment		-18,563	-7,943	-18,518	-7,889
Deposits on leaseholds		1,102	-10	1,084	-41
Acquisition / sale of current asset investments in the trading portfolio, net		48,721	-1,839	48,721	-1,839
Dividends from subsidiaries		-	-	2,586	4,881
Sale of tangible assets		107	262	107	262
Cash flow from investments		**9,698**	**-37,077**	**12,311**	**-32,173**

Amounts in DKK ‘000	Note	Group 2020/21	Group 2019/20	Parent 2020/21	Parent 2019/20
Repayment of lease liabilities		-5,815	-5,719	-3,867	-3,796
Acquisition of treasury shares	5.3	-50,049	-40,560	-50,049	-40,560
Paid dividend	5.5	-20,710	-20,960	-20,710	-20,960
Cash flow from financing activities		**-76,574**	**-67,239**	**-74,626**	**-65,316**
Increase/decrease in cash and cash equivalents		-22,371	-33,723	-20,610	-35,575
Exchange rate adjustments on cash		1,047	952	1,061	932
Cash and cash equivalents at 1 October, net		40,785	73,556	35,968	70,611
Cash and cash equivalents at 30 September, net		**19,461**	**40,785**	**16,419**	**35,968**
Cash and cash equivalents at 30 September, net are composed as follows:					
Cash at bank and in hand		19,461	40,785	16,419	35,968
Bank debt		-	-	-	-
Cash and cash equivalents at 30 September, net		**19,461**	**40,785**	**16,419**	**35,968**

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 2020/21, 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 2020/21 Annual Report of RTX on 30 November 2021, and it will be submitted to the shareholders of RTX A/S for approval at the Annual General Meeting on 27 January 2022.

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 2020/21. None of the amended accounting standards and interpretations have had significant impact on recognition, measurement or disclosure in the consolidated financial statements of 2020/21.

Implementation of the new 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 2021 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 actually 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 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 43.6 million in 2020/21 (2019/20: DKK 82.0 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 62.2 million as at 30 September 2021 (DKK 58.8 million as at 30 September 2020).

Section 2
Results for the year

NOTES

2.1 Segment information

As per 1 December 2020 RTX implemented a new organizational structure. The previous two business units – Business Communications and Design Services – was joined into one organization still focusing on the three target markets segments; Enterprise, ProAudio and Healthcare. The new organizational structure changes the reportable segments from the two business units to the three market segments in accordance with the internal financial reporting. At the same time the reporting changes from a full-cost allocation model and to only 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. Comparable information has been restated to reflect the new reportable segments and reporting model.

For a presentation of the events within the segments in the financial year and the development compared to 2019/20, please refer to the Management Review.

Information relating to the Group's segments:

Amounts in DKK '000	Enterprise	ProAudio	Healthcare	Non-allocated	Group
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
2019/20					
Revenue	382,020	127,640	46,209	-	555,869
EBITDA	148,013	41,437	16,176	-97,468	108,158
EBIT	142,137	36,731	15,844	-111,141	83,571

2.1 Segment information (continued)

Management comments

In the financial year 2020/21 two customers in Enterprise each represent a revenue higher than 10% of Group revenue. The largest customer in 2020/21 represents 20.6% (2019/20: 19.4%) of revenue and the second largest 2020/21 customer represents 10.0% (2019/20: less than 10%). The customer which was the second largest in 2019/20 (a customer in Enterprise) represents a revenue of less than 10% in 2020/21 (2019/20: 14.0%).

The Group's revenue from customers is specified below.

	Group		Parent	
Amounts in DKK '000	**2020/21**	**2019/20**	**2020/21**	**2019/20**
Denmark	7,241	5,954	7,241	5,954
France	100,804	112,380	100,804	112,380
Netherlands	33,144	57,892	33,144	57,892
Germany	27,513	69,367	27,513	69,367
Other Europe	59,443	65,353	59,443	65,353
USA	125,127	114,790	125,127	114,790
Hong Kong	32,783	79,481	32,783	79,481
Other Asia and Pacific	67,346	46,667	67,346	46,667
Other	3,756	3,985	3,756	3,985
Total	**457,157**	**555,869**	**457,157**	**555,869**

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 are thus 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 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 is recognized as revenue in the period it concerns. 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 every delivery has been separately negotiated and the customer has had the opportunity to accept or reject a single supply and 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	2020/21	2019/20	2020/21	2019/20
Products, etc.	391,531	458,643	391,531	458,643
Development projects	43,569	82,000	43,569	82,000
Royalty	21,326	13,603	21,326	13,603
Other services	731	1,623	731	1,623
Total	457,157	555,869	457,157	555,869

Management comments

Revenue mainly arises from sale of products, development projects and royalties. 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 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.

