ANNUAL REPORT 2019/20

TRANSFORMING WIRELESS WISDOM INTO SOLUTIONS

TIL ERHVERVSSTYRELSEN

Årsrapport for 2019/20 er fremlagt og godkendt på selskabets ordinære generalforsamling den 28. januar 2021.

Advokat Malene Krogsgaard
Dirigent

RTX A/S, CVR-nr. 17002147
Strømmen 6, 9400 Nørresundby, Danmark

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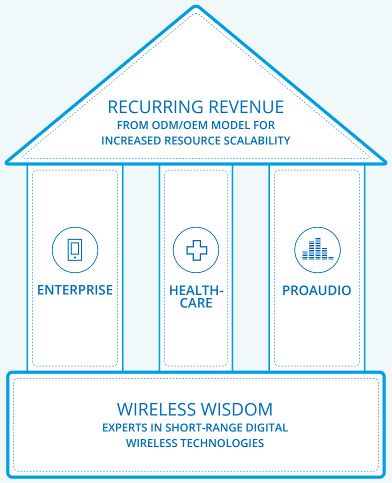


RTX at a Glance

RTX is a global company with +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.

KEY RTX FACTS

294
FTEs at
30 September 2020

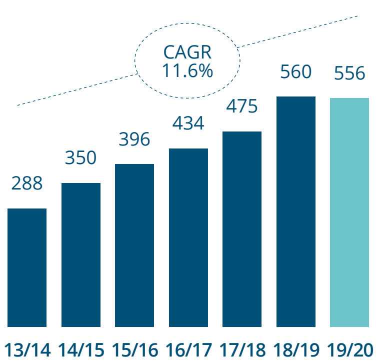
+200
Software and Hardware
specialist FTEs

+2.5M
Full ODM products
delivered in 2019/20

+0.4M
Modules and parts
delivered in 2019/20

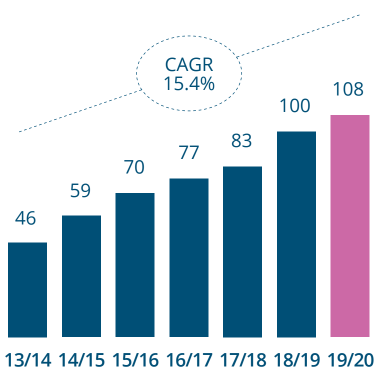
7-YEAR REVENUE

DKK million



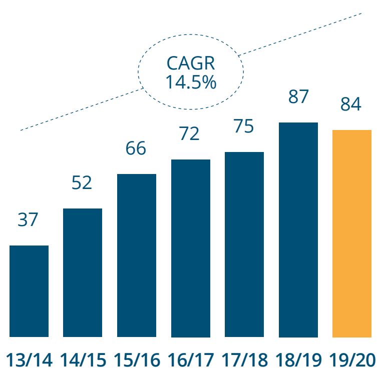
7-YEAR EBITDA

DKK million



7-YEAR EBIT

DKK million



Highlights 2019/20

FINANCIALS

REVENUE	EBITDA MARGIN	EBIT MARGIN	CASH GENERATION (CFFO)
556 DKKm	**19.5%**	**15.0%**	**71 DKKm**
-1%	+1.6 %-POINTS	-0.4 %-POINTS	-34%

SHAREHOLDERS

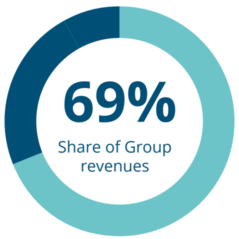
DIVIDENDS PAID	SHARE BUY-BACKS
2.5 DKK/SHARE	**41 DKKm**
+25%	+49%

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG)

ELECTRICITY CONSUMPTION	EMPLOYEE ABSENCE
895 MWh	**1.5%**
-1.6% per FTE	-0.1 %-POINTS

MARKET SEGMENTS

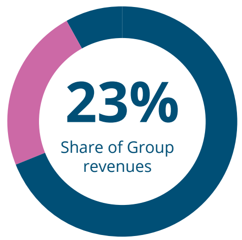
ENTERPRISE



REVENUE
DKK million
382

YoY growth
-1%

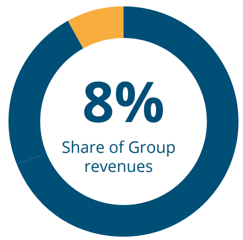
PROAUDIO



REVENUE
DKK million
128

YoY growth
-12%

HEALTHCARE



REVENUE
DKK million
46

YoY growth
+61%

PETER THOSTRUP
Chairman of the Board

PETER RØPKE
President & CEO

DEAR SHAREHOLDER

Managing uncertain times

2019/20 developed quite differently than expected going into the financial year. The COVID-19 pandemic and the countermeasures against the pandemic around the world has resulted in global financial uncertainties which have also had an impact on RTX's markets.

However, RTX's business model remains fundamentally strong and with prudent cost management we managed to end the year with earnings within our original expectations despite lower than expected revenues.

Revenue in 2019/20 reached DKK 556 million which was within the updated outlook for the year, but below the original expectations set out at the beginning of the financial year. Revenue growth was -1%, both reported and FX corrected and all organically. However, despite revenues lower than expected, both EBITDA and EBIT were within the expectations as set out at the beginning of the financial year. EBITDA increased by 8% to DKK 108 million while EBIT decreased slightly to DKK 84 million. Over the course of the financial year, the USD exchange rate decreased, which had a negative impact on financial items, and thus earnings per share (EPS) decreased by 10% to DKK 7.5.

DEMONSTRATING RESILIENCE

During the financial year, the COVID-19 pandemic significantly affected societies and industries globally. Our key priorities throughout the pandemic and its repercussions have been the health and safety of our employees and societies at large, as well as protecting the commercial and financial health of our business. RTX has remained and remains fully operational throughout the pandemic, and we have continued to assist our customers and to focus on the most important development activities both for our customers and internally. At the same time, we have safeguarded the health of our employees globally via a variety of measures.

Our target markets were impacted in different ways by COVID-19 and the resulting global uncertainty. Certain segments were positively affected. Our Healthcare segment – with products for patient monitoring in intensive care units – achieved substantial growth. Also, growing this year were our headset products into the Enterprise segment driven by increase distance working (home office). On the other hand, certain parts of our ProAudio customers and products focused on live events were negatively impacted by the countermeasures against COVID-19 during the year. Within our Enterprise segment our customers maintained solid volume forecasts and orders for our products for a large part of the year. However, towards the end of the year these volume forecasts for Q4 were converted into orders that were smaller than forecasted. Overall, this led to 2019/20 developing quite differently than expected and to lower revenues than initially expected for the year.

Our Business Communications business unit, which targets the Enterprise segment, realized revenue of DKK 382 million – a slight decrease of 1% compared to last year. As mentioned, revenues from Enterprise headsets increased, while revenues from other Enterprise products (handsets and base stations) decreased with lower orders than expected towards the end of the financial year. Over the last years, RTX has continuously increased our market share in the Enterprise handset and base station space with the addition of further framework agreements, and we have supplemented this with our adjacency expansion into Enterprise headsets.

The Design Services business unit, targeting the ProAudio and Healthcare segments, posted revenue of DKK 174 million which is essentially unchanged from last year. In line with our strategy to ensure a stronger scalability we increased recurring revenue from product sales and royalties compared to last year. On the other hand, revenues from pure engineering services declined in line with our strategy. While revenues from the Healthcare segment increased more than expected at the start of the year, the increase from ProAudio product sales was smaller than expected at the start of the year with our productization strategy driving growth but COVID-19 limiting growth in certain sub-segments within ProAudio.

In these times of uncertainty with the COVID-19 pandemic and increased macro-economic volatility, RTX has managed to achieve earnings (EBITDA and EBIT) within the original expectations set out at the beginning of the year. When the first report of a potential global health threat emerged out of China, we began to manage our cost base tightly. We therefore have delayed additional headcount investments and instead redeployed employees internally between projects to maintain full momentum of the most highly prioritized development activities both externally for our framework agreement customers and for our internal development projects. As a result, the total headcount has been stable throughout the year changing from 289 FTEs at the end of last year to 294 FTEs at the end of 2019/20. Further, we have kept various external spend – e.g. on travels, fairs, external assistance etc. – on a relatively low level.

> "The financial year has been quite different from what anybody could expect. However, I believe that the robust earnings performance of RTX in the past year in the face of adverse conditions around the world is a testament to the resilience of our business model, to the dedication of our employees and to our strong cooperation with customers who are global leaders in their respective industries"
>
> Peter Røpke, CEO

We believe that our ability to realize earnings within our originally communicated expectations for the year is a testament to the resilience of RTX's business model, to the dedication of our employees as well as to our ability to work as a team and in close cooperation with our customers also in adverse times.

CONTINUING WITH GROWTH STRATEGY

As always, we have reassessed our growth strategy during the year. We still firmly believe that the uniform business model and go-to-market approach across our three target market segments – Enterprise, ProAudio and Healthcare – that 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.

In line with our strategy we continue to grow recurring revenues from product sales and royalties and decreasing the share of revenues from engineering services. We continue to see significant interest from both existing and potential new customers in deepening and initiating cooperation with RTX to benefit from RTX's wireless capabilities as embodied in our various product platforms. Among many other things, we have continued development activities during the year on the latest two large framework agreements to customers within Enterprise and ProAudio respectively, and we expect to launch the first products under both these agreements during 2020/21.

To support the execution of our growth strategy, we will, during 2020/21, develop our organizational structure moving from two business units, Business Communications and Design Services, into one joint organization still focusing on our three target market segments; Enterprise, ProAudio and Healthcare. We have a uniform business model across the three segments and by also creating a uniform organizational structure we facilitate process improvements and best practice implementation to reap synergies and most efficiently support our customers in the market segments.

DISTRIBUTIONS TO SHAREHOLDERS

For several years, RTX has been able to generate healthy Cash Flows from Operations (CFFO). We also managed to do so in 2019/20. Therefore, we continued to return value to our shareholders both through dividend distribution and share buy-backs during the year. Our ambition is to continue to create value for our shareholders both by investing into our growth strategy and by returning excess cash through a combination of dividends and share buy-back programmes. With the adoption of a new policy for capital structure, we aim for a dividend pay-out ratio of 25-35% and in addition hereto distribute value to our shareholders and make modifications to our capital structure via share buy-backs when deemed appropriate.

Based on the results in 2019/20, the solidity and the cash position of RTX as well as management's expectations for the future, the Board of Directors recommends an unchanged dividend level of DKK 2.50 per share be adopted at the Annual General Meeting in January 2021.

The share buy-back programme of RTX was suspended in March 2020 solely as a precautionary measure due to the global uncertainty created by the COVID-19 and the subsequent lockdowns. However, the Board of Directors has now decided to re-start share buy-backs. The new share buy-back programme will be executed during the period 25 November 2020 to 30 September 2021 for an amount up to DKK 50 million.

LOOKING AHEAD AGAINST THE BACKDROP OF COVID-19

We remain confident in our belief that our strategy will drive continued profitable growth for RTX when looking into the medium and longer term. The potential in the framework agreements we have signed and in the ongoing transition to more recurring revenues remains significant for RTX. However, in the short term the global conditions are expected to continue to be challenging. Therefore, we expect global uncertainty and volatility to continue into the first part of 2020/21 and we also expect this to have an impact on RTX's revenues for the beginning of 2020/21.

For the 2020/21 financial year management therefore expects revenue in the DKK 545-600 million range, EBITDA in the DKK 95-120 million range and EBIT in the DKK 63-90 million range. The ranges around our expectations are wider than in recent years reflecting the increased uncertainty in the global economy and the uncertain future effects of COVID-19. Due to the impact of COVID-19 and due to the launch and ramp under various new and newer framework agreements, we expect both revenues and earnings to be significantly backloaded over the course of 2020/21, and we thus expect especially Q1 2020/21 to be affected with lower than usual revenue and earnings.

The growth expectations for 2020/21 are lower than what we would have expected 8 to 12 months ago. However, given our fundamental belief in our growth strategy, we consider the impact of COVID-19 and the resulting macro-economic volatility to act only as a temporary brake on the growth journey of RTX. In light of this impact we have re-evaluated our long-term financial ambitions, and while we maintain our ambitions we have "parallel shifted" them by one year. Therefore, the end year for our current long-term financial ambitions is now 2022/23 instead of 2021/22. Please refer to our section on "Long Term Financial Ambitions".

We would like to express our gratitude to all our employees who have been working with dedication under new circumstances and in new ways in 2019/20 and have not let these circumstances stand in their way of executing their tasks. We would also like to thank our customers and other stakeholders for the cooperation and support during these times.

PETER THOSTRUP
Chairman

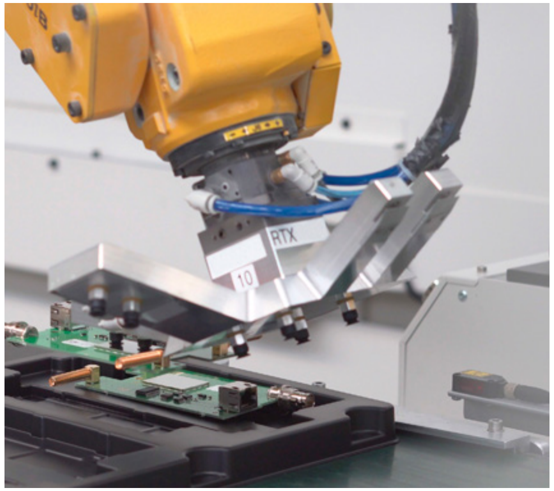
PETER RØPKE
President & CEO

Accomplishments & Results 2019/20

Main Events 2019/20

DELIVERY START OF FULL HEALTHCARE ODM PRODUCT

During 2019/20, RTX has delivered the first full ODM products into the Healthcare segment. RTX has during 2019/20 gradually taken over the supply of a wireless transmission product for our long-standing customer within the Healthcare segment. This has extended our relationship with our customer and the scope of our Healthcare deliveries. From 2020/21, RTX will have taken over deliveries in full as the customer has now closed its own production facility for this product.



PRODUCT DEVELOPMENT FOR PROAUDIO FRAMEWORK AGREEMENT FROM Q4 2018/19

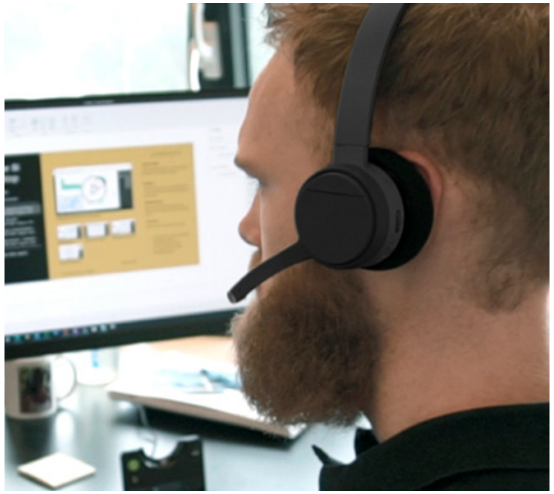
Towards the end of 2018/19, RTX and a large international group signed a framework agreement for the development and delivery of an ODM conference (audio) system. This is an important steppingstone in continuing the development towards recurring revenue through product sales in our ProAudio segment. During 2019/20, development has been ongoing together with our customer and product launch is expected early 2021.

PRODUCT DEVELOPMENT UNDER NEWEST ENTERPRISE FRAMEWORK AGREEMENT

The newest Enterprise ODM framework agreement was entered in Q4 2018/19. It is with a leading global brand in the Enterprise market with very strong sales channels. The products under the agreement covers RTX handsets, base stations and repeaters. During 2019/20, product development activities have kicked off together with the customer and are ongoing. First product launches are expected early 2021.

NEXT-GENERATION HEADSET FROM RTX BEING DEVELOPED

RTX is complementing its range of wired Enterprise headsets with new and state-of-the-art wireless headsets. The wireless headsets will be offered to Enterprise customers on an ODM-basis and will be integrated with other Enterprise products from RTX. This creates a strong value proposition for RTX customers with wireless headsets roaming seamlessly on the base station infrastructure from RTX. The wireless headsets are expected to be launched during the beginning of 2021.



RTX PROAUDIO PRODUCT SOLUTION GAINING TRACTION

The RTX ProAudio product solutions based on the unique Sheerlink™ and Sheersound™ technologies were unveiled early 2019. The dedicated modules provide low cost of entry and shortened time to market for the products of RTX's customers. During 2019/20, the solution has been sold to a number of ProAudio customers, and deliveries have started and are expected to increase in the coming years.

COVID-19 IMPACTING MARKETS AND WAYS OF WORKING

The COVID-19 pandemic has affected societies and industries globally during 2020. RTX's key priorities during the pandemic have been the health and safety of our employees and societies at large, as well as protecting the commercial and financial health of our business. For our employees this meant new ways of working with increased remote (home office) working periods, many virtual meetings and less travel and trade fairs. The pandemic has also impacted some of RTX's target segments. Within ProAudio, products being used for live events have seen decreased demand for parts of the year. Also, some Enterprise customers have been impacted for parts of the year by the COVID-19 countermeasures leading to fewer new installations at end customers. Conversely, the pandemic has caused increased demand for products in the Healthcare segment (products used in intensive care monitoring systems) and for Enterprise Headsets (increased remote working).

2019/20 Performance

RTX delivered on the earnings guidance from the beginning of the year despite revenues being lower than originally expected due to COVID-19 and global financial uncertainty.

REVENUE

RTX Group revenue amounted to DKK 556 million in 2019/20, which was a small decrease of 1% (2018/19: DKK 560 million). FX corrected growth was also -1%. Lockdowns in response to the COVID-19 pandemic and the global macro-economic uncertainty stemming from the pandemic impacted the growth rate and has temporarily slowed RTX's growth journey.

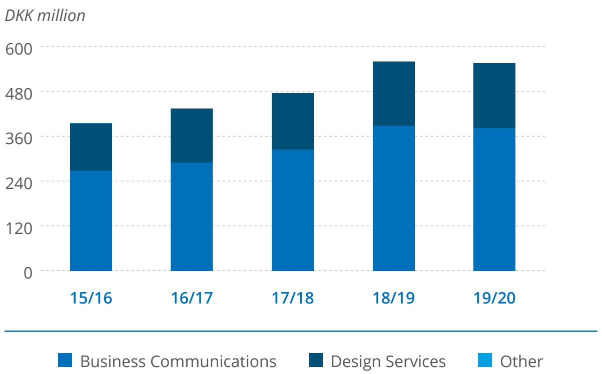
Business Communications, serving the Enterprise market segment, posted revenue of DKK 382 million (2018/19: DKK 387 million), essentially a flat development with a growth of -1%. Revenue from Enterprise headsets, which is a recent adjacency expansion, increased whereas revenue from Enterprise handset and base stations decreased slightly. Aggregate revenue from the five large framework agreements with products in the market increased slightly in the year, while revenue from smaller customers decreased during the year. FX corrected revenue growth was -2%.

