# Thrige Holding A/S

Hovmarken 4, 8520 Lystrup

Annual Report 2021/22

The Annual Report was presented and approved at the annual general meeting of the Company on 7 Juni 2022.

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Chairman

Central Business Register No. 26 31 16 83

The Annual Report includes 49 pages

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# Management´s Review

## Company Details

Thrige Holding A/S
%Terma A/S
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Central Business Register No. 26 31 16 83
Founded 24 October 2001
Situated in Aarhus Municipality

**Board of Directors**

Flemming H. Tomdrup (Chairman)
Jørgen Huno Rasmussen
Mette R. Lawaetz

**Executive Management**

Mette R. Lawaetz

**Auditors**

EY Godkendt Revisionspartnerselskab

**Annual general meeting**

The annual general meeting is held at the Group's address in Søborg on 7 Juni 2022.

# Management´s Review
## Financial Highlights - consolidated

| MDKK | 2021/22 | 2020/21 | 2019/18 | 2018/17 | 2016/17 |
|---|---|---|---|---|---|
| Order intake | 2,314 | 2,019 | 2,842 | 1,726 | 1,728 |
| **Order backlog, year-end** | **3,290** | **3,171** | **3222*** | **2297*** | **2374*** |
| **Revenue** | **2,195** | **2,070** | **1,917** | **1,803** | **1,785** |
| **EBITDA before special items** | **356** | **321** | **273** | **276** | **298** |
| Depreciation, amortization, and write-downs | (170) | (151) | (148) | (167) | (160) |
| Operating profit before special items | 186 | 170 | 125 | 109 | 138 |
| Financial income and costs | (30) | (35) | (18) | (19) | (27) |
| **Earnings before special items and tax** | **157** | **135** | **107** | **90** | **111** |
| Special items before tax** | 0 | 0 | 0 | (164) | (31) |
| **Profit for the year** | **128** | **114** | **92** | **(70)** | **60** |
| Non-current assets | 1,242 | 1,216 | 1,088 | 994 | 937 |
| Current assets | 1,279 | 1,344 | 1,330 | 1,194 | 1,084 |
| **Total assets** | **2,522** | **2,560** | **2,418** | **2,188** | **2,021** |
| **Total equity** | **830** | **715** | **666** | **567** | **655** |
| Subordinated loans | 170 | 170 | 170 | 170 | 170 |
| **Capital base** | **1,000** | **885** | **836** | **737** | **825** |
| NIBD (excl. subordinated loans) | 261 | 413 | 367 | 324 | 454 |
| **Cash flows from operating activities** | **366** | **183** | **301** | **360** | **13** |
| Cash flows for investing activities | (217) | (286) | (213) | (230) | (188) |
| hereof investments in property, plant, and equipment | (149) | (138) | (96) | (107) | (92) |

**Financial Ratios:**

| | | | | | |
|---|---|---|---|---|---|
| EBITDA margin before special items | 16.2 | 15.5 | 14.3 | 16.0 | 16.7 |
| EBT margin before special items | 7.1 | 6.5 | 5.6 | 5.2 | 6.2 |
| Return on investments before special items | 7.8 | 7.4 | 5.9 | 5.4 | 7.3 |
| Liquidity ratio | 124 | 121.1 | 130 | 146 | 169 |
| Solvency ratio (capital base) | 39.6 | 34.6 | 34.6 | 33.7 | 40.8 |
| Return on equity | 16.6 | 16.5 | 14.9 | (11.5) | 9.8 |
| Leverage ratio | 0.7 | 1.3 | 0.9 | 2.1 | 1.7 |
| **Average number of full-time employees** | **1,648** | **1,653** | **1,521** | **1,495** | **1,398** |

* *Including framework agremeents*
** *Special items in 2018/19 primarily relate to the Polish court case.*

(For definitions of financial ratios, see page 5).

## Definitions to Financial Ratios:

| | | | |
|---|---|---|---|
| EBITDA margin before special items: | EBITDA before special items x 100 / Revenue | EBT margin before special items: | Earnings before special items and tax x 100 / Revenue |
| Return on investments before special items: | Operating profit before special items x 100 / Average operating assets | Operating assets: | Total assets less cash at bank and in hand, and other interest-bearing assets. |
| Liquidity ratio: | Current assets x 100 / Current liabilities other than provisions | Solvency ratios: (Capital base) | Capital base x 100 / Total assets at year-end |
| Return on equity | Profit for the year x 100 / Average equity | Leverage ratio: | NIBD (excl. subordinated loans ) / EBITDA before special items |

## Management's Review

Thrige Holding A/S is fully owned by Thomas B. Thriges Fond, a commercial foundation established in 1933 by manufacturer Thomas B. Thrige. The Group operational activities are maintained through the fully onwed subsidiary Terma A/S. Further, Thrige Holding A/S owns all shares in Thrige-Titan A/S which is a dormant company.

Terma A/S is Denmark's largest company within the defense industry with activities in the defense, security, and space sectors, with locations in Aarhus, Grenaa, and Søborg, Denmark, and subsidiaries in the U.S, the Netherlands, Germany, UK, Indonesia, Singapore, France, India, and UAE, and representation office in Belgium.

*Development in the Parent Company financial situation*
The result after tax in 2021/22 was MDKK 128.8 (2019/20: MDKK 113.6).

*Development in the Group financial situation*
In 2021/22, the Thrige Holding Group result after tax was MDKK 128.2 (2020/21: MDKK 113.9). As of 28 February 2022, the equity amounted to MDKK 829.8 (28 February 2021: MDKK 714.8).

In 2021/22, the Terma A/S result after tax amounted to MDKK 126.7 (2020/21: MDKK 115.6). As of 28 February 2022, the equity amounted to MDKK 744.3 (28 February 2021: MDKK 730.8).

While most markets and business areas saw a recovery from COVID-19, the pandemic was still a challenge especially in Asia Pacific. A diverse business portfolio and a strong performance in the factories minimized the pandemic's impact on this year's result.

The production facilities in Grenaa and Lystrup had COVID-19 cases that disrupted production. However, the cases were contained, and effective restrictions implemented. Since the outbreak more than a year ago, Terma Group has taken measures to ensure the safety of our employees and reasonably mitigate the operational impact

*Development activities*
Development activities of the Group are carried out in Terma A/S which during the FY 2021/22 had development activities in all business areas and as of 28 February 2022, the carrying amount was MDKK 588.9. Investments amounted to MDKK 107.8 and depreciations amounted to MDKK 77.9. It is expected that Terma A/S will be investing in development activities at the same or a higher level in 2022/23.

*Corporate Social Responsibility and Equal Representation of Genders*
Thrige Holding's primary activity is carried out through its subsidiary Terma Group and it is assessed that the main impact on society is through the activities of the subsidiary. A summary of Terma's CSR report is therefore provided as Thrige Holding's statutory reporting on social responsibility, cf. FSA §99a. The full report can be read here
https://www.terma.com/reports/csr-2021-2022/csr-report-2021-2022.html

*Terma's Business Model*
Terma is an international privately held company within the Aerospace, Defense, and Security industry, owned by the Thomas B. Thrige Foundation. We have deep and proud roots in Denmark, tracing our origins back to 1944.

Terma is present in four distinct business areas; Aeronautics, Space, Surveillance & Mission Systems, and Support & Services, as illustrated in our business model below.

We work closely with national defense forces, public authorities, and international organizations worldwide to provide security for people on land, at sea, and in the air.

Terma has been signatory to the UN Global Compact since April 2017. We have committed ourselves to support the Ten Principles, which have guided and inspired our work with Corporate Social Responsibility (CSR), including human and labor rights.


*Human Rights*
Material risks: Operating in the Aerospace, Defense, and Security sectors, Terma recognizes that it may become part of impacts on human rights.

Policy, actions and results: Human rights are a key focus area for Terma and a part of our CSR strategy Allies in Responsibility. Within this focus area, we actively work with the UN Guiding Principles. In FY2021/22, Terma published our Year 2 Human Rights Impact Assessment which can be read here https://www.terma.com/media/sgyovjuu/human-rights-impact-assessment-2022.pdf. Moreover, Terma conducts due diligence on our third parties both for our upstream and downstream value chain. Human rights are a key component of this. Read more about the due diligence process here https://www.terma.com/reports/csr-2021-2022/csr-report-2021-2022.html Next year, we will conduct a human rights impact assessment for one of our locations abroad as well as continue conducting due diligence.

Environment & Climate
Material risks: Terma has identified risks relating to the use of chemicals and hazardous substances.

Policy, actions and results: Terma focuses on constantly improving its production processes, resources and the use of chemicals and hazardous substances. Moreover, Terma measures and disclose its emissions using the Greenhouse Gas (GHG) Protocol. In FY2021/22 Terma continued the process of substituting hazardous chemicals as well as minimizing emissions. During the year, we have examined our greenhouse emissions more closely and assessed where these can be reduced. One of the initiatives was to hire external energy consultants to develop an energy screening of our production and offices in Lystrup and Grenaa. Furthermore, due to a very volatile electricity market, Terma has entered into an agreement with an independent energy broker with the aim of reducing risks and costs while identifying opportunities for a greener profile. Lastly, in recent years, we have increased the sorting of waste in cooperation with our waste receivers to optimize the amount of waste going into a circular loop. You can read more about our environment efforts here. https://www.terma.com/reports/csr-2021-2022/csr-report-2021-2022.html Over the next couple of years, we will continue to focus on reducing our greenhouse gas emissions.

*Social and employee conditions*
Material risks: Terma has identified risks relating to employee safety as well as employee health and mental well-being.

Policy, actions and results: Terma aims to provide its employees with a safe working environment, free from accidents and injuries, as well as increase and strengthen employees' health and mental well-being, and thereby increase motivation and performance. In FY2021/22, one of our initiatives was to optimize safety processes and create more transparency by among others moving from a paper-based process of registering near-misses and safety observations to a digital registration system. In addition, a new organizational review process was rolled-out in several business areas, and both production sites in Denmark and several of our business areas underwent the process. You can read more about the rest of our initiatives here. https://www.terma.com/reports/csr-2021-2022/csr-report-2021-2022.html We will over the coming years continue to conduct safety assessments and where relevant improve and optimize our safety processes.

*Anticorruption*
Material risks: Terma has identified risks relating to corruption where a solid compliance culture is vital to ensure a company's license to operate.

Policy, actions and results: Terms aims to ensure compliance with international and national anti-corruption legislation. A key effort undertaken in FY2020/21 within anti-corruption is the training of our employees with high-risk job functions, i.e. with job functions which are more prone to corruption risks. Moreover, this year, we continued to actively develop our third-party due diligence processes which cover our upstream and downstream value chain, which you can read more about here. https://www.terma.com/reports/csr-2021-2022/csr-report-2021-2022.html We will continue over the coming years to maintain a strong focus on anti-corruption compliance as well as training.

