Thrige Holding A/S

% Terma A/S, Hovmarken 4, 8520
Lystrup

Annual Report 2019/20

The Annual Report was presented and approved at the annual general meeting of the Company on 2 June 2020.

____

Chairman

Central Business Register No. 26 31 16 83

Penneo dokumentnøgle: A7864-HF0NI-XJP2L-T00GI-0SXNK-801XF

Table of Contents

Penneo dokumentnøgle: A7864-HF0NI-XJP2L-T00GI-0SXNK-801XF

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 2019/20 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 29 February 2020 and of the results of the Group's and the Parent Company's operations and the Group's cash flows for 2019/20.

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, 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.

Herlev, 2 June 2020

Executive Management:

Mette R. Lawaetz

Board of directors:

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

Penneo dokumentnøgle: A7864-HF0NI-XJP2L-T00GI-0SXNK-801XF

Independent Auditor's Report

To the Stakeholder 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 2019 - 29 February 2020, 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 29 February 2020 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 2019 - 29 February 2020 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 rules and requirements.

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.

Penneo dokumentnøgle: A7864-HF0NI-XJP2L-T00GI-0SXNK-801XF

- 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, 2 June 2020

ERNST & YOUNG
Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Jes Lauritzen
State-Authorized Public Accountant
mne10121

Penneo dokumentnøgle: A7864-HF0NI-XJP2L-T00GI-0SXNK-801XF

Management's Review

Company Details

Thrige Holding A/S
% Terma A/S
Hovmarken 4
8520 Lystrup

T +45 87 43 60 00
Central Business Register No. 26 31 16 83
Founded 24 October 2001
Situated in Aarhus Municipality

Fiscal year 1 March - 28/29 February

Board of Directors

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

Executive Management

Mette R. Lawaetz

Auditors

ERNST & YOUNG

Godkendt Revisionspartnerselskab

Annual general meeting

The annual general meeting is held at Terma A/S' address in Herlev on 2 June 2020.

Penneo dokumentnøgle: A7864-HF0NI-XJP2L-T00GI-0SXNK-801XF

Financial Highlights for the Thrige Holding Group
Key figures

MDKK	2019/20	2018/19	2017/18	2016/17	2015/16
Order intake	2,842	1,726	1,728	1,411	1,671
Order backlog, year-end	3,222*	2,297*	2,374*	2,431*	2,739*
Revenue	1,917	1,803	1,785	1,719	1,499
EBITDA before special items	273	276	298	288	219
Depreciation, amortization, and write-downs	(148)	(167)	(160)	(158)	(118)
Operating profit before special items	125	109	138	130	102
Financial income and costs	(18)	(19)	(27)	(23)	(30)
Earnings before special items and tax	107	90	111	107	72
Special items before tax**	0	(164)	(31)	0	0
Profit for the year	**92**	**(70)**	**60**	**79**	**54**
Non-current assets	1,088	994	937	912	863
Current assets	1,330	1,194	1,084	892	874
Total assets	**2,418**	**2,188**	**2,021**	**1,804**	**1,737**
Total equity	**666**	**567**	**655**	**566**	**588**
Subordinated loans	170	170	170	125	0
Capital base* **	**836**	**737**	**825**	**691**	**588**
Provisions	158	290	165	146	139
NIBD (excl. subordinated loans and Polish court case)****	233	324	454	324	435
Cash flows from operating activities	301	360	13	294	120
Cash flows for investing activities	(213)	(230)	(188)	(208)	(139)
hereof investments in property, plant, and equipment	(96)	(107)	(92)	(134)	(70)
Cash flows from financing activities	43	(34)	148	(45)	(3)
Total cash flows	**130**	**95**	**(27)**	**41**	**(22)**

Financial Ratios

EBITDA margin before special items	14.3	16.0	16.7	16.8	14.6
EBT margin before special items	5.6	5.2	6.2	6.2	4.9
Return on investments before special items	5.9	5.4	7.3	7.4	6.2
Liquidity ratio*****	130	146	169	133	135
Solvency ratio (capital base)	34.6	33.7	40.8	38.3	33.9
Return on equity	14.9	(11.5)	9.8	13.7	9.7
Leverage ratio****	0.9	2.1	1.7	1.1	2.0

Average number of full-time employees	**1,521**	**1,495**	**1,398**	**1,257**	**1,174**

* Including framework agreements.
** Accounting for the Polish court case in 2018/19 influences Revenue, EBITDA, Operating profit, and Financial income and costs. Special items in 2018/19 primarily relate to the Polish court case.
*** Capital base is defined as equity and subordinated loans.
**** Leverage ratio and NIBD in 2019/20 impacted by provision for vacation pay in the transition period from old to new holiday act. Leverage ration in 2017)20 excl. vacation pay equals 0.8.
***** Liquidity ratio in 2019/20 impacted by reclassification of provision for the Polish court case to current liabilities.

