

INTERIM REPORT FOR Q2 AND H1 2020/21

(the period 01.10.2020 - 31.03.2021)

ANNOUNCEMENT

to Nasdaq Copenhagen A/S and the media
Nørresundby, 27 April 2021
Announcement no. 27/2021
No. of pages: 16



IMPROVED DEMAND BUT SUPPLY CONSTRAINTS IN Q2

"As expected in our outlook for the year, also the second quarter of 2020/21 has been challenged on the demand side due to COVID-19. However, the second quarter did see a significant improvement over the first quarter in 2020/21 and it appears that the period with the largest impact of COVID-19 on demand is gradually coming to an end. The second quarter was impacted by supply chain issues from global electronics component scarcity and logistic challenges which has postponed revenue from the second into the third quarter of the financial year. Therefore, revenue decreased by 25% compared to the second quarter of last year. During the second quarter, we delivered the first products of the newest major Enterprise framework agreement and during the third quarter we will deliver further products under this agreement as well as the first products under the newest major ProAudio framework agreement. Looking ahead to the rest of the year, it is expected that the gradual demand improvement will lead to a return to the demand levels of the same quarters in recent years in Q3 and Q4 of 2020/21 and we are maintaining the strategic investments into RTX's product platforms for our target market segments. On 22 April 2021 we revised the outlook for our financial year 2020/21 due to COVID-19 effects on demand, on supply constraints and knock-on effects."

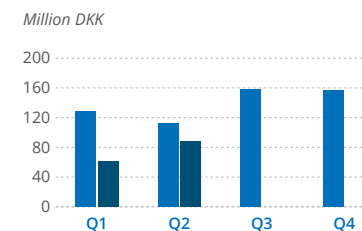
Peter Røpke, CEO

HIGHLIGHTS Q2 2020/21 FOR THE RTX GROUP

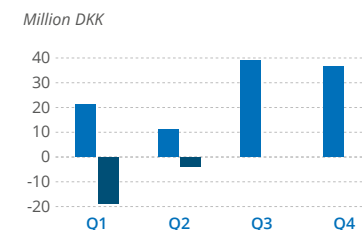
- **Net revenue** decreased by 21.5% to DKK 88.5 million in Q2 2020/21 (Q2 2019/20: DKK 112.7 million). As expected and as communicated in the outlook for 2020/21, Q2 revenue were significantly impacted by COVID-19 in the Enterprise and ProAudio segments. However, demand and revenue improved over Q1 - revenue in Q2 increased by 44.4% over revenue in Q1. Supply challenges related to component scarcity had an adverse impact on the revenue development in Q2.
- **Enterprise segment:** Revenue decreased 25.1% to DKK 58.6 million. The decrease is seen in most parts (customers, product groups) of the Enterprise segment. Customer orders in the quarter have been negatively impacted by COVID-19 effecting customers' access to end customer sites for installation of communication systems. Further, revenue has been significantly negatively impacted by component scarcity and supply chain challenges which postpones revenue into Q3.
- **ProAudio segment:** Revenue decreased by 26.0% to DKK 21.6 million. The decline is mainly due to significantly lower revenue from engineering services compared to last year in line with the strategy to focus on creating recurring revenue from product sales and royalties. However, COVID-19 has impacted product sales in the quarter negatively compared to last year especially for products in the intercom market related to live events.
- **Healthcare segment:** Revenue increased by 55.3% to DKK 8.4 million. Revenue growth is driven by the conversion into deliveries of a full ODM product instead of purely modules for part of the deliveries. Supply chain challenges has had a negative effect on revenue in the quarter postponing some revenue into Q3.

In total, the combined effect of the component scarcity and supply chain challenges across all segments have postponed revenue of approx. DKK 30 million from Q2 into Q3.

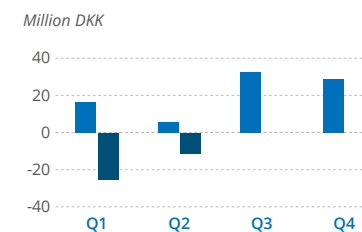
REVENUE PER QUARTER



EBITDA PER QUARTER



EBIT PER QUARTER



■ 2019/20 ■ 2020/21

FX corrected revenue development amounted to a decrease of 14.9% as revenue compared to last year was negatively impacted by the weaker US dollar.

- **Gross profit** decreased by 24.8% to DKK 49.8 million in Q2 2020/21 (Q2 2019/20: DKK 66.3 million). The gross margin decreased to 56.3% (Q2 2019/20: 58.8 %) primarily impacted by the revenue mix with a significantly lower share of revenue from engineering services and secondarily by the specific product mix.
- **Operating performance** was impacted by the lower revenue with **EBITDA** of DKK -4.0 million in Q2 2020/21 (Q2 2019/20: DKK 11.3 million) and **EBIT** of DKK -11.3 million in Q2 2020/21 (Q2 2019/20: DKK 5.7 million). Given the global uncertainty created by the COVID-19 pandemic, RTX has continued the cautious management of the cost base and therefore capacity costs is at the same level as Q2 of last year.
- **Cash flows from operations (CFFO)** amounted to DKK -20.8 million in Q2 2020/21 compared to DKK 23.7 million in Q2 2019/20 as a result of the developments in earnings and of the working capital developments with increasing receivables at the end of the quarter compared to the beginning of the quarter.