*COVID-19*
In relation to COVID-19, Terma has established two task forces to safeguard the health of our employees and to manage the business impacts of the pandemic. Terma aims to maintain its operations running, however the constantly developing pandemic has resulting consequences that are not within Terma's control, and impact to our business and the ecosystem we operate in is not entirely preventable or avoidable. There will likely be consequences to programs, deliverables, and services despite all our efforts to secure business continuity, but Terma remains committed to delivering on our agreements to the extent possible. We believe that a close dialog between Terma and our partners is the best way to identify appropriate mitigating measures against anticipated risks, as and when such risks develop.

*Equal Representation of Genders*
Regarding Thrige Holding's description of equal representation of gender pursuant to the Danish Financial Statements Act section 99b, the company had a target figure in relation to representation of genders in the top management of one person per gender as a minimum of the three members of the board which was met last financial year. When the sole shareholder elect members for the Company board, it is important that the best qualified person is elected based on an overall consideration. Moreover, The Company has no employees, which is why no gender policy exists in respect of other management levels.

*Risks*

Under normal circumstances, Terma's leading risk is execution of large programs. Terma seeks to reduce this risk by increased focus on contract management and financial control.

Terma's business is within a highly regulated market with export regulations for dual-use and military equipment. The primary business model for Terma is as a supplier of technology in a business-to-business transaction where the end user in most cases is a government authority. Terma is increasingly developing into a trusted, sole-source technology supplier where our customers are relying on our ability to supply. If Denmark undertakes a different political standpoint on export regulations than our partner nations, this becomes a business challenge for Terma.

Terma has the required credit lines available and the support of our financial partners to implement the planned short-term and long-term activities and investments.

Terma is minimally exposed to changes in interest rates. The interest risk is hedged via fixed-rate mortgage loans and interest swaps.

Terma primarily sells and buys in DKK, EUR, and USD currencies. Risks relative to USD are hedged by entering into forward exchange contracts in connection with the acceptance and conclusion of contracts.

In general, there is no significant credit risk relative to individual customers.

**Data Ethics Policy**
The Group´s policy on data ethics is integrated into the IT policy and GDPR set-up.

The focus and handling of data ethics is handled through the following:

The IT Policy, which contains requirements for the handling of IT systems and data in the Group.

The Group's GDPR set-up supports the legislation's requirements for GDPR, including data collection and processing, data subjects' rights, and requirements for subcontractors' use of data processing agreements.

The Group continuously educates employees on how to handle data and information entrusted to us by customers, suppliers and employees by continuously updating and informing employees about the above.

**Outlook for 2022/23**

In 2022/23, the Parent and the Group expect a consolidated organic growth >10% in revenue, and earnings before tax (EBT) are expected to increase accordingly. The positive outlook is based on Terma's solid order backlog to be delivered in 2022/23.

**Events after the balance sheet date**
Following the end of the fiscal year, no significant events have occurred which affect the assessment of the Group's and Parent Company's financial position as reported on 28 February 2022.

While the duration and depth of the COVID-19 pandemic and its impact on Terma is uncertain, the impact is expected to be negative albeit moderate. Since the outbreak, Terma has taken measures to ensure safety of our employees and reasonably mitigage the operational impact.

## Income Statement 1 March - 28 February

| DKK 1.000 | Note | Consolidated 2021/22 | Consolidated 2020/21 | Parent company 2021/22 | Parent company 2020/21 |
|---|---|---|---|---|---|
| **Revenue** | 3,4 | **2,194,682** | **2,070,020** | **-** | **-** |
| Production costs | 5 | (1,725,648) | (1,637,730) | - | - |
| **Gross Profit** | | **469,034** | **432,290** | **-** | **-** |
| Distribution costs | 5 | (141,171) | (138,054) | - | - |
| Administrative costs | 5.6 | (140,907) | (125,475) | (283) | (267) |
| Other operating income | 7 | 10,288 | 1,713 | - | - |
| Other operating costs | 7 | (10,750) | (701) | - | - |
| **Operating profit** | | **186,494** | **169,773** | **(283)** | **(267)** |
| Result in subsidiaries after tax | 8 | - | - | 127,672 | 117,131 |
| Financial income | 9 | 6,664 | 6,996 | 5,347 | 304 |
| Financial costs | 9 | (36,453) | (41,716) | (3,699) | (4,613) |
| **Earnings before tax (EBT)** | | 156,705 | 135,053 | 129,037 | 112,555 |
| Tax on profit | 10 | (28,533) | (21,186) | (238) | 1,007 |
| **Result for the year** | | 128,172 | 113,867 | 128,799 | 113,562 |
| The Group result is split as follows: | | | | | |
| Stockholder in Terma A/S | | 128,799 | 113,562 | | |
| Minority interest | | (627) | 305 | | |
| | | 128,172 | 113,867 | | |
| **Proposed profit appropriation** | 25 | | | | |

# Balance Sheet 28 February

| | | Consolidated | | Parent Company | |
|---|---|---|---|---|---|
| DKK 1.000 | Note | 2022 | 2021 | 2022 | 2021 |
| **ASSETS** | | | | | |
| **Non-current assets** | | | | | |
| **Intangibles** | | | | | |
| Software | | 55,702 | 51,324 | - | - |
| Software in process | | 20,360 | 12,740 | - | - |
| Development projects completed | | 354,272 | 299,791 | - | - |
| Development projects in process | | 234,608 | 253,771 | - | - |
| | 11 | 664,941 | 617,626 | - | - |
| **Property, plant, and equipment** | | | | | |
| Land and buildings | | 278,378 | 314,327 | - | - |
| Plant and machinery | | 205,237 | 189,999 | - | - |
| Fixtures and fittings, tools and equipment | | 37,083 | 29,243 | - | - |
| Property, plant, and equipment under construction | | 56,824 | 65,280 | - | - |
| | 12 | 577,522 | 598,849 | - | - |
| **Investments** | | | | | |
| Investments in subisdiaries | | - | - | 755,070 | 740,546 |
| Loan to subsidiary | | - | - | 130,000 | 0 |
| | 8 | - | - | 885,070 | 740,546 |
| **Total non-current assets** | | 1,242,463 | 1,216,475 | 885,070 | 740,546 |
| **Current assets** | | | | | |
| **Inventories** | | | | | |
| Raw materials and consumables | | 319,308 | 370,248 | - | - |
| Work in process | | 158,023 | 132,091 | - | - |
| Prepayments to suppliers | | 10,042 | 20,711 | - | - |
| | | 487,373 | 523,050 | - | - |
| **Receivables** | | | | | |
| Trade receivables | | 395,154 | 368,760 | - | - |
| Construction contracts | 13 | 157,923 | 241,330 | - | - |
| Amounts owed by subsidiaries | | - | - | 91,883 | 102,096 |
| Corporate tax receivables | 14 | 2,709 | 16,293 | - | 11,086 |
| Other receivables | | 30,710 | 51,500 | - | - |
| Deferred tax asset | 15 | 12,225 | 1,734 | - | - |
| Prepayments | 16 | 10,748 | 7,315 | - | - |
| | | 609,470 | 686,932 | 91,883 | 113,182 |
| **Cash at bank in hand** | | 182,322 | 133,749 | 9,902 | 2 |
| **Total current assets** | | 1,279,165 | 1,343,731 | 101,785 | 113,184 |
| **Total assets** | | 2,521,628 | 2,560,206 | 986,855 | 853,730 |

## Balance Sheet 28 February

| DKK 1.000 | Note | Consolidated 2022 | Consolidated 2021 | Parent Company 2022 | Parent Company 2021 |
|---|---|---|---|---|---|
| **EQUITY AND LIABILITIES** | | | | | |
| **Equity** | | | | | |
| Capital stock | 17 | 25,000 | 25,000 | 25,000 | 25,000 |
| Net revaluation according to the equity method | | - | - | 287,621 | 273,097 |
| Translation adjustments and hedging instruments | | (6,852) | 6,296 | - | - |
| Retained earnings | | 810,642 | 683,201 | 516,169 | 416,400 |
| Proposed dividends | | 1,358 | - | 1,358 | - |
| **Thrige Holding A/S´stockholder part of equity** | | 830,148 | 714,497 | 830,148 | 714,497 |
| **Minority interest** | | (360) | 267 | - | - |
| **Total equity** | | 829,788 | 714,764 | 830,148 | 714,497 |
| **Provisions** | | | | | |
| Warranty provisions | 18 | 27,239 | 19,347 | - | - |
| Provisions regarding construction contracts | | 2,138 | 5,573 | - | - |
| Deferred tax | 15 | 158,536 | 153,728 | - | - |
| **Total provisions** | | 187,913 | 178,648 | - | - |
| **Liabilities other than provisions** | | | | | |
| **Non-current liabilities other than provisions** | | | | | |
| Subordinated loans | 20 | 170,000 | 170,000 | 45,000 | 45,000 |
| Credit institutions | | 63,708 | 109,848 | - | - |
| Mortgage credit institutions | | 153,430 | 193,251 | - | - |
| Other debt | | 86,617 | 84,507 | - | - |
| | 20 | 473,755 | 557,606 | 45,000 | 45,000 |
| **Current liabilities other than provisions** | | | | | |
| Current portion of non-current liabilities | 20 | 57,316 | 58,911 | - | - |
| Construction contracts | 13 | 310,085 | 321,359 | - | - |
| Prepayments received from customers | | 145,465 | 141,701 | - | - |
| Trade payables | | 158,871 | 194,426 | - | - |
| Amounts owed to Parent Company | | 82,721 | 100,672 | 82,721 | 83,530 |
| Amounts owed to subsidiaries | | - | - | 10,694 | 10,530 |
| Corporate tax | 14 | 22,768 | 3,732 | 18,124 | - |
| Other payables | | 252,946 | 288,388 | 168 | 173 |
| | | 1,030,172 | 1,109,189 | 111,707 | 94,233 |
| **Total liabilities other than provisions** | | 1,503,927 | 1,666,794 | 156,707 | 139,233 |
| **Total equity and liabilities** | | 2,521,628 | 2,560,206 | 986,855 | 853,730 |

| | |
|---|---|
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# Statement of changes in equity 1 March - 28 February

| | Consolidated | | | | | | |
|---|---|---|---|---|---|---|---|
| DKK 1,000 | Capital stock | Reserve for exchange rate adjustments and hedging instruments | Retained earnings | Proposed dividends | Total | Minority interest | Total equity |
| **Equity at 1 March 2020** | 25,000 | (3,526) | 644,639 | - | 666,113 | -38 | 666,075 |
| Results for the year | - | - | 113,562 | - | 113,562 | 305 | 113,867 |
| Declared dividend | | | -75,000 | | -75,000 | | |
| Other changes in equity in subsidiaries etc. (before tax) | - | 13,983 | - | - | 13,983 | - | 13,983 |
| Tax on other changes in equity | - | (4,161) | - | - | (4,161) | - | (4,161) |
| **Equity at 1 March 2021** | 25,000 | 6,296 | 683,201 | - | 714,497 | 267 | 714,764 |
| Results for the year | - | - | 127,441 | 1,358 | 128,799 | -627 | 128,172 |
| Other changes in equity in subsidiaries etc. (before tax) | - | (17,722) | - | - | -17,722 | - | -17,722 |
| Tax on other changes in equity | - | 4,574 | - | - | 4,574 | - | 4,574 |
| **Equity at 28 February 2022** | 25,000 | (6,852) | 810,642 | 1,358 | 830,148 | (360) | 829,788 |