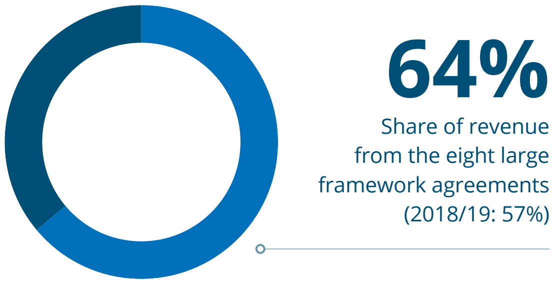
Design Services, serving the ProAudio and Healthcare market segments, realized unchanged revenue of DKK 174 million (2018/19: DKK 174 million). Revenue from the Healthcare segment increased by 61% driven by increased demand for continuous patient monitoring systems and by RTX's strategy to convert product sales into full ODM products thereby capturing a larger share of the value-add in the value chain. Revenue from the ProAudio segment decreased by 12%. ProAudio revenue from engineering services decreased while recurring revenues from product sales and royalties increased in line with RTX's strategy. However, the increase in product sales was smaller than expected at the start of the year due to the effect of COVID-19 on parts of the ProAudio market especially serving live events. Also, FX corrected revenue was unchanged.

GROSS PROFIT

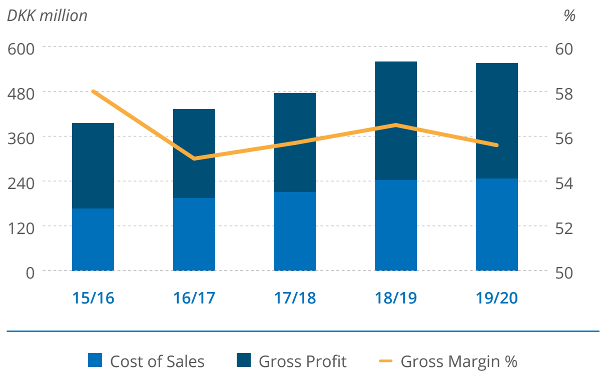
The Group realized gross profit of DKK 309 million in 2019/20 corresponding to a decrease of 2% (2018/19: DKK 317 million). The gross margin amounted to 55.6% in 2019/20 compared to 56.6% last year due to the product mix realized and a lower share of revenue from engineering services. RTX's Supply Chain organization, supported by our R&D departments, continues to focus on achieving cost improvements in costs of goods sold for products in cooperation with our suppliers of Electronic Manufacturing Services.

REVENUE BY SEGMENT





GROSS PROFIT



CAPACITY COSTS

Due to the uncertainty created by the COVID-19 pandemic and with the revenue level thus being below initial expectations, the capacity cost base was managed especially carefully during the year. This led to capacity costs (staff costs and other external expenses) amounting to DKK 230 million in 2019/20 corresponding to a decrease of 2% (2018/19: DKK 233 million). In response to the increased uncertainty additional headcount investments were postponed, and instead employees were redeployed internally to maintain full momentum on the development activities with the highest revenue growth potential for RTX. Therefore, the headcount has been relatively stable throughout 2019/20 and the increase in the average number of FTEs to 292 FTEs in 2019/20 compared to 277 FTEs in 2018/19 is primarily due to the full-year effect of new hires during 2018/19. The number of employees at year-end 2019/20 (including employees hired-in) increased slightly to 294 FTEs (2018/19: 289 FTEs) of which 195 are employed in Denmark (2018/19: 195) and 99 are employed internationally (2018/19: 94).

Additionally, various external spend has been kept at a relatively low level – e.g. travels, fairs, external assistance etc. Finally, capacity costs decreased due to the implementation of IFRS 16 regarding capitalization of leasing costs in 2019/20, which decreases other external costs while increasing depreciations and interest costs (refer to note 1 to the financial statements).

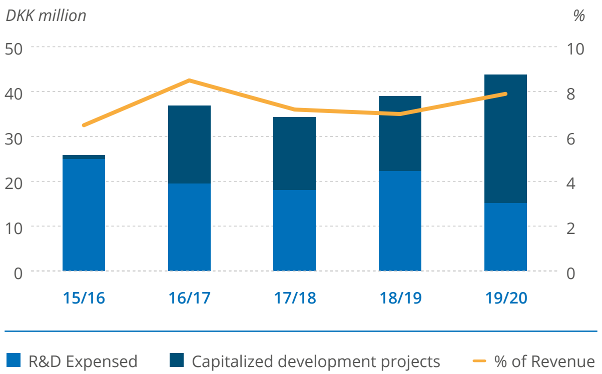
CAPITALIZED DEVELOPMENT PROJECTS, DEPRECIATION AND AMORTIZATION

During the year, RTX continued to invest in Enterprise headsets focusing on wireless models. Moreover, RTX invested in an advanced cloud-based deployment tool for Enterprise products as well as the product platforms in the ProAudio segment for Mics & Stage, Intercom and

FINANCIAL EXPECTATIONS AND RESULTS 2019/20:

DKK million	Realized	Updated guidance 24 Aug 2020	Original guidance 26 Nov 2019
Revenue	556	550-570	620-650
EBITDA	108	105-115	105-120
EBIT	84	80-90	75-90

RESEARCH & DEVELOPMENT COST



FINANCIAL PERFORMANCE 2019/20

556 DKKm

Revenue
(2018/19: 560 DKKm)

19.5%

EBITDA margin
(2018/19: 17.9%)

44 DKKm

Development costs financed by RTX
(2018/19: 39 DKKm)

71 DKKm

CFFO
(2018/19: 108 DKKm)

Conference products and solutions. Thus, RTX realized R&D costs of DKK 44 million in 2019/20 (2018/19: DKK 39 million) of which DKK 29 million were capitalized (2018/19: DKK 17 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. As a result of this strategy, amortization and depreciation increased to DKK 25 million (2018/19: DKK 13 million) of which 12 million were depreciations (2018/19: DKK 6 million) and 13 million were amortizations and impairment (2018/19: DKK 7 million). Depreciation on tangible assets increased as a result of the implementation of IFRS 16 (refer to note 1 to the financial statements).

OPERATING PROFITS – EBITDA & EBIT

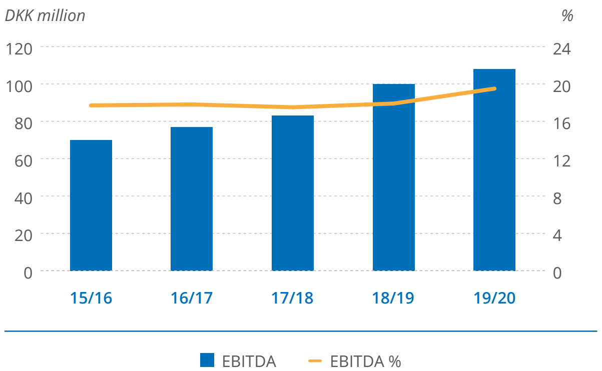
EBITDA increased by 8% to DKK 108 million in 2019/20 (2018/19: DKK 100 million). Compared to last year, EBITDA was positively impacted by lower net capacity costs (i.e. after capitalized development projects) and negatively impacted by lower gross profit. EBIT decreased by 4% to DKK 84 million in 2019/20 (2018/19: DKK 87 million) impacted by increased depreciations due to IFRS 16 (capitalization of leasing costs) and due to increased level of amortization as a result of the increased in-house development of products and product platforms over the latest years. EBITDA is positively impacted by the implementation of IFRS 16 in 2019/20, while EBIT is to a very small degree positively impacted by IFRS 16 implementation (refer to note 1 to the financial statements).

FINANCIAL ITEMS, TAX, NET PROFIT & EPS

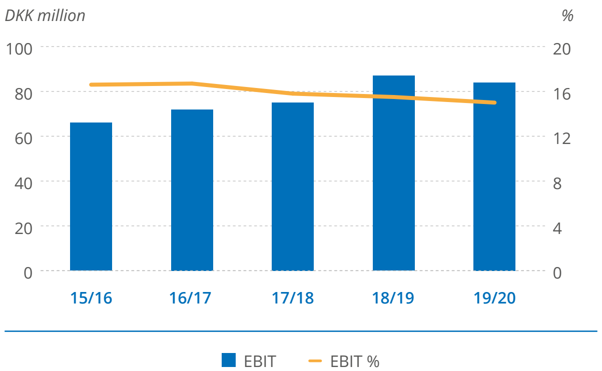
Net financials amounted to an expense of DKK 3 million in 2019/20 compared to an income of DKK 5 million in 2018/19 primarily caused by exchange rate adjustments of balance sheet items due to the weakening of the USD in the financial year (partially counterbalanced by USD-hedging) and by the effects of the implementation of IFRS 16. The effective tax rate for 2019/20 was 21% (2018/19: 22%) with a tax recognition of DKK 17 million compared to DKK 20 million last year. After the effects from deferred taxes, the expected liquidity effects of the tax payment amount to DKK 15 million (2018/19: DKK 10 million).

With the above financial items and taxes recognized, net profit after tax amounted to DKK 63 million (2018/19: DKK 71 million). This net profit translates into Earnings per Share (EPS) of DKK 7.5 in 2019/20 compared to DKK 8.4 last year.

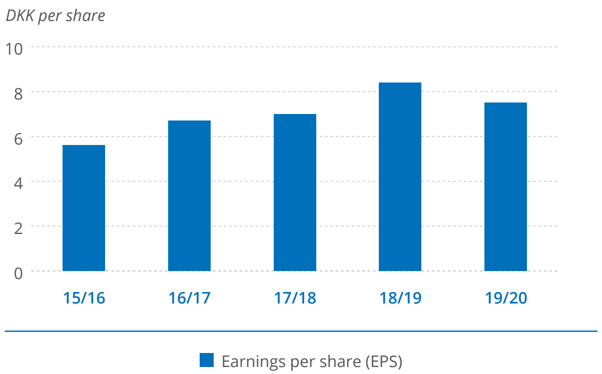
EBITDA & EBITDA-MARGIN



EBIT & EBIT MARGIN



EARNINGS PER SHARE (EPS)



CASH FLOW

RTX continued to realize positive cash flow from operations (CFFO) in 2019/20 with CFFO of DKK 71 million (2018/19: DKK 108 million). The cash flow from operations is positively affected by the solid earnings performance and negatively impacted by working capital fluctuations due to the timing of sales in Q4 of 2019/20.

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 35 million (2018/19: DKK 21 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 for a total amount of DKK 41 million in 2019/20 (2018/19: DKK 27 million).

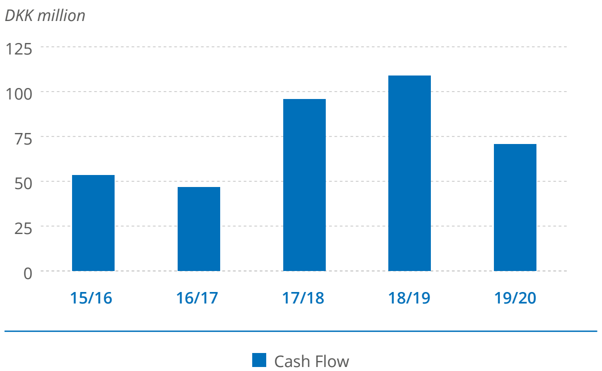
ASSETS, EQUITY AND LIABILITIES

At the end of 2019/20, the Group's total assets amounted to DKK 534 million compared to DKK 463 million at the end of last year primarily due to the implementation of IFRS 16 regarding capitalization of lease costs which has significantly increased tangible assets (refer to note 1 to the financial statements). Further, the increase is due to higher intangible assets with larger capitalized development projects, and due to higher receivables at year-end caused by the timing of sales towards year-end compared to last year.

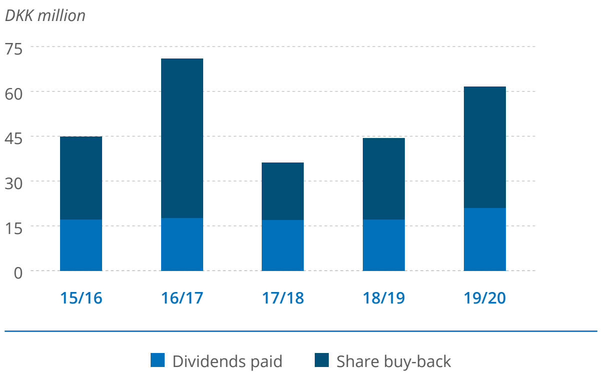
Total equity was DKK 352 million at the end of 2019/20 (2018/19: DKK 347 million) corresponding to an equity ratio of 66% (2018/19: 75%). Equity is positively impacted by the solid earnings and negatively impacted by shareholder-related activities from dividend distribution and share buy-back programmes. The Group's liabilities have increased with the implementation of IFRS 16 as a lease debt is now calculated ("lease liabilities") and added to liabilities. The Group's return on invested capital (ROIC) was 54% in 2019/20 compared to 75% in 2018/19 and decreases due to the implementation of IFRS 16.

The Group's total net liquidity position (total cash funds plus current securities less bank debt) decreased to DKK 195 million at the end of 2019/20 (2018/19: DKK 227 million) positively impacted by cash generated from operations and negatively by investments and distributions to shareholders via dividends and share buy-back. RTX thus continues to have a strong balance sheet and cash position.

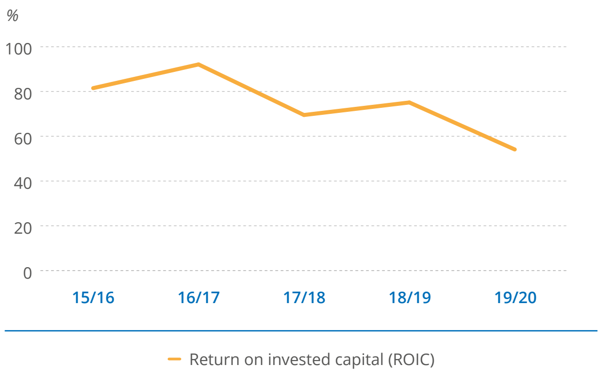
CASH FLOW FROM OPERATIONS (CFFO)



DISTRIBUTIONS TO SHAREHOLDERS



RETURN ON INVESTED CAPITAL (ROIC)



Financial Highlights for the Group

Amounts in DKK million	2019/20	2018/19	2017/18	2016/17	2015/16
INCOME STATEMENT ITEMS					
Revenue	555.9	560.3	475.3	433.5	395.6
Gross Profit	309.3	316.9	264.8	238.5	229.4
EBITDA	108.2	100.2	83.1	77.2	70.0
EBITDA %	19.5%	17.9%	17.5%	17.8%	17.7%
Operating profit/loss (EBIT)	83.6	86.7	74.9	72.3	65.8
Net financials	-3.4	4.6	1.4	-1.9	2.7
Profit/loss before tax	80.2	91.3	76.3	70.4	68.5
Profit/loss for the year	63.1	71.4	60.0	58.2	49.5
BALANCE SHEET ITEMS					
Cash and current asset investments	194.8	226.7	182.6	151.3	202.5
Total assets	533.6	463.3	422.7	353.0	355.4
Equity	352.2	347.4	312.0	283.0	280.6
Liabilities	181.4	115.8	110.7	70.0	74.9
OTHER KEY FIGURES					
Development cost financed by RTX before capitalization	43.8	39.0	34.3	36.9	25.9
Capitalized development cost	28.7	16.8	16.3	17.4	1.0
Depreciation, amortization and impairment	24.6	13.5	8.3	4.9	4.2
Cash flow from operations	70.6	107.7	95.7	46.7	53.4
Cash flow from investments	-37.1	-52.4	-29.2	-37.0	24.4
Investment in property, plant and equipment	7.9	5.4	8.4	8.9	5.8
Increase/decrease in cash and cash equivalents	-33.7	10.9	30.3	-61.4	27.9

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.

Amounts in DKK million	2019/20	2018/19	2017/18	2016/17	2015/16
KEY RATIOS					
Growth in net turnover (percentage)	-0.8	17.9	9.7	9.6	13.2
Profit margin (percentage)	15.0	15.5	15.7	16.7	16.6
Return on invested capital[1)] (percentage)	54.1	75.1	69.5	92.1	81.5
Return on equity (percentage)	18.1	21.6	20.2	20.7	18.1
Equity ratio	66.0	75.0	73.8	80.2	78.9
EMPLOYMENT					
Average number of full-time employees	292	277	246	227	193
Average number of FTE employed directly	264	253	226	207	178
Revenue per employee (DKK '000)	1,904	2,023	1,932	1,910	2,050
Operating profit per employee (DKK '000)	286	313	304	318	341
SHARES (NUMBER OF SHARES IN THOUSANDS)					
Average number of shares in distribution	8,376	8,545	8,556	8,735	8,809
Average number of diluted shares	8,503	8,633	8,691	8,916	9,014
SHARE DATA, DKK PER SHARE AT DKK 5					
Profit/loss for the year (EPS), per share	7.5	8.4	7.0	6.7	5.6
Profit/loss for the year, diluted (DEPS), per share	7.4	8.3	6.9	6.5	5.5
Dividends, per share	2.5	2.5	2.0	2.0	2.0
Equity value, per share	42.2	41.0	36.4	32.9	31.6
Listed price, per share	216.0	164.0	179.6	180.0	113.0

1) Return on invested capital regarding 2015/16 and 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 90.

Q4 Performance

A solid performance but impacted by actual orders towards year-end being below customer forecasts.

REVENUE

RTX realized revenues of DKK 156.4 million in Q4 2019/20 – largely on par with last year with a growth rate of -0.4% (Q4 2018/19: DKK 157.0 million). However, FX corrected revenue growth in Q4 was positive with a growth rate of 4.5% compared to last year as revenues were impacted by the weakening of USD during the quarter.

Business Communications posted revenue of DKK 104.0 million in Q4 2019/20 corresponding to a decrease of 9.9% compared to last year (Q4 2018/19: DKK 115.5 million). Compared to last year sales of Enterprise headsets contributed positively to the growth in Q4, while revenue from other Enterprise products declined due to end of year orders from customers being lower than previously forecasted by customers as a result of the economic impact of COVID-19 and countermeasures against COVID-19. FX corrected revenue growth in Q4 was -5.1%.

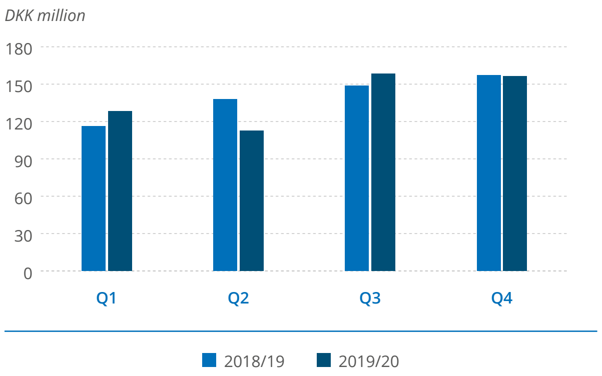
Design Services achieved strong revenue growth of 25.9% in Q4 2019/20 to DKK 52.3 million (Q4 2018/19: DKK 41.6 million). In line with the strategy, the growth is driven by recurring revenues from product sales especially in the Healthcare segment (continuous patient monitoring), but also by product sales in the ProAudio segment. Revenues from engineering services decreased compared to last year. FX corrected revenue growth was 31.2%.