SUMMARY H1 2020/21 FOR THE RTX GROUP

- **Net revenue** decreased by 37.8% to DKK 149.8 million in H1 2020/21 (H1 2019/20: DKK 241.0 million). As expected and as communicated in the outlook for 2020/21, H1 revenue were significantly impacted on the demand side by COVID-19 in the Enterprise and ProAudio segments. Also, revenue was adversely impacted by supply chain challenges related to component scarcity. In H1 2020/21, Enterprise segment revenue decreased 43.9% to DKK 94.1 million, ProAudio segment revenue decreased 34.9% to DKK 40.6 million, while Healthcare revenue increased 38.8% to DKK 15.1 million. FX corrected revenue development amounted to a decrease of 32.7% as revenue compared to last year was negatively impacted by the weaker US dollar.
- As a result of the lower revenue, earnings decreased with **EBITDA** of DKK -22.7 million (H1 2019/20: DKK 32.7 million) and **EBIT** of DKK -36.6 million (H1 2019/20: DKK 22.0 million). Throughout the first six months of 2020/21, RTX has maintained a cautious management of capacity costs which are below the level of last year.
- **Cash flow from operations (CFFO)** amounted to DKK 9.9 million in H1 2020/21 (H1 2019/20: DKK 30.1 million).

APPENDICES

Interim report for Q2 2020/21 for the Group comprising:

- Group financial highlights and key ratios
- Management report
- Management's statement
- Income statement
- Statement of comprehensive income
- Balance sheet
- Equity statement
- Cash flow statement
- Notes



OUTLOOK FOR 2020/21 REVISED ON 22 APRIL

- As stated when announcing the outlook of RTX for FY 2020/21, uncertainty regarding the actual developments in 2020/21 were higher than in recent years due to the impact of the COVID-19 pandemic. As further stated in the interim report for Q1 2020/21, the uncertainty remained high after the first quarter. As also stated in the interim report for Q1 2020/21, supply chain challenges including global component scarcity further created higher than usual uncertainty regarding 2020/21. With increased knowledge of the impact of COVID-19, supply chain constraints and knock-on effects on FY 2020/21, RTX reduced the expectations regarding revenue and earnings on 22 April 2021 in company announcement 25/2021. The revised outlook for FY 2020/21 is revenue of DKK 450-500 million, EBITDA of DKK 30-55 million and EBIT of DKK 0-25 million.
- The lower expected revenue and earnings in FY 2020/21 are caused by larger than originally expected demand impact of COVID-19 on the Enterprise (limitations on customer access to end customer sites for installation of communication systems) and ProAudio (part of market related to live events affected by lockdowns) segments. It is further caused by COVID-19 having made the finalization of development and the production preparation of new products more challenging which has caused postponement of part of the initial deliveries. This is now expected to cause part of the next deliveries, previously expected for the end of this financial year, to move into Q1 of FY 2021/22 instead.
- Demand is expected to continue to increase over the second half of the year based on current customer orders and customer forecasts. The global supply chain constraints will likely lead to postponements of some deliveries from Q3 into Q4 of FY 2020/21. The actual revenue and earnings for 2020/21 will depend on the exact timing of delivery of larger orders under framework agreements around the change of financial year (i.e. September/October 2021) and the expectations for the year further assumes that the impact of supply chain constraints on deliveries will remain within the expected levels. Uncertainty in 2020/21 is higher than in recent years due to the impact of COVID-19 on global macroeconomic development, demand patterns and global supply chains and thus uncertainty associated with the outlook for the year is also higher than in recent years.

SHARE BUY-BACK PROGRAMME CONTINUING

- In line with the updated policy on capital structure communicated in the annual report for 2019/20 and as announced in company announcement 38/2020, RTX continues to execute a share buy-back programme for an amount up to DKK 50 million during the period 25 November 2020 to 30 September 2021.

RTX A/S

PETER THOSTRUP
Chairman

PETER RØPKE
President and CEO

ENQUIRIES AND FURTHER INFORMATION:

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CFO, Morten Axel Petersen, tel +45 96 32 23 00

INVESTOR AND ANALYST MEETING

On Wednesday, 28 April 2021 at 8.30 am, RTX will hold a conference call for investors and analysts hosted by Danske Bank.

In this conference call, the Company's management will comment on the interim report for the second quarter of 2020/21.

To register for the conference call, please email lomo@danskebank.dk.

Group Financial Highlights and Key Ratios

(non-audited)

Amounts in DKK million	Q2 2020/21	Q2 2019/20	H1 2020/21	H1 2019/20	FY 2019/20
INCOME STATEMENT ITEMS					
Revenue	88.5	112.7	149.8	241.0	555.9
Gross profit	49.8	66.3	80.3	141.8	309.3
EBITDA	-4.0	11.3	-22.7	32.7	108.2
EBITDA %	-4.5%	10.0%	-15.2%	13.6%	19.5%
Operating profit/loss (EBIT)	-11.3	5.7	-36.6	22.0	83.6
Net financials	-3.0	-2.5	-5.0	-5.2	-3.4
Profit/loss before tax	-14.3	3.3	-41.6	16.8	80.2
Profit/loss for the period	-11.3	2.6	-32.8	13.1	63.1
BALANCE SHEET ITEMS					
Cash and current asset investments	123.3	172.3	123.3	172.3	194.8
Total assets	415.6	430.2	415.6	430.2	533.6
Equity	268.5	299.8	268.5	299.8	352.2
Liabilities	147.1	130.4	147.1	130.4	181.4
OTHER KEY FIGURES					
Development cost financed by RTX before capitalization	10.9	11.0	24.2	23.3	43.8
Capitalized costs	7.5	6.0	15.7	12.9	28.7
Depreciation, amortization and impairment	7.3	5.6	13.9	10.7	24.6
Cash flow from operations	-20.8	23.7	9.9	30.1	70.6
Cash flow from investments	23.3	-8.0	14.2	-17.7	-37.1
Investments in property, plant and equipment	7.8	1.4	9.4	4.1	7.9
Increase/decrease in cash and cash equivalents	-43.5	-34.8	-30.3	-51.9	-33.7