(For definitions of financial ratios, see page 8).

Penneo dokumentnøgle: A7864-HF0NI-XJP2L-T00GI-0SXNK-801XF

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
Leverage ratio:	NIBD (excl. subordinated loans and Polish court case) / EBITDA	Return on equity	Profit for the year x 100 / Average equity

Penneo dokumentnøgle: A7864-HF0NI-XJP2L-T00GI-0SXNK-801XF

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 Herlev, Denmark, and subsidiaries in the U.S, the Netherlands, Germany, UK, Singapore, France, India, and UAE, and representation office in Belgium.

Development in the Parent Company financial situation
The result after tax in 2019/20 was MDKK 91.9 (2018/19: MDKK (70.0)). The loss in 2018/19 was effected by extraordinary costs due to adjustments of the number of employees, the order value of a customer program was adjusted downwards , and reservations due to the outcome of a court case in 1st instance. Special items in 2018/19 therefore amounted to 164 MDKK in total, comprising lay-off costs, the program charge, and the court case in Poland.

Development in the Group financial situation
In 2019/20, the Thrige Holding Group result after tax was MDKK 91.9 (2018/19: MDKK (70.0)). As of 29 February 2020, the equity amounted to MDKK 666.1 (28 February 2019: MDKK 566.7).

In 2019/20, the Terma A/S result after tax amounted to MDKK 93.6 (2018/19: MDKK (66.4)). As of 29 February 2020, the equity amounted to MDKK 680.2 (28 February 2019: MDKK 579.1).

Development activities
Development activities of the Group are carried out in Terma A/S which during the FY 2019/20 had development activities in all business areas and as of 29 February 2020, the carrying amount was MDKK 483.2. Investments amounted to MDKK 117.8 and depreciations amounted to MDKK 71.0. It is expected that Terma A/S will be investing in development activities at the same or a higher level in 2020/21.

Corporate Social Responsibility and Equal Representation of Genders
In relation to Corporate Social Responsibility (CSR), the biggest risks are related to the subsidiary Terma A/S which is why the reporting cf. §99a will be focused on this company.

Human Rights
Material risks: Terma acknowledges that there is a risk of modern slavery and human trafficking in the supply chain.

Policy, actions and results: Terma aims to be in compliance with the procedural requirements set forth by the UN Guiding Principles. In 2019/20, Terma once again published their annual statement pursuant to Section 54 of the Modern Slavery Act.

Environment & Climate
Material risks: Terma has identified risks relating to chemicals causing negative effects on human health and the environment. Additionally, Terma has identified risks relating to CO_2 emissions from the use of electricity.

Policy, actions and results: Terma holds an obligation to measure, disclose, manage and share environmental and climate impacts as well as minimize these impacts. In 2019/20 they continued the process of substituting hazardous chemicals as well as identifying solutions that will minimize their emissions. They succeeded in removing 7 chemical substances as well as decreasing scope 1 emissions.

Social and employee conditions
Material risks: Terma has identified risks relating to employee safety.

Policy, actions and results: Terma sees a responsibility to ensure a strong safety culture. Terma continued their safety excellence program in 2019/20 resulting in more awareness of safety among employees.

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.

Penneo dokumentnøgle: A7864-HF0NI-XJP2L-T00GI-0SXNK-801XF

Policy, actions and results: Terms aims to ensure compliance with international and national anticorruption legislation. In 2019/20 assessments were conducted to analyze job functions and assessed risk profiles. This resulted in Terma's 1639 employees having an anticorruption risk profile connected to their job function.

Terma actively works with CSR, as they believe it is important to be responsible and accountable for the impacts of their business operations. This year, Terma has developed a new CSR strategy called Allies in Responsibility, which you can read more about in the Corporate Social Responsibility Roadmap & Report. Significant for this year's report is the presentation of the roadmap which describes the CSR efforts for the coming years.

For more information on the CSR efforts and strategy including aims, activities, and targets, please consult the CSR Roadmap & Report available at https://www.terma.com/static/csr_report2019-20/index.html.