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 0.1 million on recognized revenue in 2020/21 (2019/20: negative net effect of DKK 0.3 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	2020/21	2019/20	2020/21	2019/20
Direct cost of sales	207,636	237,493	207,636	237,493
Write-down on inventories	722	399	722	399
Other sales related costs	9,710	8,682	9,701	7,203
Total	218,068	246,574	218,059	245,095

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	**2020/21**	**2019/20**	**2020/21**	**2019/20**
Remuneration of the Board of Directors	2,350	2,350	2,350	2,350
Wages and salaries	153,954	159,282	125,231	127,388
Defined contribution pension plans	10,316	10,267	9,299	9,195
Other social security costs, etc.	2,001	1,747	1,797	1,491
Public grants related to staff costs	-1,373	-2,647	-422	-679
Staff costs before share-based remuneration	**167,248**	**170,999**	**138,255**	**139,745**
Share-based remuneration	4,093	5,431	3,269	4,194
Total	**171,341**	**176,430**	**141,524**	**143,939**
Number of full-time employees at 30 September	280	294	183	195
Average number of full-time employees	286	292	189	194
Average number of full-time employees employed directly	257	264	189	194

Management comments

Public grants related to staff costs

The Group has received wages compensation of DKK 1.0 million in 2020/21 (DKK 2.0 million in 2019/20) 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:

	2020/21			2019/20		
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	2,350	5,492	6,091	2,350	5,109	5,119
Bonus	-	-	-	-	265	421
Pensions	-	137	238	-	133	182
Total	2,350	5,629	6,329	2,350	5,507	5,722
Share-based remuneration	-	1,112	1,060	-	1,227	1,403
Total remuneration	2,350	6,741	7,389	2,350	6,734	7,125
Parent						
Wages, salaries and fees	2,350	5,492	3,188	2,350	5,109	2,395
Bonus	-	-	-	-	265	205
Pensions	-	137	238	-	133	182
Total	2,350	5,629	3,426	2,350	5,507	2,782
Share-based remuneration	-	1,112	483	-	1,227	614
Total remuneration	2,350	6,741	3,909	2,350	6,734	3,396

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 7.0 million (DKK 6.9 million in 2019/20).

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

	Group	
Amounts in DKK '000	2020/21	2019/20
Peter Thostrup, Chair	600	600
Jesper Mailind, Deputy Chair	400	400
Christian Engsted, Chair of the Audit Committee	350	350
Lars Christian Tofft	200	200
Henrik Schimmell	200	200
Flemming Vendbjerg Andersen, employee representative	200	200
Kurt Heick Rasmussen, employee representative	200	200
Kevin Harritsø, employee representative	200	200
Total	2,350	2,350

Management comments

RSU program:
The Board of Directors at RTX has in 2018/19, 2019/20 and 2020/21 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 2022, January 2023 and January 2024 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 four other key management employees, 42 key employees have been granted restricted stock units in 2020/21 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.

Fair value of RSU's, conditions:

	RSUs granted in		
	2020/21	2019/20	2018/19
Vesting period	Feb 2021 - Jan 2024	Feb 2020 - Jan 2023	Feb 2019 - Jan 2022
Price per share	201.0	225.0	175.2
Volatility	0.50	0.38	0.25
Expected dividend	1.20%	1.34%	1.13%
Risk-free interest rate	-1.40%	-0.78%	-0.54%
The expected maturity	3 years	3 years	3 years
Fair value (Black-Scholes) per RSU is calculated to	136.18	178.33	140.20

Number of RSU's in RTX A/S:

	Executive Board	Other key manage-ment	Other employees	Total
Granted in 2017/18	13,614	14,388	31,811	59,813
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 as per 30 September 2021	**46,895**	**46,600**	**95,524**	**189,019**
Regulations – ceased employments 2017/18	-	-	-400	-400
Regulations – ceased employments 2018/19	-2,248	-	-1,029	-3,277
Regulations – ceased employments 2019/20	-	-	-	-
Regulations – ceased employments / lapsed 2020/21	-3,538	-3,003	-7,647	-14,188
RSU's vested in 2020/21	-11,366	-14,388	-30,382	-56,136
Outstanding as per 30 September 2021	**29,743**	**29,209**	**56,066**	**115,018**

Management comments

Accelerated RSU program:
The Board of Directors at RTX has in 2019/20 and 2020/21 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- respectively two-year period, and cannot vest before the Annual General Meeting in January 2023. 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 DKK 178.33 (2019/20 program) and DKK 149.67 (2020/21 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) and DKK 34.45 (2020/21 program). The Accelerated RSU program granted in 2019/20 has lapsed due to the highly ambitious financial targets not having been fulfilled and the Accelerated RSU program granted in 2020/21 is currently considered more likely not to vest. Therefore, no cost has been expensed to profit and loss regarding these remuneration programs in 2020/21.

The grant is in accordance with the company's Remuneration Policy. Besides the Executive Board, four other key management employees have been granted Accelerated restricted stock units in 2020/21 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 Accumulated RSU's, conditions:

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

Number of Accelerated RSU's in RTX A/S:

	Executive Board	Other key management	Other employees	Total
Granted in 2019/20	52,176	29,127	-	81,303
Granted in 2020/21	65,086	34,193	-	99,279
Granted as per 30 September 2021	**117,262**	**63,320**	**-**	**180,582**
Regulations – ceased employments 2019/20	-	-	-	-
Regulations – ceased employments / lapsed 2020/21	-52,176	-29,127	-	-81,303
Outstanding as per 30 September 2021	**65,086**	**34,193**	**-**	**99,279**

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

	Group		Parent	
Amounts in DKK '000	2020/21	2019/20	2020/21	2019/20
RSU programs	4,093	5,431	3,269	4,194
Accelerated RSU programs	-	-	-	-
Share-based remuneration posted as staff costs	**4,093**	**5,431**	**3,269**	**4,194**