Amounts in DKK million	Q2 2020/21	Q2 2019/20	H1 2020/21	H1 2019/20	FY 2019/20
KEY RATIOS					
Growth in net turnover (percentage)	-21.5%	-18.3	-37.8%	-5.2	-0.8
Profit margin (percentage)	-12.7%	5.1	-24.4%	9.1	15.0
Return on invested capital (percentage) ¹⁾	21.5%	58.6	21.5%	58.6	54.1
Return on equity (percentage) ¹⁾	6.1%	19.9	6.1%	19.9	18.1
Equity ratio (percentage)	64.6%	69.7	64.6%	69.7	66.0
EMPLOYMENT					
Average number of full-time employees	285	292	289	292	292
Average number of FTE employed directly	258	263	261	264	264
Revenue per employee (DKK '000) ²⁾	311	386	518	825	1,904
Operating profit per employee (DKK '000) ²⁾	-40	20	-127	75	286
SHARES					
Average number of shares in circulation ('000)	8,284	8,392	8,309	8,411	8,376
Average number of diluted shares ('000)	8,418	8,451	8,458	8,480	8,503
SHARE DATA. DKK PER SHARE AT DKK 5					
Profit/loss for the period (EPS), per share ²⁾	-1.4	0.3	-3.9	1.6	7.5
Profit/loss for the period, diluted (DEPS), per share ²⁾	-1.3	0.3	-3.9	1.5	7.4
Dividends, per share (DKK)	-	-	-	-	2.5
Equity value, per share	32.6	35.9	32.6	35.9	42.2
Listed price, per share	193.0	170.6	193.0	170.6	216.0

Note: The Group's financial year runs from 1 October to 30 September.

Definitions of the key ratios used are stated in the annual report for 2019/20 in the accounting policies.

¹⁾ Calculated over a 12 months' period.

²⁾ Not annualized.

Management Report

The Board of Directors of RTX A/S has today considered and adopted the Group's interim report for the second quarter (Q2) and first half (H1) of 2020/21 (covering the period 1 October 2020 to 31 March 2021). Comments on developments in the period follow below.

COVID-19 CHALLENGES TO DEMAND AND SUPPLY IN Q2

RTX Group revenue amounted to DKK 88.5 million in Q2 2020/21 – a decrease of 21.5% (Q2 2019/20: DKK 112.7 million). Corrected for exchange rate effects the decrease equals 14.9% compared to last year due to the weaker USD compared to Q2 last year. In H1 2020/21, revenue decreased by 37.8% to DKK 149.8 million (H1 2019/20: DKK 241.0 million). COVID-19 has continued to impact demand in Q2 compared to last year, however, the negative impact of COVID-19 has improved compared to Q1 of 2020/21 and revenue has increased by 44.4% in Q2 over Q1. Further, supply challenges due to component scarcity has postponed approx. DKK 30 million of revenue from Q2 into Q3 (and thus from H1 to H2).

Enterprise segment revenue declined by 25.1% to DKK 58.6 million in Q2 2020/21 (Q2 2019/20: DKK 78.2 million). Corrected for exchange rates effects the decrease was 18.6%. The decrease is seen in most parts (customers, product groups) of the segment. Customer orders in the quarter have been negatively impacted by COVID-19 effecting customers' access to end customer sites for installation of communication systems.

Also, revenue has been significantly negatively impacted by component scarcity and supply chain challenges which

postpones revenue into Q3. The component scarcity is caused by higher global demand for consumer electronics during the pandemic, as spending on services (e.g. travel, restaurants, entertainment) have been replaced by spending on in-home consumer durables. At the same time, a temporary global scarcity of semiconductors is occurring as global supply chains for semiconductors are being reconfigured in response to trade disagreements leading manufacturers to move supply bases from China to other countries. These factors combine to create prolonged lead times on electronics components and has thus caused postponements of deliveries from Q2 into Q3 and thus into H2. In H1 2020/21, revenue decreased 43.9% to DKK 94.1 million in the Enterprise segment (H1 2019/20: DKK 167.7 million).

Towards the end of Q2, the first product deliveries under the newest framework agreement in the Enterprise segment (announced at the end of 2018/19) took place. The remaining parts of the initial product orders under the framework agreement will be delivered in Q3. Also during the quarter, RTX continued the development activities for this framework agreement as well as the development activities for renewal of product ranges under large older framework agreements. Finally, development of own financed product ranges – including for instance wireless headsets models and cloud-based deployment and administration tools for our Enterprise suite of products – continued in the quarter.

Revenue in the **ProAudio** segment decreased by 26.0% to DKK 21.6 million in Q2 2020/21 (Q2 2019/20: DKK 29.1 million). Corrected for exchange rate effects the decrease equals 20.2%. The decline is mainly due to significantly lower revenue from engineering services compared to last year in line with the strategy to focus on creating recurring revenue from product sales and royalties. However, COVID-19 has impacted product sales in the quarter negatively compared to last year especially for products in

FINANCIAL DEVELOPMENT

DKK million	Q2 20/21	Q2 19/20	Change (%)
Group revenue	88.5	112.7	-21.5%
Enterprise revenue	58.6	78.2	-25.1%
ProAudio revenue	21.6	29.1	-26.0%
Healthcare revenue	8.4	5.4	55.3%
EBITDA	-4.0	11.3	-135.2%
EBIT	-11.3	5.7	-297.4%
CFFO³⁾	-20.8	23.7	-188.1%

DKK million	H1 20/21	H1 19/20	Change (%)
Group revenue	149.8	241.0	-37.8%
Enterprise revenue	94.1	167.7	-43.9%
ProAudio revenue	40.6	62.4	-34.9%
Healthcare revenue	15.1	10.9	38.8%
EBITDA	-22.7	32.7	-169.5%
EBIT	-36.6	22.0	-266.2%
CFFO³⁾	9.9	30.1	-67.1%

¹⁾ Cash flow from operations

the intercom market related to live events. Conversely, the market for content creation (wireless microphones used by vloggers, Youtubers, journalists etc.) has developed positively and thus the subset of product sales that is related to the RTX ProAudio product platform and related modules has increased. In H1 2020/21, revenue decreased 34.9% to DKK 40.6 million in the ProAudio segment (H1 2019/20: DKK 62.4 million).