Target figure for the Company 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 was not met 29 February 2020, but is met as of 1 March 2020 in connection with replacement of a board member. When the sole shareholder elects members for the Company board, it is important that the best qualified person is elected based on an overall consideration.

The Company has no employees, which is why no gender policy exists in respect of other management levels.

Risks
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.

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.

Outlook for 2020/21

In 2020/21, 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 2020/21.

Penneo dokumentnøgle: A7864-HF0NI-XJP2L-T00GI-0SXNK-801XF

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 29 February 2020.

In April 2020, the Polish Court of Appeal delivered its judgment in the dispute which Terma filed in 2014 against the Polish Ministry of National Defence for breach of contract. Despite the fact that Terma has a strong case from a legal perspective, the court ruled in favor of the Polish Ministry of Defence. The judgment is in line with the provision made in 2018/19, hence the event does not have any impact on the result for 2019/20, yet the provision has been reclassified in the Balance Sheet to Current Liabilities.

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.

Penneo dokumentnøgle: A7864-HF0NI-XJP2L-T00GI-0SXNK-801XF

Consolidated and Parent Company Annual Report 1 March 2019 - 29 February 2020

Income statement

DKK 1.000	Note	Consolidated 2019/20	Consolidated 2018/19	Parent company 2019/20	Parent company 2018/19
Revenue	2.3	1,917,052	1,725,413	0	0
Production cost	4	(1,510,897)	(1,457,623)	0	0
Gross Profit		406,155	267,790	0	0
Distribution costs	2.4	(152,265)	(154,932)	0	0
Administrative costs	2,4,5	(130,750)	(110,845)	(200)	(239)
Other operating income		2,504	1,380	0	0
Other operating costs	2	(720)	(16,163)	0	0
Depreciation on consolidated goodwill		0	(1,906)	0	0
Operating profit		124,924	(14,676)	(200)	(239)
Result in subsidiaries after tax	2.6	-	-	95,438	(66,647)
Financial income	7	18,435	16,311	313	309
Financial costs	2.7	(35,978)	(75,193)	(4,411)	(4,225)
Earnings before tax (EBT)		107,381	(73,558)	91,140	(70,802)
Tax on profit	2.8	(15,498)	3,560	946	914
Result for the year		91,883	(69,998)	92,086	(69,888)
The group result is split as follows:					
Stockholders in Thrige Holding A/S		92,086	(69,888)		
Minority interest		(203)	(110)		
		91,883	(69,998)		
Proposed profit appropriation	24				

Penneo dokumentnøgle: A7864-HF0NI-XJP2L-T00GI-0SXNK-801XF

Consolidated and Parent Company Annual Report 1 March 2019 - 29 February 2020

Balance sheet 29 February

DKK 1.000	Note	Consolidated 2020	Consolidated 2019	Parent Company 2020	Parent Company 2019
ASSETS					
Non-current assets					
Intangibles					
Software		26,308	29,967	0	0
Software in process		17,984	12,602	0	0
Development projects completed		116,682	158,273	0	0
Development projects in process		366,562	276,456	0	0
	9	527,536	477,298	0	0
Property, plant, and equipment					
Land and buildings		307,724	274,383	0	0
Plant and machinery		180,508	171,464	0	0
Fixtures and fittings, tools and equipment		30,328	29,209	0	0
Property, plant, and equipment under construction		41,886	42,340	0	0
	10	560,446	517,396	0	0
Investments					
Investments in subisdiaries	6	-	-	723,091	620,134
		-	-	723,091	620,134
Total non-current assets		1,087,982	994,694	723,091	620,134
Current assets					
Inventories					
Raw materials and consumables		271,853	263,684	0	0
Work in process		126,050	120,680	0	0
Prepayments to suppliers		4,076	125	0	0
		401,979	384,489	0	0
Receivables					
Trade receivables		356,619	358,409	0	0
Construction contracts	11	281,284	302,523	0	0
Amounts owed by subsidiaries		-	-	41,192	35,499
Corporate tax receivable	12	4,001	2,080	0	1,718
Other receivables		25,579	20,758	0	0
Deferred tax assets	13	4,146	3,921	0	0
Prepayments and deferred charges	14	6,897	6,825	0	0
		678,526	694,516	41,192	37,217
Cash at bank and in hand		249,046	114,580	1	0
Total current assets		1,329,551	1,193,585	41,193	37,217
Total assets		2,417,533	2,188,279	764,284	657,351