GROSS PROFIT AND EARNINGS

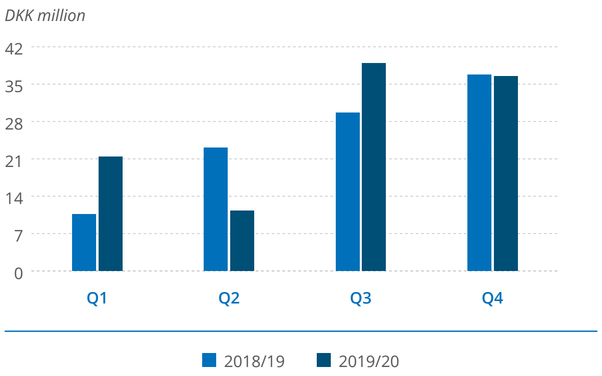
With a revenue mix where the share of product sales increased compared to last year, gross profit decreased to DKK 81.6 million in Q4 2019/20 (Q4 2018/19: DKK 87.9 million) corresponding to a gross margin of 52.2% (Q4 2018/19: 56.0%).

Capacity costs in Q4 amounted to DKK 53.3 million compared to DKK 53.5 million in Q4 2018/19. In light of the uncertainty created by the COVID-19 pandemic, RTX has managed costs prudently in the quarter and avoided planned headcount investments and instead redeployed resources internally to maintain full focus on the develop-

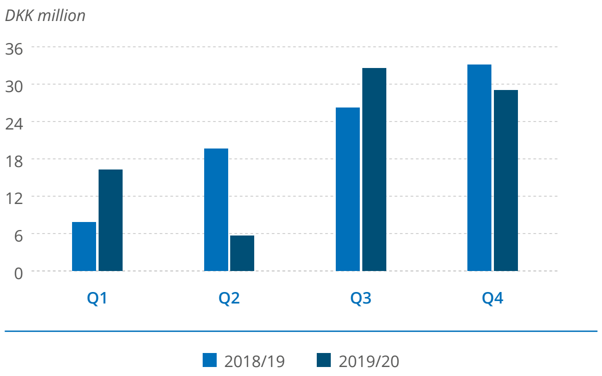
REVENUE BY QUARTER



EBITDA BY QUARTER



EBIT BY QUARTER



ment projects with the highest priority both for customers and internally.

The Group capitalized development costs of DKK 8.2 million in Q4 2019/20 primarily from the wireless Enterprise headset range and from ProAudio product platforms. The implementation of IFRS 16 regarding capitalization of lease costs decreased capacity costs ("other external costs") compared to last year - as elaborated in note 1 to the financial statements.

EBITDA reached DKK 36.5 million in Q4 2019/20 corresponding to a decrease of 1.0% compared to last year (Q4 2018/19: DKK 36.9 million). Due to the investments in RTX's own products and platforms over the last years, and due to the implementation of IFRS 16, depreciations and amortization increased to DKK 7.5 million (Q4 2018/19: DKK 3.8 million) including a smaller impairment charge (DKK 0.7 million) on a capitalized development project due to COVID-19 caused postponements on product test and launch. EBIT reached DKK 29.0 million in Q4 2019/20 (Q4 2018/19: DKK 33.1 million) and was to a limited degree positively impacted by the implementation of IFRS 16. Profit before tax amounted to DKK 29.7 million in Q4 2019/20 compared to DKK 35.7 million in Q4 2018/19 and was marginally negatively impacted by the implementation of IFRS 16.

CASH FLOW

RTX generated cash flow from operations (CFFO) of DKK -7.8 million in Q4 2019/20 (Q4 2018/19: DKK 45.2 million). The cash generation was impacted by the solid earnings in the quarter, however negatively impacted by working capital fluctuations where receivables increased over the quarter and compared to last year, as a relatively high share of the revenue in the quarter was realized in the last month of the quarter (September). The Group continues to have a very strong liquidity as total cash funds and current securities less bank debt amounted to DKK 194.8 million at the end of Q4 2019/20 (Q4 2018/19: DKK 226.7 million) and was positively impacted by the earnings generated while negatively impacted by working capital fluctuations and investments into development projects and secondarily in physical assets.

Q4 FINANCIAL HIGHLIGHTS

Amounts in DKK million	Q4 2019/20	Q4 2018/19
INCOME STATEMENT ITEMS		
Revenue	156.4	157.0
Gross Profit	81.6	87.9
EBITDA	36.5	36.9
EBITDA %	23.3%	23.5%
Operating profit/loss (EBIT)	29.0	33.1
Net financials	0.7	2.7
Profit/loss before tax	29.7	35.7
Profit/loss for the year	23.8	27.6
OTHER KEY FIGURES		
Development cost financed by RTX before capitalization	8.9	9.7
Capitalized development cost	8.2	2.5
Depreciation, amortization and impairment	7.5	3.8
Cash flow from operations	-7.8	45.2
Cash flow from investments	-9.2	-1.9
Investment in property, plant and equipment	1.4	1.7
Increase/decrease in cash and cash equivalents	-18.4	36.2

Outlook 2020/21 & Ambitions

Outlook 2020/21

With a robust growth strategy but increased macroeconomic global volatility, RTX expects limited revenue and EBITDA development in 2020/21. However, uncertainty regarding actual developments are higher than in previous years.

MARKET DEVELOPMENTS AND REVENUE OUTLOOK

Based on a robust strategy to generate recurring revenues via long-term customer relationships through framework agreements, and on the effect of the ramp of newer framework agreements in the Enterprise and ProAudio segments, the underlying direction of RTX continues to be on a growth track. However, in the near-term the increased global uncertainty caused by the COVID-19 pandemic is expected to impact 2020/21 and it also creates increased uncertainty around the market developments and thus around the revenue outlook in 2020/21. COVID-19 may have an impact on end customers' (i.e. the customers of RTX's customers) willingness to invest in general, and it may impact the part of the ProAudio segment driven by live events. Further, any lockdowns or severe travel restrictions may impact the ability of RTX's customers to install new communication solutions at end customers (especially relevant in the Enterprise segment), and it may impact global supply chains and the flow of goods causing delays in deliveries.

Given the underlying growth from RTX's strategic direction and framework agreements as well as the global uncertainty due to COVID-19, a revenue outlook of DKK 545-600 million for 2020/21 is expected. The outlook assumes that the impact of COVID-19 on global markets will gradually decrease over the financial year and thus that any extensive lockdowns affecting major European and North American markets cease during Q2 of 2020/21. Also, the outlook is based on continued stable supply chains and global flows of goods. Further, the outlook is based on the current global political and macro-economic environment and on current FX rates, in particular the USD/DKK exchange rate. The use of currency (USD) hedging of balance sheet exposures and future cash flows is described in note 10 to the financial statements.

As the global macroeconomic impact from COVID-19 is expected to be strongest in the beginning of 2020/21, and as product deliveries from the newest Enterprise and ProAudio framework agreements are expected to begin from Q2, the revenue and earnings distribution over 2020/21 is expected to be significantly backloaded towards the second half of the year. Especially, Q1 is expected to be impacted with significantly lower revenues and earnings than in recent years.

EARNINGS OUTLOOK

With the continued high global uncertainty leading to a more uncertain revenue outlook, RTX expects to continue a cautious cost management in 2020/21, and with a focus on the development activities with the highest revenue growth potential for RTX. The investments in RTX platforms and products via capitalized R&D costs over the last years are expected to lead to increased amortizations which are expected to impact EBIT in 2019/20. Thus, EBITDA in 2020/21 is expected between DKK 95-120 million and EBIT in 2020/21 is expected between DKK 63-90 million.

The outlook for EBITDA and EBIT is based on the assumptions mentioned for the revenue outlook. Also, as detailed under the revenue outlook, earnings are expected to be backloaded towards the end of the year.

OUTLOOK 2020/21, RANGE OVERVIEW

DKK million	LOW	HIGH
REVENUE	**545**	**600**
EBITDA	**95**	**120**
EBIT	**63**	**90**

ANNUAL IMPACT ON OPERATING PROFIT OF A 5% INCREASE ON CURRENCY

Key currencies	DKK MILLION
USD	**13**
EUR	**2**
HKD	**-2**

FINANCIAL CALENDAR 2020/21

Q1 2020/21 & AGM	28 January 2021
Q2 2020/21	27 April 2021
Q3 2020/21	24 August 2021
ANNUAL REPORT 2020/21 INCL. Q4	30 November 2021

Long-Term Financial Ambitions

The growth strategy of RTX is expected to lead to continued profitable growth, however, current macroeconomic volatility causes a "parallel shift" of the ambitions by one year.

THE AMBITIONS AND CURRENT MACROECONOMIC CLIMATE

In last year's Annual Report for 2018/19, RTX announced long-term financial ambitions for growth and earnings for the three-year period from the end of 2018/19 up until and including the financial year 2021/22. While RTX's growth strategy with increased recurring revenue from an increasing number of large ODM-type framework agreements remains intact, the global economic volatility and uncertainty caused by the COVID-19 pandemic impacts the time frame for realizing the ambitions. Therefore, the ambitions remain unchanged, however, the last year of the ambitions is now the financial year 2022/23 – i.e. a "parallel shift" of the ambitions of one year.

ORGANIC REVENUE GROWTH

AVERAGE OF 13-16% P.A. UNTIL 2022/23

EBITDA MARGIN

18-20% BY 2022/23

ORGANIC REVENUE GROWTH

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 new framework agreements, it is the ambition of RTX to grow revenues organically by an average of 13-16% p.a. in the period from 2019/20 up to and including financial year 2022/23.

EARNINGS (EBITDA MARGIN)

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 realize an EBITDA margin of 18-20% by the completion of fiscal year 2022/23.

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 COVID-19 and the resulting global economic consequences will be impacting only the financial year 2020/21. The ambitions are also based on stable raw material prices and supply chain performance and availability. Further, note that the long-term financial ambitions are on average until / by 2022/23 and that growth rates and margins realized in the interim years may vary from year to year.

FORWARD LOOKING STATEMENTS

This Annual Report contains statements regarding expectations for the future development of RTX, in particular the direction of future product development, future revenue, earnings 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 causing deviations between actual results and expectations 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, fluctuations in sub-contractor supplies as well as legislative and/or regulatory changes.

Our Business

RTX Business Model

RTX's unique core capabilities – our *Wireless Wisdom* – are deployed across multiple attractive B2B target markets via an ODM/OEM model. This secures recurring revenue, increased resource scalability and ultimately profitable growth.

LEVERAGE EFFECT FOR PROFITABLE GROWTH

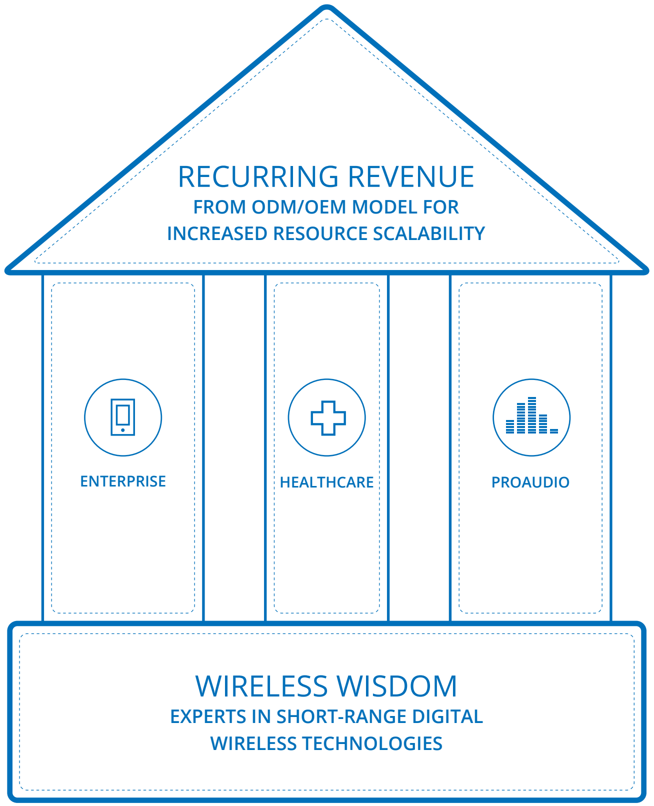
By increasing product sales to large customers, through framework agreements, we are able to increase recurring revenues and strengthen resource scalability. The tried and tested ODM/OEM model originated in Enterprise was later adapted in Healthcare and is now also the focus in ProAudio.

DEPLOYMENT IN ATTRACTIVE B2B TARGET MARKETS

Taking a customer-centric approach, 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 more than 25 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

At RTX, we start by truly understanding customer requirements and user needs. This is accomplished by focusing on the 'why' and not only the 'what'. We combine this insight with our wireless know-how into a Product Requirement Specification. Our engineering teams then design the optimal solution based on a combination of software, hardware and mechanics. Combined with our list of patented solutions and in-house developed protocols, we ensure our customers a compelling result.

DEVELOPMENT AND INTEGRATION

In close collaboration with our customers, following agile development practices, we develop prototypes to evaluate system performance in-house. We build on our extensive wireless and audio capabilities and integrate each design at system level so that every component and sub-system works perfectly, evaluating performance against test cases for the fully integrated system.

TESTING AND CERTIFICATION

Based on years of experience, our in-house pre-test services reduce time to market and decrease approval and certification costs for our customers. If required, we can also handle the full type approval service for our customers.

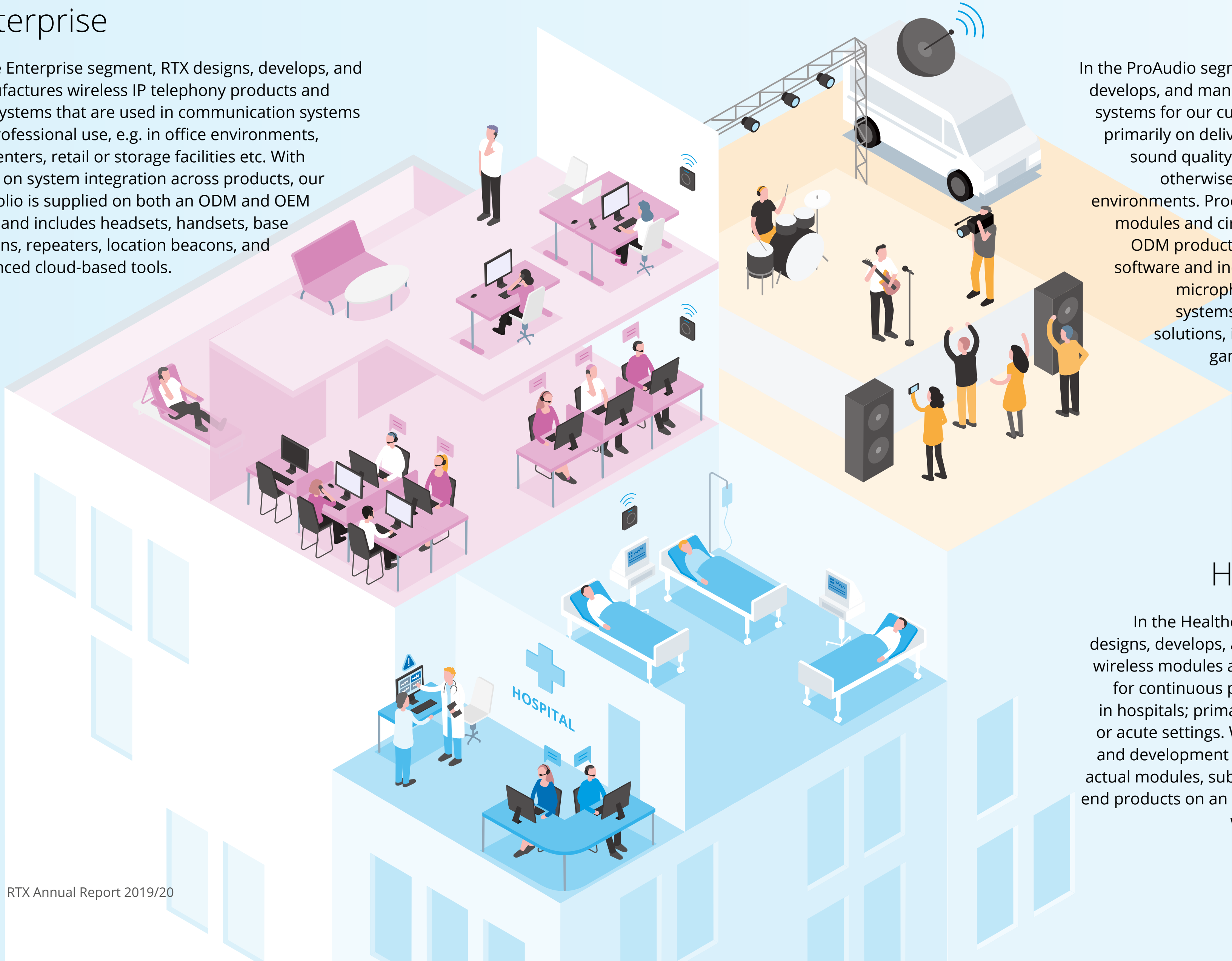
PRODUCTION AND SUPPLY CHAIN MANAGEMENT

Using a well-established network of ISO9001, SO14001, ISO13485, TS16949 and AS9100 certified manufacturers, we guarantee production through the entire product life-cycle.

Our Market Segments

Enterprise

In the Enterprise segment, RTX designs, develops, and manufactures wireless IP telephony products and sub-systems that are used in communication systems for professional use, e.g. in office environments, call centers, retail or storage facilities etc. With focus on system integration across products, our portfolio is supplied on both an ODM and OEM basis and includes headsets, handsets, base stations, repeaters, location beacons, and advanced cloud-based tools.



ProAudio

In the ProAudio segment, RTX designs, develops, and manufactures wireless systems for our customers; focusing primarily on delivering outstanding sound quality in high-density or otherwise challenging radio environments. Products ranges from modules and circuit boards to full ODM products all featuring RTX software and include e.g. wireless microphones, conference systems, content creating solutions, intercom systems, gaming products etc.

Healthcare

In the Healthcare segment, RTX designs, develops, and manufactures wireless modules and products used for continuous patient monitoring in hospitals; primarily in critical care or acute settings. We provide design and development support as well as actual modules, sub-components and end products on an ODM basis for the wireless solutions.

Strategic Priorities

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; to continue to gain share and drive market consolidation. Via our pure play ODM/OEM model, and with focus on system integration as competitive advantage, we benefit from customer outsourcing, which ensures recurring revenue via long-term framework agreements with large customers. The unique system integration across RTX products in the Enterprise space benefits our customers and their end-users.

RTX will leverage our Enterprise leadership position and our system integration approach to increase share-of-wallet via selected Enterprise adjacencies, e.g. B2B headsets or other IP telephony-related products, solutions and sub-systems.

UTILIZE UNIQUE POSITION IN PROAUDIO

By deploying RTX's vast knowledge and experience from developing wireless solutions for professional audio applications, we want to lead the transition to digital wireless in pro audio markets and leverage our unique technology into recurring revenue.

This is done by refining and productizing our existing technology base into a flexible technology platform (e.g. Sheerlink™ and Sheersound™) with dedicated RTX modules and 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 as we move from engineering hours to recurring revenue via framework agreements.