## Statement of Changes in Equity 1 March - 28 February, continued

| | | Parent Company | | | | |
|---|---|---|---|---|---|---|
| DKK 1,000 | Note | Capital stock | Reserve for net revaluation according to the equity method | Retained earnings | Proposed dividends | Total |
| **Equity at 1 March 2021** | | 25,000 | 255,644 | 385,469 | - | 666,113 |
| Dividends received from subsidiaries | | - | (109,500) | 109,500 | - | - |
| Results for the year | 24 | - | 117,131 | (3,569) | - | 113,562 |
| Declared dividend | | | | (75,000) | | (75,000) |
| Changes in value of hedging instruments, etc. (before tax) | | - | 13,983 | - | - | 13,983 |
| Tax on changes in value of hedging instruments | | - | - (4,161) | - | - | (4,161) |
| **Equity at 1 March 2022** | | 25,000 | 273,097 | 416,400 | - | 714,497 |
| Dividends received from subsidiaries | | - | (100,000) | 100,000 | - | - |
| Results for the year | 24 | - | 127,672 | (231) | 1,358 | 128,799 |
| Other changes in equity in subsidiaries, etc. (before tax) | | - | (17,722) | - | - | (17,722) |
| Tax on other changes in equity | | - | 4,574 | - | - | 4,574 |
| **Equity at 28 February 2022** | | 25,000 | 287,621 | 516,169 | 1,358 | 830,148 |

## Cash Flow Statement 1 March - 28 February

| DKK 1.000 | Note | Consolidated 2021/22 | 2020/21 |
|---|---|---|---|
| **Earnings before tax** | | 156,705 | 135,053 |
| Adjustments: | | | |
| Depreciation, amortization, and write-downs, etc | | 178,440 | 151,805 |
| Provisions | | 4,456 | 408 |
| Polen Court case, paid | | - | (89,064) |
| Net financial income and costs | | 29,789 | 34,720 |
| | | 212,685 | 97,869 |
| **Changes in working capital** | 25 | 25,763 | 46,696 |
| **Cash flows generated from operations before financial items** | | 395,153 | 279,618 |
| Financial income, received | | 5,824 | 7,762 |
| Polen Court case, interest paid | | - | (44,617) |
| Financial costs, paid | | (38,763) | (41,531) |
| **Cash flows from operations before tax** | | 362,214 | 201,232 |
| Corporate tax paid | 13 | 3,601 | (17,793) |
| **Cash flows from operating activities** | | 365,815 | 183,439 |
| Capitalized development costs | 10 | (107,829) | (147,774) |
| Sale of property, plant and equipment | | 39,755 | |
| Acquisitions of software, property, plant, and equipment | 26 | (148,511) | (137,866) |
| **Cash flows from investing activities** | | (216,585) | (285,640) |
| Repayments, non-current liabilities | | (85,675) | (53,946) |
| Changes in non-current other debt | | 2,109 | 43,585 |
| Changes in current interest bearing debt | | 0 | - |
| Loan from parent company | | (17,931) | 953 |
| **Cash flows from financing activities** | | (101,498) | (9,408) |
| **Net cash flows from operating, investing, and financing activities** | | 47,733 | (111,609) |
| Current cash at 1 March | | 133,749 | 249,046 |
| Exchange rate variations on current cash | | 840 | (3,688) |
| **Current cash at 28 February** | | 182,322 | 133,749 |

# Notes

## 1. Accounting Policies

The Annual Report for Thrige Holding A/S for 2021/22 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to large reporting class C entities.

Thomas B. Thriges Fond is the ultimate Parent. In accordance with the Danish Financial Statements Act §111 section 3, no Consolidated Financial Statements are made for the foundation. Thus the Consolidated Financial Statements of Thrige Holding A/S are at the highest level for the Group.

Recognition and measurement of derivative financial instruments are made in accordance with International Financial Reporting Standards (IFRS), cf. the Danish Financial Statements Act, § 37 section 5.

The accounting policies are consistent with those of last year.

**Consolidated Financial Statements**
The Consolidated Financial Statements comprise the Parent Company Thrige Holding A/S and subsidiaries over which Thrige-Holding A/S A/S has control, i.e. the power to govern the financial and operating policies so as to obtain benefits from its activities. Control is obtained when the Company directly or indirectly holds more than 50% of the voting rights in the subsidiary or, in some other way, controls the subsidiary.

The Consolidated Financial Statements have been prepared as a consolidation of the Financial Statements of the Parent Company and subsidiaries, prepared according to the Group's accounting policies. On consolidation, intra-group income and costs, stockholdings, intra-group balances and dividends, and realized and unrealized gains and losses on intra-group transactions are eliminated.

Entities acquired or formed during the year are recognized in the Consolidated Financial Statements from the date of acquisition or formation. Entities which are disposed of or wound up are recognized in the Consolidated Income Statement until the date of disposal or winding-up. The comparative figures are not restated for entities acquired, disposed of, or wound up.

**Foreign currency translation**
Transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and at the date of payment are recognized in the Income Statement as financial income or financial costs.

Receivables, payables, and other monetary items denominated in foreign currencies, which are not settled on the Balance Sheet date, are translated at the exchange rates at the Balance Sheet date. The difference between the exchange rates at the Balance Sheet date and at the date at which the receivable or payable arose or was recognized in the latest Financial Statements is recognized in the Income Statement as financial income or financial costs.
Upon recognition of subsidiaries that are foreign entities, the Income Statements are translated at an average rate of exchange for the month, and the Balance Sheet items are translated at the exchange rates at the Balance Sheet date.

Currency differences arising upon translation of foreign subsidiaries' equity at the beginning of the year to the exchange rates at the Balance Sheet date and upon translation of Income Statements from the average rates of exchange to the exchange rates at the Balance Sheet date are recognized directly in the equity.

Foreign exchange adjustment of balances with foreign entities which are considered part of the investment in the entity is recognized in the equity.

Upon recognition of foreign subsidiaries that are integrated entities, monetary items are translated at the exchange rate at the Balance Sheet date. Non-monetary items are translated at the exchange rate at the date of acquisition or the time of the subsequent revaluation or impairment of the asset. The items in the Income Statement are translated at the exchange rate at the date of transaction. However, items derived from non-monetary items are translated at the historical conversion rate of the non-monetary item.

**Derivative financial instruments**

Derivative financial instruments are initially recognized in the Balance Sheet at cost and are subsequently measured at fair value. Positive and negative fair values of derivative financial instruments are included in other receivables and other payables, respectively.

Changes in the fair value of derivative financial instruments designated as and qualifying for recognition as a hedge of the fair value of a recognized asset or liability are recognized in the Income Statement together with changes in the fair value of the hedged asset or liability.

Changes in the fair value of derivative financial instruments designated as and qualifying for recognition as a hedge of future assets or liabilities are recognized directly in other receivables or other payables and in the equity. If the hedged forecast transaction results in the recognition of assets or liabilities, amounts which were previously recognized in the equity are transferred to the cost of the asset or liability, respectively. If the hedged forecast transaction results in income or costs, amounts previously recognized in the equity are transferred to the Income Statement in the period in which the hedge item affects the profit or loss.

Changes in the effective portion of the fair value of derivative financial instruments that are designated and qualify as hedge accounting are recognized in the hedging reserve within equity. When the hedged transaction materializes, amounts previously recognized in the hedging reserve are transferred to the same item as the hedged item.

For derivative financial instruments that do not qualify for hedge accounting, changes in fair value are recognized in the Income Statement on a regular basis.

**Income Statement**

***Revenue***

Revenue comprises the deliveries for the year and the value of construction contracts in process with significant customization.

Revenue from contract work in process with an insignificant degree of customization is recognized in the Income Statement when the transfer of risk to the customer has taken place. Any discounts allowed are deducted from the revenue.

Construction contracts with significant customization are recognized as revenue by reference to the percentage of completion method, which means that revenue corresponds to the selling price of work performed during the year.

***Production costs***

Production costs comprise costs, including depreciation, amortization, and salaries, incurred in generating the revenue for the year. Such costs include direct and indirect costs for raw materials and consumables, wages and salaries, depreciation of production plants, and other production costs.

Production costs also comprise research and development costs that do not qualify for capitalization and amortization of capitalized development costs.

***Distribution costs***
Costs incurred in distributing goods sold during the year and in conducting sales campaigns, etc. during the year are recognized as distribution costs. Also, costs relating to sales staff, advertising, exhibitions, and depreciation are recognized as distribution costs.

***Administrative costs***
Administrative costs comprise costs incurred during the year for the Management and administration, including costs related to administrative staff, office premises and office expenses, and depreciation.

***Leases***
Payments relating to operating leases are recognized in the Income Statement over the term of the lease. The Company's total liabilities relating to operating leases are disclosed in the notes.

***Other operating income and costs***
Other operating income and costs comprise items secondary to the principal activities, including gains and losses on disposal of intangibles and property, plant, and equipment. In the Parent Company, other operating income also comprises management fees from subsidiaries.

***Profit in subsidiaries***
The individual subsidiaries' profit after tax is recognized in the Income Statement for the Parent Company following elimination of intra-group gains/losses.

***Financial income and costs***
Financial income and costs comprise interest income and costs, gains and losses on receivables, payables, and other transactions denominated in foreign currencies, amortization of financial assets and liabilities as well as surcharges and refunds under the on-account tax scheme, etc.

***Tax on profit for the year***
Thrige Holding A/S is subject to the compulsory Danish joint taxation method for Thrige Holding A/S and the Thrige Holding Group's Danish subsidiaries. Subsidiaries are part of the joint taxation from the time of the consolidation in the Group's Financial Statements and until the time when they are left out of the consolidation.

Thrige Holding A/S is the administrative company for the joint taxation, and as a consequence, it settles all tax payments with the authorities.