Penneo dokumentnøgle: A7864-HF0NI-XJP2L-T00GI-0SXNK-801XF

Consolidated and Parent Company Annual Report 1 March 2019 - 29 February 2020

Balance sheet 29 February

		Consolidated		Parent Company	
DKK 1.000		2020	2019	2020	2019
EQUITY AND LIABILITIES					
Equity					
Capital stock	15	25,000	25,000	25,000	25,000
Translation adjustments and hedging instruments		(3,526)	(11,044)	0	0
Net revaluation according to the equity method		-	-	255,644	152,688
Retained earnings		644,639	552,553	385,469	388,821
Proposed dividends		0	0	0	0
Thrige Holding A/S' Stockholder part of equity		666,113	566,509	666,113	566,509
Minority interest		(38)	165	0	0
Total equity		666,075	566,674	666,113	566,509
Provisions					
Warranty provisions	16	14,077	11,866	0	0
Provisions regarding construction contracts		3,436	17,993	0	0
Provision for Polish court case	17	0	133,681	0	0
Other provisions		7,000	0	0	0
Deferred tax	13	133,928	126,007	0	0
Total provisions		158,441	289,547	0	0
Liabilities other than provisions					
Non-current liabilities other than provisions					
Subordinated loans	18	170,000	125,000	45,000	0
Credit institutions		156,840	197,171	0	0
Mortgage credit institutions		205,878	195,037	0	0
Other debt		40,922	0	0	0
	19	573,640	517,208	45,000	0
Current liabilities other than provisions					
Current portion of non-current liabilities	19	53,238	23,437	0	0
Subordinated loan	18	0	45,000	0	45,000
Construction contracts	11	354,244	253,875	0	0
Prepayments received from customers		62,426	56,098	0	0
Trade payables		138,603	160,295	0	0
Amounts owed to Parent Company		24,724	23,137	6,152	3,890
Amounts owed to subsidiaries		-	-	43,430	41,771
Corporate tax	12	5,734	4,087	3,429	0
Polish court case		133,681	0	0	0
Other payables		246,727	248,921	160	181
		1,019,377	814,850	53,171	90,842
Total liabilities other than provisions		1,593,017	1,332,058	98,171	90,842
Total equity and liabilities		2,417,533	2,188,279	764,284	657,351

Accounting policies	1
Contingent liabilities and security	20
Related parties	21
Events after the Balance Sheet date	22
Financial instruments and financial risks	23

Penneo dokumentnøgle: A7864-HF0NI-XJP2L-T00GI-0SXNK-801XF

Consolidated and Parent Company Annual Report 1 March 2019 - 29 February 2020

Statement of changes in equity

			Consolidated					
DKK 1,000	Note	Capital stock	Translation adjustments and hedging instruments	Retained earnings	Proposed dividends	Total	Minority interest	Total equity
Equity at 1 March 2018		25,000	7,074	622,441	0	654,515	0	654,515
Result for the year		-	-	(69,888)	0	(69,888)	(110)	(69,998)
Additions		-	-	-	-	0	275	275
Other changes in equity in subsidiaries		-	(23,688)	-	-	(23,688)	-	(23,688)
Tax on other changes in equity		-	5,570	-	-	5,570	-	5,570
Equity at 28 February 2019		25,000	(11,044)	552,553	0	566,509	165	566,674
Result for the year		-	-	92,086	-	92,086	(203)	91,883
Other changes in equity in subsidiaries		-	9,341	-	-	9,341	-	9,341
Tax on other changes in equity		-	(1,823)	-	-	(1,823)	-	(1,823)
Equity at 29 February 2020		25,000	(3,526)	644,639	0	666,113	(38)	666,075

Penneo dokumentnøgle: A7864-HF0NI-XJP2L-T00GI-0SXNK-801XF

Consolidated and Parent Company Annual Report 1 March 2019 - 29 February 2020

Statement of changes in equity

		Parent Company				
DKK 1,000	Note	Capital Stock	Net revaluation according to the equity method	Retained earnings	Proposed dividends	Total
Equity at 1 March 2018		25,000	237,453	392,062	0	654,515
Retained earnings according to appropriation of net income	24	-	(66,647)	(3,241)	-	(69,888)
Other changes in equity in subsidiaries		-	(23,688)	-	-	(23,688)
Tax on other changes in equity		-	5,570	-	-	5,570
Equity at 28 February 2019		25,000	152,688	388,821	0	566,509
Retained earnings according to appropriation of net income	24	-	95,438	(3,352)	-	92,086
Other changes in equity in subsidiaries		-	9,341	-	-	9,341
Tax on other changes in equity		-	(1,823)	-		(1,823)
Equity at 29 February 2020		25,000	255,644	385,469	0	666,113