2.5 Development costs

Amounts in DKK '000	Group 2020/21	Group 2019/20	Parent 2020/21	Parent 2019/20
Development cost incurred before capitalization	42,349	43,800	42,349	43,800
Value of work transferred to assets (capitalized)	-24,899	-28,737	-24,899	-28,737
Total amortization and impairment on own development projects	18,279	11,623	18,279	11,623
Development cost recognized in the profit and loss account	**35,729**	**26,686**	**35,729**	**26,686**
Development costs are recognized as follows:				
Other external expenses	5,660	8,487	5,660	8,487
Staff costs	36,689	35,313	36,689	35,313
Value of work transferred to assets	-24,899	-28,737	-24,899	-28,737
Amortization on development projects	18,279	11,623	18,279	11,623
Total	**35,729**	**26,686**	**35,729**	**26,686**

2.6 Fees to auditors elected at the annual general meeting

Amounts in DKK '000	Group 2020/21	Group 2019/20	Parent 2020/21	Parent 2019/20
Total fees to Deloitte can be specified as follows:				
Statutory audit	575	550	575	550
Other auditing and assurance services	138	81	50	-
Tax advisory services	33	28	33	28
Total	**746**	**659**	**658**	**578**

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 0.1 million in 2020/21 mainly consisting of fees related to advide on tax matters regarding taxable income, remuneration report 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	2020/21	2019/20	2020/21	2019/20
Financial income				
Dividends from subsidiaries	-	-	2,586	4,881
Gain on hedging instruments (net)	-	2,582	-	2,582
Other financial income	1,617	1,978	1,616	1,978
Total financial income	1,617	4,560	4,202	9,441
Financial expenses				
Interest costs to subsidiaries	-	-	495	444
Exchange rate losses (net)	605	4,746	506	4,671
Fair value adjustments of investments in trading portfolio	4,337	978	4,337	978
Loss on hedging instruments (net)	96	-	96	-
Financing element, IFRS 16	2,524	1,622	2,454	1,517
Other financial costs	689	564	675	549
Total financial expenses	8,251	7,910	8,563	8,159

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 2021 open hedging contracts of USD 3.9 million (2019/20: USD 4.8 million) is recognized in other current liabilities at a negative fair value of DKK 0.6 million (2019/20: positive fair value of DKK 0.5 million). The 30 open contracts mature gradually over the following nine months from the balance sheet date.

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	2020/21	2019/20	2020/21	2019/20
Tax on profit/loss for the year				
Current tax on profit/loss for the year	-206	-15,080	-	-14,533
Change in deferred tax	2,650	-2,019	2,304	-2,085
Adjustment concerning previous years				
Current tax	2,051	39	1,384	39
Deferred tax	-273	-15	40	-15
Total	**4,222**	**-17,075**	**3,728**	**-16,594**
Reconciliation of the effective tax percentage				
Result before tax	-574	80,221	-1,957	80,006
Calculated tax at a tax percentage of 22.0%	126	-17,649	431	-17,601
Effect of different tax percentages for foreign companies	286	353	-	-
Tax value of not tax-deductible costs/taxable income	2,032	197	1,873	983
Adjustment concerning previous years	1,778	24	1,424	24
	4,222	**-17,075**	**3,728**	**-16,594**
Effective tax percentage (%)	**-735.5%**	**21.3%**	**-190.5%**	**20.7%**

2.9 Income taxes (continued)

	Group		Parent	
Amounts in DKK '000	2020/21	2019/20	2020/21	2019/20
Tax paid/received during the year	9,920	9,779	10,558	8,055
Income taxes, net				
Income taxes on 1 October, net	-11,352	-8,883	-11,508	-7,747
Current tax on profit/loss for the year	-206	-15,080	-	-14,533
Tax paid during the year				
Current year	326	1,223	-	365
Previous years, net	9,554	8,556	10,558	7,690
Adjustment of current tax concerning previous years, net	2,051	39	1,385	39
Current tax of changes in equity	-	2,678	-	2,678
Exchange rate adjustments	29	115	-	-
Income taxes at 30 September, net	**402**	**-11,352**	**435**	**-11,508**
Which can be specified as follows:				
Income tax receivable	562	-	435	-
Income tax payable	-160	-11,352	-	-11,508
Total	**402**	**-11,352**	**435**	**-11,508**

	Group		Parent	
Amounts in DKK '000	2020/21	2019/20	2020/21	2019/20
Deferred Tax				
Deferred tax, net at 1 October	-6,694	-4,500	-8,500	-6,144
Reclassified regarding previous years	-	-	-	-
Adjustment of deferred tax concerning previous years	-273	-15	40	-15
Foreign exchange adjustment	11	-108	-	-
Change in deferred tax on profit/loss for the year	2,650	-2,019	2,304	-2,085
Change in deferred tax on equity for the year	-823	-52	-425	-256
Deferred tax, net at 30 September	**-5,129**	**-6,694**	**-6,581**	**-8,500**
Specification of deferred tax:				
Intangible assets	-13,386	-12,538	-13,386	-12,538
Plant, equipment and leasehold improvements	2,673	2,960	2,594	2,901
Inventories	1,324	1,214	1,324	1,214
Receivables	181	-4,207	181	-4,207
Non-current liabilities	1,947	1,658	673	674
Tax loss carryforwards	199	299	195	-
Share-based remuneration	1,933	3,920	1,838	3,456
Total	**-5,129**	**-6,694**	**-6,581**	**-8,500**
Which can be specified as follows:				
Deferred tax assets	1,452	1,806	-	-
Deferred tax liability	-6,581	-8,500	-6,581	-8,500
Total	**-5,129**	**-6,694**	**-6,581**	**-8,500**