During the quarter, development activities continued under the larger framework agreement announced at the end of 2018/19 regarding product development for a large international player in the ProAudio segment based on RTX's conference platform. First deliveries of products under the agreement are expected Q3 2020/21. As the first major ODM framework agreement in the ProAudio segment, this is a significant step in the productization strategy in ProAudio. Internal development activities related to the various product platforms for Intercom, Mics & Stage as well as Conference solutions in the ProAudio segment also continued during the quarter.

Healthcare segment revenue amounted to DKK 8.4 million in Q2 2020/21 corresponding to an increase of 55.3% (Q2 2019/20: DKK 5.4 million). Corrected for exchange rate effects the increase was 68.0%. Revenue growth compared to Q2 last year is driven 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 in the last half of 2019/20 due to the COVID-19 pandemic has levelled off in H1 2020/21 as equipment ramp-up at hospitals etc. has levelled off. In H1 2020/21, revenue increased 38.8% to DKK 15.1 million in the Healthcare segment (H1 2019/20: DKK 10.9 million).

COSTS AND EARNINGS

The lower revenue level in the quarter decreased the **gross profit** of the Group by 24.8% to DKK 49.8 million in Q2 2020/21 (Q2 2019/20: DKK 66.3 million). The gross margin decreased to 56.3% (Q2 2019/20: 58.8%) primarily impacted by the revenue mix with a lower share of revenue from engineering services and secondarily by the specific product mix. In H1 2020/21, gross profit amounted to DKK 80.3 million (H1 2019/20: DKK 141.8 million) corresponding to a gross margin of 53.6%.

Capacity costs in Q2 amounted to DKK 61.4 million (before capitalization of development costs) compared to DKK 61.0 million in Q2 of last year. RTX has continued the cautious cost management considering the uncertainty caused by the COVID-19 pandemic avoiding additional headcount investments and instead redeploying employees internally to maintain full momentum on the development activities with the highest potential for RTX and customers. The total headcount decreased to 285 average FTEs in Q2 2020/21 compared to an average of 292 FTEs in Q2 of 2019/20. Further, travel costs, fairs, external assistance, and various staff related costs have been kept at a relatively low level.

As described above for the Enterprise and ProAudio segments, RTX continued to fund development activities of wireless headsets, product deployment tools, ProAudio product solutions as well as for in-house development of automated test equipment for new products developed under Enterprise and ProAudio framework agreements during the quarter. Therefore, the Group **capitalized costs** of DKK 7.5 million in Q2 2020/21 (Q2 2019/20: DKK 6.0 million).

Adversely impacted by the lower revenue due to COVID-19 affecting customer demand and component scarcity postponing revenue into Q3, operating performance before

depreciations, amortizations and impairment (**EBITDA**) amounted to DKK -4.0 million (Q2 2019/20: DKK 11.3 million). In H1 2020/21, EBITDA amounted to DKK -22.7 million (H1 2019/20: DKK 32.7 million).

Depreciations, impairment and amortizations reached DKK 7.3 million in Q2 2020/21 (Q2 2019/20: DKK 5.6 million) with the expected increase driven by amortization of further own financed development projects as a reflection of RTX's strategy to create recurring revenue by creating product platforms which can be tailored to individual customers on an ODM basis. The amount in the quarter includes a smaller impairment charge of DKK 0.8 million related to a product in the Enterprise segment which has not seen the expected traction in sales.

Operating profit (**EBIT**) thus amounted to DKK -11.3 million in Q2 2020/21 (Q2 2019/20: DKK 5.7 million) and to DKK -36.6 million in H1 2020/21 (H1 2019/20: DKK 22.0 million).

Net financial items in Q2 amounted to DKK -3.0 million (Q2 2019/20: DKK -2.5 million). The development in the quarter compared to last year is negatively impacted by the fair value adjustments of investments in the trading portfolio due to the increasing interest rates on bonds during the quarter. Conversely relative to last year, the development is positively impacted by the increasing USD exchange rate during the quarter causing a positive exchange rate adjustment of balance sheet items – partly counterbalanced by value development of the Group's currency (USD) hedging arrangements.

Profit after tax for Q2 2020/21 amounted to DKK -11.3 million (Q2 2019/20: DKK 2.6 million) and to DKK -32.8 million for H1 2020/21 (H1 2019/20: DKK 13.1 million).



EQUITY, ASSETS AND CASH FLOW

At the end of Q2 2020/21, the Group's **equity ratio** continues to be solid at 64.6% (Q2 2019/20: 69.7%). The equity ratio has increased with the profits generated over the 12 months and decreased with distribution of dividends and share buy-backs (which combined amounted to DKK 44.5 million in Q2 2020/21). The **total assets** were DKK 415.6 million at the end of Q2 compared to DKK 430.2 million at the same time last year, with lower receivables, cash and current investments in the trading portfolio.