STRENGTHEN POSITION WITHIN 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: 1) Continued expansion of our existing centralized continuous patient monitoring business, including increased share-of-wallet with our long-term blue-chip healthcare customer. 2) Expanding share of value chain via broadened portfolio and increased production of subassemblies. 3) Expansion into decentralized continuous patient monitoring.

CONTINUOUS IMPROVEMENT IN 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 market segments: Enterprise, ProAudio and Healthcare.

We are making our structure and processes more scalable. During 2020/21, we will move from two business units into one joint organization still focusing on our three segments. We have a uniform business model working with customers on an ODM/OEM basis across our three segments, and by streamlining our organizational structure we can ensure better customer support, reap synergies and facilitate process improvements through a uniform RTX structure.

Leveraging this uniform structure, we will further strengthen our functions incl. Commercial, R&D, Supply Chain, etc. to most efficiently support our three market segments and ultimately our customers. Our Corporate Technology Office (CTO) will also be further strengthened as technological competencies and innovation are the core of RTX.

BUSINESS COMMUNICATIONS

Enterprise

OUR BUSINESS

In Enterprise RTX designs, develops, and supplies wireless IP telephony products and sub-systems that are used in communication systems for professional use, e.g. in office environments, call centers, retail or storage facilities etc. Our portfolio includes headsets, handsets, base stations (both multi-cell, dual-cell, and single-cell), repeaters for PBX systems and VoIP solutions, location beacons, and advanced cloud-based deployment, monitoring, tracking and administration tools.

Our wireless IP telephony solutions are supplied on both an ODM and an OEM / white label basis and our customers are primarily large global suppliers of integrated PBX and telephony systems; both on-premise and cloud based. We are the market leader and master a mix of technologies and functionalities, which enable our partners the flexibility to supply the optimal feature mix to each of their individual customer segments. By continuously providing new software features, we enable our partners to maximize product lifetime.

2019/20 HIGHLIGHTS

During 2019/20 we kicked off product development activities, related to the new Enterprise ODM framework agreement entered in Q4 2018/19. Our customer is a leading global brand with very strong sales channels. Products include handsets, base stations and repeaters, and first product launches are expected early in 2021. Additionally, RTX worked on complementing its range of wired Enterprise headsets with new and state-of-the-art wireless headsets. The wireless headsets will be offered to Enterprise customers on an ODM-basis and will be integrated with other Enterprise products from RTX. This creates a strong value proposition for RTX customers with wireless headsets roaming seamlessly on the base station infrastructure from RTX. The wireless headsets are expected to be launched during the beginning of 2021.

Enterprise customers have been impacted for parts of the year by the COVID-19 countermeasures leading to restricted access to end customer sites and thus to fewer new installations at end customers. Conversely, the pandemic has caused increased demand for Enterprise headsets (increased remote working). We expect these temporary trends to continue into the first part of 2020/21.

MARKET TRENDS

Within the global professional enterprise communications market, different communications endpoints are used depending on end-user needs; including handsets and headsets, which over time have been replacing the more traditional corded office desktop phones.

For wireless handsets, the total global professional market is estimated at more than USD 750 million (according to Frost & Sullivan) or more than 3 million DECT, IP DECT, and VoWLAN/Wi-Fi handset annually. DECT technology remains the growth area in handsets, in part due to superior performance regarding talk time and handover compared to Wi-Fi/VoWLAN, but also due to attractive price compared to cellular and superior security compared to both. Frost & Sullivan expect the global enterprise DECT handset market to grow, on average, 3% p.a. from 2019 to 2022. We are seeing additional upside in DECT, primarily large players (on the customer side) in the USA, which traditionally has been a Wi-Fi/VoWLAN focused enterprise market. 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 2019, RTX was the largest manufacturer of multi-cellular handsets with a share of 21% (according to MZA) and the share has continued to grow year-on-year for several years.

For headsets, the total global professional market is estimated at plus 1 USD billion (according to Frost & Sullivan) or more than 20 million headsets annually; when including both wireless and corded headsets. Frost & Sullivan expect the global professional headset market to show annual growth of more than 10% from 2019 to 2022 – with growth for both wireless and corded. Key growth drivers include the continued growth of software-based business communications and collaboration services – temporarily accelerated due to COVID-19 induced increase in work-from-home (WFH) – and the growing demand for wireless connectivity. The increasing activity within the professional headset market constitutes an ODM/OEM opportunity for RTX, as more and more enterprise communications providers are evaluating ODM/OEM opportunities to sell professional headset products under their own name and branding with outsourced development and production of the headsets.

RTX STRATEGY IN ENTERPRISE

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

Via our pure play ODM/OEM 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 customers. The unique system integration across RTX products in the Enterprise space benefits our customers and their end-users. 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.

Additionally, RTX will leverage our Enterprise leadership position and sector expertise together with our system integration approach to increase share-of-wallet via selected Enterprise adjacencies, e.g. B2B headsets or other IP telephony-related products, solutions and sub-systems.

DESIGN SERVICES

ProAudio

OUR BUSINESS

For ProAudio, our primary focus remains the business model transition to a model with a higher share of recurring revenue; product sales and royalty. We design, develop, and manufacture wireless systems for our customers. Products ranges from modules, circuit boards to full ODM products all featuring RTX software.

RTX ProAudio consists of three different application areas: Microphones & Stage, Intercom and Gaming. Our offerings share technology platforms across markets; platforms which enable unparalleled wireless performance for RTX customers and their end-users. Our primary target areas for growth are Mics & Stage and Intercom while Gaming is a supporting area building upon existing technology.

Mics & Stage: RTX works with the leading global professional audio brands; including 80% of the high-end professional microphone manufacturers. Focus includes connectivity of products such as microphones, instruments, mixers, speakers etc. as well as professional audio applications such as monitoring systems, conference systems and content creation solutions for journalists/vloggers/streamers; e.g. for YouTube videos.

Intercom: RTX works with the leading intercom system providers globally. System types include access/entry systems used in buildings, quick service systems used in restaurants, standalone systems for e.g. construction sites or the hospitality industry, and more complex matrix systems for e.g. TV productions, large sporting events etc.

Gaming: RTX provides a wireless transmission solution used in wireless gaming headsets, controllers, mice, and keyboards etc. The solution circumvents the typical wireless challenges in gaming, such as latency / delayed audio, poor microphone audio, inadequate use-time on the battery and need for robustness against interferences like Wi-Fi, Bluetooth and microwaves.

2019/20 HIGHLIGHTS

Our focus has been the continued transition to a recurring revenue model. The transition has progressed solidly against plans with a strong product platform and customer pipeline. Thus, recurring revenue from product sales and royalties has increased. Due to temporary impact from COVID-19 pandemic and countermeasures the increase in recurring revenue was not sufficiently large to offset the expected decrease in revenue from pure engineering services. This was partly driven by Mics & Stage where the impact was quite asymmetric. Live events were, for the most part, severely impacted; a temporary trend we expect to continue into the first part of 2020/21. At the same time there was solid traction in the content creation space from both journalists/vloggers/streamers as well as performers seeking to maintain contact with their audience and fan base.

The RTX ProAudio product solutions based on the unique Sheerlink™ technology were launched in early 2019 and is gaining traction. The dedicated modules provide low cost of entry and shortened time to market for the products of RTX's customers. During 2019/20, the solution has been sold to several ProAudio customers and deliveries have started and are expected to increase in the coming years to both existing and new customers.

During 2019/20 there has also been ongoing product development, in collaboration with our customer, related to the ProAudio ODM framework agreement entered in Q4 2018/19. The customer is a large international Group and the scope is development and delivery of an ODM conference (audio) system. With product launch expected in early 2021, this is an importing steppingstone in continuing the development towards recurring revenue through product sales in our ProAudio segment.

MARKET TRENDS

All the RTX ProAudio application areas – Mics & Stage, Intercom, and Gaming have sizable and growing wireless shares.

Mics & Stage is an attractive segment for RTX due to the ongoing transition from analog to digital wireless. This is partly driven by regulatory changes related to spectrum allocation, heightened requirements to robustness and security, and increasing volume and complexity of live performance; though the latter is temporarily impacted by COVID-19 countermeasures. Annual sales of professional wireless microphones are estimated at approximately 2 million microphones globally (according to Arizton), representing a significant RTX growth opportunity. Further, there is significant additional market potential beyond microphones; including instruments, DJ products etc. where wireless transmission is relevant.

The global intercom market is estimated at approximately 6 USDbn of which more than half is wireless. Overall growth expectations are modest single digits, but growth rates are expected to be higher for wireless systems than wired systems and the substantial size of the market constitutes a significant RTX growth opportunity.

RTX STRATEGY IN PROAUDIO

By deploying RTX's vast knowledge and experience from developing wireless solutions for professional audio applications, we want to lead the transition to digital wireless in pro audio markets and leverage our unique technology into recurring revenue.

This is done by refining and productizing our existing technology base into a flexible technology platform (e.g. Sheerlink™ and Sheersound™) with dedicated RTX modules and 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 as we move from engineering hours to recurring revenue via framework agreements.

DESIGN SERVICES

Healthcare

OUR BUSINESS

Healthcare, and in particular critical care, has special wireless requirements: medical frequency bands constitutes restrictions, there is a need for ultra-reliable transmission when human health or life is at stake, there can be need for high spectral efficiency, and there are compliance and approval requirements (e.g. FDA, HIPAA etc.). For years, RTX has leveraged its core competences in Radio Frequency (RF) - like spurious free frequency conversion – to deliver reliable solutions that fits the unique needs and restrictions within healthcare.

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.

2019/20 HIGHLIGHTS

RTX has delivered the first full ODM products into the Healthcare segment. During the year, RTX has gradually taken over the supply of a wireless transmission product for our long-standing customer within the Healthcare segment. This has extended our relationship with our customer and the scope of our healthcare deliveries. From 2020/21, RTX will have taken over deliveries in full as the customer has now closed its own production facility for this product.

The COVID-19 pandemic has affected societies and industries globally during 2020. While many industries saw decreased demand due to COVID-19 countermeasures, the pandemic has resulted in increased demand for products in the Healthcare segment, including products used in intensive care monitoring systems. Near-term, we therefore saw a temporary lift in demand and required special focus and efforts to help support our customer meet immediate market demands. In the long-term, we expect COVID-19 to accelerate the already ongoing transition to telemedicine and more monitoring.

MARKET TRENDS

The Healthcare market depends on new technologies, digital and wireless, to increase efficiency and keep up with demand. Simultaneously, the pressure to reduce healthcare costs and prove value remains intense. This includes, for instance, efficient use of resources, shift in focus from procedures towards outcomes (also referred to as value-based healthcare), and increasing focus on virtual healthcare / telemedicine – all to help drive cost efficiency. These developments in turn drive the need for new technology, e.g. networked medical devices (mobile, wearing external, implantable), remote care system, identification systems etc.

The continuous patient monitor market is estimated at more than 1.5 million in units and 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 1⁄3 of the units and 2⁄3 of the value. Decentralized systems are typically used for post-acute bedside ambulatory, home patient, small and field hospital installation and constitute approximately 2⁄3 of the units and 1⁄3 of the value. Both sub-markets are growing and in particular demand for decentralized systems is growing.

Presently, 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 STRATEGY 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: 1) Continued expansion of our existing centralized continuous patient monitoring business, including increased share-of-wallet with our long-term blue-chip healthcare customer. 2) Expanding share of value chain via broadened portfolio and increased production of subassemblies. 3) Expansion into decentralized continuous patient monitoring.

Key Achievements

1993
FOUNDED

1994
First DECT phone prototype

1998
Complete Bluetooth IP

1999
Revenue reached
DKK 100 MILLION

2000
NASDAQ OMX
listed

2002
ISO 9001 certified in Denmark

2004
San Diego USA office

2006
Hong Kong office

2010
Major Enterprise
FRAMEWORK AGREEMENT

2012
Qualcomm Authorized Design Center

2016
RTX reached
200 FTEs

2017
ISO 9001 certified globally

2018
Further large Enterprise
FRAMEWORK AGREEMENTS

2019
ProAudio product platform introduced

2019
Revenue surpassed
DKK 500 MILLION
EBITDA
DKK 100 MILLION

2019
Latest new Enterprise
FRAMEWORK AGREEMENT

2019
ProAudio framework agreement

2020
FULL HEALTH-CARE ODM
product delivery start

Corporate Management

Risk Management

As RTX operates in dynamic and innovative business environments, the Board of Directors and management believe it is key to monitor, manage and mitigate risks – especially in a year as turbulent as 2020.

Conducting RTX's business involves various technological, commercial and financial risks, which potentially could have a negative impact on our ability to perform according to plans. However, through our risk management process, RTX is prepared to navigate in a dynamic risk environment.

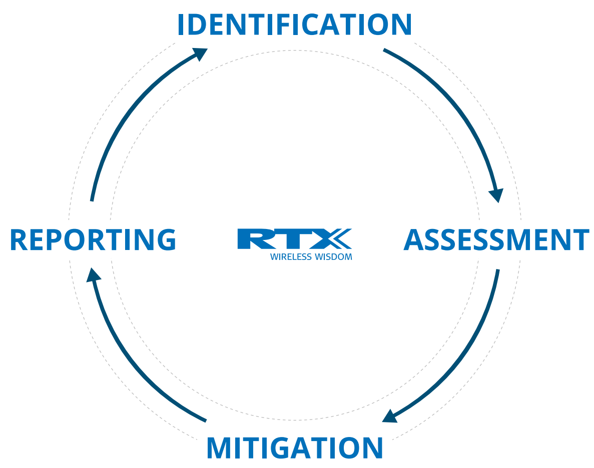
At RTX, we define risks as "an occurrence caused by external or internal events which hinders us in meeting our objectives". Based on risk identification and definition of the risk profile, we are prepared to implement appropriate actions when deemed relevant. Through understanding and mapping of potential risks we strive to make better decisions, deliver on our objectives and improve performance by being prepared to deal with key risks. 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 profile to ensure that appropriate plans are in place. The risk profile evaluation is supervised by the Audit Committee. Significant risks are reported to the Board of Directors on a quarterly basis or when deemed relevant. During 2020, risks stemming from the global COVID-19 pandemic 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.

THE RISK MANAGEMENT PROCESS

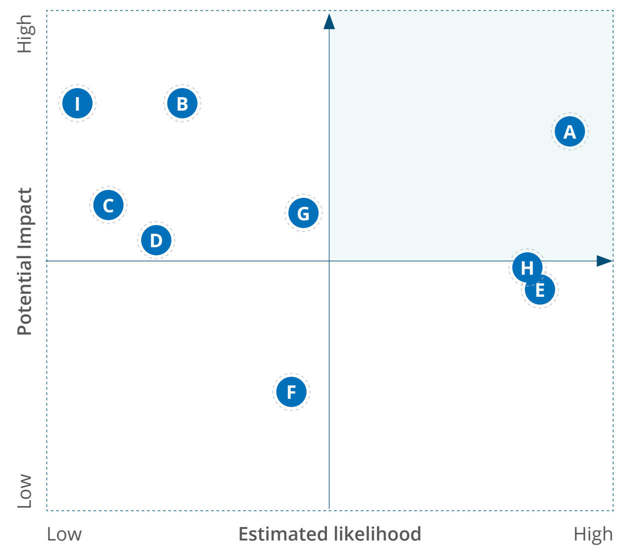
The risk management process at RTX includes the interlinked processes of risk identification, risk assessment and risk mitigation, as determined and reviewed by Group Executive Management and reported to the Board of Directors.



THE RISK MAP

Risks are assessed using a two-dimensional risk matrix – estimating the impact on operating profits (EBIT) and the estimated likelihood of a risk materializing.

- A Financial Risk
- B Supply Chain Disruptions
- C Technology Disruptions
- D Customer Reliance
- E Cyber Crime
- F IPR
- G Components Allocation
- H Political & Regulatory Risk
- I Human Resources



	A FINANCIAL RISK	B SUPPLY CHAIN DISRUPTION	C TECHNOLOGY DISRUPTION
DESCRIPTION	Macro-economic uncertainty and adverse economic conditions may lead to disrupted sales, and low rates of economic growth may lead to a reduced demand from end users and thereby from RTX's customers. During 19/20 the global COVID-19 pandemic and the countermeasures against it has influenced economic growth rates significantly and thus the macro-economic uncertainty has increased. Fluctuations in currency exchange rates – especially USD/DKK exchange rate – impacts 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.	Most of 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' ability to produce and supply the planned volume at the agreed time and quality. During Q2 of 2019/20, RTX's suppliers based in China were challenged by the delayed start of operations after the Chinese New Year due to the COVID-19 countermeasures in China. This postponed some RTX deliveries – and thus revenue – from Q2 to Q3. The situation has subsequently stabilized, but in general the COVID-19 pandemic has increased uncertainty related to the global flow of goods.	A significant part of RTX's business is based on its unique knowledge within advanced wireless radio systems. Therefore, technological change may affect future business opportunities for RTX.
POSSIBLE IMPACT	Economic instability and adverse exchange rate fluctuations (especially in USD) will impact RTX revenue and operating profits in DKK.	Significant fluctuations on sales and gross margin may arise if some sub-suppliers fail to supply at the agreed time and quality.	A revolution of the wireless communication and competence platforms, which RTX currently incorporates into its products and solutions, may lead to lost business opportunities, short-term as well as long-term.
MITIGATION	To safeguard against the potential impact of low economic growth rates, RTX is continually increasing its customer base – e.g. through further long-term framework agreements – to ensure an underlying growth in our business also to partially mitigate effects of lower economic growth on demand. Also, RTX operates in different industrial sectors/segments to reduce the exposure to any one sector. During 2019/20 RTX has displayed caution in its cost base (e.g. delaying new hires and instead redeploying resources internally) in light of the global uncertainty stemming from COVID-19. As a consequence of RTX significant international activity, RTX's cash flows are influenced by changes in exchange rates. RTX's trading and currency policy with customers and suppliers is, to the greatest possible extent, to continually adapt 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 2019/20 RTX has hedged part of the future (expected) net inflow of USD to reduce such exposure.	RTX is in ongoing close and transparent 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 is necessary to reduce the delivery uncertainty with a buffer storage. 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 in the event that one of the sites is temporarily not in operation. In general, the supply chain of RTX has displayed its resilience through its performance in a turbulent year.	Through close relationships with leading international customers, RTX has a detailed 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 (CTO) 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 RATING	Likelihood: High / Impact: High	Likelihood: Low / Impact: High	Likelihood: Low / Impact: High