Penneo dokumentnøgle: A7864-HF0NI-XJP2L-T00GI-0SXNK-801XF

Consolidated and Parent Company Annual Report 1 March 2019 - 29 February 2020
Cash Flow Statement

DKK 1.000	Note	Consolidated 2019/20	2018/19
Earnings before tax		107,381	(73,558)
Adjustments:			
Depreciation, amortization, and write-downs, etc		(5,346)	167,263
Provisions		149,155	142,088
Financial income and costs		17,543	18,997
		161,352	328,348
Changes in working capital	25	59,630	148,910
Cash flows generated from operations before financial items		328,363	403,700
Net financial income, paid and received		18,283	16,142
Net financial costs, paid and received		(36,259)	(34,886)
Cash flows from operations before tax		310,387	384,956
Corporate tax paid	12	(9,760)	(26,291)
Cash flows from operating activities		300,627	358,665
Capitalized development costs	9	(117,813)	(123,665)
Acquisitions of software, property, plant, and equipment	26	(95,517)	(106,539)
Cash flows for investing activities		(213,330)	(230,204)
Repayments, non-current liabilities		(23,065)	(9,447)
Changes in current interest bearing debt		0	(51,624)
Changes in non-current other debt		40,922	0
Minority interest - capital injection		0	275
Proceeds from incurrence of debt		23,376	23,100
Loan from parent company		1,587	3,669
Cash flows from financing activities		42,820	(34,027)
Net cash flows from operating, investing, and financing activities		130,117	94,434
Current cash at 1 March		114,580	19,196
Exchange rate variations on current cash		4,349	950
Current cash at 20 February		249,046	114,580

Penneo dokumentnøgle: A7864-HF0NI-XJP2L-T00GI-0SXNK-801XF

Consolidated and Parent Company Annual Report 1 March 2019 - 29 February 2020

Notes

1. Accounting Policies

The Annual Report of Thrige Holding A/S for 2019/20 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 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.

Penneo dokumentnøgle: A7864-HF0NI-XJP2L-T00GI-05XNK-801XF

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.

Penneo dokumentnøgle: A7864-HF0NI-XJP2L-T00GI-0SXNK-801XF

Consolidated and Parent Company Annual Report 1 March 2019 - 29 February 2020

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.

Production costs also comprise provisions for losses on construction contracts.

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.

Penneo dokumentnøgle: A7864-HF0NI-XJP2L-T00GI-05XNK-801XF

Consolidated and Parent Company Annual Report 1 March 2019 - 29 February 2020

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 8 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, wages and salaries. No interest included.

Penneo dokumentnøgle: A7864-HF0NI-XJP2L-T00GI-0SXNK-801XF

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 the residual value of the asset at the end of its useful life and is reduced by 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.

Penneo dokumentnøgle: A7864-HF0NI-XJP2L-T00GI-0SXNK-801XF

Previously recognized impairment will only be reversed if the reason for impairment no longer exists. Impairments for goodwill cannot be reversed.

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 af 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.

Penneo dokumentnøgle: A7864-HF0NI-XJP2L-T00GI-0SXNK-801XF

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.

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 and court case in Poland. 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.

Provision for the Polish court case covers expected costs regarding the court case in Poland.

Other provisions cover expected costs in relation to settlements.

Penneo dokumentnøgle: A7864-HF0NI-XJP2L-T00GI-0SXNK-801XF

Consolidated and Parent Company Annual Report 1 March 2019 - 29 February 2020

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 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.

Penneo dokumentnøgle: A7864-HF0NI-XJP2L-T00GI-0SXNK-801XF

Consolidated and Parent Company Annual Report 1 March 2019 - 29 February 2020

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.

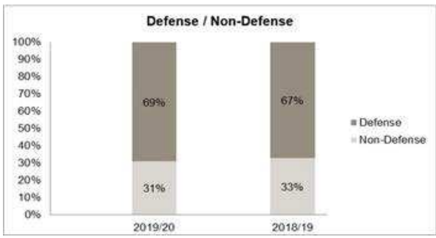
The profit for the year has not been impacted by circumstances which according to the Management deviates from being a part of the operational activities.