Cash flow from operations (CFFO) amounted to DKK -20.8 million in Q2 2020/21 (Q2 2019/20: DKK 23.7 million) impacted by the lower earnings level and working capital developments with higher receivables at the end of the quarter compared to the beginning of the quarter. In H1 2020/21, cash flow from operations amounted to DKK 9.9 million (H1 2019/20: DKK 30.1 million).

The Group's **total cash funds and current securities less bank debt** amounted to DKK 123.3 million at the end of Q2 2020/21 (Q2 2019/20: DKK 172.3 million). The level is positively impacted by cash generated by operations over the 12 months and negatively impacted by distribution to shareholders via dividends and share buy-back programs. During the quarter, RTX paid out dividends of DKK 20.7 million (Q2 2019/20: DKK 21.0 million) and bought back shares for DKK 23.8 million (Q2 2019/20: DKK 28.0 million) under the total DKK 50 million share buy-back programme further described below. To fund payment of dividends and share buy-back during the quarter, the Group realized a part of its investments in the trading portfolio (mutual funds holding primarily highly liquid Danish mortgage and government bonds) with a total net sale of securities of DKK 37.6 million during the quarter.

RTX balance sheet and liquidity position remain strong with a high equity ratio and a significant net cash position.

OUTLOOK FOR 2020/21 REVISED ON 22 APRIL

As stated when announcing the outlook of RTX for FY 2020/21, uncertainty regarding the actual developments in 2020/21 were higher than in recent years due to the impact of the COVID-19 pandemic. As further stated in the interim report for Q1 2020/21, the uncertainty remained high after the first quarter. As also stated in the interim report for Q1 2020/21, supply chain challenges including global component scarcity further created higher than usual uncertainty regarding 2020/21. With increased knowledge of the impact of COVID-19, supply chain constraints and knock-on effects on FY 2020/21, RTX reduced the expectations regarding revenue and earnings on 22 April 2021 in company announcement 25/2021. The revised outlook for FY 2020/21 is revenue of DKK 450-500 million, EBITDA of DKK 30-55 million and EBIT of DKK 0-25 million.

The lower expected revenue and earnings in FY 2020/21 are caused by larger than originally expected demand impact of COVID-19 on the Enterprise (limitations on customer access to end customer sites for installation of communication systems) and ProAudio (part of market related to live events affected by lockdowns) segments. It is further caused by COVID-19 having made the finalization of development and the production preparation of new products more challenging which has caused postponement of part of the initial deliveries. This is now expected to cause part of the next deliveries, previously expected for the end of this financial year, to move into Q1 of FY 2021/22 instead.

Demand is expected to continue to increase over the second half of the year based on current customer orders and customer forecasts. The global supply chain constraints will likely lead to postponements of some deliveries from Q3 into Q4 of FY 2020/21. The actual revenue and earnings for 2020/21 will depend on the exact timing of delivery of larger orders under framework agreements around the change

FINANCIAL CALENDAR

Expected publication of financial information for the financial year 2020/21:

24 AUGUST 2021

Interim report for Q3 2020/21

30 NOVEMBER 2021

Annual report for 2020/21

of financial year (i.e. September/October 2021) and the expectations for the year further assumes that the impact of supply chain constraints on deliveries will remain within the expected levels. Uncertainty in 2020/21 is higher than in recent years due to the impact of COVID-19 on global macroeconomic development, demand patterns and global supply chains and thus uncertainty associated with the outlook for the year is also higher than in recent years.

SHARE BUY-BACK PROGRAMME ONGOING

As announced in company announcement 38/2020 and in line with the Group's policy on capital structure, RTX is executing a share buy-back program for an amount up to DKK 50 million. The share buy-back program is execut-

ed in compliance with EU Market Abuse Regulation, EU Regulation no. 596/2014 of 16 April 2014 and EU Delegated Regulation 2016/1052 of 8 March 2016 (together referred to as the "Safe Harbour Regulation"). Since the initiation on 25 November 2020 and until the end of Q2 2020/21, RTX has bought back shares for a total of DKK 30.8 million under the programme. The programme continues with the remainder being bought back in the period until 30 September 2021.

RISKS AND UNCERTAINTIES FOR THE 2020/21 FINANCIAL YEAR

STATEMENTS ON FUTURE CONDITIONS

The above statements on the Group's future conditions, including in particular, future revenue and operating profit (EBIT-DA and EBIT), reflect Management's current outlook and carry some uncertainty. These statements can be affected by a number of risks and uncertainties, which mean that actual developments can be different from the indicated outlook. These risks and uncertainties include, but are not limited to, general business and economic conditions, dependence on partners, the time of delivery of components, and foreign exchange and interest rate fluctuations - all of which may also be impacted by the COVID-19 situation and development.

Management's Statement

The Board of Directors and the Executive Board have today considered and adopted the interim report of RTX A/S for the second quarter and first half of the financial year 2020/21 (covering the period 1 October 2020 to 31 March 2021).

The interim report is prepared in accordance with IAS 34, Interim Financial Reporting, as adopted by the EU and additional Danish disclosure requirements for the interim reporting of listed companies. The interim report has not been audited or reviewed by the Company's auditor.

We consider the applied accounting policies appropriate for the interim report to provide, in our opinion, a true and fair view of the Group's assets, liabilities and financial position as at 31 March 2021 and of its financial performance and cash flow for the second quarter and first half of 2020/21.

We consider Management's review to give a true and fair view of the Group's activities and finances, profit/loss for the period and the Group's financial position as a whole, as well as a true and fair description of the most material risks and uncertainties facing the Group.