	D CUSTOMER RELIANCE	E CYBER CRIME	F IPR
DESCRIPTION	The company's top three customers represent 42% of 2019/20 revenue. The cooperation with these customers is based on long-term framework agreements, and RTX's products are an integrated part of these customers' solutions offering.	RTX's business depends to a large and increasing extent on reliable and secure IT systems. If RTX fails to protect its IT infrastructure and key systems against the risk of critical security incidents, it may have a negative effect on RTX's knowledge base and reputation, and it may have a negative impact on the business. The increase in remote working in 2020 as a result of COVID-19 countermeasures has increased cyber crime challenges for companies globally.	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.
POSSIBLE IMPACT	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 or the market situation were suddenly to change.	Breaches of IT security could potentially lead to unavailability of service or unintended disclosure of business-critical confidential information negatively impacting RTX's competitive position and/or reputation. As such, breaches of IT security may cause financial losses, lost business opportunities or lack of ability to meet contractual obligations.	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	Considerable resources have been invested in the technical integration of RTX' 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.	RTX is continuously working to reduce these risks via regular adjustments of technical security control and guidelines and policies for IT security. Additionally, RTX conducts internal employee awareness campaigns regarding IT security. During 2019/20, RTX has implemented significant upgrades to its technical security controls to continue to be state-of-the art in this regard. While RTX believes it maintains an adequate security level, the Group also assesses and tests the IT infrastructure and security level in close collaboration with external experts. The outsourcing of RTX's production to sub-suppliers also in the short-term protects delivery performance in case of unavailability of IT service at RTX.	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 RATING	Likelihood: Low / Impact: High	Likelihood: High / Impact: Low	Likelihood: Low / Impact: Low

	G COMPONENT ALLOCATION	H POLITICAL & REGULATORY RISK	I HUMAN RESOURCES
DESCRIPTION	While lead times on standard components have not been increasing over the past year given the demand level for standard shared electronical components, such lead times may increase again in the future. COVID-19 has caused sporadic issues with component availability (due to local lockdowns etc.), however for short periods of time.	In general, recent years have seen relatively high global political instability including uncertainty related to the international trade frameworks. Growing tendencies towards protectionism could influence RTX ability to export products from certain countries to e.g. the US. Further, the countermeasures against the COVID-19 pandemic are politically decided and have led to obstacles both for RTX suppliers and customers during 2019/20. Also, RTX is subject to product safety regulations such as e.g. REACH and RoHS.	RTX is a knowledge intensive company and in order to develop innovative products and solutions and to retain its competitive advantages, it is essential to attract, develop and retain the right talent.
POSSIBLE IMPACT	If component lead times increase and component allocation becomes more difficult, cost of goods sold would increase potentially leading to eroding gross margins if not managed appropriately.	Increasing barriers to international trade could lead to duties being levied on international transactions being unfavorable to RTX and our business partners. COVID-19 countermeasures may lead to interruptions in supply chain or in customer demand within specific sub-segments in the ProAudio and Enterprise segments.	Failure to attract, develop and retain the right talent may ultimately hinder RTX's ability to successfully execute our strategy and thereby reduce competitiveness.
MITIGATION	RTX has in place a well-functioning 12-month rolling forecast from customers via RTX to suppliers, which has ensured a long planning horizon for components and production, and thereby de-risking component allocation to secure that components are received on time at the right cost.	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 and supplier agreements are designed to deal with customer and regulatory requirements. The management system is subject to both internal and external reviews and audits.	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 and incentive programs. During 2019/20, RTX continued a leadership development program specifically designed for RTX to further develop and retain the essential management levels and talents throughout the organization.
RISK RATING	Likelihood: Low / Impact: High	Likelihood: High / Impact: Medium	Likelihood: Low / Impact: High

Corporate Governance

RTX's governance model aims to ensure an active and accountable management of RTX based on applicable legislation, rules and recommendation for listed companies in Denmark as well as our articles of association and rules of procedure.

RECOMMENDATIONS ON CORPORATE GOVERNANCE

In general, RTX complies with the Danish Recommendations on Corporate Governance of 23 November 2017. During 2019/20, the Board of Directors proposed a new remuneration policy for adoption at the Annual General Meeting in January 2020 in accordance with section 139 and 139a of the Danish Companies Act and with the Directive (EU) 2017/828 of 17 May 2017 on the exercise of certain rights of shareholders in listed companies. The Annual General Meeting adopted the proposal, and RTX has therefore implemented these amended regulations one year earlier than required. As a result of the new remuneration policy, RTX has also published a separate remuneration report in accordance with the amended regulations for the first time in connection with the reporting for 2019/20. Therefore, RTX now fully complies with 44 of the recommendations of the Danish Committee on Corporate Governance and partially complies with 3 of the recommendations. Below we briefly comment on recommendations partially complied with.

Based on their qualifications and profiles, some of the employee representatives serving on the Board of Directors may become eligible for inclusion in share incentive programmes in line with other key employees of the organization (i.e. not in their capacity as board members).

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.

SHAREHOLDERS AND ANNUAL GENERAL MEETING

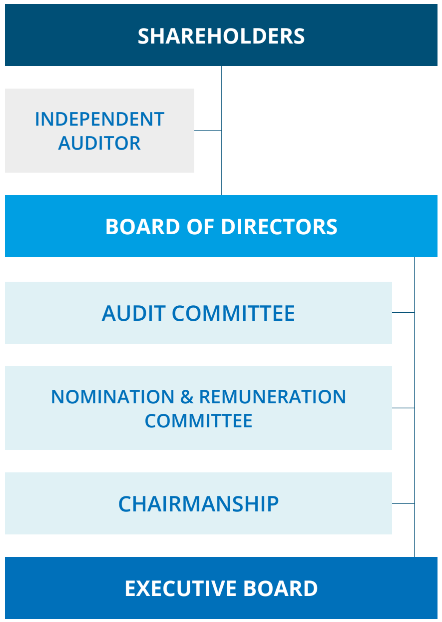
RTX's shareholders possess the authority over the Company and may exercise their rights to make decisions at the annual general meetings. As mandatory items at the annual general meetings, shareholders review and approve the financial report for the year, elect the board members as well as the independent auditors based on recommendations from the Board of Directors, approve the remuneration report and make an advisory vote on the remuneration report. Further, in case of any potential changes to the Articles of Association, the annual general meeting will act as the supreme body of authority.

BOARD OF DIRECTORS

RTX's corporate governance framework is based on a two-tier system in which the Board of Directors and Group Executive Management have two distinct roles. Group Executive Management is responsible for the operational and tactical management of the company, while the Board of Directors controls the Executive Board and Group Executive Management. Further, the Board of Directors defines the overall strategy and objectives in close collaboration with Group Executive Management.

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

RTX GOVERNANCE MODEL



RTX COMPLIANCE WITH DANISH RECOMMENDATIONS ON CORPORATE GOVERNANCE

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

board, in terms of professional experience and relevant competencies, is considered adequate by the Board of Directors. 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. The Board of Directors conducts an 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 2020.

At least four ordinary board meetings are held per year. In 2019/20, six ordinary board meetings were held. Extraordinary board meetings are held according to need. In 2019/20, ten board meetings were held in total.

AUDIT COMMITTEE

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. The main tasks of the Audit Committee are to supervise financial reporting, accounting policies and estimates, internal controls, risk management, 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 insurance coverages and IT infrastructure and risks. Four Audit Committee meetings are held per year.

EXECUTIVE BOARD AND GROUP EXECUTIVE MANAGEMENT

The Board of Directors appoints the Executive Board and determines the terms of employment in accordance with the remuneration policy of RTX. The Executive Board and Group Executive Management is responsible for the operational and tactical management of RTX, 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 five members.

REMUNERATION

The Nomination and Remuneration Committee makes proposals to and refers to the Board of Directors regarding nomination and remuneration matters.

During the financial year, the Board of Directors proposed, and the Annual General Meeting approved, a new remuneration policy for RTX in accordance with section 139 and 139a of the Danish Companies Act. The remuneration policy details the various remuneration components which can be applied and explains the rationale behind the various components. In order to align interests for RTX's shareholders and management, and to meet both short-term and long-term goals, the policy also 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.

Together with this annual report RTX has published a separate remuneration report 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 policy is available at RTX's website at www.rtx.dk/RemunerationReport. For details on the accounting treatment of remuneration for the Board of Directors and the Executive Board see note 6 later in this annual report.

BOARD OF DIRECTORS FOCUS AREAS 2019/20

- RTX growth strategy – annual strategy seminar and reviewing progress in specific segments
- Financial performance, reporting and budgets
- COVID-19 impact and response
- Risk management
- Capital structure and capital policy
- Remuneration policy and management incentive programs

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, despite the fact that we operate in an industry with primarily male candidates. RTX encourages female and international applicants to apply for vacant positions as they arise. For RTX's policy on diversity and for our report pursuant to section 99b of the Danish Financial Statements Act on targets for gender distribution at RTX, please refer to the "Communication of Progress" (COP) report regarding corporate social responsibility, which is available for download at www.rtx.dk/corporate/csr.

Board of Directors and Executive Board

BOARD OF DIRECTORS





	PETER THOSTRUP Chairman	**JESPER MAILIND** Deputy Chairman	**CHRISTIAN ENGSTED** Board member	**LARS CHRISTIAN TOFFT** Board member	**HENRIK SCHIMMELL** Board member
TITLE	Professional board member	CEO, LEO Foundation	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	Chairman of the boards of directors of Holmris B8 A/S, HEATEX AB 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.	Chairman 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.		Chairman 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 strong focus on innovation, product development and brand building within a.o. the high-end technology industry.	International senior executive profile with experience from large global market leader in the ICT space. General management profile with specialty in sales & marketing, transformation and digitalization. Specific technology expertise in mobile technology (4G/5G), Internet of Things (IoT) and AI.	General management as well as R&D and sales management internationally, from the medical device and hearing instrument industries. Additionally, skilled in lean business operations, M&A and process development.
COMMITTEES	Member of the Audit Committee	Member of the Audit Committee	Chairman of the Audit Committee		
MEETING ATTENDANCE	Ordinary: 6 of 6 Extraordinary: 4 of 4	Ordinary: 6 of 6 Extraordinary: 4 of 4	Ordinary: 6 of 6 Extraordinary: 4 of 4	Ordinary: 5 of 6 Extraordinary: 4 of 4	Ordinary: 6 of 6 Extraordinary: 4 of 4
ELECTED PERIOD	Since 2009	2009-2009 and since 2013	Since 2017	Since 2017	Since 2019
CONSIDERED INDEPENDENT	Yes	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
NO. OF RTX SHARES	1,275	3,837	750	632	1,210

BOARD MEMBERS ELECTED BY THE EMPLOYEES



EXECUTIVE BOARD

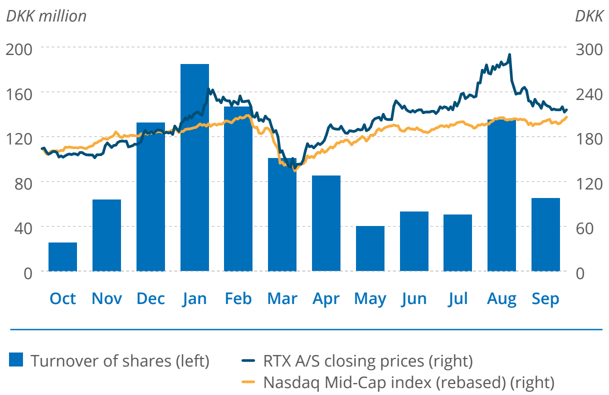

	KURT HEICK RASMUSSEN Board member	**FLEMMING V. ANDERSEN** Board member	**KEVIN HARRITSØ** Board member	**PETER RØPKE**	**MORTEN AXEL PETERSEN**
TITLE	Program Manager, RTX A/S	RF Manager, RTX A/S	Team lead, RTX A/S	President and CEO	CFO
EDUCATION	B.Sc. in Engineering, 2000. Graduate Diploma in Business Administration, 2009.	M.Sc. in Electrical Engineering, 1999. Graduate Diploma in Business Administration, 2008.	M.Sc. in Electrical Engineering 2009	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.	
MEETING ATTENDANCE	Ordinary: 6 of 6 Extraordinary: 4 of 4	Ordinary: 6 of 6 Extraordinary: 4 of 4	Ordinary: 6 of 6 Extraordinary: 4 of 4		
ELECTED/APPOINTED PERIOD	Since 2015	Since 2015	Since 2019	Since 2016	Since 2019
TERM OF OFFICE EXPIRES	2023	2023	2023		
NATIONALITY	Danish	Danish	Danish	Danish	Danish
YEAR OF BIRTH AND GENDER	1974, male	1973, male	1984, male	1966, male	1974, male
NO. OF RTX SHARES	300	2,000	-	-	775
GRANTED RSU's	750	-	-	25,079	4,586
GRANTED ACCELERATED RSU's	n/a	n/a	n/a	43,274	8,902

Shareholder Information

THE RTX SHARE

The company's shares have been listed on Nasdaq Copenhagen A/S since June 2000 (ISIN DK0010267129). The RTX share price ended the financial year at 30 September 2020 at DKK 216.0 per share, equal to a market capitalization of DKK 1,867 million. The share price increased by 31.7% compared to the end of the financial year 2018/19. By comparison the Nasdaq Copenhagen mid-cap index (OMXCMCGI), which includes the RTX share, increased by 25.8% over the same period. The average daily turnover of RTX shares on Nasdaq Copenhagen during the 2019/20 financial year amounted to DKK 4.4 million.

SHARE PRICE DEVELOPMENT AND TRADING ACTIVITY 1 OCTOBER 2019 TO 30 SEPTEMBER 2020



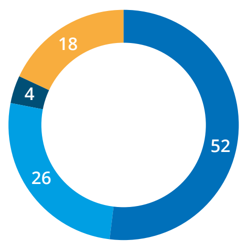
SHARE CAPITAL AND TREASURY SHARES

As of 30 September 2020, 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 into classes. At 30 September 2020, RTX held 301,552 treasury shares of DKK 5 corresponding to 3.5% of the share capital.

SHAREHOLDER STRUCTURE

At 30 September 2020, RTX had more than 4,800 shareholders registered by name, including custodian banks, representing approximately 82% of the company's share capital. The distribution between Danish and international shareholders (based on the registered address of the shareholder) can be seen in the chart below. Approximately 54% of the share capital was held or managed by the 20 largest shareholders.

OWNERSHIP DISTRIBUTION 30 SEPTEMBER 2020 (% OF SHARES)



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: 5.7%
- 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.

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.

CAPITAL STRUCTURE AND DISTRIBUTION TO SHAREHOLDERS

The Board of Directors has instituted an updated capital structure policy. The guiding principle for RTX's capital 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 a 24-month period, 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.

To adjust and optimize the capital structure of RTX, the Board of Directors has during the year recommended, and the Annual General Meeting approved, that 300,000 treasury shares with a nominal value of DKK 1,500,000 acquired through share buy-back programmes were cancelled thereby reducing the share capital of RTX. The capital reduction was affected in April 2020 (cf. company announcement 28/2020).

Based on the financial performance in 2019/20 and the expectations for the future, the Board of Directors will recommend to the shareholders at the Annual General Meeting in January 2021 that dividends of DKK 2.50 per share be distributed for the financial year 2019/20. This is an unchanged level from the previous financial year. If approved, the dividends will be paid out at the beginning of February 2021.

DISTRIBUTION TO SHAREHOLDERS

	2019/20	2018/19
Dividends per share (DKK)	2.50*	2.50
Dividends, total (DKK million)	20.9*	21.0
Pay-out ratio (%)	33.0%*	29.4%
Share buy-back (DKK million)	40.6	27.2

* Based on recommended dividend

During 2019/20, RTX acquired 210,367 treasury shares through share buy-back programmes. On 13 March 2020, the share buy-back programme was suspended solely as a precautionary due to the general uncertainty stemming from the COVID-19 pandemic. Refer to note 23 to the financial statements for further information on treasury shares.

The Board of Directors has now decided (cf. company announcement 38/2020) to initiate a new share buy-back programme. The share buy-back programme will be executed during the period 25 November 2020 to 30 September 2021 for an amount up to DKK 50 million in accordance with the authorization granted at the Annual General Meeting in 2018.

INVESTOR RELATIONS

RTX aims to provide investors with the best possible insight in our business model, strategic priorities and financial performance and thus to pursue an open dialogue with investors and analysts with due consideration to regulatory requirements and compliance. Accordingly, following the announcement of RTX's quarterly financial results, the Executive Board invites investors and analysts to attend announced presentations of the results. It is possible during these presentations to ask questions directly to the Executive Board of RTX.

Further, to ensure full transparency to Danish as well as foreign investors, all company announcements are prepared and published in Danish and English and are released to Nasdaq Copenhagen and on the RTX website.

Corporate Social Responsibility

Acting responsibly is fundamental to the way we work at RTX and we have integrated the ten principles of the UN Global Compact into our work.

WE SUPPORT

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 and 99b (the underrepresented gender) of the Danish Financial Statements Act. As CSR continues to become an even more important aspect of our business, we are continuously strengthening our CSR practices and developing our CSR and ESG reporting.

CSR APPROACH AND ACTIVITIES

The management of CSR issues, risks and activities at RTX is anchored in a materiality matrix illustrating the degree of materiality of certain CSR risks and issues to RTX's business and our stakeholders respectively, and thus the CSR risks related to RTX's business. 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 2019 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. RTX's expectations to suppliers on the broader range of CSR issues are reflected in the Code of Conduct, which is based upon the principles of the UN Global Compact. All significant current suppliers have signed our Code of Conduct or have affirmed that they support and have adopted the UN Global Compact. Further, suppliers are required to periodically declare their compliance with key product safety regulations such as REACH and RoHS as well as their adherence to a no conflict minerals policy to RTX.

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 2019/20, we continued codified sustainability considerations into our Remuneration Policy. We also strengthened our compliance setup by establishing a new central function for "Quality & Compliance" further ensuring our compliance with key product safety and other standards. Further, we have developed our CSR-related KPIs into a more comprehensive set of reported CSR and ESG KPIs.

Going forward, we plan to introduce a new organizational structure – moving from two business units to "One RTX". With this uniform organizational structure process improvements ensuring common and "best practice" processes will be facilitated also relating to CSR. Our central Supply Chain and Quality & Compliance functions remain pivotal in this regard.

CSR AND ESG REPORTING

KPI	Unit	2019/20	2018/19
ENVIROMENT DATA			
Energy consumption (absolute)	MWh	895	863
Energy consumption (relative)	MWh/ average FTE	3.07	3.12
SOCIAL DATA			
Employee absence ratio	%	1.5	1.7
Employee turnover ratio	%	7.3	8.0
Gender diversity			
Women as share of all employees	%	19	18
Women as share of Group Executive Management	%	0	0
Employee satisfaction score (0 to 100)	points	96	96
GOVERNANCE DATA			
Gender diversity, woman as share of Board of Directors	%	0	0
Attendance at board meetings[1]	%	99	93

[1] Adjusted for situations where attendance was rendered not possible due to certain member(s) being disqualified from participation

FURTHER DETAILS

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

Statements

Management's Statement

The Board of Directors and the Executive Board have today considered and approved the annual report of RTX A/S for the financial year 1 October 2019 - 30 September 2020.

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 2020 and of the results of their operations and cash flows for the financial year 1 October 2019 - 30 September 2020.