The current Danish corporate income tax is allocated by payment of the joint taxation contribution between the jointly taxed companies relative to the taxable income. In this respect, companies with tax loss receive joint taxation contributions from companies which have used this loss to reduce their own tax profit.

Tax for the year comprises current tax for the year, the joint taxation contribution, and changes in deferred tax. The tax expense relating to the profit for the year is recognized in the Income Statement, and the tax expense relating to amounts directly recognized in equity is recognized directly in the equity.

**Balance Sheet**

**Intangibles**

***Development projects, patents, and software licenses***
Development projects comprise costs, salaries, and amortization directly attributable to the development activities. Development projects that are clearly defined and identifiable, where the technical feasibility, sufficient resources, and a potential future market or development opportunities can be evidenced, and where it is intended to produce, market, or use the project, are recognized as intangibles, provided that the cost can be measured reliably, and that there is sufficient assurance that future earnings can cover production costs, selling costs, administrative costs, and development projects. Other development projects in process are recognized in the Income Statement when incurred.

Capitalized development projects are recognized at cost less accumulated amortization and impairment losses.

Following the completion of development projects, capitalized development costs are amortized concurrently with the sale of the developed products, alternatively on a straight-line basis over the estimated useful life. The amortization period is usually 5-15 years. The amortization profile is reevaluated on an annual basis.

Patents and software licenses are measured at cost less accumulated depreciation and impairment loss. Patents are depreciated on a straight-line basis over the remaining patent period, and software licenses are depreciated over the contract period, however, not longer than 10 years.

Gains and losses on the disposal of development projects, patents, and software licenses are determined as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses are recognized in the Income Statement under other operating income and other operating costs, respectively.

**Property, plant, and equipment**
Land and buildings, plant and machinery, and fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses. Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use. The cost of self-constructed assets comprises direct and indirect costs of materials, components, subcontractors, and wages and salaries. No interest is included.
The cost of a total asset is divided into separate elements which are depreciated separately if the useful life of the individual elements varies.

Depreciation is provided on a straight-line basis over the expected useful lives of the assets. The expected useful lives are as follows:

| | |
|---|---|
| | Buildings 10-50 years |
| | Plant and machinery 3-20 years |
| | Fixtures and fittings, tools and equipment 3-7 years |

The basis of depreciation is based on cost reduced by the residual value of the asset at the end of its useful life and impairment losses, if any.

The depreciation period and the residual value are determined at the time of acquisition and are reassessed every year. Where the residual value exceeds the carrying amount of the asset, no further depreciation charges are recognized.

In case of changes in the depreciation period or the residual value, the effect on the amortization charges is recognized prospectively as a change in accounting estimates.

Depreciation is recognized in the Income Statement as production costs, distribution costs, and administrative costs, respectively.

Gains and losses on the disposal of property, plant, and equipment are determined as the difference between the selling price less selling costs and the carrying amount at the date of disposal. The gains or losses are recognized in the Income Statement as other operating income or other operating costs, respectively.

***Investments in subsidiaries***
Investments in subsidiaries are measured according to the equity method.
Investments in subsidiaries are measured in the Balance Sheet at the subsidiaries' net asset values calculated in accordance with the Group's accounting policies minus or plus unrealized intra-group profits and losses.

Net revaluation of investments in subsidiaries is shown as a reserve for net revaluation according to the equity method under equity to the extent that the carrying value exceeds the cost. Subsidiary dividends are transferred from the net revaluation to the distributable reserves at the time of distribution.

**Impairment of non-current assets**
The carrying amount of intangibles and property, plant, and equipment as well as equity interests in subsidiaries is subject to an annual test for indications of impairment other than the decrease in value reflected by depreciation or amortization.
Impairment tests are conducted of individual assets or groups of assets when there is an indication that they may be impaired. Write-down is made to the recoverable amount if this is lower than the carrying amount.

The recoverable amount is the higher of an asset's net selling price and its value in use. The value in use is determined as the present value of the expected net income from the use of the asset or the group of assets and expected net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Previously recognized impairment will only be reversed if the reason for impairment no longer exists.

**Inventories**
Inventories are measured at cost in accordance with the FIFO method. Where the net realizable value is lower than the cost, inventories are written down to this lower value.

Raw materials and consumables are measured at cost, comprising purchase price plus delivery costs.

Finished goods and work in process are measured at cost, comprising the cost of raw materials, consumables, direct wages and salaries, and indirect production overheads. Indirect production overheads comprise indirect materials and wages and salaries as well as maintenance and depreciation of production machinery, buildings, and equipment as well as factory administration and management. Borrowing costs are not included in the cost.

The net realizable value of inventories is calculated as the sales amount less costs of completion and costs necessary to make the sale, and is determined taking into account marketability, obsolescence, and development in expected selling price.

**Receivables**
Receivables are recognized initially at fair value and subsequently measured at amortized cost less impairment losses. The impairment assessment is based on the Expected Credit Loss model (ECL).

The ECL model involves a three-stage approach under which financial assets move through the stages as their credit quality changes.

The stages determine how impairment losses are measured and the effective interest is applied. For trade receivables, the Group applies the simplified approach, which permits the use of lifetime ECL. Provision rates are determined based on grouping of trade receivables sharing the same credit risk characteristics and days past due.

Regarding Group intercompany loans, impairment losses will be recognized based on 12-month or lifetime ECL depending on whether a significant increase in credit risk has arisen since initial recognition.

***Construction contracts***
Construction contracts are measured at the selling price of the work performed. The impairment assessment is based on the ECL model, cf. above.
The selling price is measured on the basis of the stage of completion at the Balance Sheet date and total expected income from the individual contract work. When the selling price of a contract cannot be measured reliably, the selling price is measured at the costs incurred or at net realizable value, if this is lower.

The individual construction contract is recognized in the Balance Sheet under either receivables or liabilities, depending on the net amount of the selling price less payables. Net assets are constituted by the sum of the construction contracts where the selling price of the work performed exceeds the amount which has been invoiced on account. Net liabilities are constituted by the sum of the construction contracts where the amount which has been invoiced on account exceeds the selling price.

Selling costs and costs incurred in securing contracts are recognized in the Income Statement when incurred.

***Prepayments***
Prepayments recognized under current assets comprise costs incurred concerning subsequent fiscal years.

**Equity**
***Reserve for net revaluation according to the equity method (Parent Company)***
Net revaluation of investments in subsidiaries is recognized at cost in the reserve for net revaluation according to the equity method. The reserve cannot be recognized at a negative amount.

***Reserve for exchange rate adjustment and hedging instrument***
The reserve comprises exchange rate differences arising on the translation of the financial statements of foreign enterprises from their functional currencies into Danish kroner including exchange differences on loans considered to be a part of the net investment or as hedging of the net investment and contains also the accumulated net change in the fair value of hedging transactions that meet the criteria for hedging future cash flows and for which the hedged transaction has yet to be realised. The tax effect on these transaction has also been included.

***Proposed dividend***
Dividend proposed is recognized as a liability at the date when they are adopted at the general meeting (declaration date). Dividend during the year (extraordinary) or dividend expected to be distributed for the year are disclosed separately under equity.

***Current tax and deferred tax***

Current tax payable and receivable is recognized in the Balance Sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account.

Payable and receivable joint tax contributions are recognized in the Balance Sheet under balances for the Parent Company.

Deferred tax is measured using the Balance Sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities. Where different tax rules can be applied to determine the tax base, deferred tax is measured on the basis of the planned use of the asset or settlement of the liability, respectively. Adjustment is made to deferred tax resulting from elimination of unrealized intra-group profits and losses.

Deferred tax assets, including the tax value of tax loss carryforwards, are recognized at the expected value of their utilization, either as a set-off against tax on future income or as set-off against deferred tax liabilities in the same legal tax entity and jurisdiction.

Deferred tax is measured according to the tax rules and at the tax rates applicable in the respective countries at the Balance Sheet date.

***Provisions***

Provisions comprise anticipated costs related to warranties, losses related to construction contracts in process. Provisions are recognized when, as a result of past events, the Group has a legal or a constructive obligation, and it is probable that settlement of the obligation will result in an outflow of financial resources.
Warranties comprise obligations to make good any defects within the warranty period. Provisions for warranties are measured at net realizable value and recognized based on past experience.

If it is probable that the total costs related to a construction contract will exceed the total income, the expected total loss of the construction contract is recognized as a provision.

Other provisions cover expected costs in relation to settlements.

**Liabilities other than provisions**

Financial liabilities are recognized at the date of borrowing at the net proceeds received less transaction costs paid. In subsequent periods, the financial liabilities are measured at amortized cost, corresponding to the capitalized value using the effective interest rate. Accordingly, the difference between the proceeds and the nominal value is recognized in the Income Statement over the term of the loan.

Other liabilities are measured at amortized cost, which in general match net realizable value.

**Fair value**

Fair value measurements are based on the principal market. If no principal market exists, the measurement is based on the most advantageous market, i.e. the market that maximizes the price of the asset or liability less transaction and/or transport costs.
All assets and liabilities which are measured at fair value, or whose fair value is disclosed, are classified based on the fair value hierachy, see below:

| | |
|---|---|
| Level 1: | Value in an active market for similar assets/liabilities |
| Level 2: | Value based on recognized valuation methods on the basis of observable market information |
| Level 3: | Value based on recognized valuation methods and reasonable estimates (non-observable market information). |

**Cash Flow Statement**

The Cash Flow Statement shows the Group's cash flows from operating, investing, and financing activities for the year, the year's changes in cash as well as the Group's cash at the beginning and end of the year.

***Cash flows from operating activities***
Cash flows from operating activities are calculated as the Group's profit adjusted for non-cash operating items, changes in working capital, corporate tax paid, and receivable/joint taxation contribution.

***Cash flows for investing activities***
Cash flows for investing activities comprise payments in connection with capitalized development costs (cash effect) and acquisitions and disposals of other intangibles, property, plant, and equipment, and investments.

***Cash flows from financing activities***
Cash flows from financing activities comprise payments to and from the Group's stockholders and related costs as well as raising of loans and repayment of interest-bearing debt.

***Current cash***
Current cash includes cash in hand and bank deposits.

**Segment information**

Revenue has been allocated according to business segments and geographical markets.