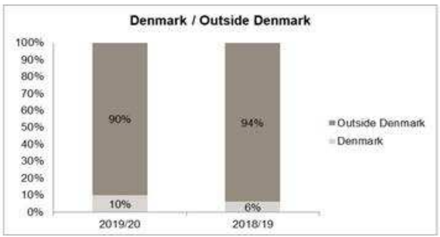
Results for the previous year were impacted by special items with a total of 136,536 tDKK.

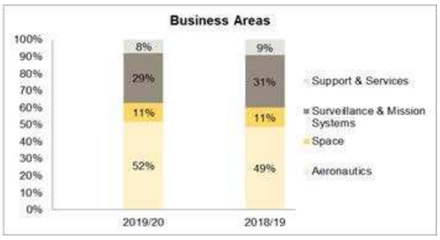
	Consolidated		Parent Company	
DKK 1.000	2019/20	2018/19	2019/20	2018/19
Revenue	0	77,945	0	0
Production costs	0	26,374	0	0
Distribution costs	0	2,611	0	0
Administrative costs	0	1,131	0	0
Other operating costs	0	15,851	0	0
Financial costs	0	39,885	0	0
Result in subsidiaries	-	-	0	136,536
Total before tax	0	163,797	0	136,536
Tax	0	(27,261)	0	0
Total	0	136,536	0	136,536

3 Segment information, Revenue (excluding the Polish court case)

Consolidated







	Consolidated		Parent Company	
DKK 1.000	2019/20	2018/19	2019/20	2018/19
Revenue				
Goods and services	594,287	656,407	0	0
Construction contracts	1,322,765	1,146,951	0	0
	1,917,052	1,803,358	0	0
The Polish court case	0	(77,945)	0	0
	1,917,052	1,725,413	0	0

Penneo dokumentnøgle: A7864-HF0NI-XJP2L-T00GI-0SXNK-801XF

Consolidated and Parent Company Annual Report 1 March 2019 - 29 February 2020

4 Staff costs

DKK 1.000	Consolidated 2019/20	Consolidated 2018/19	Parent Company 2019/20	Parent Company 2018/19
Wages and salaries	886,921	839,761	0	0
Remuneration to Parent Company Board Members and management registered in the central business register	750	750	0	0
Pensions	55,612	52,573	0	0
Other social security costs	45,867	40,279	0	0
	989,150	933,363	0	0
Average number of full-time employees	1,521	1,495	0	0

Group

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

Incentive programs have been established for the Management and employees in managerial positions. The programs comprise the possibility 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 2019/20 fiscal year.

No staff is employed apart from the Management.

5 Fees paid to auditors

DKK 1.000	Consolidated 2019/20	Consolidated 2018/19
Statutory audit	995	982
Other assurance engagements	49	77
Tax and VAT	671	916
Other non-audit services	611	703
Total	2,326	2,678

6 Investments in subsidiaries

DKK 1.000	
Cost at March 1 2019	467,443
Cost at 29 February 2020	467,443
Net revaluation at 1 March 2019	152,691
Result for the year in subsidiaries	95,438
Other changes in equity in subsidiaries	7,519
Value adjustments at 29 February 2020	255,648
Carrying amount at 29 February 2020	723,091

Please refer to note 21 for further disclosure of subsidiaries

Penneo dokumentnøgle: A7864-HF0NI-XJP2L-T00GI-0SXNK-801XF

Consolidated and Parent Company Annual Report 1 March 2019 - 29 February 2020

7 Financial income and costs

	Consolidated		Parent Company	
DKK 1.000	2019/20	2018/19	2019/20	2018/19
Included in financial income and costs are:				
Intercompany interest income, current assets	-	-	313	309
Other interest	432	0	0	0
Exchange rate variations and hedging income regarding hedging instruments	18,003	16,311	0	0
Financial income	18,435	16,311	313	309
Court case in Poland	0	39,885	0	0
Intercompany interest, current liabilities	396	281	2,385	2,199
Interest on subordinated loans	7,650	7,650	2,025	2,025
Interest to credit institutions, non current liabilities	7,427	4,618	0	0
Interest to credit institutions, current liabilities	1,096	6,538	0	0
Guarantee expenses and bank charges	1,484	2,439	1	1
Exchange rate variations and hedging costs regarding hedging instruments	17,925	13,782	0	0
Financial costs	35,978	75,193	4,411	4,225