Noerresundby, 27 April 2021

EXECUTIVE BOARD

PETER RØPKE
President and CEO

MORTEN AXEL PETERSEN
CFO

BOARD OF DIRECTORS

PETER THOSTRUP
Chairman

JESPER MAILIND
Deputy Chairman

CHRISTIAN ENGSTED

LARS CHRISTIAN TOFFT

HENRIK SCHIMMELL

KEVIN HARRITSØ
Employee Representative

FLEMMING VENDBJERG ANDERSEN
Employee Representative

KURT HEICK RASMUSSEN
Employee Representative

Income Statement

(non-audited)

Amounts in DKK '000	Note	Q2 2020/21	Q2 2019/20	H1 2020/21	H1 2019/20	FY 2019/20
Revenue	3	88,525	112,744	149,815	241,026	555,869
Value of work transferred to assets	4	7,536	6,045	15,668	12,900	28,737
Cost of sales		-38,688	-46,477	-69,527	-99,240	-246,574
Other external expenses		-13,133	-12,712	-27,585	-27,073	-53,444
Staff costs		-48,223	-48,271	-91,104	-94,892	-176,430
Operating profit/loss before depreciation and amortization (EBITDA)		-3,983	11,329	-22,733	32,721	108,158
Depreciation, amortization and impairment	4	-7,303	-5,611	-13,853	-10,710	-24,587
Operating profit/loss (EBIT)		-11,286	5,718	-36,586	22,011	83,571
Financial income	5	1,329	959	1,571	1,925	4,560
Financial expenses	5	-4,373	-3,412	-6,611	-7,140	-7,910
Profit/loss before tax		-14,330	3,265	-41,626	16,796	80,221
Tax on profit/loss		3,007	-691	8,860	-3,672	-17,075
Profit/loss for the period		-11,323	2,574	-32,766	13,124	63,146
Earnings per share (EPS)						
Earnings per share (DKK)		-1,4	0,3	-3,9	1,6	7,5
Earnings per share, diluted (DKK)		-1,3	0,3	-3,9	1,5	7,4

Statement of Comprehensive Income

(non-audited)

Amounts in DKK '000	Note	Q2 2020/21	Q2 2019/20	H1 2020/21	H1 2019/20	FY 2019/20
Profit/loss for the period		-11,323	2,574	-32,766	13,124	63,146
Items that may be reclassified subsequently to the income statement						
Exchange rate adjustments of foreign subsidiaries		1,377	796	-219	94	-1,983
Fair value adjustment relating to hedging instruments		-510	-1,380	-130	-1,152	-496
Tax on hedging instruments		113	303	29	253	109
Fair value of hedging instruments reclassified to the income statement		-151	302	-97	302	289
Tax on hedging instruments reclassified		33	-66	21	-66	-63
Other comprehensive income, net of tax		862	-45	-396	-569	-2,144
Comprehensive income for the period		-10,461	2,529	-33,162	12,555	61,002

Balance Sheet

(non-audited)

Amounts in DKK '000	31.03.21	31.03.20	30.09.20
ASSETS			
Own completed development projects	17,738	20,061	22,065
Own development projects in progress	48,169	29,945	36,738
Acquired license rights	-	528	-
Goodwill	7,797	7,797	7,797
Intangible assets	73,704	58,331	66,600
Right-of-use assets (lease assets)	55,831	38,394	48,917
Plant and machinery	10,065	8,395	9,123
Other fixtures, tools and equipment	4,852	4,336	3,958
Leasehold improvements	7,488	3,246	3,143
Tangible assets	78,236	54,371	65,141
Deposits	6,617	7,977	7,938
Deferred tax assets	1,147	1,631	1,806
Other non-current assets	7,764	9,608	9,744
Total non-current assets	159,704	122,310	141,485
Inventories	26,478	17,477	15,182
Trade receivables	71,910	84,362	145,436
Contract development projects in progress	24,005	23,923	28,403
Income taxes	1,193	1,923	-
Other receivables	4,188	3,803	4,128
Prepaid expenses	4,800	4,178	4,152
Receivables	106,096	118,189	182,119
Current asset investments in the trading portfolio	114,293	151,024	154,010
Current asset investments	114,293	151,024	154,010
Cash at bank and in hand	8,997	21,230	40,785
Total current assets	255,864	307,920	392,096
Total assets	415,568	430,230	533,581

Amounts in DKK '000	31.03.21	31.03.20	30.09.20
EQUITY AND LIABILITIES			
Share capital	43,214	44,714	43,214
Share premium account	203,714	252,367	203,714
Currency adjustments	5,574	7,870	5,793
Cash flow hedging	-434	-850	-207
Retained earnings	16,411	-4,298	99,678
Equity	268,479	299,803	352,192
Lease liabilities	54,593	35,178	47,116
Deferred tax liabilities	1,953	8,881	8,500
Provisions	1,325	1,305	1,325
Other payables	13,209	7,949	13,106
Non-current liabilities	71,080	53,313	70,047
Lease liabilities	4,808	6,152	4,911
Prepayments received from customers	2,387	1,910	1,176
Trade payables	32,597	26,293	50,849
Contract development projects in progress	1,639	5,919	1,273
Income taxes	-	-	11,352
Provisions	2,589	1,615	2,040
Other payables	31,989	35,225	39,741
Current liabilities	76,009	77,114	111,342
Total liabilities	147,089	130,427	181,389
Total equity and liabilities	415,568	430,230	533,581

Equity Statement

(non-audited)