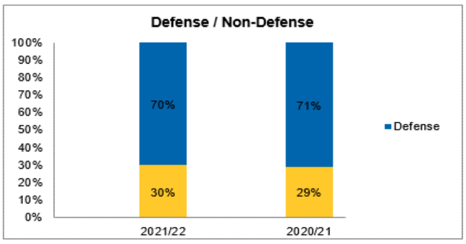
## 2. Special Items

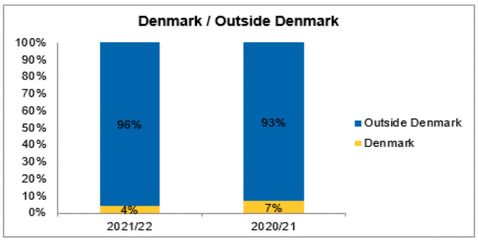
Special items comprise significant income and costs of a special character in relation to the Group's operating activities generating income, i.e. costs in connection with comprehensive restructuring of processes and fundamental structural modifications and related gains and losses on disposals which will be of significance over a period of time. Special items also comprise other significant one-off expenses, which according to Management are not a part of the normal operating activities of the Group.

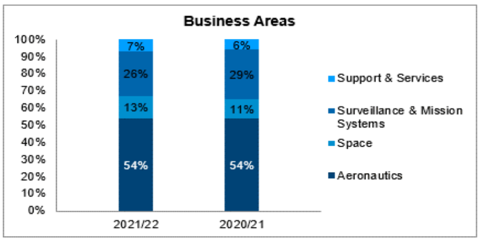
The profit for this year and last year has not been impacted by circumstances which according to the Management deviate

## 3. Segment information, Revenue

**Consolidated:**




## 4. Revenue

| | Consolidated | | Parent Company | |
|---|---|---|---|---|
| DKK 1.000 | 2021/22 | 2020/21 | 2021/22 | 2020/21 |
| Goods and services | 618,690 | 606,180 | - | - |
| Construction contracts | 1,575,992 | 1,463,840 | - | - |
| | 2,194,682 | 2,070,020 | - | - |

## 5. Staff costs

| | Consolidated | | Parent Company | |
|---|---|---|---|---|
| DKK 1.000 | 2021/22 | 2020/21 | 2021/22 | 2020/21 |
| Remuneration to Management registered in the Central Business Register | 875 | 855 | - | - |
| Wages and salaries | 949,367 | 993,255 | - | - |
| Pensions | 61,466 | 60,020 | - | - |
| Other social security costs | 57,963 | 54,225 | - | - |
| | 1,069,671 | 1,108,355 | - | - |
| Average number of full-time employees | 1,648 | 1,653 | - | - |

**Group**
According to the exemption clause in §98, section 3, No. 1 of the Danish Financial Statements Act, remuneration for the Consolidated Management is presented in total to avoaid disclosure of remuneration for the Management.

Incentive programs have been established for the Management and employees in managerial positions. The programs comprise of settlement in cash depending on achievement of specific targets. The programs run mainly annually.

**Parent**
No Remuneration for the Parent Company Board Members and Management was given in the 2021/22 fiscal year.

No staff is employed apart from the management.

## 6. Fees paid to auditors

| | Consolidated | |
|---|---|---|
| DKK 1.000 | 2021/22 | 2020/21 |
| Total fees to EY can be specified as follows: | | |
| Statutory audit | 1,268 | 1,133 |
| Other assurance engagements | 212 | 196 |
| Tax and VAT | 260 | 854 |
| Other non-audit services | 632 | 705 |
| **Total** | 2,372 | 2,887 |

## 7. Other operating income and costs

| | Consolidated | | Parent Company | |
|---|---|---|---|---|
| DKK 1.000 | 2021/22 | 2020/21 | 2021/22 | 2020/21 |
| Management fees | 1,209 | 928 | - | - |
| Profit on disposal of minor assets | 1,540 | 297 | - | - |
| Profit on disposal of non-current assets | - | - | - | - |
| Rental income | 7,539 | 488 | - | - |
| **Other operating income** | 10,288 | 1,713 | - | - |
| Costs related to disposal of minor assets | - | - | - | - |
| Loss on disposal of non-current assets | 10,750 | 569 | - | - |
| Costs related to premises rented out | - | 132 | - | - |
| **Other operating costs** | 10,750 | 701 | - | - |

## 8. Investments

| DKK 1.000 | Parent Company |
|---|---|
| | Investments in subsidiaries |
| Cost at 1 March 2021 | 467,447 |
| Additions | - |
| Cost at 28 February | 467,447 |
| Net revaluations at 1 March 2021 | 273,099 |
| Dividends paid | (100,000) |
| Other changes in equity in subsidiaries | (13,148) |
| Results for the year | 127,672 |
| Net revaluations at 28 February 2022 | 287,623 |
| **Carrying amount at 28 February 2022** | 755,070 |

Plese refer to note 20 for further disclosure of subsidiaries

## 9. Financial income and costs

| | Consolidated | | Parent Company | |
|---|---|---|---|---|
| DKK 1.000 | 2021/22 | 2020/21 | 2021/22 | 2020/21 |
| Included in financial income and costs are: | | | | |
| Intra- group interest, current assets | - | - | 5,341 | 304 |
| Other interest | 479 | 591 | 6 | - |
| Exchange rate variations and hedging income regarding hedging instruments | 6,185 | 6,405 | - | - |
| Financial income | 6,664 | 6,996 | 5,347 | 304 |
| Intra- group interest, current liabilities | 1,228 | 410 | 1,659 | 2,587 |
| Interest on subordinated loans | 7,650 | 7,650 | 2,025 | 2,025 |
| Interest to credit institutions, non-current liabilities | 5,393 | 6,608 | - | - |
| Interest to credit institutions, current liabilities | 1,588 | 1,288 | 13 | - |
| Other interest | 1,955 | 1,942 | - | - |
| Guarantee expenses and bank charges | 5,416 | 2,884 | 2 | 1 |
| Exchange rate variations and hedging costs regarding hedging instruments | 13,223 | 20,934 | - | - |
| Financial costs | 36,453 | 41,716 | 3,699 | 4,613 |

## 10. Tax

| | Consolidated | | Parent Company | |
|---|---|---|---|---|
| DKK 1.000 | 2021/22 | 2020/21 | 2021/22 | 2020/21 |
| Joint tax contribution/current tax | 29,021 | 3,497 | 238 | (1,007) |
| Deferred tax | (5,062) | 21,850 | - | - |
| **Total Tax** | 23,959 | 25,347 | 238 | (1,007) |
| Specified as follows: | | | | |
| Tax on profit | 28,533 | 21,186 | 238 | (1,007) |
| Tax on changes in equity | (4,574) | 4,161 | - | - |
| | 23,959 | 25,347 | 238 | (1,007) |

## 11. Intangibles

| | Consolidated | | | | |
|---|---|---|---|---|---|
| DKK 1.000 | Software | Software in process | Developm. projects, completed | Developm. projects, in process | Total |
| Cost at 1 March 2021 | 107,106 | 12,740 | 918,668 | 253,771 | 1,292,285 |
| Foreign currency adjustments | 0 | - | 349 | 5,093 | 5,442 |
| Additions | 24,485 | 11,675 | - | 107,829 | 143,989 |
| Disposals | (21,898) | - | (300,511) | - | (322,409) |
| Transfers | 4,055 | (4,055) | 132,085 | (132,085) | - |
| Cost at 28 February 2022 | 113,748 | 20,360 | 750,591 | 234,608 | 1,119,307 |
| Amortizations and impairments at 1 March 2021 | 55,782 | - | 618,877 | - | 674,659 |
| Foreign currency adjustments | - | - | 90 | - | 90 |
| Amortizations and impairments | 24,152 | - | 77,863 | - | 102,015 |
| Disposals | (21,888) | - | (300,511) | - | (322,399) |
| Amortizations and impairments at 28 February 2022 | 58,046 | - | 396,319 | - | 454,366 |
| **Carrying value at 28 February 2022** | 55,702 | 20,360 | 354,272 | 234,608 | 664,942 |
| Amortized over | 3-10 years | | 5-15 years | | |

**Development projects**

Development projects comprise large and small projects in all Terma's Business Areas. Investments are made in the development of:

- Physical products or product platforms based on a set of technologies
- Software platforms, generic or actual applications
- Production processes with future profitability, supporting provision of one or more of the other assets.

A development project is initiated based on an assessment of the business potential described in a business case. Terma uses a gateway model ensuring ongoing follow-up of the development projects.

All development projects are evaluated to ensure that future earnings justify the carrying amount. An annual impairment test of the individual development project will ensure this, in which the discounted expected cash flow is compared with the carrying amount. Ongoing projects are discounted with a WACC of 13-15% after tax, and finished projects are discounted with a WACC of 9-13% after tax.

*Sensitivity analysis*

An increase in the WACC percentage of 1% will decrease the discounted value of the projects, but they will all remain within the carrying amount.

## 12. Property, plant and equipment

| | Consolidated | | | | |
|---|---|---|---|---|---|
| DKK 1.000 | Land and buildings | Plant and machinery | Fixtures and fittings, tools and equipment | Property, plant and equipment under construction | Total |
| Cost at 1 March 2021 | 547,210 | 517,907 | 119,885 | 65,280 | 1,250,282 |
| Foreign currency adjustments | - | 596 | 2,094 | - | 2,690 |
| Transfers | 15,071 | 17,989 | 5,364 | (38,424) | - |
| Additions | 14,960 | 33,975 | 15,884 | 29,968 | 94,787 |
| Disposals | (74,244) | (19,909) | (15,089) | - | (109,242) |
| Cost at 28 February 2022 | 502,997 | 550,558 | 128,138 | 56,824 | 1,238,517 |
| Revaluation at 1 March 2021 | 20,621 | - | - | - | 20,621 |
| Revaluation at 28 March 2022 | 20,621 | - | - | - | 20,621 |
| Depreciation and impairments at 1 March 2021 | 253,504 | 327,908 | 90,642 | - | 672,054 |
| Foreign currency adjustments | - | 592 | 1,521 | - | 2,113 |
| Depreciations | 17,784 | 36,671 | 13,255 | - | 67,710 |
| Disposals | (26,048) | (19,850) | (14,363) | - | (60,261) |
| Depreciations and impairments at 28 February 2022 | 245,240 | 345,321 | 91,055 | - | 681,616 |
| **Carrying amount at 28 February 2022** | 278,378 | 205,237 | 37,083 | 56,824 | 577,522 |
| Depreciated over | 10-50 years | 3-20 years | 3-7 years | | |

## 13. Construction contracts

| | Consolidated | | Parent Company | |
|---|---|---|---|---|
| DKK 1.000 | 2022 | 2021 | 2022 | 2021 |
| Selling price of construction contracts | 2,942,924 | 2,540,736 | - | - |
| Invoiced on account | (3,095,086) | (2,620,765) | - | - |
| **Construction contracts at 28 February** | (152,162) | (80,029) | - | - |
| Recognized as follows: | | | | |
| Construction contracts (assets) | 157,923 | 241,330 | - | - |
| Construction contracts (liabilities) | (310,085) | (321,359) | - | - |
| | (152,162) | (80,029) | - | - |