8 Tax

Corporate income tax	9,486	10,616	(946)	(914)
Deferred tax	7,835	(19,746)	0	0
Total tax	17,321	(9,130)	(946)	(914)
Specified as follows:				
Tax on profit	15,498	(3,560)	(946)	(914)
Tax on changes in equity	1,823	(5,570)	0	0
	17,321	(9,130)	(946)	(914)

Penneo dokumentnøgle: A7864-HF0NI-XJP2L-T00GI-0SXNK-801XF

Consolidated and Parent Company Annual Report 1 March 2019 - 29 February 2020

9 Intangibles

	Consolidated				
DKK 1.000	Software	Software in process	Developm. projects, completed	Developm. projects, in process	Total
Cost at 1 March 2019	63,743	12,602	720,727	276,456	1,073,528
Foreign currency translation	0	0	83	1,668	1,751
Additions	5,733	14,448	0	117,813	137,994
Disposals	(9,240)	0	(40,198)	0	(49,438)
Transfers	9,066	(9,066)	29,375	(29,375)	0
Cost at 29 February 2020	69,302	17,984	709,987	366,562	1,163,835
Amortizations and impairments at 1 March 2019	33,776	0	562,454	0	596,230
Amortizations and impairments	18,437	0	71,049	0	89,486
Disposals	(9,219)	0	(40,198)	0	(49,417)
Amortizations and impairments at 29 February 2020	42,994	0	593,305	0	636,299
Carrying value at 29 February 2020	26,308	17,984	116,682	366,562	527,536
Amortized over	3-5 years		5-15 years		

Development costs

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.

Penneo dokumentnøgle: A7864-HF0NI-XJP2L-T00GI-0SXNK-801XF

Consolidated and Parent Company Annual Report 1 March 2019 - 29 February 2020

10 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 2019	475,812	458,916	121,856	42,340	1,098,924
Foreign currency translation adjustments	0	305	925	0	1,230
Transfers	21,724	16,022	242	(37,988)	0
Additions	26,929	24,297	13,590	37,534	102,350
Disposals	(43)	(15,708)	(16,145)	0	(31,896)
Cost at 29 February 2020	524,422	483,832	120,468	41,886	1,170,608
Revaluation at 1 March 2019	20,621	0	0	0	20,621
Revaluation at 29 February 2020	20,621	0	0	0	20,621
Depreciation and impairments at 1 March 2019	222,050	287,452	92,647	0	602,149
Foreign currency translation adjustments	0	300	582	0	882
Depreciations	15,292	31,161	12,500	0	58,953
Disposals	(23)	(15,589)	(15,589)	0	(31,201)
Depreciation and impairments at 29 February 2020	237,319	303,324	90,140	0	630,783
Carrying amount at 29 February 2020	307,724	180,508	30,328	41,886	560,446
Depreciated over	10-50 years	3-20 years	3-7 years		

Penneo dokumentnøgle: A7864-HF0NI-XJP2L-T00GI-0SXNK-801XF

Consolidated and Parent Company Annual Report 1 March 2019 - 29 February 2020

11 Construction contracts

	Consolidated		Parent Company	
DKK 1.000	2020	2019	2020	2019
Selling price of construction contracts	2,687,255	2,893,544	-	-
Invoiced on accounts	(2,760,215)	(2,844,896)	-	
Construction contracts at 29 February	(72,960)	48,648	-	-
Recognized as follows:				
Construction contracts (assets)	281,284	302,523	-	-
Construction contracts (liabilities)	(354,244)	(253,875)	-	-
	(72,960)	48,648	-	-

12 Corporate tax payable

	Consolidated 2020	Consolidated 2019	Parent Company 2020	Parent Company 2019
Corporate tax payable at 1 March	2,007	17,682	(1,718)	17,374
Transferred from intra-group accounts	0	0	9,755	1,572
Tax for the year	9,486	10,616	(946)	(914)
Corporate tax paid during the year	(9,760)	(26,291)	(3,662)	(19,750)
Corporate tax payable at 29 February	1,733	2,007	3,429	(1,718)
Recognized as follows:				
Corporate tax receivable	(4,001)	(2,080)	0	(1,718)
Corporate tax payable	5,734	4,087	3,429	0
	1,733	2,007	3,429	(1,718)