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, 24 November 2020

EXECUTIVE BOARD

PETER RØPKE
President and CEO

MORTEN AXEL PETERSEN
CFO

BOARD OF DIRECTORS

PETER THOSTRUP
Chairman of the Board

JESPER MAILIND
Deputy Chairman

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 2019 – 30 September 2020, 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 2020, and of the results of their operations and cash flows for the financial year 1 October 2019 – 30 September 2020 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 20 years up to and including the 2019/20 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 2019 – 30 September 2020. 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 2 and 20 in the Group financial statements. Work in progress at 30 September 2020 consists of several different contracts and the gross value of work in progress and the corresponding revenue recognised amounts to DKK‘000 122,435 (30 September 2019: DKK‘000 91,074). Net value of contract development projects in progress totals DKK‘000 27,130 (30 September 2019: DKK‘000 11,191)

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 2020 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, 24 November 2020

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

Financial Statements 2019/20

For the period 1 October 2019 to 30 September 2020

Income Statement

		GROUP		PARENT	
Amounts in DKK '000	**Note**	**2019/20**	**2018/19**	**2019/20**	**2018/19**
Revenue	3, 4	555,869	560,273	555,869	560,273
Value of work transferred to assets	7	28,737	16,777	28,737	16,777
Cost of sales	5	-246,574	-243,403	-245,095	-242,204
Other external expenses	7, 8	-53,444	-61,107	-94,361	-98,881
Staff costs	6, 7	-176,430	-172,322	-143,939	-138,916
Operating profit/loss before depreciation and amortization (EBITDA)		**108,158**	**100,218**	**101,211**	**97,049**
Depreciation, amortization and impairment	13-15	-24,587	-13,495	-22,487	-13,275
Operating profit/loss (EBIT)		**83,571**	**86,723**	**78,724**	**83,774**
Financial income	9	4,560	5,144	9,441	9,054
Financial expenses	9	-7,910	-520	-8,159	-971
Profit/loss before tax		**80,221**	**91,347**	**80,006**	**91,857**
Tax on profit/loss	11	-17,075	-19,972	-16,594	-19,949
Profit/loss for the year		**63,146**	**71,375**	**63,412**	**71,908**
Earnings per share					
Earnings per share (DKK)	12	7.5	8.4		
Earnings per share, diluted (DKK)	12	7.4	8.3		
Attributable to:					
Shareholders of the parent		63,146	71,375		
		63,146	**71,375**		

Statement of Comprehensive Income

	GROUP		PARENT	
Amounts in DKK '000	**2019/20**	**2018/19**	**2019/20**	**2018/19**
Profit/loss for the year	**63,146**	**71,375**	**63,412**	**71,908**
Items that can be reclassified subsequently to the income statement				
Exchange rate adjustments of foreign subsidiaries	-1,983	1,875	-	-
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	**-2,144**	**1,875**	**-161**	**-**
Comprehensive income for the year	**61,002**	**73,250**	**63,251**	**71,908**
Attributable to:				
Shareholders of the parent	61,002	73,250		
	61,002	**73,250**		

Balance Sheet 30 September 2020

		GROUP		PARENT	
Amounts in DKK '000	**Note**	**2019/20**	**2018/19**	**2019/20**	**2018/19**
ASSETS					
Own completed development projects	13	22,065	15,681	22,065	15,681
Own development projects in progress	13	36,738	26,865	36,738	26,865
Acquired license rights	13	-	1,055	-	1,055
Goodwill	13	7,797	7,797	-	-
Intangible assets		**66,600**	**51,398**	**58,803**	**43,601**
Right-of-use assets (lease assets)	14	48,917	-	46,967	-
Plant and machinery	15	9,123	7,892	9,123	7,892
Other fixtures, tools and equipment	15	3,958	3,391	3,801	3,074
Leasehold improvements	15	3,143	3,470	3,088	3,379
Tangible assets		**65,141**	**14,753**	**62,979**	**14,345**
Investments in subsidiaries	16	-	-	37,342	36,105
Deposits	17	7,938	7,928	7,166	7,125
Deferred tax assets	11	1,806	1,644	-	-
Other non-current assets		**9,744**	**9,572**	**44,508**	**43,230**
Total non-current assets		**141,485**	**75,723**	**166,290**	**101,176**
Inventories	**18**	**15,182**	**21,814**	**15,182**	**21,814**
Trade receivables	19	145,436	116,720	145,436	116,720
Contract development projects in progress	20	28,403	16,312	28,403	16,312
Other receivables		4,128	3,001	3,643	2,485
Prepaid expenses		4,152	3,005	3,720	2,630
Receivables	**19**	**182,119**	**139,038**	**181,202**	**138,147**
Current asset investments in the trading portfolio	21	154,010	153,149	154,010	153,149
Current asset investments	**21**	**154,010**	**153,149**	**154,010**	**153,149**
Cash at bank and in hand		**40,785**	**73,556**	**35,968**	**70,611**
Total current assets		**392,096**	**387,557**	**386,362**	**383,721**
Total assets		**533,581**	**463,280**	**552,652**	**484,897**

		GROUP		PARENT	
Amounts in DKK '000	**Note**	**2019/20**	**2018/19**	**2019/20**	**2018/19**
EQUITY AND LIABILITIES					
Share capital	22	43,214	44,714	43,214	44,714
Share premium account		203,714	252,367	203,714	252,367
Currency adjustments		5,793	7,776	-	-
Cash flow hedging		-207	-	-207	-
Reserve related to development costs		-	-	45,866	33,186
Retained earnings		99,678	42,583	56,845	12,278
Equity		**352,192**	**347,440**	**349,432**	**342,545**
Lease liabilities		47,116	-	46,777	-
Deferred tax liabilities	11	8,500	6,144	8,500	6,144
Provisions	24	1,325	1,305	1,325	1,305
Other payables	25	13,106	-	13,106	-
Non-current liabilities		**70,047**	**7,449**	**69,708**	**7,449**
Lease liabilities		4,911	-	3,205	-
Prepayments received from customers		1,176	7,371	1,176	7,371
Trade payables		50,849	44,449	50,791	44,195
Contract development projects in progress	20	1,273	5,121	1,273	5,121
Payables to subsidiaries		-	-	30,360	34,067
Income taxes	11	11,352	8,883	11,508	7,747
Provisions	24	2,040	1,441	2,040	1,441
Other payables	25	39,741	41,126	33,159	34,961
Current liabilities		**111,342**	**108,391**	**133,512**	**134,903**
Total liabilities		**181,389**	**115,840**	**203,220**	**142,352**
Total equity and liabilities		**533,581**	**463,280**	**552,652**	**484,897**

Equity Statement

GROUP

Amounts in DKK '000	Share capital	Share premium	Currency adjust-ments	Cash flow hedging	Re-tained earnings	Total
Equity at 30 September 2018	**44,714**	**252,367**	**5,901**	**-**	**9,017**	**311,999**
Changes in accounting policies, IFRS 15	-	-	-	-	931	931
Tax on changes in accounting policies, IFRS 15	-	-	-	-	-205	-205
Equity at 1 October 2018 (restated)	**44,714**	**252,367**	**5,901**	**-**	**9,743**	**312,725**
Profit/loss for the year	**-**	**-**	**-**	**-**	**71,375**	**71,375**
Exchange rate adjustments of foreign subsidiaries	-	-	1,875	-	-	1,875
Other comprehensive income, net of tax	**-**	**-**	**1,875**	**-**	**-**	**1,875**
Comprehensive income for the year	**-**	**-**	**1,875**	**-**	**71,375**	**73,250**
Share-based remuneration	-	-	-	-	5,771	5,771
Current tax on equity transactions	-	-	-	-	1,990	1,990
Deferred tax on equity transactions	-	-	-	-	-1,941	-1,941
Paid dividend for 2017/18	-	-	-	-	-17,136	-17,136
Acquisition of treasury shares	-	-	-	-	-27,219	-27,219
Other transactions	**-**	**-**	**-**	**-**	**-38,535**	**-38,535**
Equity at 30 September 2019	**44,714**	**252,367**	**7,776**	**-**	**42,583**	**347,440**

GROUP

Amounts in DKK '000	Share capital	Share premium	Currency adjust-ments	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	-	-	-	-	-2,726	-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**

Equity Statement

PARENT

Amounts in DKK '000	Share capital	Share premium	Cash flow hedging	Reserve related to development costs	Retained earnings	Total
Equity at 30 September 2018	**44,714**	**252,367**	**-**	**26,013**	**-14,899**	**308,195**
Changes in accounting policies, IFRS 15	-	-	-	-	931	931
Tax on changes in accounting policies, IFRS 15	-	-	-	-	-205	-205
Equity as at 1 October 2018 (restated)	**44,714**	**252,367**	**-**	**26,013**	**-14,173**	**308,921**
Comprehensive income for the year	**-**	**-**	**-**	**-**	**71,908**	**71,908**
Share-based remuneration	-	-	-	-	5,771	5,771
Current tax on equity transactions	-	-	-	-	1,990	1,990
Deferred tax on equity transactions	-	-	-	-	-1,690	-1,690
Paid dividend for 2017/18	-	-	-	-	-17,136	-17,136
Acquisition of treasury shares	-	-	-	-	-27,219	-27,219
Development costs	-	-	-	7,173	-7,173	-
Other transactions	**-**	**-**	**-**	**7,173**	**-45,457**	**-38,284**
Equity at 30 September 2019	**44,714**	**252,367**	**-**	**33,186**	**12,278**	**342,545**

PARENT

Amounts in DKK '000	Share capital	Share premium	Cash flow hedging	Reserve related to development costs	Retained earnings	Total
Equity at 30 September 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 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	-	-	-	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**

Cash Flow Statement

Amounts in DKK '000	Note	GROUP 2019/20	GROUP 2018/19	PARENT 2019/20	PARENT 2018/19
Operating profit/loss (EBIT)		83,571	86,723	78,724	83,774
Reversal of items with no effects on cash flow					
Depreciation, amortization and impairment		24,587	13,495	22,487	13,275
Other items with no effects on cash flow	27	5,071	7,661	5,868	4,609
Change in working capital					
Change in inventories		6,233	35	6,233	35
Change in receivables		-42,881	5,931	-42,855	5,740
Change in trade payables, etc.		8,078	-8,847	4,150	-4,303
Cash flow from operation activities		**84,659**	**104,998**	**74,607**	**103,130**
Financial income received		4,560	5,188	4,560	5,262
Financial expenses paid		-8,847	-520	-9,198	-971
Income taxes paid	11	-9,779	-2,012	-8,055	-1,302
Cash flow from operations		**70,593**	**107,654**	**61,914**	**106,119**
Investments in own development projects		-27,547	-15,518	-27,547	-15,518
Acquisition of property, plant and equipment		-7,943	-5,364	-7,889	-5,148
Sale of tangible assets		262	-	262	-
Deposits on leaseholds		-10	-180	-41	9
Acquisition of current asset investments in the trading portfolio		-1,839	-31,379	-1,839	-31,379
Dividends from subsidiaries		-	-	4,881	3,729
Cash flow from investments		**-37,077**	**-52,441**	**-32,173**	**-48,307**

Amounts in DKK '000	Note	GROUP 2019/20	GROUP 2018/19	PARENT 2019/20	PARENT 2018/19
Repayment of lease liabilities		-5,719	-	-3,796	-
Acquisition of treasury shares		-40,560	-27,219	-40,560	-27,219
Paid dividend		-20,960	-17,136	-20,960	-17,136
Cash flow from financing activities		**-67,239**	**-44,355**	**-65,316**	**-44,355**
Increase/decrease in cash and cash equivalents		**-33,723**	**10,858**	**-35,575**	**13,457**
Exchange rate adjustments on cash		952	625	932	631
Cash and cash equivalents at 1 October, net		73,556	62,073	70,611	56,523
Cash and cash equivalents at 30 September, net		**40,785**	**73,556**	**35,968**	**70,611**
Cash and cash equivalents at 30 September, net are composed as follows:					
Cash at bank and in hand		40,785	73,556	35,968	70,611
Bank debt		-	-	-	-
Cash and cash equivalents at 30 September, net		**40,785**	**73,556**	**35,968**	**70,611**

Notes

Notes

1 BASIS OF PREPARATION AND CHANGES IN ACCOUNTING PRINCIPLES

RTX A/S is a Danish public limited company. The Annual Report of RTX for 2019/20, 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 2019/20 Annual Report of RTX on 24 November 2020, and it will be submitted to the shareholders of RTX A/S for approval at the Annual General Meeting on 28 January 2021.

THE EFFECT OF NEW STANDARDS

IASB has published a number of new standards, amendments to existing standards and interpretations in force for the financial year 2019/20. Except for IFRS 16, as described below, none of the new or amended accounting standards and interpretations have had significant impact on recognition, measurement or disclosure in the consolidated financial statements of 2019/20.

IFRS 16 – LEASES

Starting 1 October 2019 RTX implemented IFRS 16 – Leases. The standard has changed the accounting principles for leasing contracts. IFRS 16 requires all leasing contracts irrespective of type - with a few exceptions - to be included in the balance sheet of lessee as a right-of-use asset with an associated lease liability.

The income statement is affected as leasing costs are split into two elements - depreciations and interest expenses - as opposed to previously, where the costs for operational leasing were reported as other external expenses. Over time the impact on profit/loss will be neutral but frontloading of interest expenses result in a timing effect. The right-of-use assets are depreciated over the term of the leasing contracts.

Net cash flow remains unaffected, however implementing IFRS 16 affects the cash flow statement as lease payments are split into interests and repayment of lease liabilities

RTX implemented the new standard using the modified retrospective approach with right-of-use assets measured as if IFRS 16 had been applied since the lease commencement date. The lease liabilities have been measured at the present value of the future lease payments discounted using an appropriate RTX incremental borrowing rate. The effect of transition has been recognized to the opening balance of retained earnings in equity. Comparative information has not been restated and is presented as in the Annual Report 2018/19 in accordance with the previous standard on leasing, IAS 17.

At implementation of IFRS 16, the following practical expedients have been applied:

- A single discount rate has been applied to a portfolio of leases with reasonable similar characteristics
- Low value leases and leases with a lease term ending within 12 months of 1 October 2019 have not been recognized as a right-of-use asset and lease liability but expensed on a straight line basis
- Initial direct costs have been excluded from the measurement of the right-of-use asset
- Hindsight has been used to determine the lease term for contracts containing options to extend or terminate the lease contract

When calculating the lease liability, future lease payments for the lease term is discounted using an appropriate RTX incremental borrowing rate. Service components separable from leasing components have been excluded from the future lease payments. When determining the lease term, extension options have been included if exercise is considered reasonably certain based on e.g. future growth plans vis-a-vis physical expansion opportunities.

In implementing IFRS 16 at 1 October 2019, RTX has recognized a right-of-use asset of DKK 40.5 million mainly relating to lease of premises (DKK 40.1 million) and an associated lease liability of DKK 43.2 million. Retained earnings in equity is reduced by DKK 2.1 million and deferred tax is reduced by DKK 0.6 million. The weighted average incremental borrowing rate applied to lease liabilities at implementation 1 October 2019 was 4.1%.

The difference between the operating lease commitments disclosed according to IAS 17 in the 2018/19 annual report and lease liabilities recognized according to IFRS 16 in the opening balance at 1 October 2019 is specified as follows:

Amounts in DKK '000	**Opening balance**
Operating lease commitments 30 September 2019 (IAS17)	34,306
Discounted using incremental borrowing rate at 1 October 2019	-8,595
Low-value and short term-leases	-290
Reasonable certain extension options included	17,813
Lease liabilities recognized at 1 October 2019	**43,234**

Notes

1 BASIS OF PREPARATION AND CHANGES IN ACCOUNTING PRINCIPLES (CONTINUED)

Impact on consolidated financial statements from implementing IFRS 16:

Amounts in DKK '000	Previous accounting principle	Impact of IFRS 16	New accounting principle
Income Statement			
Other external expenses	-60,716	7,272	-53,444
EBITDA	100,886	7,272	108,158
Depreciation and amortization	-18,640	-5,947	-24,587
EBIT	82,246	1,325	83,571
Financial expenses	-6,288	-1,622	-7,910
Tax on profit/loss	-17,140	65	-17,075
Profit/loss for the year	63,378	-232	63,146
Balance Sheet			
Right-of-use assets (lease assets)	-	48,917	48,917
Retained earnings	102,145	-2,467	99,678
Lease liabilities	-	52,027	52,027
Deferred tax liabilities	9,143	-643	8,500
Cash flow			
Cash flow from operations	64,874	5,719	70,593
Cash flow from financing activities	-61,520	-5,719	-67,239
Net cash flow	-33,723	-	-33,723

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 2020 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.

Notes

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 commented 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 estimated 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 82.0 million in 2019/20 (DKK 96.0 million in 2018/19).

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, hence amortization period. In the balance sheet the development projects amount to DKK 58.8 million as at 30 September 2020 (DKK 42.5 million as at 30 September 2019).

3 SEGMENT INFORMATION

The Group has two reportable segments: Design Services and Business Communications. The segments are described in detail in the management report, with Design Services covering the ProAudio and Healthcare market segments and Business Communications covering the Enterprise market segment (incl. Enterprise adjacencies).

The Group's reportable segments are determined based on the internal financial reporting to the Executive Board of the Group. The segments are strategic business units that sell different products and services. Each business is operated relatively independently of the other.

Segment income, expenses and assets include items attributable to the segments. Unallocated items primarily include income and expenses and assets and liabilities associated with the Group's administrative functions.

For a presentation of the events within the segments in the financial year and the development compared to 2018/19, please refer to the Management Review.

Information relating to the Group's segments:

2019/20

Amounts in DKK '000	Business Communi-cations	Design Services	Non-allocated	Group
Revenue to external customers	382,019	173,850	-	555,869
Segment revenue	**382,019**	**173,850**	**-**	**555,869**
EBITDA	**94,829**	**13,329**	**-**	**108,158**
EBIT	**81,777**	**1,794**	**-**	**83,571**
Segment assets	201,333	137,485	194,763	533,581
Investment in tangible assets	1,802	6,141	-	7,943

Non-allocated assets primarily consist of bank deposits and current asset investments.

Notes

3 SEGMENT INFORMATION (CONTINUED)

2018/19

Amounts in DKK '000	Business Communi-cations	Design Services	Non-allocated	Group
Revenue to external customers	386,815	173,458	-	560,273
Segment revenue	**386,815**	**173,458**	**-**	**560,273**
EBITDA	**84,738**	**15,480**	**-**	**100,218**
EBIT	**78,496**	**8,227**	**-**	**86,723**
Segment assets	159,888	76,607	226,785	463,280
Investment in tangible assets	2,491	2,872	-	5,363

MANAGEMENT COMMENTS

In the financial year 2019/20 two customers in Business Communications each represent a revenue higher than 10% of Group revenue. The largest customer represents 19.4% (2018/19: 20.7%) of revenue and the second one represents 14.0% (2018/19: 6.5%). The second largest customer in 2018/19 (a customer in Business Communications) represents a revenue of less than 10% in 2019/20 (2018/19: 12.5%).

The Group's revenue from external customers is specified below.

	GROUP		PARENT	
Amounts in DKK '000	**2019/20**	**2018/19**	**2019/20**	**2018/19**
Denmark	5,954	6,340	5,954	6,340
France	112,380	119,227	112,380	119,227
Netherlands	57,892	104,264	57,892	104,264
Germany	69,367	60,150	69,367	60,150
Other Europe	65,353	61,876	65,353	61,876
USA	114,790	116,338	114,790	116,338
Hong Kong	79,481	39,428	79,481	39,428
Other Asia and Pacific	46,667	44,704	46,667	44,704
Other	3,985	7,946	3,985	7,946
Total	**555,869**	**560,273**	**555,869**	**560,273**

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.