## 14. Corporate tax payable

| | Consolidated | | Parent Company | |
|---|---|---|---|---|
| DKK 1.000 | 2022 | 2021 | 2022 | 2021 |
| Corporate tax payable at 1 March | (12,563) | 1,733 | (11,086) | 3,429 |
| Tax for the year/joint tax contribution | 29,021 | 3,497 | 238 | (1,007) |
| Corporate tax paid during the year | 3,601 | (17,793) | 9,902 | (2,471) |
| Transferred from intra-group balances | 0 | 0 | 19,070 | (11,037) |
| **Corporate tax payable at 28 February** | 20,059 | (12,563) | 18,124 | (11,086) |
| Recognized as follows: | | | | |
| Corporate tax receivable | (2,709) | (16,294) | - | 11,086 |
| Corporate tax payable | 22,768 | 3,731 | 18,124 | 0 |
| | 20,059 | (12,563) | 18,124 | 11,086 |

## 15. Deferred tax

| | Consolidated | | Parent Company | |
|---|---|---|---|---|
| DKK 1.000 | 2022 | 2021 | 2022 | 2021 |
| Deferred tax at 1 March | 151,994 | 129,782 | - | - |
| Foreign currency adjustments | (621) | 362 | - | - |
| Adjustment for the year | (5,062) | 21,850 | - | - |
| **Deferred tax at 28 February** | 146,311 | 151,994 | - | - |
| Recognized as follows: | | | | |
| Deferred tax (assets) | (12,225) | (1,734) | - | - |
| Deferrred tax (liabilities) | 158,536 | 153,728 | - | - |
| | 146,311 | 151,994 | - | - |
| Deferred tax relates to: | | | | |
| Intangibles | 109,116 | 98,459 | - | - |
| Property, plant and equipment | 45,361 | 45,969 | - | - |
| Current assets | 14,286 | 31,776 | - | - |
| Provisions | (1,540) | (1,540) | - | - |
| Liabilities other than provisions etc. | (20,912) | (22,670) | - | - |
| | 146,311 | 151,994 | - | - |

Expected timeframe for elimination of deferred tax liabilities:

| | Consolidated | | Parent Company | |
|---|---|---|---|---|
| | 2022 | 2021 | 2022 | 2021 |
| 0-1 year | (10,511) | 961 | - | - |
| 1-5 years | 59,325 | 85,259 | - | - |
| >5 years | 97,497 | 65,774 | - | - |
| | 146,311 | 151,994 | - | - |

## 16. Prepayments

| | Consolidated | | Parent Company | |
|---|---|---|---|---|
| | 2022 | 2021 | 2022 | 2021 |
| Insurance premiums | 123 | 278 | - | - |
| Rent | 365 | 702 | - | - |
| Tax on real property | 140 | 504 | - | - |
| IT licenses, short term | 6,146 | 4,008 | - | - |
| Other prepayments | 3,974 | 1,823 | - | - |
| **Prepayments at 28 February** | 10,748 | 7,315 | - | - |

## 17. Equity

Capital stock consists of stock of 25 million with a nominal value of DKK 1.00, in total MDKK 25.

The capital stock has remained unchanged during the preceding 5 years.

The Company does not hold any own shares at the Balance Sheet date. Buying or selling own shares have not taken place during the financial year, either.

## 18. Warranty provisions

| | Consolidated | | Parent Company | |
|---|---|---|---|---|
| | 2022 | 2021 | 2021 | 2020 |
| Warranty provisions at 1 March | (19,347) | 14,077 | - | - |
| Used during the year | 17,326 | (2,492) | - | - |
| Unused warranty provisions, reversed | 5,633 | (5,584) | - | - |
| Provisions for the year | 23,627 | 13,346 | - | - |
| **Warranty provisions at 28 February** | 27,239 | 19,347 | - | - |
| Expected maturity for warranty provisions | | | | |
| 0-1 year | 20,492 | 9,799 | - | - |
| >1 years | 6,747 | 9,548 | - | - |
| | 27,239 | 19,347 | - | - |

## 19. Subordinated loans

Subordinated convertible loan from the ultimate parent company, the Thomas B. Thrige Foundation, with a total nominal value of 170 MDKK(Parent: 45 MDKK). The interest rate is fixed at 4.5%. The loan expires 1 June 2027 without further notice. Once a year in February, the loan can be fully or partly converted into shares in Thrige Holding A/S/the subsidiary Terma A/S based on current value. However, not less than a share price of 100 per share amounting to 100.

## 20. Non-current liabilities other than provisions

| DKK 1.000 | Liabilities | Fair value | Nominal value | Long-term liabilities | Short-term liabilities | Loans outstanding after five years |
|---|---|---|---|---|---|---|
| | Consolidated | | | | | |
| Subordinated loans | 170,000 | 170,000 | 170,000 | 170,000 | - | 170,000 |
| Credit institutions | 109,913 | 109,963 | 109,963 | 63,708 | 46,205 | - |
| Mortgage credit institutions | 164,541 | 161,022 | 165,214 | 153,430 | 11,111 | 108,383 |
| Other debt | 86,617 | 86,617 | 86,617 | 86,617 | - | 86,617 |
| **28 February 2022** | 531,071 | 527,602 | 531,794 | 473,755 | 57,316 | 365,000 |

| DKK 1.000 | Liabilities | Fair value | Nominal value | Long-term liabilities | Short-term liabilities | Loans outstanding after five years |
|---|---|---|---|---|---|---|
| | Consolidated | | | | | |
| Subordinated loans | 170,000 | 170,000 | 170,000 | 170,000 | - | 170,000 |
| Credit institutions | 156,087 | 156,166 | 156,166 | 109,848 | 46,239 | - |
| Mortgage credit institutions | 205,923 | 210,859 | 208,100 | 193,251 | 12,672 | 141,116 |
| Other debt | 84,507 | 84,507 | 84,507 | 84,507 | - | 84,507 |
| **28 February 2021** | 616,517 | 621,532 | 618,773 | 557,606 | 58,911 | 225,623 |

**2021/22**

| DKK 1.000 | 28 February 2021 | Cash flow | Non-monetary changes | 28 February 2022 |
|---|---|---|---|---|
| | Consolidated | | | |
| Non-current liabilities other than provisions | 557,606 | (84,011) | 160 | 473,755 |
| Current liabilities other than provisions | 84,583 | 55,454 | - | 140,037 |
| Declared dividend | 75,000 | (75,000) | - | - |
| **Liabilities other than provisions from financing activities** | 717,188 | (103,557) | 160 | 613,792 |

## 20. Non- current liabilities other than provisions, continued

### Debt to financial institutions

| DKK 1.000 | 2022<br>Average nominal interest rate | Average effective interest rate | Currency | Fixed interest rate | Carrying amount |
|---|---|---|---|---|---|
| **Mortgage loans:** | | | | | |
| Variable rate loans | 0.95 | 0.80 | DKK | 6 months | 24,051 |
| Fixed rate loans | 2.20 | 2.42 | DKK | 11-21 years | 129,379 |
| **Mortgage loans total** | 2.02 | 2.18 | | | 153,430 |
| | | | | | |
| **Loans from Banks** | | | | | |
| Fixed interest rate loans | 1.15 | 1.15 | EUR | | 63,708 |
| **Loans from banks total** | 1.15 | 1.15 | | | 63,708 |
| **Credit institutions total at 28 February** | | | | | 217,138 |

| DKK 1.000 | 2021<br>Average nominal interest rate | Average effective interest rate | Currency | Fixed interest rate | Carrying amount |
|---|---|---|---|---|---|
| **Mortgage loans:** | | | | | |
| Variable rate loans | 0.95 | 0.80 | DKK | 3-6 months | 27.013 |
| Fixed rate loans | 2.20 | 2.42 | DKK | 16-22 years | 166.238 |
| **Mortgage loans total** | 2.02 | 2.18 | | | 193.251 |
| | | | | | |
| **Loans from Banks** | | | | | |
| Fixed interest rate loans | 1.15 | 1.15 | EUR | | 109.848 |
| **Loans from banks total** | 1.15 | 1.15 | | | 109.848 |
| **Credit institutions total at 28 February** | | | | | 303.099 |

## 21. Contingent liabilities and security

### Contingent liabilities

| DKK 1.000 | Consolidated 2022 | Consolidated 2021 | Parent company 2022 | Parent company 2021 |
|---|---|---|---|---|
| Lease liabilities (operating leases) at 28 February falling due within 5 years (annual cost 16,496 tDKK) | 47,299 | 36,007 | | |
| Lease liabilities at 28 February due after more than 5 years | 4,699 | - | | |

The German consolidated company Thrige Electric GmbH has secondary liability for pension obligations towards former employees in a transferred subsidiary. The activities have been retransferred three times and the risk that obligations will be actualized is assessed low.

The subsidiarys Terma A/S, Terma Aerostructures A/S, and Thrige-Titan A/S are assessed for Danish tax purposes jointly with Thrige Holding A/S. As of 2013/14, the company is jointly and severally liable with the other companies in the Group for payment of income tax and withholding tax in Denmark. Net liability of the jointly liable companies towards SKAT appears from the annual report of Thrige Holding A/S. Corrections of income tax and withholding tax appearing at a later time may result in responsibility to pay an increased amount.

Thrige Holding A/S is jointly and severally liable for joint registration concerning VAT with the Parent Company the Thomas B. Thrige Foundation, and the Group Companies Terma A/S, Terma Aerostructures and Thrige-Titan A/S.

| DKK 1.000 | Consolidated 2022 | Consolidated 2021 | Parent company 2022 | Parent company 2021 |
|---|---|---|---|---|
| On behalf of the Terma Group, third parties have issued performance and advance payment bonds at at total of | 130,671 | 175,353 | | |
| Included in the amount are customer advances reflected in the balance sheet | 83,622 | 89,480 | | |
| Through customer projects in various countries Terma A/S are contractually committed to certain offset obligations | 15,828 - | 17,735 | | |

**Security**

The following assets have been provided as security for mortgage loans:

| DKK 1.000 | Consolidated 2022 | Consolidated 2021 | Parent company 2022 | Parent company 2021 |
|---|---|---|---|---|
| Carrying amount of land and buildings | 278,378 | 314,327 | | |
| Other property, plant, and equipment estimated to be comprised by the collateral, cf. the provisions of the Danish Registration of Property Act | 299,144 | 284,522 | | |

## 22. Related parties

The related parties of Thrige Holding A/S are:

**Related parties with control and ownershop**
Thrige Holding A/S (CVR No. 26 31 16 83), is fully owned by:
Thomas B. Thrige Foundation (CVR No. 10 15 62 11)
%Terma A/S
Sydmarken 44A
2860 Søborg

As a subsidiary, the company is included in the annual report of Thomas B. Thriges Fond. The Annual report can be obtained by the request at the company´s adress.