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 2020/21	Group 2019/20
Enterprise	7,797	7,797

As the cash generating activities of the business acquired with RTX Hong Kong Ltd. are now fully integrated into the Enterprise segment, it has been determined that the carrying amount of goodwill now 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 2019	26,055	26,865	6,763	8,269
Internal additions	-	27,547	-	-
Transfer at completion	17,674	-17,674	-	-
Cost at 30 September 2020	**43,729**	**36,738**	**6,763**	**8,269**
Amortization and impairment at 1 October 2019	-10,374	-	-5,708	-472
Amortization for the year	-10,581	-	-1,055	-
Impairment for the year	-709	-	-	-
Amortization and impairment at 30 September 2020	**-21,664**	**-**	**-6,763**	**-472**
Carrying amount at 30 September 2020	**22,065**	**36,738**	**-**	**7,797**
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**

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 in progress, 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% (in 2019/20: 13%).

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 substantially equivalent to the ones used in the calculations 2019/20.

Management comments

An impairment loss of DKK 1.4 million has been recognized in the income statement of 2020/21 regarding two projects in the Enterprise segment. One is a new adjacency product has not seen the expected traction in sales due to COVID-19 limitations on test and launch at our customers, while the other product has not seen the expected traction in sales.

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	Other fixtures, tools and equipment
Changes in accounting policies, IFRS 16 at 1 October 2020	40,123	451
Foreign exchange adjustments	-208	-
Disposals	-689	-
Additions	14,734	467
Cost at 30 September 2020	**53,960**	**918**
Depreciation and impairment at 1 October 2019	-	-
Foreign exchange adjustments	-14	-
Depreciation for the year	-5,600	-347
Depreciation and impairment at 30 September 2020	**-5,614**	**-347**
Carrying amount at 30 September 2020	**48,346**	**571**
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**

Amounts in DKK '000	Parent	
	Buildings	Other fixtures, tools and equipment
Changes in accounting policies, IFRS 16 at 1 October 2019	36,734	451
Disposals	-689	-
Additions	14,184	467
Cost at 30 September 2020	**50,229**	**918**
Depreciation and impairment at 1 October 2019	-	
Depreciation for the year	-3,833	-347
Depreciation and impairment at 30 September 2020	**-3,833**	**-347**
Carrying amount at 30 September 2020	**46,396**	**571**
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**

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 2020/21 mainly relates to additional lease of office buildings in Denmark (additional square meters) and Hong Kong (longer lease term).

	Group		Parent	
Amounts in DKK '000	2020/21	2019/20	2020/21	2019/20
Expenses relating to short term leases	22	177	22	44
Expenses relating to leases of low-value assets	99	79	58	42
Financing element of lease liabilities	2,524	1,622	2,454	1,517
Total cash outflow on lease arrangements	8,270	7,272	6,321	5,313

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 2019	29,002	20,020	5,232
Foreign exchange adjustments	-	-152	-66
Additions	5,692	934	127
Internal additions	-	1,190	-
Disposals	-2,927	-	-
Cost at 30 September 2020	**31,767**	**21,992**	**5,293**
Depreciation and impairment at 1 October 2019	-21,110	-16,629	-1,762
Foreign exchange adjustments	-	91	60
Depreciation for the year	-4,276	-1,496	-448
Reversal relating to disposals	2,742	-	-
Depreciation and impairment at 30 September 2020	**-22,644**	**-18,034**	**-2,150**
Carrying amount at 30 September 2020	**9,123**	**3,958**	**3,143**
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**

Parent			
Amounts in DKK '000	Plant and machinery	Other fixtures, tools and equipment	Leasehold improvements
Cost at 1 October 2019	29,002	17,575	4,170
Additions	5,692	880	127
Internal additions	-	1,190	-
Disposals	-2,927	-	-
Cost at 30 September 2020	**31,767**	**19,645**	**4,297**
Depreciation and impairment at 1 October 2019	-21,110	-14,501	-791
Depreciation for the year	-4,276	-1,343	-418
Reversal relating to disposals	2,742	-	-
Depreciation and impairment at 30 September 2020	**-22,644**	**-15,844**	**-1,209**
Carrying amount at 30 September 2020	**9,123**	**3,801**	**3,088**
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**

3.4 Investments in subsidiaries

Accounting policies

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

Amounts in DKK '000	Parent 2020/21	Parent 2019/20
Cost at 1 October	37,342	36,105
Additions	825	1,237
Cost at 30 September	**38,167**	**37,342**
Value adjustment at 1 October	-	-
Value adjustment at 30 September	**-**	**-**
Carrying amount at 30 September	**38,167**	**37,342**

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 2021:

Name and registered office	Nominal share capital	Ownership	Equity DKK '000	Profit for the year DKK '000
RTX America, Inc., USA	T.USD 500	100%	5,529	522
RTX Hong Kong Ltd., Hong Kong	T.HKD 1,110	100%	29,258	3,939
Total			**34,787**	**4,461**

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	2020/21	2019/20	2020/21	2019/20
Rent and other deposits				
Cost at 1 October	7,938	7,928	7,166	7,125
Exchange rate adjustments	3	-50	-	-
Additions for the year	6,089	60	6,082	41
Disposals for the year	-7,194	-	-7,166	-
Cost at 30 September	**6,836**	**7,938**	**6,082**	**7,166**
Carrying amount at 30 September	**6,836**	**7,938**	**6,082**	**7,166**

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	**2020/21**	**2019/20**	**2020/21**	**2019/20**
Raw materials and consumables	13,121	8,474	13,121	8,474
Finished goods	19,250	6,708	19,250	6,708
Total inventories	**32,371**	**15,182**	**32,371**	**15,182**
Write-down of inventories for the year	722	399	722	399

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 bad debts. Allowances for bad debts 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.

	Group		Parent	
Amounts in DKK '000	**2020/21**	**2019/20**	**2020/21**	**2019/20**
Receivables, gross	149,879	146,154	149,879	146,154
Provision for expected losses	-986	-718	-986	-718
Carrying amount at 30 September	**148,893**	**145,436**	**148,893**	**145,436**
Provision for the year	268	-407	268	-407
Provisions account at 1 October	718	1,125	718	1,125
Losses recorded for the year	-198	-950	-198	-950
Reversed provisions	-	-7	-	-7
Bad debt provisions for the year	466	550	466	550
Provisions account at 30 September	**986**	**718**	**986**	**718**

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 sometimes 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 57% (2019/20: 59%) 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 30 for a list of the outstanding debts sorted by maturity. RTX is closely monitoring any effects from COVID-19 on customers' ability to pay, however only limited negative impact has been observed as of 30 September 2021.

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 and allowance for bad debt.

The selling price is measured based on the percentage of completion on the balance sheet date and the total estimated income 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	**2020/21**	**2019/20**	**2020/21**	**2019/20**
Construction cost plus recognized profit to date	56,685	122,435	56,685	122,435
Invoiced on account	-48,246	-95,305	-48,246	-95,305
Contract development projects in progress, net	**8,439**	**27,130**	**8,439**	**27,130**
Which are recognized in the balance sheet as follows:				
Receivables (contract assets)	10,163	28,403	10,163	28,403
Current liabilities (contract liabilities)	-1,724	-1,273	-1,724	-1,273
Contract development projects in progress, net	**8,439**	**27,130**	**8,439**	**27,130**
Total sales value of uncompleted contracts	76,822	142,025	76,822	142,025
Sales value hereof of performed work recognized as income	-56,685	-122,435	-56,685	-122,435
Sales value of non-performed work	**20,137**	**19,590**	**20,137**	**19,590**
Sales value of non-performed work at the balance sheet date in % of total volume of orders, etc	26%	14%	26%	14%

Revenue recognized that was included in the contract liability balance at the beginning of 2020/21: DKK 1.3 million (2019/20: DKK 4.3 million).

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	**2020/21**	**2019/20**	**2020/21**	**2019/20**
Provision for warranty obligations				
Provisions at 1 October	3,065	2,570	3,065	2,570
Provisions made during the year	1,440	1,665	1,440	1,665
Provisions used during the year	-1,625	-1,170	-1,625	-1,170
Provisions at 30 September	**2,880**	**3,065**	**2,880**	**3,065**
Provisions for other obligations				
Provisions at 1 October	300	176	300	176
Provisions made during the year	178	300	178	300
Provisions used during the year	-300	-176	-300	-176
Provisions at 30 September	**178**	**300**	**178**	**300**
Total provisions at 30 September	**3,058**	**3,365**	**3,058**	**3,365**
Provisions are recognized in the balance sheet as follows:				
Current liabilities (less than 1 year)	1,909	2,040	1,909	2,040
Non-current liabilities (between 1 and 2 years)	1,149	1,325	1,149	1,325
Total	**3,058**	**3,365**	**3,058**	**3,365**

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 2021 – 30 September 2023 (2019/20: 1 October 2020 – 30 September 2022).

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	2020/21	2019/20	2020/21	2019/20
Wages and salaries, personal income taxes, social security costs, holiday pay, etc.	37,738	23,259	34,044	19,147
Holiday allowance, etc.	6,742	6,814	5,413	5,492
Other costs payable	3,004	9,668	2,672	8,520
Current liabilities	**47,484**	**39,741**	**42,129**	**33,159**
Holiday allowance	13,272	13,106	13,272	13,106
Non-current liabilities	**13,272**	**13,106**	**13,272**	**13,106**
Total	**60,756**	**52,847**	**55,401**	**46,265**

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 in Danish bonds – primarily in convertible mortgage bonds – with a solid credit rating via mutual funds. RTX has engaged Danske Bank to provide active investment management of the Group's portfolio of securities.