The Group's revenue from external customers is divided into these market segments:

	GROUP		PARENT	
Amounts in DKK '000	**2019/20**	**2018/19**	**2019/20**	**2018/19**
Enterprise (incl. B2B Headsets)	382,020	386,815	382,020	386,815
ProAudio	127,640	144,734	127,640	144,734
Healthcare	46,209	28,724	46,209	28,724
Total	**555,869**	**560,273**	**555,869**	**560,273**

Notes

4 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 are 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.

Revenue by type of income:

	GROUP		PARENT	
Amounts in DKK '000	**2019/20**	**2018/19**	**2019/20**	**2018/19**
Products, etc.	458,643	452,865	458,643	452,865
Development projects	82,000	95,957	82,000	95,957
Royalty	13,603	9,894	13,603	9,894
Other services	1,623	1,557	1,623	1,557
Total	**555,869**	**560,273**	**555,869**	**560,273**

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 inflow. Hedging had a negative net effect of DKK 0.3 million on recognized revenue in 2019/20.

Notes

5 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	**2019/20**	**2018/19**	**2019/20**	**2018/19**
Cost of sales	237,493	237,980	237,493	237,980
Write-down on inventories	399	285	399	285
Other sales related costs	8,682	5,138	7,203	3,939
Total	**246,574**	**243,403**	**245,095**	**242,204**

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

6 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) and matching shares program, 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 and matching shares program 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 below.

6 STAFF COSTS AND REMUNERATION (CONTINUED)

	GROUP		PARENT	
Amounts in DKK '000	**2019/20**	**2018/19**	**2019/20**	**2018/19**
Remuneration of the Board of Directors	2,350	2,375	2,350	2,375
Wages and salaries	159,231	153,402	127,337	122,492
Defined contribution pension plans	10,267	9,357	9,195	8,496
Other social security costs, etc.	1,747	1,791	1,491	1,451
Public grants related to staff costs	-2,647	-452	-679	-452
Other staff costs	51	78	51	78
Staff costs before share-based remuneration	**170,999**	**166,551**	**139,745**	**134,440**
Share-based remuneration	5,431	5,771	4,194	4,476
Total	**176,430**	**172,322**	**143,939**	**138,916**
Number of full-time employees at 30 September	294	289	195	195
Average number of full-time employees	292	277	194	186
Average number of full-time employees employed diretly	264	253	194	186

MANAGEMENT COMMENTS
PUBLIC GRANTS RELATED TO STAFF COSTS
The Group has received wages compensation of 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 compensation of wages and salaries.

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.

Notes

6 STAFF COSTS AND REMUNERATION (CONTINUED)

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

GROUP

Amounts in DKK '000	2019/20			2018/19		
	Board of Directors	Executive Board	Other key management	Board of Directors	Executive Board	Other key management
Wages, salaries and fees	2,350	5,109	5,119	2,375	4,479	4,571
Bonus	-	265	421	-	1,301	1,297
Pensions	-	133	182	-	111	147
Payment in severance period	-	-	-	-	738	-
Total	2,350	5,507	5,722	2,375	6,629	6,015
Share-based remuneration	-	1,227	1,403	-	1,653	1,498
Total remuneration	**2,350**	**6,734**	**7,125**	**2,375**	**8,282**	**7,513**

PARENT

Amounts in DKK '000	2019/20			2018/19		
	Board of Directors	Executive Board	Other key management	Board of Directors	Executive Board	Other key management
Wages, salaries and fees	2,350	5,109	2,395	2,375	4,479	1,915
Bonus	-	265	205	-	1,301	683
Pensions	-	133	182	-	111	147
Payment in severance period	-	-	-	-	738	-
Total	2,350	5,507	2,782	2,375	6,629	2,745
Share-based remuneration	-	1,227	614	-	1,653	644
Total remuneration	**2,350**	**6,734**	**3,396**	**2,375**	**8,282**	**3,389**

MANAGEMENT COMMENTS

On dismissal by the company, the Executive Board shall be entitled to salary in the period of notice and severance pay totalling up to 12 months' salary and incentive pay, equivalent to DKK 6.9 million (DKK 6.0 million in 2018/19).

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

Amounts in DKK '000	2019/20	2018/19
Peter Thostrup, Chairman	600	600
Jesper Mailind, Deputy Chairman	400	375
Christian Engsted, Chairman of the Audit Committee	350	338
Lars Christian Tofft	200	212
Henrik Schimmell	200	137
Flemming Vendbjerg Andersen, employee representative	200	212
Kurt Heick Rasmussen, employee representative	200	212
Kevin Harritsø, employee representative	200	137
Jens Hansen	-	76
Rune Strøm Jensen, employee representative	-	76
Total	**2,350**	**2,375**

Notes

6 STAFF COSTS AND REMUNERATION (CONTINUED)

MANAGEMENT COMMENTS

RSU PROGRAM:

The Board of Directors at RTX has in 2017/18, 2018/19 and 2019/20 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 2021, January 2022 and January 2023 respectively. Once vested, the employees can freely dispose of the shares.

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 three other key management employees, 28 key employees have been granted restricted stock units in 2019/20 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 RSU's, conditions:

	RSUs granted in		
	2019/20	**2018/19**	**2017/18**
Vesting period	2019/20-2021/22	2018/19-2020/21	2017/18-2019/20
Price per share	225.0	175.2	150.5
Volatility	0.38	0.25	0.34
Expected dividend	1.34%	1.13%	1.30%
Risk-free interest rate	-0.78%	-0.54%	-0.32%
The expected maturity	28 months	16 months	4 months
Fair value (Black-Scholes) per RSU is calculated to	178.33	140.20	99.04

Number of RSU's in RTX A/S:

	Executive Board	Other key management	Other employees	Total
Granted in 2016/17	20,608	29,652	42,500	92,760
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 as per 30 September 2020	**53,791**	**64,274**	**113,624**	**231,689**
Regulations - ceased employments 2016/17	-	-8,414	-4,000	-12,414
Regulations - ceased employments 2017/18	-	-	-4,497	-4,497
Regulations - ceased employments 2018/19	-3,776	-	-1,029	-4,805
Regulations - ceased employments 2019/20	-	-	-	-
RSU's vested in 2019/20	-19,080	-21,238	-34,403	-74,721
Outstanding as per 30 September 2020	**30,935**	**34,622**	**69,695**	**135,252**

Notes

6 STAFF COSTS AND REMUNERATION (CONTINUED)

MANAGEMENT COMMENTS

ACCELERATED RSU PROGRAM:

The Board of Directors at RTX has in 2019/20 introduced an accelerated restricted share units program whereby granting additional restricted share units (Accelerated RSU) to top management 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 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 three years' vesting 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 fair value of the Accelerated RSU's according to IFRS 2 (i.e. the basis for any cost recognition if applicable) is DKK 178.33 as the conditions are the same as those used for the regular RSU program in the table above. 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. The Accelerated RSU program is currently considered more likely not to vest and so no cost has been expensed to profit and loss regarding this remuneration program in 2019/20.

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 2019/20 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.

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 as per 30 September 2020	**52,176**	**29,127**	**-**	**81,303**
Regulations - ceased employments 2019/20	-	-	-	-
Outstanding as per 30 September 2020	**52,176**	**29,127**	**-**	**81,303**

MANAGEMENT COMMENTS

MATCHING SHARES PROGRAM:

In accordance with the Remuneration Policy members of the Executive Board may be invited to participate in a Matching Shares program as part of the commencement of service. There are no outstanding Matching Shares programs as per 30 September 2020.

In relation to the employment of Peter Røpke as CEO in September 2016, the Board of Directors decided to offer him the opportunity to take part in a Matching Shares program in order to ensure focus on long-term value generation.

Under the Matching Shares program Peter Røpke was offered to acquire shares (investment shares) in RTX A/S at his own cost in the first open trading window after joining the company. After three years of ownership and maturity period the participant has the right to receive 1.5 shares in RTX A/S per invested share.

The fair value of the Matching Shares program was at the grant date measured at DKK 1.5 million based on the share value at that date. The program is considered an equity-settled share-based transaction.

Peter Røpke has acquired 8,895 shares in RTX and thereby fulfilled the conditions to a grant of 13,343 shares in RTX. The Matching Shares program vested in September 2019 and the shares covered by the program were transferred to the participant. Thus, there are no outstanding Matching Shares programs as per 30 September 2020.

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

	GROUP		PARENT	
Amounts in DKK '000	**2019/20**	**2018/19**	**2019/20**	**2018/19**
RSU programs	5,431	5,313	4,194	4,018
Accelerated RSU program	-	-	-	-
Matching Shares program	-	458	-	458
Share-based remuneration posted as staff costs	**5,431**	**5,771**	**4,194**	**4,476**

Notes

7 DEVELOPMENT COSTS

	GROUP		PARENT	
Amounts in DKK '000	**2019/20**	**2018/19**	**2019/20**	**2018/19**
Development cost incurred before capitalization	43,800	38,993	43,800	38,993
Value of work transferred to assets (capitalized)	-28,737	-16,777	-28,737	-16,777
Total amortization on own development projects	11,623	6,322	11,623	6,322
Development cost recognized in the profit and loss account	**26,686**	**28,538**	**26,686**	**28,538**
Development costs are recognized as follows:				
Other external expenses	8,487	4,577	8,487	4,577
Staff costs	35,313	34,416	35,313	34,416
Value of work transferred to assets	-28,737	-16,777	-28,737	-16,777
Amortization on development projects	11,623	6,322	11,623	6,322
Total	**26,686**	**28,538**	**26,686**	**28,538**

MANAGEMENT COMMENTS

Value of work transferred to assets in 2018/19 includes a reversal of capitalized costs of DKK 2.7 million due to a smaller scale modification of the solution developed in one of the Group's development activities.

8 FEES TO AUDITORS ELECTED AT THE ANNUAL GENERAL MEETING

	GROUP		PARENT	
Amounts in DKK '000	**2019/20**	**2018/19**	**2019/20**	**2018/19**
Total fees to Deloitte can be specified as follows:				
Statutory audit	550	600	550	600
Other auditing and assurance services	81	87	-	-
Tax advisory services	28	567	28	567
Other services	-	411	-	411
Total	**659**	**1,665**	**578**	**1,578**

MANAGEMENT COMMENTS

Fee for non-audit services by Deloitte Statsautoriseret Revisionspartnerselskab to the Group amounted to DKK 1.0 million in 2018/19 and is comprised of business expansion investigation services, advice on tax matters regarding taxable income and RSU programs as well as other general accounting advice.

Notes

9 FINANCIAL INCOME AND EXPENSES

ACCOUNTING POLICIES

These items comprise interest income and expenses, the interests on lease liabilties recognized in accordance with IFRS 16, foreign exchange gains and losses on receivables, liabilities and transactions in foreign currency, amortization premium/allowance on financial assets and liabilities etc. 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	**2019/20**	**2018/19**	**2019/20**	**2018/19**
Financial income				
Exchange rate gain (net)	-	2,297	-	2,488
Dividends from subsidiaries	-	-	4,881	3,729
Fair value adjustments of investments in trading portfolio	-	1,242	-	1,242
Gain on hedging instruments (net)	2,582	-	2,582	-
Other financial income	1,978	1,605	1,978	1,595
Total financial income	**4,560**	**5,144**	**9,441**	**9,054**
Financial expenses				
Interest costs to subsidiaries	-	-	444	473
Exchange rate losses (net)	4,746	-	4,671	-
Fair value adjustments of investments in trading portfolio	978	-	978	-
Financing element, IFRS 16	1,622	-	1,517	-
Other financial costs	564	520	549	498
Total financial expenses	**7,910**	**520**	**8,159**	**971**

MANAGEMENT COMMENTS

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

10 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 does not qualify as hedging are recognized as financial items in the income statement.

MANAGEMENT COMMENTS

The Group has entered into commercial hedge transactions in 2019/20 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 2020 open hedging contracts of USD 4.8 million is recognized in other current receivables at a fair value of DKK 0.5 million. The 12 open contracts mature gradually over the following nine months from the balance sheet date.

Notes

11 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 future for the deferred tax asset to be used.

	GROUP		PARENT	
Amounts in DKK '000	**2019/20**	**2018/19**	**2019/20**	**2018/19**
Tax on profit/loss for the year				
Current tax on profit/loss for the year	-15,080	-10,283	-14,533	-9,929
Change in deferred tax	-2,019	-9,640	-2,085	-10,079
Adjustment concerning previous years				
Current tax	39	47	39	-
Deferred tax	-15	-96	-18	59
Total	**-17,075**	**-19,972**	**-16,594**	**-19,949**
Reconciliation of the effective tax percentage				
Result before tax	80,221	91,347	80,006	91,857
Calculated tax at a tax percentage of 22.0%	-17,649	-20,096	-17,601	-20,209
Effect of different tax percentages for foreign companies	353	227	-	-
Tax value of not tax-deductible costs/ taxable income	197	-55	983	201
Adjustment concerning previous years	24	-48	24	59
	-17,075	**-19,972**	**-16,594**	**-19,949**
Effective tax percentage (%)	**21.3%**	**21.9%**	**20.7%**	**21.7%**

Notes

11 INCOME TAXES (CONTINUED)

	GROUP		PARENT	
Amounts in DKK '000	**2019/20**	**2018/19**	**2019/20**	**2018/19**
Tax paid during the year	9,779	2,012	8,055	1,302
Income taxes, net				
Income taxes on 1 October, net	-8,883	-1,815	-7,747	-905
Current tax on profit/loss for the year	-15,080	-10,283	-14,533	-9,929
Tax paid during the year				
Current year	1,223	428	365	303
Previous years, net	8,556	999	7,690	999
Adjustment of current tax concerning previous years, net	39	47	39	-
Current tax of changes in equity	2,678	1,785	2,678	1,785
Exchange rate adjustments	115	-44	-	-
Income taxes at 30 September, net	**-11,352**	**-8,883**	**-11,508**	**-7,747**
Which can be specified as follows:				
Income tax receivable	-	-	-	-
Income tax payable	-11,352	-8,883	-11,508	-7,747
Total	**-11,352**	**-8,883**	**-11,508**	**-7,747**

	GROUP		PARENT	
Amounts in DKK '000	**2019/20**	**2018/19**	**2019/20**	**2018/19**
Deferred Tax				
Deferred tax, net at 1 October	-4,500	6,548	-6,144	5,566
Reclassified regarding previous years	-	548	-	-
Adjustment of deferred tax concerning previous years	-15	-96	-15	59
Foreign exchange adjustment	-108	81	-	-
Change in deferred tax on profit/loss for the year	-2,019	-9,640	-2,085	-10,079
Change in deferred tax on equity for the year	-52	-1,941	-256	-1,690
Change in deferred tax on equity for last year	-	-	-	-
Deferred tax, net at 30 September	**-6,694**	**-4,500**	**-8,500**	**-6,144**
Specification of deferred tax:				
Intangible assets	-12,538	-6,630	-12,538	-6,630
Plant, equipment and leasehold improvements	2,960	2,850	2,901	2,806
Inventories	1,214	984	1,214	984
Receivables	-4,207	-7,237	-4,207	-7,237
Non-current liabilities	1,658	1,438	674	565
Tax loss carryforwards	299	432	-	-
Share-based remuneration	3,920	3,663	3,456	3,368
Total	**-6,694**	**-4,500**	**-8,500**	**-6,144**
Which can be specified as follows:				
Deferred tax assets	1,806	1,644	-	-
Deferred tax liability	-8,500	-6,144	-8,500	-6,144
Total	**-6,694**	**-4,500**	**-8,500**	**-6,144**

Notes

12 EARNINGS PER SHARE

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

	GROUP	
Amounts in DKK '000	**2019/20**	**2018/19**
1,000 shares		
Average number of shares	8,804	8,943
Average number of treasury shares	-428	-397
Average number of shares in circulation	8,376	8,546
Average diluted effect on outstanding RSU	127	87
Average diluted number of shares	8,503	8,633
Profit/loss for the year in DKK '000	63,146	71,375
Earnings per share (DKK)	7.5	8.4
Diluted earnings per share (DKK)	7.4	8.3

13 INTANGIBLE ASSETS

ACCOUNTING POLICIES

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.

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 life-time. 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.

Notes

13 INTANGIBLE ASSETS (CONTINUED)

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

	GROUP	
Amounts in DKK '000	**2019/20**	**2018/19**
Business Communications	7,797	7,797

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

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

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.

GROUP

Amounts in DKK '000	**Own completed development projects**	**Own develop-ment projects in progress**	**Acquired licence rights**	**Goodwill**
Cost at 1 October 2018	15,121	22,281	6,763	8,269
Internal additions*	-	15,518	-	-
Transfer at completion	10,934	-10,934	-	-
Cost at 30 September 2019	**26,055**	**26,865**	**6,763**	**8,269**
Amortization and impairment at 1 October 2018	-4,052	-	-4,653	-472
Amortization for the year	-6,322	-	-1,055	-
Amortization and impairment at 30 September 2019	**-10,374**	**-**	**-5,708**	**-472**
Carrying amount at 1 October 2019	**15,681**	**26,865**	**1,055**	**7,797**
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**

* Refer to note 7 Development costs

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

Notes

13 INTANGIBLE ASSETS (CONTINUED)

UNCERTAINTIES AND ESTIMATES

For calculating the value of the cash generating units, Management's latest budgets and strategy plans for the coming three years are used and a terminal value is added. Management estimates that changes that are likely to occur to the assumptions will not cause the financial value of goodwill 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. The pre tax discount rate used in the calculation of recoverable amount is 13% (in 2018/19: 13%).

The determined growth rates are based on internal strategy plans and forecast for the coming three years. Growth in the terminal period is included at 0.0%. 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 2018/19.

MANAGEMENT COMMENTS

OTHER INTANGIBLE ASSETS

Apart from goodwill, all intangible assets are regarded as having determinable useful lives over which the assets are amortized.

The assessment of the recoverable amount of own development projects in progress is based on net present value calculations for the development projects. Net present value calculations are based on the expected cash flow from the assets in management approved budgets and forecasts over expected lifetime of the projects, and a discount rate before tax at 13% (in 2018/19: 13%).

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.

An impairment loss of DKK 0.7 million has been recognized in the income statement of 2019/20 regarding a new adjacency product in Business Communications. The product has not yet seen the expected traction in sales due to COVID-19 limitations on test and launch at our customers.

14 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.

GROUP

Amounts in DKK '000	**Buildings**	**Other fixtures, tools and equipment**
Changes in accounting policies, IFRS 16 at 1 October 2019	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**

14 LEASES (CONTINUED)

PARENT

Amounts in DKK '000	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**
Changes in accounting policies, IFRS 16 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**

UNCERTAINTIES AND ESTIMATES

In accounting of lease contracts Management's assesments 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 addition for 2019/20 mainly relates to extension of the determined lease term on office buildings in Denmark adding four years for a total of thirteen year determined lease term.

	GROUP		PARENT	
Amounts in DKK '000	**2019/20**	**2018/19**	**2019/20**	**2018/19**
Expenses relating to short term leases	177	-	44	-
Expenses relating to leases of low-value assets	79	-	42	-
Financing element of lease liabilities	1,622	-	1,517	-
Total cash outflow on lease arrangements	7,272	-	5,313	-

15 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.