**Other related parties**

| Name | Registered office | Ownership | Capital stock | |
|---|---|---|---|---|
| Terma A/S<br>(Central Business Register No. 41 88 18 28) | Lystrup, Denmark | 100% | 18.000 | tDKK |
| Terma Aerostructures A/S<br>(Central Business Register No. 35 23 62 52) | Grenaa, Denmark | 100% | 5.000 | tDKK |
| Terma GmbH | Darmstadt, Germany | 100% | 51 | tEUR |
| Terma B.V. | Leiden, The Netherlands | 100% | 750 | tEUR |
| Terma Inc. | Delaware, USA | 100% | 150 | tUSD |
| Terma Singapore Pte. Ltd. | Singapore, Singapore | 100% | 100 | tSGD |
| PT Terma Technologies Indonesia | Jakarta/Indonesia | 100% | 10.000 | tIDR |
| Terma (UK) Ltd. | London, United Kingdom | 100% | 10 | tEUR |
| Terma (India) Pvt. Ltd. | Delhi, India | 100% | 1.000 | tINR |
| Terma France SAS | Paris, France | 100% | 10 | tEUR |
| Terma Trading – Sole Proprietorship LLC | Abu Dhabi, UAE | 49% | 300 | tAED |
| Thrige-Titan A/S<br>(Central Business Register No. 40 32 24 18) | Lystrup, Denmark | 100% | 5.000 | tDKK |
| Thrige Electric GmbH, Germany | Darmstadt, Germany | 100% | 2.301 | tEUR |

The Board of directors in Thrige Holding A/S
The Board of directors in Thomas B. Thriges Fond

Thrige Holding A/S´ related parties exercising significant influence comprise the Board of Directors, Executive Management, managerial staff, and their family members. Further, related parties comprise companies in which the above-mentioned persons have substantial interests.

**Transactions with related parties:**

| | Consolidated | |
|---|---|---|
| DKK 1.000 | 2021/22 | 2020/21 |
| Subordinated loan from the Owners | 170,000 | 170,000 |
| Amounts owed to Parent Company | 82,721 | 100,672 |
| Sale of services to Parent Company | 1,209 | 928 |
| Interest expense to Parent Company | 8,878 | 8,060 |
| Declared dividend | - | 75,000 |

| | Parent Company | |
|---|---|---|
| DKK 1.000 | 2021/22 | 2020/21 |
| Subordinated loans from the Owners | 45,000 | 45,000 |
| Dividend paid from Group companies | 100,000 | 109,500 |
| Accounts recievable at subsidiary | 91,883 | 102,096 |
| Amounts owed to Parent Company | 82,721 | 83,530 |
| Amounts owed to subsidiary | 10,694 | 10,530 |
| Purchase of service from subsidiary | 73 | 73 |
| Interest income from subsidiary | 5,341 | 304 |
| Interest expense to subsidiary | 532 | 2,234 |
| Interest expense to Parent Company | 3,152 | 2,378 |
| Declared dividend | - | 75,000 |

## 23. Events after the balance sheet date

Following the end of the fiscal year, no significant events have occurred which affect the assessment of the Group's and Parent Company's financial position as reported on 28 February 2022.

## 24. Financial instruments and financial risks

Through its operations, the Terma Group is exposed to a certain financial risk; this financial risk relates to and is defined as follows:

| | |
|---|---|
| Liquidity risk | The risk that theTerma Group is not able to meet its future cash flow needs |
| Credit risk | The risk of incurring a financial loss if a customer or counterparty fails to fulfill its contractual obligations |
| Market risk | The risk of losses in financial positions arising from movements in interest, currency rates, and raw material prices to which the group is exposed |

Policies and objectives for handling financial risks are regularly assessed and approved by the Board of Directors.

Sensitivity analyses and stress tests are performed. Sensitivity information reported is calculated at Balance Sheet date and comprises only sensitivity relating to financial instruments, so the amounts disclosed do not necessarily give a complete picture of the Group’s risk relating to changes in currency rates and interest rates.

There are no changes to the Group's exposure to and management of financial risk since last year.

**Liquidity risk**

| Related business activity | Implication | Risk Mitigation | Impact |
|---|---|---|---|
| The Group is exposed to liquidity risk due to ongoing normal business activities, significant investments, and to a lesser extent to repayment of mortgage loans. | Effect: Medium<br><br>Threat: Low | Liquidity is managed at Group level.<br><br>Liquidity forecasts are produced and updated regularly based on forecasts on operational cash flows, CAPEX, and investment commitments. | The Group’s liquidity reserve consists of an unsecured overdraft facility for multi-currency short-term financing needs as well as a commited 1-year loan facility.<br><br>Similar to 2020/21, there has been no breach of covenants during the year. |
| Cash management is vital in relation to fulfill requirements from financial institutions. | | Flexibility in the Group’s loan portfolio is secured by having different institutions, terms, and expiry.<br><br>The Group’s loan agreements include covenants (leverage ratio). The agreements do not include clauses where cash security has to be pledged. | It is the Management's opinion that the Group has sufficient financial resources to settle obligations as they become due. |

Investments are classified as financial assets at fair value through profit or loss (financial derivatives) or as loans and receivables. The classification depends on the purpose for which the investments were acquired.

Financial assets classified at fair value through profit or loss are investments that are measured and reported at fair value in the internal management reporting. Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are included in trade receivables and other receivables in the statement of financial position.

The Group’s loan portfolio consists of a traditional mortgage loan, a European Investment Bank loan, and a loan from the Parent Company (intra-group balance).

In addition, the Group has subordinated loans of 170 MDKK.

At year-end February 2022, cash and bank deposits amounted to MDKK 182 (2020/21: MDK 134). In addition to cash and bank deposits, an unsecured overdraft facility for multi-currency short-term financing needs  as well as a commited 1-year loan facility is in place.

Below is a maturity analysis of the financial liabilities at year-end, 28 February 2022 and 28 February 2021

.

| | 2022 | | | | 2021 | | | |
|---|---|---|---|---|---|---|---|---|
| DKK 1.000 | Carrying amount/ contractual cashflow | 0-1 year | 1-5 years | >5 years | Carrying amount/ contractual cash flow | 0-1 year | 1-5 years | >5 years |
| Non-derivats: | | | | | | | | |
| Subordinated loans | 170,000 | - | - | 170,000 | 170,000 | - | 170,000 | - |
| Credit institutions | 109,913 | 46,205 | 63,708 | - | 156,087 | 46,239 | 109,848 | - |
| Mortgage credit institutions | 164,541 | 11,111 | 45,047 | 108,383 | 205,923 | 12,672 | 52,135 | 141,116 |
| Other debt | 86,617 | - | - | 86,617 | 84,507 | - | - | 84,507 |
| Current liabilities other than provisions | 962,384 | 962,384 | - | - | 1,068,593 | 1,068,593 | - | - |
| Derivats: | | | | | | | | |
| Forward contracts | 10,472 | 6,919 | 3,553 | - | (18,315) | (13,154) | (5,161) | - |
| Interest swaps | - | - | - | - | - | - | - | - |
| | 1,503,927 | 1,026,619 | 112,308 | 365,000 | 1,666,795 | 1,114,350 | 326,822 | 225,623 |

**Credit risk**

| Related business activity | Implication | Risk mitigation | Impact |
|---|---|---|---|
| The Group is exposed to credit risk from receivables and from balances with banks.<br>Risk related to receivables occurs when customers do not pay as agreed.<br><br>Credit risk with balances in banks occurs when it is uncertain if the bank is capable of settling its obligations as they become due. | Effect: Medium<br><br>Threat: Low | The Group conducts credit assessments of new customers and partners.<br><br>Customers outside Europe and North America are individually assessed and due to the assessment, the trade is handled on letter of credit or with up- front payments.<br><br>Credit insurance from EKF is used if deemed necessary.<br><br>The Group minimizes risk from banks by using banks with proper ratings. | In general, there is no significant credit risk relative to individual customers.<br><br>In 2021/22, the Group reversed a financial loss on debtors.<br><br>The Group does not expect any loss on trade receivables, construction contracts, or amounts owed by subsidiaries. Therefore, there has not been recognized any ECL loss. |

In 2021/22, there was no impairment of receivables. 9% of the receivables exceeded payment terms with more than 1 month.

Accounts receivable from sales are specified as follows:

| DKK 1.000 | 2022 | 2021 |
|---|---|---|
| Europe | 155,166 | 154,441 |
| North America | 127,357 | 70,857 |
| Asia Pacific | 68,373 | 107,476 |
| Middle East and North Africa | 42,729 | 35,886 |
| Rest of world | 1,529 | 100 |
| **Accounts receivable at 28 February** | 395,154 | 368,760 |

Overdue Accounts Receivable:

| DKK 1.000 | 2022 | 2021 |
|---|---|---|
| Up to 1 month | 50,779 | 48,622 |
| Between 1 and 2 months | 15,406 | 3,241 |
| More than 2 months | 18,767 | 19,736 |
| **Overdue accounts receivable at 28 February** | 84,952 | 71,599 |

**Interest rate risk**

| Related business activity | Implication | Risk mitigation | Impact |
|---|---|---|---|
| Due to financing of investments and normal business operations, the Group is exposed to risk concerning fluctuations in the interest rate.<br>The primary risk is related to fluctuations in CIBOR. | Effect: Medium<br><br>Threat: Low | It is the Group's policy to have long-term borrowings to a large extent at fixed rates.<br><br>Net interest rate risks may be hedged via interest rate swaps and related instruments, if assessed as advantageous.<br><br>The Group uses cash pool arrangements to net funds on deposit with debt to minimize interest payments. | 55% of total interest-bearing debt excluding subordinated loans is fixed rated (2020/21 it was 59%).<br>The effective interest rate of this part of the debt is 1.9% (2020/21 it was 1.8%).<br>Please refer to note 19 for information about subordinated loans. |

The exposure to floating interest rates at Balance Sheet date 28 February 2022 and 28 February 2021 are as follows:

| | **2022** | | | | **2021** | | | |
|---|---|---|---|---|---|---|---|---|
| DKK 1.000 | Notional principal amount | Value adjustment recognized in equity after tax | Fair value | Expected life | Notional principal amount | Value adjustment recognized in equity after tax | Fair value | Expected life |
| Interest rate swap | - | - | - | 0 year | 33,741 | (680) | (1,041) | 1 years |

Changes in market values on derivatives could cause calls of further pledge or cash distribution, but the risk is considered insignificant, and we have sufficient credit lines with our financial counterparties. The Group has unutilized facilities including cash totalling 582 MDKK (2020/21: 583 MDKK).