Amounts in DKK '000	Share capital	Share premium	Currency adjustments	Cash flow hedging	Re-tained earnings	Total
Equity at 30 September 2019	44,714	252,367	7,776	-	42,583	347,440
Changes in accounting policies, IFRS 16	-	-	-	-	-2,730	-2,730
Tax on changes in accounting policies, IFRS 16	-	-	-	-	578	578
Equity at 1 October 2019 (restated)	44,714	252,367	7,776	-	40,431	345,288
Profit/loss for the period	-	-	-	-	13,124	13,124
Exchange rate adjustments of foreign subsidiaries	-	-	94	-	-	94
Fair value adjustment relating to hedging instruments	-	-	-	-1,152	-	-1,152
Tax on hedging instruments	-	-	-	-	253	253
Fair value of hedging instruments reclassified to the income statement	-	-	-	302	-	302
Tax on items that may be reclassified	-	-	-	-	-66	-66
Other comprehensive income, net of tax	-	-	94	-850	187	-569
Comprehensive income for the period	-	-	94	-850	13,311	12,555
Share-based remuneration	-	-	-	-	2,497	2,497
Deferred tax on equity transactions	-	-	-	-	-1,649	-1,649
Current tax on equity transactions	-	-	-	-	2,632	2,632
Paid dividend for 2018/19	-	-	-	-	-20,960	-20,960
Acquisition of treasury shares	-	-	-	-	-40,560	-40,560
Other transactions	-	-	-	-	-58,040	-58,040
Equity at 31 March 2020	44,714	252,367	7,870	-850	-4,298	299,803

Amounts in DKK '000	Share capital	Share premium	Currency adjustments	Cash flow hedging	Re-tained earnings	Total
Equity at 30 September 2020	43,214	203,714	5,793	-207	99,678	352,192
Profit/loss for the period	-	-	-	-	-32,766	-32,766
Exchange rate adjustments of foreign subsidiaries	-	-	-219	-	-	-219
Fair value adjustment relating to hedging instruments	-	-	-	-130	-	-130
Tax on hedging instruments	-	-	-	-	29	29
Fair value of hedging instruments reclassified to the income statement	-	-	-	-97	-	-97
Tax on hedging instruments reclassified	-	-	-	-	21	21
Other comprehensive income, net of tax	-	-	-219	-227	50	-396
Comprehensive income for the period	-	-	-219	-227	-32,716	-33,162
Share-based remuneration	-	-	-	-	1,616	1,616
Deferred tax on equity transactions	-	-	-	-	-2,550	-2,550
Current tax on equity transactions	-	-	-	-	1,913	1,913
Paid dividend for 2019/20	-	-	-	-	-20,710	-20,710
Acquisition of treasury shares	-	-	-	-	-30,820	-30,820
Other transactions	-	-	-	-	-50,551	-50,551
Equity at 31 March 2021	43,214	203,714	5,574	-434	16,411	268,479

Share capital of DKK 43,214,190 consists of 8,642,838 shares at DKK 5 (DKK 44,714,190 consisting of 8,942,838 shares at 31 March 2020). The Group holds 398,886 treasury shares at 31 March 2021 (601,522 shares at 31 March 2020). There are no shares carrying special rights.

Cash Flow Statement

(non-audited)

Amounts in DKK '000	Q2 2020/21	Q2 2019/20	H1 2020/21	H1 2019/20	FY 2019/20
Operating profit/loss (EBIT)	-11,286	5,718	-36,586	22,011	83,571
Reversal of items with no effect on cash flow					
Depreciation, amortization and impairment	7,303	5,611	13,853	10,710	24,587
Other items with no effect on cash flow	1,102	1,211	2,485	1,834	5,071
Change in working capital					
Change in inventories	-6,037	3,680	-11,303	3,927	6,233
Change in receivables	-15,522	17,438	76,889	22,897	-42,881
Change in trade payables etc.	2,052	-7,663	-24,324	-20,771	8,078
Cash flow from operating activities	-22,388	25,995	21,014	40,608	84,659
Financial income received	363	805	1,571	1,925	4,560
Financial expenses paid	1,291	-859	-2,521	-2,431	-8,847
Income taxes paid	-104	-2,291	-10,160	-9,980	-9,779
Cash flow from operations	-20,838	23,650	9,904	30,122	70,593
Investments in own development projects	-6,444	-5,664	-14,576	-11,750	-27,547
Acquisition of property, plant and equipment	-7,832	-1,352	-9,411	-4,084	-7,943
Sale of tangible assets	3	-	107	-	262
Deposits on leaseholds	-33	-24	1,321	-49	-10
Acquisition and sale of current asset investments in trading portfolio	37,595	-995	36,722	-1,839	-1,839
Cash flow from investments	23,289	-8,035	14,163	-17,722	-37,077

Amounts in DKK '000	Q2 2020/21	Q2 2019/20	H1 2020/21	H1 2019/20	FY 2019/20
Repayment of lease liabilities	-1,446	-1,410	-2,877	-2,825	-5,719
Acquisition of treasury shares	-23,812	-27,999	-30,820	-40,560	-40,560
Paid dividend	-20,710	-20,960	-20,710	-20,960	-20,960
Cash flow from financing activities	-45,968	-50,369	-54,407	-64,345	-67,239
Increase/decrease in cash and cash equivalents	-43,517	-34,754	-30,340	-51,945	-33,723
Exchange rate adjustments on cash	354	120	-1,448	-381	952
Cash and cash equivalents at the beginning of the period, net	52,160	55,864	40,785	73,556	73,556
Cash and cash equivalents at the end of the period, net	8,997	21,230	8,997	21,230	40,785
Cash and cash equivalents at the end of the period, net, are composed as follows:					
Cash at bank and in hand	8,997	21,230	8,997	21,230	40,785
Cash and cash equivalents at the end of the period, net	8,997	21,230	8,997	21,230	40,785

Notes

1 ACCOUNTING POLICIES

The interim report is presented in accordance with IAS 34 "Interim Financial Reporting" as adopted by the EU and additional Danish disclosure requirements for interim reporting of listed companies. An interim report has not been prepared for the Parent.