5.1 Current asset investments (continued)

	Group		Parent	
Amounts in DKK '000	2020/21	2019/20	2020/21	2019/20
Cost at 1 October	152,423	150,750	152,423	150,750
Correction	-	-166	-	-166
Additions for the year	1,797	1,839	1,797	1,839
Disposals for the year	-51,540	-	-51,540	-
Cost at 30 September	**102,680**	**152,423**	**102,680**	**152,423**
Value adjustment at 1 October	1,587	2,399	1,587	2,399
Correction	-	166	-	166
Value adjustments for the year	-4,337	-978	-4,337	-978
Disposals for the year	1,022	-	1,022	-
Value adjustment at 30 September	**-1,728**	**1,587**	**-1,728**	**1,587**
Carrying amount at 30 September	**100,952**	**154,010**	**100,952**	**154,010**
The underlying bonds invested in via mutual funds have the below characteristics:				
Average expected maturity of (years)	4.9	3.0	4.9	3.0
Average effective rate of interest of	0.1%	0.1%	0.1%	0.1%
Bonds are expected to be redeemed within the following periods from the balance sheet date:				
Less than one year	36,343	78,545	36,343	78,545
Between one and three years	7,067	9,241	7,067	9,241
Between three and five years	11,105	10,781	11,105	10,781
After five years	46,437	55,443	46,437	55,443
Total	**100,952**	**154,010**	**100,952**	**154,010**

5.2 Share capital

The share capital of DKK 43,214,190 (2019/20: 43,214,190) consists of 8,642,838 (2019/20: 8,642,838) shares of DKK 5.

The Group holds 502,906 treasury shares at 30 September 2021 (301,522 shares at 30 September 2020).

There are no shares with special rights.

	Parent	
Amounts in DKK '000	2020/21	2019/20
Development in share capital:		
Share capital at 1 October	43,214	44,714
Annulment of treasury shares	-	-1,500
Share capital at 30 September	**43,214**	**43,214**
Number of shares at DKK 5 at 30 September	8,642,838	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
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		
2019/20				
Shareholding at 1 October 2019	2,329	465,876	5.2%	78,419
Purchase for the year	1,052	210,367	2.4%	40,560
Disposal treasury shares	-374	-74,721	-0.8%	-13,563
Annulment of treasury shares	-1,500	-300,000	-3.4%	-50,130
Shareholding at 30 September 2020	**1,507**	**301,522**	**3.5%**	**55,286**
Fair value of shareholding at 30 September 2020, DKK ´ 000		65,129		

5.4 Earnings per share

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

	Group	
Amounts in DKK '000	2020/21	2019/20
1,000 shares		
Average number of shares	8,643	8,804
Average number of treasury shares	-400	-428
Average number of shares in circulation	**8,243**	**8,376**
Average diluted effect on outstanding RSU	59	127
Average diluted number of shares	**8,302**	**8,503**
Profit/loss for the year in DKK '000	**3,648**	**63,146**
Earnings per share (DKK)	0.4	7.5
Diluted earnings per share (DKK)	0.4	7.4

5.5 Dividend

No dividends will be recommended for the year (2019/20 DKK 20.9 million equivalent to a dividend per share of DKK 2.50). In January 2021 RTX paid dividends of DKK 20.7 million (January 2020 DKK 21.0 million), equivalent to a dividend per share of DKK 2.50 (January 2020 DKK 2.50 per share).

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	**2020/21**	**2019/20**	**2020/21**	**2019/20**
Trade receivables	148,893	145,436	148,893	145,436
Other receivables	9,428	7,749	8,182	6,832
Cash at bank and in hand	19,461	40,785	16,419	35,968
Total receivables and cash measured at amortized cost	**177,782**	**193,970**	**173,494**	**188,236**
Financial instruments (hedging)	-	531	-	531
Financial assets at fair value through other comprehensive income	**-**	**531**	**-**	**531**
Current asset investments	100,952	154,010	100,952	154,010
Financial assets at fair value through income statement	**100,952**	**154,010**	**100,952**	**154,010**
Lease liabilities	61,396	52,027	56,485	49,982
Payables to subsidiaries	-	-	33,883	30,360
Trade payables	61,562	50,849	61,375	50,791
Other payables	60,178	52,847	54,823	46,265
Financial liabilities measured at amortized cost	**183,136**	**155,723**	**206,566**	**177,398**
Financial instruments (hedging)	578	-	578	-
Financial liabilities at fair value through other comprehensive income	**578**	**-**	**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	**2020/21**	**2019/20**	**2020/21**	**2019/20**
Current asset investments in the trading portfolio	100,952	154,010	100,952	154,010
Cash at bank and in hand	19,461	40,785	16,419	35,968
Total	**120,413**	**194,795**	**117,371**	**189,978**

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.

Amounts in DKK '000	Group				
	Carrying amount	Total cash flow, including interest	Within one year	Between one and five years	After five years
Lease liabilities	61,396	75,749	8,165	26,949	40,635
Trade payables	61,562	61,562	61,562	-	-
Other payables	60,756	60,756	47,484	13,272	-
Total	**183,714**	**198,067**	**117,211**	**40,221**	**40,635**

Amounts in DKK '000	Parent				
	Carrying amount	Total cash flow, including interest	Within one year	Between one and five years	After five years
Lease liabilities	56,485	70,567	6,307	23,625	40,635
Trade payables	61,375	61,375	61,375	-	-
Other payables	55,401	55,401	42,129	13,272	-
Total	**173,261**	**187,343**	**109,811**	**36,897**	**40,635**

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 22% of total accounts receivables (2019/20: 20%), 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 until date not resulted in any losses.