*Sensitivity of interest rate risk*

The calculated effect based on a 1%-point interest rate increase would affect profit/(loss) by 0.6 MDKK (2020/21: 0.2 MDKK) and equity by 0.4 MDKK (2020/21: 0.1 MDKK).

A 1%-point interest rate decrease would as a minimum have a corresponding inverse effect (however, not below zero interest rates).

**Currency risk**

| Related business activity | Implication | Risk mitigation | Impact |
|---|---|---|---|
| The Group is exposed to currency risk due to selling in USD and EUR, buying in EUR, USD, and GBP, loan taken in EUR, and net investments in subsidiaries with functional currency in EUR, INR, and AED. | Effect: Medium<br><br>Threat: Low | It is the Group's policy to use derivative instruments to hedge currency risks, and forward exchange contracts are entered into in connection with the acceptance and conclusion of contracts.<br><br>EUR cash flow is used for repaying loan in EUR but otherwise not hedged due to Danish fixed exchange rate policy against EUR.<br><br>Net investments in foreign subsidiaries are not hedged. | The effect from currency risk originates mainly from USD cash flows.<br>The company has hedged the currency risk in accordance with the Group's policy.<br>As in 2021/22, the Group has only used derivative financial instruments to hedge exchange rate risks. |

The operating and reporting currency is DKK and thus, all amounts are recorded and reported in DKK

At year-end, the Group held the following derivatives:

**2022**

| DKK 1.000 | Payable/ maturity date | Receivables | Credit institu- tions | Liabilities other than provisions | Hedged by forward exchange contracts and currency swaps | Net position |
|---|---|---|---|---|---|---|
| Currency | | | | | | |
| USD | <1 year | 231,661 | - | (80,315) | (4,030) | 147,316 |
| GBP | <1 year | 5,774 | - | (6,024) | 250 | - |
| CAD | <1 year | 5,714 | - | - | - | 5,714 |
| SEK | <1 year | - | - | (98) | - | (98) |
| NOK | <1 year | - | - | - | - | - |
| EUR | <1 year | 291,489 | (46,300) | (281,223) | - | (36,034) |
| EUR | >1 year | - | (63,663) | - | - | (63,663) |
| INR | <1 year | 326 | - | (60) | - | 266 |
| SGD | <1 year | 4,323 | - | (6,592) | - | (2,269) |
| AED | <1 year | 3,592 | - | (2,132) | (1,460) | - |
| CHF | <1 year | - | - | (296) | - | (296) |
| AUD | <1 year | - | - | - | - | - |

**2021**

| DKK 1.000 | Payable/ maturity date | Receivables | Credit institu-tions | Liabilities other than provisions | Hedged by forward exchange contracts and currency swaps | Net position |
|---|---|---|---|---|---|---|
| Currency | | | | | | |
| USD | <1 year | 91,921 | - | (100,896) | 15,703 | 6,728 |
| GBP | <1 year | 31 | - | (7,501) | 7,124 | (346) |
| CAD | <1 year | 7 | - | - | - | 7 |
| SEK | <1 year | - | - | (64) | 52 | (12) |
| NOK | <1 year | - | - | (16) | - | (16) |
| EUR | <1 year | 298,039 | (46,239) | - | - | 251,800 |
| EUR | >1 year | - | (109,927) | - | - | (109,927) |
| INR | <1 year | 503 | - | (296) | - | 207 |
| SGD | <1 year | 478 | - | (4,228) | - | (3,750) |
| AED | <1 year | 1,521 | - | (455) | (898) | 168 |
| CHF | <1 year | - | - | - | - | - |
| AUD | <1 year | - | - | (761) | 761 | - |

*Sensitivity of currency risk*

To measure currency risk in accordance with IFRS 7, sensitivity is calculated as the change in fair value of future cash flows from financial instruments as a result of fluctuations in exchange rates on the Balance Sheet date. Other things being equal and after tax, sensitivity to fluctuations in USD at Balance Sheet date based on a 10% decrease in currency translation rates against DKK would result in a net profit/(loss) of (11.7) MDKK (2020/21: (0.7) MDKK) and the total effect on Equity after tax would be (8.8) MDKK (2020/21: (0.5 MDKK). The effect of a 10% increase in the currency translation rates against DKK would have a corresponding inverse effect.

Exchange rate contracts at year-end:

| DKK 1.000 | | Contractual value | | Fair value | | Gains and losses recognized in the equity | |
|---|---|---|---|---|---|---|---|
| | Period | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 |
| AED | 0-1 year | - | 1,330 | - | (15) | - | (1) |
| AED | 1-5 years | - | - | - | - | - | - |
| AUD | 0-1 year | (251) | (1,311) | 4 | 77 | - | - |
| AUD | 1-5 years | (535) | - | (2) | - | - | - |
| GBP | 0-1 year | (773) | (15,911) | 29 | 741 | - | - |
| GBP | 1-5 years | - | (773) | - | (4) | - | - |
| USD | 0-1 year | 268,374 | 287,717 | (7,668) | 9,456 | (5,397) | 10,260 |
| USD | 1-5 years | 165,456 | 109,939 | (5,501) | 1,991 | (2,771) | 4,027 |
| | | 432,271 | 380,991 | (13,138) | 12,246 | (8,168) | 14,286 |
| Tax | | | | | | (2,304) | 4,029 |
| Total before tax | | | | | | (10,472) | 18,315 |

Fair value of financial instruments is related to observable input (level 2)

Categories of financial instruments:

| DKK 1.000 | 2021/22 | 2020/21 |
| --- | --- | --- |
| **Financial assets:** | | |
| Financial derivatives used for hedging purposes | 241,027 | 93,473 |
| Receivables and cash at bank and in hand | 577,476 | 502,509 |
| **Financial liabilities:** | | |
| Financial derivatives used for hedging purposes | 88,471 | 109,613 |
| Financial liabilities measured at amortized costs | 531,071 | 616,516 |

**Raw materials price risk**

| Related business activity | Implication | Risk mitigation | Impact |
| --- | --- | --- | --- |
| The Group is exposed to risk concerning raw material prices due to raw material as aluminum and composite materials forming part of the products sold. | Effect: Medium<br><br>Threat: Medium | Raw material price risk has until now not been hedged. The impact on the financial result is immaterial as major parts of raw materials are bought in accordance with customers' requirements and their “Right to buy” agreements. These agreements are firm fixed prices in USD in 3-5 years.<br><br>The development in raw material prices is followed continuously. | The developments in raw material prices have had an immaterial impact on the Group’s financial results in 2020/21 and 2021/22. |

## 25. Proposed profit appropriation

| DKK 1.000 | Parent Company 2021/22 | Parent Company 2020/21 |
|---|---|---|
| Proposed dividends | 1,358 | 0 |
| Reserve for net revaluation according to the equity method | 127,672 | 117,131 |
| Retained earnings | (231) | (3,569) |
| | 128,799 | 113,562 |

## 26. Changes in working capital and investments

| DKK 1.000 | Consolidated 2021/22 | Consolidated 2020/21 |
|---|---|---|
| Inventories | 35,678 | (121,072) |
| Receivables | 74,370 | 1,473 |
| Construction contracts and prepayments from customers | (7,510) | 46,390 |
| Trade payables and other payables | (76,774) | 119,905 |
| | 25,763 | 46,696 |

## 27. Acquisition of software, property, plant and equipment

| DKK 1.000 | Consolidated 2021/22 | Consolidated 2020/21 |
|---|---|---|
| Additions to software, property, plant, and equipment (note 11 and 12) | 130,947 | 139,303 |
| Hereof trade payables to be paid in the following financial year | (17,817) | (35,381) |
| Trade payables beginning of year | 35,381 | 33,944 |
| Paid concerning addition to property, plant, and equipment | 148,511 | 137,866 |

# Statements and Reports

## Statement by the Board of Directors and Executive Management

The Board of Directors and Executive Management have today discussed and approved the Annual Report of Thrige Holding A/S for the 2021/22 fiscal year.

The Annual Report has been prepared in accordance with the Danish Financial Statements Act.

In our opinion, the Consolidated and Parent Company Financial Statements give a true and fair view of the Group's and Parent Company's financial position at 28 February 2022 and of the results of the Group's and the Parent Company's operations and the Group's cash flows for 2021/22.

Further, we consider the Management's Review to present a fair disclosure of the development in the Group's and Parent Company's operations and financial conditions, the results for the year, Group cash flows, and financial position as well as a description of the most significant risks and uncertainty factors that the Group and the Parent Company face.

We recommend that the Annual Report be approved at the annual general meeting.

Søborg, 7 Juni 2022

**Executive Management:**

Mette R. Lawaetz

**Board of Directors:**

| | | |
|---|---|---|
| Flemming H. Tomdrup<br>Chairman | Jørgen Huno Rasmussen | Mette R. Lawaetz |

# Statements and Reports

## Independent Auditor’s Report

**To the Stockholder of Thrige Holding A/S**

### Opinion

We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of Thrige Holding A/S for the fiscal year 1 March 2021 – 28 February 2022, which comprise Income Statement, Balance Sheet, Statement of Changes in Equity, and Notes, including Accounting Policies, for the Group and the Parent Company, and a Consolidated Cash Flow Statement. The Consolidated Financial Statements and the Parent Company Financial Statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the Consolidated Financial Statements and the Parent Company Financial Statements give a true and fair view of the financial position of the Group and the Parent Company at 28 February 2022 and of the results of the Group's and the Parent Company's operations as well as the Consolidated Cash Flows for the fiscal year 1 March 2021 – 28 February 2022 in accordance with the Danish Financial Statements Act.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 Company Financial Statements" (hereinafter collectively referred to as "the Financial Statements") section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

***Independence***

We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

### Management's responsibilities for the Financial Statements

Management is responsible for the preparation of the Financial Statements that give a true and fair view in accordance with the Danish Financial Statements Act and for such internal control as Management determines is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error.

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

### Auditor's responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance as to whether the 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 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 the Financial Statements.

As part of an audit conducted in accordance with ISAs and 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 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 Company'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 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 Company'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 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 Parent Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure, and contents of the Financial Statements, including the note disclosures, and whether the 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.

**Statement on the Management's Review**

Management is responsible for the Management's Review.

Our opinion on the Financial Statements does not cover the Management's Review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read the Management's Review and, in doing so, consider whether the Management's Review is materially inconsistent with the Financial Statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management's Review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the Management's Review is in accordance with the 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's Review.

Copenhagen, 7 Juni 2022

EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Jes Lauritzen
State-Authorized Public Accountant
mne10121

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*"Med min underskrift bekræfter jeg indholdet og alle datoer i dette dokument."*

**Mette Roenborg Lawaetz**
Board Member
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