The accounting policies applied in this interim report are consistent with those applied in the Company's 2019/20 annual report which was 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. We refer to the 2019/20 annual report for a more detailed description of the accounting policies.

The applied accounting policies are unchanged compared to the annual report for 2019/20. New or amended standards and interpretations becoming effective for the financial year 2020/21 have no material impact on the interim report.

2 ESTIMATES AND ASSUMPTIONS

The preparation of interim reports requires management to make financial estimates and assumptions that affect the application of accounting policy and recognised assets, liabilities, income and expenses. Actual results might be different from these estimates.

The material estimates that management make when applying the accounting principles of the Group and the material uncertainty connected with these estimates and assumptions are unchanged in the preparation of the interim report compared to the preparation of the annual report as per 30 September 2020.

3 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. 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.

Amounts in DKK '000	Q2 2020/21	Q2 2019/20	H1 2020/21	H1 2019/20	FY 2019/20
Revenue					
Enterprise	58,587	78,203	94,056	167,678	382,020
ProAudio	21,563	29,149	40,614	62,435	127,640
Healthcare	8,375	5,392	15,145	10,913	46,209
Group	88,525	112,744	149,815	241,026	555,869
EBITDA					
Enterprise	19,549	29,447	23,858	63,829	148,013
ProAudio	4,800	8,075	6,405	20,270	41,437
Healthcare	1,724	1,262	2,685	2,233	16,176
Non-allocated	-30,056	-27,455	-55,681	-53,611	-97,468
Group	-3,983	11,329	-22,733	32,721	108,158
EBIT					
Enterprise	17,337	28,221	20,150	61,771	142,137
ProAudio	2,959	7,137	2,818	18,393	36,731
Healthcare	1,525	1,262	2,286	2,233	15,844
Non-allocated	-33,107	-30,902	-61,840	-60,386	-111,141
Group	-11,286	5,718	-36,586	22,011	83,571

Notes

3 SEGMENT INFORMATION (CONTINUED)

For ease of reference, the below table displays the quarterly revenue per segment for the previous financial year (2019/20).

Amounts in DKK '000	Q2 2020/21	Q1 2020/21	Q4 2019/20	Q3 2019/20	Q2 2019/20	Q1 2019/20
Revenue						
Enterprise	58,587	35,469	104,038	110,305	78,203	89,474
ProAudio	21,563	19,051	34,614	30,590	29,149	33,287
Healthcare	8,375	6,770	17,706	17,590	5,392	5,521
Group	88,525	61,290	156,358	158,485	112,744	128,282

Amounts in DKK '000	Q2 2020/21	Q2 2019/20	H1 2020/21	H1 2019/20	FY 2019/20
Revenue, geographical segments					
Denmark	1,104	1,341	2,729	3,172	5,954
USA	24,047	17,022	41,206	40,447	114,790
France	18,259	22,471	31,682	57,520	112,380
Hong Kong	2,106	12,832	3,080	27,653	79,481
Germany	7,714	23,383	10,464	35,100	69,367
Other Europe	8,383	13,494	19,008	23,659	65,353
Netherlands	12,978	11,760	16,534	31,337	57,892
Other Asia and Pacific	13,376	9,602	24,304	20,339	46,667
Other	558	839	808	1,799	3,985
Total	88,525	112,744	149,815	241,026	555,869

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

4 DEVELOPMENT COSTS

Amounts in DKK '000	Q2 2020/21	Q2 2019/20	H1 2020/21	H1 2019/20	FY 2019/20
Development cost incurred before capitalization	10,907	11,026	24,177	23,340	43,800
Value of work transferred to assets (capitalized) ¹⁾	-6,444	-6,045	-14,576	-12,900	-28,737
Total amortization on own development projects	4,053	2,341	7,472	4,289	11,623
Development costs recognized in the profit/loss account	8,516	7,322	17,073	14,729	26,686

¹⁾ Total value of work transferred to assets (capitalized) of DKK 7.5 million in Q2 2020/21 as well as DKK 15.7 million in H1 2020/21 includes own tangible assets of DKK 1.1 million.

5 FINANCIAL ITEMS

Amounts in DKK '000	Q2 2020/21	Q2 2019/20	H1 2020/21	H1 2019/20	FY 2019/20
Exchange rate gains (net)	406	154	-	-	-
Gain on hedging investments (net)	-	-	-	-	2,582
Other financial income	923	805	1,571	1,925	1,978
Financial income	1,329	959	1,571	1,925	4,560
Exchange rate losses (net)	-	-	1,788	1,335	4,746
Fair value adjustments of investments in trading portfolio	2,993	2,408	2,995	3,964	978
Financing element, IFRS 16	593	414	1,346	836	1,622
Loss on hedging instruments (net)	569	523	9	638	-
Other financial costs	218	67	473	367	564
Financial expenses	4,373	3,412	6,611	7,140	7,910

Notes

6 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)

Amounts in DKK '000	Level 1	Level 2	Level 3	Total
Financial instruments (hedging), asset	-	-749	-	-749
Bonds listed on the stock exchange, in the trading portfolio	114,293	-	-	114,293
Financial assets at fair value at 31 March 2021	114,293	-749	-	113,544
Financial instruments (hedging), asset	-	-1,675	-	-1,675
Bonds listed on the stock exchange, in the trading portfolio	151,024	-	-	151,024
Financial assets at fair value at 31 March 2020	151,024	-1,675	-	149,349

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.