Trade receivables not written down can be specified as follows:

	Group		Parent	
Amounts in DKK '000	2020/21	2019/20	2020/21	2019/20
Amounts not due	134,799	137,028	134,799	137,028
Amounts due with up to 30 days	7,954	6,085	7,954	6,085
Due between 30 and 60 days	3,940	2,262	3,940	2,262
Due between 60 and 90 days	26	3	26	3
Due between 90 and 120 days	-	-	-	-
Due with more than 120 days	2,174	58	2,174	58
Total	**148,893**	**145,436**	**148,893**	**145,436**

Approx. 57% (2019/20: 59%) 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. More than 70% of amounts due at the balance sheet date have been collected during October 2021 (2019/20: more than 80%).

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 commercial hedging transactions, to the extent considered appropriate, to lower any currency exposure. In 2020/21 the Group used commercial hedging transactions to lower the foreign currency risk of expected net USD in-flow against DKK.

Specification of risks in foreign currencies:

						Sensitivity		
Amounts in DKK '000	Cash and current asset investments	Receivables	Liabilities	Hedging	Net position	Expected change in currency exchange rate	Hypothetical effect on result of the year before tax	Hypothetical effect before tax on equity
Group								
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**			
EUR	15,804	3,017	-350	-	18,471	1%	185	185
USD	9,780	124,454	-46,842	-30,528	56,864	10%	5,686	5,686
Other	2,231	-	-8,190	-	-5,959	5%	-298	-298
Total at 30 September 2020	**27,815**	**127,471**	**-55,382**	**-30,528**	**69,376**			
Parent								
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**			
EUR	15,598	3,017	-350	-	18,265	1%	183	183
USD	7,381	124,454	-47,972	-30,528	53,335	10%	5,334	5,334
HKD	-	-	-28,213	-	-28,213	10%	-2,821	-2,821
Other	18	-	-123	-	-105	5%	-5	-5
Total at 30 September 2020	**22,997**	**127,471**	**-76,658**	**-30,528**	**43,282**			

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 negative impact of DKK 3.3 million (30 September 2020: negative impact of DKK 4.1 million) before tax on the Group's income statement and equity.

A decline in the interest rate level will expectedly have a 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 59.5% at the end of the financial year 2020/21 compared to 66.0% in 2019/20.

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	52,027	-8,270	-7	2,524	15,122	61,396
Current asset investments in the trading portfolio	-154,010					-100,952
Cash at bank and in hand	-40,785					-19,461
Interest-bearing net debt	**-142,768**					**-59,017**
Equity	352,192					288,533
Financial gearing	-0.41					-0.20

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	-	-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 instruments (hedging), asset	-	531	-	531
Bonds listed on the stock exchange, in the trading portfolio	154,010	-	-	154,010
Financial net assets at fair value at 30 September 2020	**154,010**	**531**	**-**	**154,541**

Financial hedging instruments comprise standard foreign exchange forward contracts with the USD/DKK exchange rate as the main element 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 2020/21, RTX A/S has not provided payment guarantees etc. which was also the case in 2019/20.

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	2020/21	2019/20	2020/21	2019/20
Change in write-down to net realizable value of current assets	872	-8	872	-8
Change in provisions	-307	619	-307	619
Share-based remuneration	4,093	5,431	3,268	4,194
Unrealized exchange rate adjustments etc.	-1,955	-971	-2,060	1,063
Total	2,703	5,071	1,773	5,868

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 2020/21 the amount totaled DKK 2.2 million (2019/20: DKK 2.2 million).

Subsidiaries

In 2020/21 trade etc. between RTX A/S and related parties amounted to DKK 46.2 million (2019/20: DKK 49.7 million). There have been no transactions between the subsidiaries in 2020/21.

6.3 Related parties (continued)

Transactions with subsidiaries have comprised the following:

	Subsidiaries	
Amounts in DKK '000	2020/21	2019/20
Purchase of services from subsidiaries	46,221	49,732
Received dividends from subsidiaries (recharge of RSU costs)	2,586	4,881
Interest costs for subsidiaries	495	444
Payables to subsidiaries	33,883	30,360

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 money lending 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]	(Net turnover in year n - net turnover in year n - 1) * 100 / Net turnover in year n – 1
Profit margin [1]	Operating profit/loss * 100 / Net turnover
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
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 Independent Auditor's Report

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 2020 - 30 September 2021.

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 2021 and of the results of their operations and cash flows for the financial year 1 October 2020 - 30 September 2021.

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, 30 November 2021

Executive Board

Peter Røpke
President and CEO

Morten Axel Petersen
CFO

Board of Directors

Peter Thostrup
Chair of the Board

Jesper Mailind
Deputy Chair

Christian Engsted

Lars Christian Tofft

Henrik Schimmell

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

Opinion

We have audited the consolidated financial statements and the parent financial statements of RTX A/S for the financial year 1 October 2020 – 30 September 2021, 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 September 2021, and of the results of their operations and cash flows for the financial year 1 October 2020 – 30 September 2021 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 of Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. 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 at the Annual General Meeting for a total consecutive engagement period of 21 years up to and including the 2020/21 financial year.