GROUP

Amounts in DKK '000	Plant and machinery	Other fixtures, tools and equipment	Leasehold improvements
Cost at 1 October 2018	27,213	17,534	4,496
Foreign exchange adjustments	-	133	57
Additions	2,331	1,094	679
Internal additions	-	1,259	-
Disposals	-542	-	-
Cost at 30 September 2019	**29,002**	**20,020**	**5,232**
Depreciation and impairment at 1 October 2018	-17,800	-14,646	-1,306
Foreign exchange adjustments	-	-109	-57
Depreciation for the year	-3,852	-1,874	-399
Reversal relating to disposals	542	-	-
Reversed depreciation on assets transfered to held for sale	-	-	-
Depreciation and impairment at 30 September 2019	**-21,110**	**-16,629**	**-1,762**
Carrying amount at 30 September 2019	**7,892**	**3,391**	**3,470**

Notes

15 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**

PARENT

Amounts in DKK '000	Plant and machinery	Other fixtures, tools and equipment	Leasehold improvements
Cost at 1 October 2018	26,671	15,342	3,586
Additions	2,331	974	584
Internal additions	-	1,259	-
Cost at 30 September 2019	**29,002**	**17,575**	**4,170**
Depreciation and impairment at 1 October 2018	-17,258	-12,849	-396
Depreciation for the year	-3,852	-1,652	-395
Depreciation and impairment at 30 September 2019	**-21,110**	**-14,501**	**-791**
Carrying amount at 30 September 2019	**7,892**	**3,074**	**3,379**

Notes

15 TANGIBLE ASSETS (CONTINUED)

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**

16 INVESTMENTS IN SUBSIDIARIES

ACCOUNTING POLICIES

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

	PARENT	
Amounts in DKK '000	**2019/20**	**2018/19**
Cost at 1 October	36,105	34,810
Additions	1,237	1,295
Cost at 30 September	**37,342**	**36,105**
Value adjustment at 1 October	-	-
Value adjustment at 30 September	**-**	**-**
Carrying amount at 30 September	**37,342**	**36,105**

MANAGEMENT COMMENTS

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

Investments in subsidiaries comprise the following entities at 30 September 2020:

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%	5,692	514
RTX Hong Kong Ltd., Hong Kong	T.HKD 1,110	100%	26,613	4,102
Total			**32,305**	**4,616**

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.

Notes

17 DEPOSITS

ACCOUNTING POLICIES

Deposits are measured at cost. Deposits are not depreciated.

	GROUP		PARENT	
Amounts in DKK '000	**2019/20**	**2018/19**	**2019/20**	**2018/19**
Rent deposits				
Cost at 1 October	7,928	7,748	7,125	7,134
Exchange rate adjustments	-50	38	-	-
Additions for the year	60	151	41	-
Disposals for the year	-	-9	-	-9
Cost at 30 September	**7,938**	**7,928**	**7,166**	**7,125**
Carrying amount at 30 September	**7,938**	**7,928**	**7,166**	**7,125**

18 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	**2019/20**	**2018/19**	**2019/20**	**2018/19**
Raw materials and consumables	8,474	4,676	8,474	4,676
Finished goods	6,708	17,138	6,708	17,138
Total inventories	**15,182**	**21,814**	**15,182**	**21,814**
Write-down of inventories for the year	**399**	**285**	**399**	**285**

19 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 amortised 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.

TRADE RECEIVABLES

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	**2019/20**	**2018/19**	**2019/20**	**2018/19**
Receivables, gross	146,154	117,845	146,154	117,845
Provision for expected losses	-718	-1,125	-718	-1,125
Carrying amount at 30 September	**145,436**	**116,720**	**145,436**	**116,720**
Provision for the year	**-407**	**-**	**-407**	**-**
Provisions account at 1 October	1,125	1,125	1,125	1,125
Losses recorded for the year	-950	-	-950	-
Reversed provisions	-7	-	-7	-
Bad debt provisions for the year	550	-	550	-
Provisions account at 30 September	**718**	**1,125**	**718**	**1,125**

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.

Notes

19 RECEIVABLES (CONTINUED)

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 59% (2018/19: 40%) 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 two 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 no negative impact has been observed as of 30 September 2020.

20 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.

20 CONTRACT DEVELOPMENT PROJECTS IN PROGRESS (CONTINUED)

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

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	**2019/20**	**2018/19**	**2019/20**	**2018/19**
Construction cost plus recognized profit to date	122,435	91,074	122,435	91,074
Invoiced on account	-95,305	-79,883	-95,305	-79,883
Contract development projects in progress, net	**27,130**	**11,191**	**27,130**	**11,191**
Which are recognized in the balance sheet as follows:				
Receivables	28,403	16,312	28,403	16,312
Current liabilities	-1,273	-5,121	-1,273	-5,121
Contract development projects in progress, net	**27,130**	**11,191**	**27,130**	**11,191**
Total sales value of uncompleted contracts	142,025	132,312	142,025	132,312
Sales value hereof of performed work recognized as income	-122,435	-91,074	-122,435	-91,074
Sales value of non-performed work	**19,590**	**41,238**	**19,590**	**41,238**
Sales value of non-performed work at the balance sheet date in % of total volume of orders, etc	14%	31%	14%	31%

Revenue recognized that was included in the contract liability balance at the beginning of 2019/20: DKK 4.3 million (2018/19: DKK 3.6 million).

Notes

21 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. The accounting policy under IFRS 9 is consistent with that of prior years under IAS 39.

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.

	GROUP		PARENT	
Amounts in DKK '000	**2019/20**	**2018/19**	**2019/20**	**2018/19**
Cost at 1 October	150,750	119,371	150,750	119,371
Correction	-166	-	-166	-
Additions for the year	1,839	31,379	1,839	31,379
Cost at 30 September	**152,423**	**150,750**	**152,423**	**150,750**
Value adjustment at 1 October	2,399	1,157	2,399	1,157
Correction	166	-	166	-
Value adjustments for the year	-978	1,242	-978	1,242
Value adjustment at 30 September	**1,587**	**2,399**	**1,587**	**2,399**
Carrying amount at 30 September	**154,010**	**153,149**	**154,010**	**153,149**

The underlying bonds invested in via mutual funds have the below charateristics:

	GROUP		PARENT	
Amounts in DKK '000	**2019/20**	**2018/19**	**2019/20**	**2018/19**
Average expected maturity of (years)	3.0	1.4	3.0	1.4
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	78,545	114,862	78,545	114,862
Between one and three years	9,241	12,252	9,241	12,252
Between three and five years	10,781	4,594	10,781	4,594
After five years	55,444	21,441	55,444	21,441
Total	**154,010**	**153,149**	**154,010**	**153,149**

Notes

22 SHARE CAPITAL

The share capital of DKK 43,214,190 (2018/19: 44,714,190) consists of 8,642,838 (2018/19: 8,942,838) shares of DKK 5.

The Group holds 301,522 treasury shares at 30 September 2020 (465,876 shares at 30 September 2019).

There are no shares with special rights.

	PARENT	
	2019/20	**2018/19**
Development in share capital:		
Share capital at 1 October	44,714	44,714
Annulment of treasury shares	-1,500	-
Share capital at 30 September	**43,214**	**44,714**
Number of shares at DKK 5 at 30 September	8,642,838	8,942,838

MANAGEMENT COMMENTS

The Annual General Meeting on 23 January 2020 decided, and the Extraordinary General Meeting on 3 March 2020 confirmed, a reduction in the company's share capital by annulment of 300,000 treasury shares. The capital reduction was executed on 15 April 2020 as stated in company announcement no. 28/2020.

23 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 — 2019/20

Amounts in DKK '000	**Nominal value**	**Number of shares at DKK 5**	**% of share capital**	**Transaction price**
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	**1,508**	**301,522**	**3.5%**	**55,286**
Fair value of shareholding at 30 September 2020, DKK '000		65,129		

PARENT — 2018/19

Amounts in DKK '000	**Nominal value**	**Number of shares at DKK 5**	**% of share capital**	**Transaction price**
Shareholding at 1 October 2018	1,874	374,849	4.2%	62,367
Purchase for the year	839	167,818	1.9%	27,219
Disposal treasury shares	-384	-76,791	-0.9%	-11,167
Annulment of treasury shares	-	0	0.0%	-
Shareholding at 30 September 2019	**2,329**	**465,876**	**5.2%**	**78,419**
Fair value of shareholding at 30 September 2019, DKK '000		76,404		

Notes

24 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	**2019/20**	**2018/19**	**2019/20**	**2018/19**
Provision for warranty obligations				
Provisions at 1 October	2,570	2,020	2,570	2,020
Provisions made during the year	1,665	1,500	1,665	1,505
Provisions used during the year	-1,170	-950	-1,170	-955
Provisions at 30 September	**3,065**	**2,570**	**3,065**	**2,570**
Provisions for other obligations				
Provisions at 1 October	176	-	176	-
Provisions made during the year	300	176	176	176
Provisions used during the year	-176	-	-	-
Provisions at 30 September	**300**	**176**	**352**	**176**
Total provisions at 30 September	**3,365**	**2,746**	**3,417**	**2,746**
Provisions are recognized in the balance sheet as follows:				
Current liabilities (less than 1 year)	2,040	1,441	2,040	1,441
Non-current liabilities (between 1 and 2 years)	1,325	1,305	1,325	1,305
Total	**3,365**	**2,746**	**3,365**	**2,746**

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 2020 - 30 September 2022 (2018/19: 1 October 2019 - 30 September 2021)

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.

Notes

25 OTHER PAYABLES

	GROUP		PARENT	
Amounts in DKK '000	**2019/20**	**2018/19**	**2019/20**	**2018/19**
Wages and salaries, personal income taxes, social security costs, holiday pay, etc.	23,259	16,820	19,147	11,830
Holiday allowance, etc.	6,814	16,677	5,492	15,705
Other costs payable	9,668	7,629	8,520	7,426
Current liabilities	**39,741**	**41,126**	**33,159**	**34,961**
Holiday allowance	13,106	-	13,106	-
Non-current liabilities	**13,106**	**-**	**13,106**	**-**
Total	**52,847**	**41,126**	**46,265**	**34,961**

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.

26 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 2019/20, RTX A/S has not provided payment guarantees etc. which was also the case in 2018/19.

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.

MANAGEMENT COMMENTS

CONTRACTUAL OBLIGATIONS

A new lease contract adjusting terms (including extension of lease term) and expanding square meters of the current office lease contract in Denmark has been signed with expected commencement November 2020.

The effect of extended lease term is recognized in right-of-use assets and lease liabilities at 30 September 2020 (refer to note 14) whereas the effect of expanding square meters will be recognized once the addional office space is available to RTX in November 2020.

Once fully in force, the new contract is expected to increase costs by DKK 1.6 million across depreciation and financial expenses in 2020/21 compared to 2019/20.

Notes

27 OTHER ITEMS WITH NO EFFECTS ON CASH FLOW

	GROUP		PARENT	
Amounts in DKK '000	**2019/20**	**2018/19**	**2019/20**	**2018/19**
Change in write-down to net realisable value of current assets	-8	285	-8	285
Change in provisions	619	726	619	726
Share-based remuneration	5,431	5,771	4,194	4,476
Change of accounting principles, IFRS 15	-	931	-	931
Unrealised exchange rate adjustments etc.	-971	-52	1,063	-1,809
Total	**5,071**	**7,661**	**5,868**	**4,609**

28 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 16.

BOARD OF DIRECTORS AND EXECUTIVE MANAGEMENT

Management's remuneration and share-based remuneration are stated in note 6. Three members of the Board of Directors (the employee representatives) and Jens Hansen (member of the Board of Directors until January 2019) are employed in RTX A/S and for their employment they receive a salary equivalent to their position on market-based terms. In 2019/20, the amount totalled DKK 2.2 million (2018/19: DKK 2.5 million).

SUBSIDIARIES

In 2019/20, trade etc. between RTX A/S and related parties amounted to DKK 49.7 million (2018/19: DKK 50.4 million). There have been no transactions between the subsidiaries in 2019/20.

28 RELATED PARTIES (CONTINUED)

Transactions with subsidiaries have comprised the following:

	PARENT	
Amounts in DKK '000	**2019/20**	**2018/19**
Purchase of services from subsidiaries	49,732	50,382
Received dividends from subsidiaries (recharge of RSU costs)	4,881	3,729
Interest costs for subsidiaries	444	473
Payables to subsidiaries	30,360	34,067

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 6.

29 DIVIDEND

Dividends of DKK 20.9 million will be recommended for the financial year 2019/20 (2018/19 DKK 21.2 million) equivalent to a dividend per share of DKK 2.50 (2018/19 DKK 2.50 per share). In January 2020 RTX paid dividends of DKK 21.2 million (January 2019 DKK 17.1 million), equivalent to a dividend per share of DKK 2.50 (January 2019 DKK 2.00 per share).

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

Notes

30 FINANCIAL RISKS AND FINANCIAL INSTRUMENTS

Categories of financial instruments

	GROUP		PARENT	
Amounts in DKK '000	**2019/20**	**2018/19**	**2019/20**	**2018/19**
Trade receivables	145,436	116,720	145,436	116,720
Other receivables	8,280	6,006	7,363	5,115
Cash at bank and in hand	40,785	73,556	35,968	70,611
Total receivables and cash measured at amortized cost	**194,501**	**196,282**	**188,767**	**192,446**
Current asset investments	154,010	153,149	154,010	153,149
Financial assets at fair value through profit/loss	**154,010**	**153,149**	**154,010**	**153,149**
Lease liabilities	52,027	-	49,982	
Payables to subsidiaries	-	-	30,360	34,067
Trade payables	50,849	44,449	50,791	44,195
Other payables	52,847	41,126	46,265	34,961
Financial liabilities measured at amortized cost	**155,723**	**85,575**	**177,398**	**113,223**

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 and delaying 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	**2019/20**	**2018/19**	**2019/20**	**2018/19**
Current asset investments in the trading portfolio	154,010	153,149	154,010	153,149
Cash at bank and in hand	40,785	73,556	35,968	70,611
Total	**194,795**	**226,705**	**189,978**	**223,760**

Notes

30 FINANCIAL RISKS AND FINANCIAL INSTRUMENTS (CONTINUED)

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

GROUP				
Amounts in DKK '000	**Within one year**	**Between one and five years**	**After five years**	**Total**
Lease liabilities	6,977	20,075	38,793	65,845
Trade payables	50,849	-	-	50,849
Other payables	39.741	13,106	-	52.847
Total	**97,567**	**33,181**	**38,793**	**169,541**

PARENT				
Amounts in DKK '000	**Within one year**	**Between one and five years**	**After five years**	**Total**
Lease liabilities	5,231	19,724	38,793	63,748
Trade payables	50,791	-	-	50,791
Other payables	33,159	13,106	-	46,265
Total	**89,181**	**32,830**	**38,793**	**160,804**

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 20% of total accounts receivables (2018/19: 28%), 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	**2019/20**	**2018/19**	**2019/20**	**2018/19**
Amounts not due	137,028	103,736	137,028	103,736
Amounts due with up to 30 days	6,085	6,368	6,085	6,368
Due between 30 and 60 days	2,262	6,131	2,262	6,131
Due between 60 and 90 days	3	16	3	16
Due between 90 and 120 days	-	83	-	83
Due with more than 120 days	58	386	58	386
Total	**145,436**	**116,720**	**145,436**	**116,720**

Approx. 59% (2018/19: 40%) 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 19. More than 80% of amounts due at the balance sheet date have been collected during October 2020 (2018/19: more than 80%).

Notes

30 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 95% of total revenue over the past few 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 2019/20 the Group has entered into commercial hedging transactions to lower the foreign currency risk of expected net USD in-flow against DKK. No commercial hedge transactions were active in 2018/19.

Specification of the Group's risks in foreign currencies:

	GROUP				SENSITIVITY		
Amounts in DKK '000	**Cash and current asset investments**	**Recei-vables**	**Liabilities**	**Net position**	**Expected change in currency exchange rate**	**Hypo-thetical effect on result of the year before tax**	**Hypo-thetical effect before tax on equity**
EUR	15,804	3,017	350	18,471	1%	185	185
USD	9,780	124,454	46,842	87,392	10%	8,739	8,739
Other	2,231	-	8,190	-5,959	5%	-298	-298
Total at 30 September 2020	**27,815**	**127,471**	**55,382**	**99,904**			
EUR	26,047	9,523	28	35,542	1%	355	355
USD	10,977	92,178	42,773	60,382	10%	6,038	6,038
Other	762	8	5,739	-4,969	5%	-248	-248
Total at 30 September 2019	**37,786**	**101,709**	**48,540**	**90,955**			

Specification of the Parent's risks in foreign currencies:

	PARENT				SENSITIVITY		
Amounts in DKK '000	**Cash and current asset investments**	**Receiv-ables**	**Liabilities**	**Net position**	**Expected change in currency exchange rate**	**Hypo-thetical effect on result of the year before tax**	**Hypo-thetical effect before tax on equity**
EUR	15,598	3,017	350	18,265	1%	183	183
USD	7,381	124,454	47,972	83,863	10%	8,386	8,386
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**	**60,553**			
EUR	25,841	9,523	28	35,336	1%	353	353
USD	8,985	92,178	43,781	57,382	10%	5,738	5,738
HKD	-	8	32,105	-32,097	10%	-3,210	-3,210
Other	14	-	82	-68	5%	-3	-3
Total at 30 September 2019	**34,840**	**101,709**	**75,996**	**60,553**			

Notes

30 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 21 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 4.1 million (30 September 2019: DKK 2.2 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.

The Group's equity share amounted to 66.0% at the end of the financial year 2019/20 compared to 75.0% in 2018/19. Of the development in 2019/20 6.7 %-points is attributable to the implementation of IFRS 16.

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	43,234	-7,272	-69	1,622	14,512	52,027
Current asset investments in the trading portfolio	-153,149					-154,010
Cash at bank and in hand	-73,556					-40,785
Interest-bearing net debt	**-183,471**					**-142,768**
Equity	347,440					352,192
Financial gearing	-0,53					-0,41

* Includes opening balance effect of DKK 43.2 million to lease liabilities from IFRS 16 implementation.

BREACH OF LOAN AGREEMENT TERMS

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

Notes

30 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), asset	-	531	-	531
Bonds listed on the stock exchange, in the trading portfolio	154,010	-	-	154,010
Financial assets at fair value at 30 September 2020	**154,010**	**531**	**-**	**154,541**
Bonds listed on the stock exchange, in the trading portfolio	153,149	-	-	153,149
Financial assets at fair value at 30 September 2019	**153,149**	**-**	**-**	**153,149**

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.

31 EVENTS AFTER THE BALANCE SHEET DATE

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

32 ACCOUNTING PRINCIPLES APPLIED

ACCOUNTING POLICIES
In addition to the description in Notes 1 - 31, the accounting principles are as described below.

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.

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.

Notes

32 ACCOUNTING PRINCIPLES APPLIED (CONTINUED)

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.

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.

Notes

32 ACCOUNTING PRINCIPLES APPLIED (CONTINUED)

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.

Notes

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 12.

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