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 1 October 2020 – 30 September 2021. 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.

VALUATION AND RECOGNITION OF CONTRACT DEVELOPMENT PROJECTS IN PROGRESS IN DESIGN SERVICES

Refer to Note 1.2 and 4.3 in the Group financial statements. Work in progress at 30 September 2021 consists of several different contracts and the gross value of work in progress and the corresponding revenue recognised amounts to DKK'000 56,685 (30 September 2020: DKK'000 122,435). Net value of contract development projects in progress totals DKK'000 8,439 (30 September 2020: DKK'000 27,130).

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 and the balance to 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 THE AUDIT

Based on our risk assessment we assessed the relevant internal controls for work 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 work in progress at 30 September 2021 as well as completed contracts during the year. Based on project risk and materiality we selected a sample of contracts where we obtained the underlying contracts including 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.

We have no significant observations with respect to work in progress and corresponding revenue.

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.

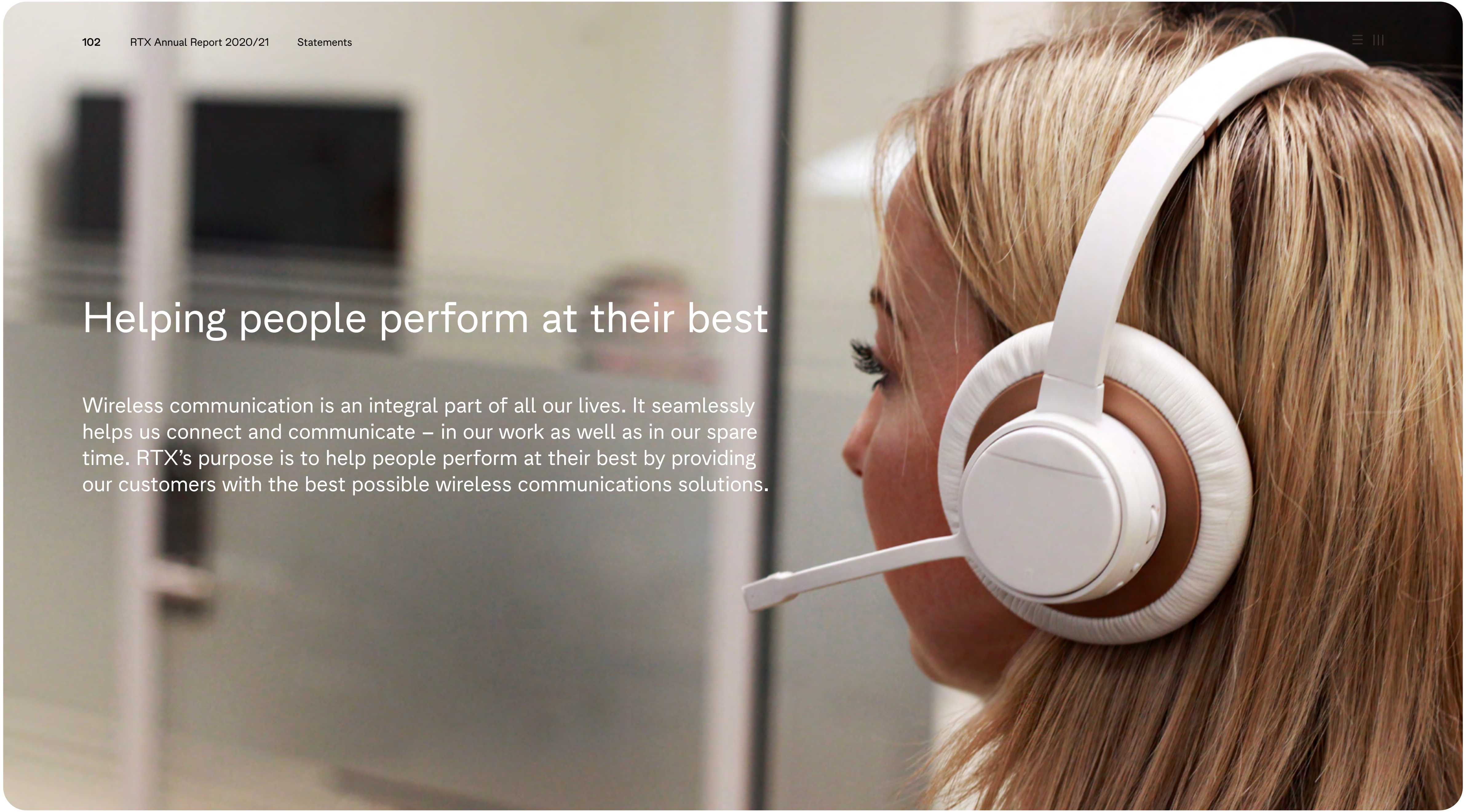
We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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.

Aarhus, 30 November 2021

Deloitte
Statsautoriseret Revisionspartnerselskab
Business Registration No 33 96 35 56

Henrik Vedel State-Authorised Public Accountant MNE no mne10052	Jakob Olesen State-Authorised Public Accountant MNE no mne34492



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