13 Deferred tax

	Consolidated		Parent Company	
DKK 1.000	2020	2019	2020	2019
Deferred tax at 1 March	122,086	141,933	0	0
Foreign currency translation	(139)	(101)	0	0
Tax adjustments for the year	7,835	(19,746)	0	0
Deferred tax at 29 February	129,782	122,086	0	0
Recognized as follows:				
Deferred tax assets	(4,146)	(3,921)	0	0
Deferrred tax	133,928	126,007	0	0
	129,782	122,086	0	0
Deferred tax relates to:				
Intangibles	92,890	86,845	0	0
Property, plant and equipment	40,634	38,508	0	0
Current assets	30,711	29,618	0	0
Provisions	(1,540)	(20,635)	0	0
Liabilities other than provisions	(32,913)	(12,250)	0	0
	129,782	122,086	0	0
Expected timeframe for elimination of deferred tax liabilities:				
0-1 years	(11,191)	7,688	0	0
1-5 years	65,963	48,313	0	0
>5 years	75,010	66,085	0	0
	129,782	122,086	0	0

Penneo dokumentnøgle: A7864-HF0NI-XJP2L-T00GI-0SXNK-801XF

Consolidated and Parent Company Annual Report 1 March 2019 - 29 February 2020

14 Prepayments

DKK 1.000	Consolidated 2020	Consolidated 2019	Parent Company 2020	Parent Company 2019
Insurance premiums	195	673	0	0
Rent	618	280	0	0
Tax on real property	501	505	0	0
IT licenses, short term	3,945	3,581	0	0
Other prepayments	1,638	1,786	0	0
	6,897	6,825	0	0

15 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 five 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.

16 Warranty provisions

DKK 1.000	Consolidated 2019/20	Consolidated 2018/19	Parent Company 2019/20	Parent Company 2018/19
Warranty provisions at 1 March	11,866	11,772	0	0
Used during the year	(4,249)	(5,976)	0	0
Unused warranty provisions, reversed	(1,164)	(573)	0	0
Provisions for the year	7,624	6,643	0	0
Warranty provisions at 29 February	14,077	11,866	0	0
Expected maturity for warranty provisions				
0-1 year	7,163	8,381	0	0
>1 years	6,914	3,485	0	0
	14,077	11,866	0	0

17 The Polish court case

In April 2020, the Polish Court of Appeal delivered its judgment. Total costs is in line with the provision made in 2018/19. More information on the Polish court case can be found in the Management's Review and note 20.

18 Subordinated loans

Subordinated convertible loans have been obtained from the ultimate parent company Thomas B. Thriges Fond with a total nomial value of 170 MDKK (Parent: 45 MDKK). The interest rate is fixed at 4.5%. The loans expire 1 March 2022 without further notice. Once a year in February, the loans can be fully or partially 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.

Penneo dokumentnøgle: A7864-HF0NI-XJP2L-T00GI-0SXNK-801XF

Consolidated and Parent Company Annual Report 1 March 2019 - 29 February 2020

19 Non-current liabilities other than provisions

2019/20

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	0	0
Credit institutions	197,522	197,601	197,601	156,840	40,682	0
Mortgage credit institutions	218,434	222,441	220,772	205,878	12,556	154,422
Other debt	40,922	40,922	40,922	40,922	0	35,726
29 February 2020	626,878	630,964	629,295	573,640	53,238	190,148

2018/19

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	125,000	45,000	0
Credit institutions	208,777	208,916	208,916	197,171	11,606	17,409
Mortgage credit institutions	206,868	211,657	209,402	195,037	11,831	146,146
28 February 2019	585,645	590,573	588,318	517,208	68,437	163,555

2019/20

DKK 1.000	28 February 2019	Cash flow	Non-monetary	29 February 2020
	Consolidated			
Non-current liabilities other than provisions	517,208	56,159	273	573,640
Current liabilities other than provisions	91,574	(13,612)	0	77,962
Liabilities other than provisions from investing activities	608,782	42,547	273	651,602

Penneo dokumentnøgle: A7864-HF0NI-XJP2L-T00GI-0SXNK-801XF

Consolidated and Parent Company Annual Report 1 March 2019 - 29 February 2020

Debt to financial institutions

	2020				
DKK 1.000	Average nominal interest rate	Average effective interest rate	Currency	Fixed interest rate	Carrying amount
Mortgage loans:					
Variable rate loans	0.95	0.85	DKK	6 months	29,607
Fixed rate loans	2.01	2.18	DKK	11-21 years	176,271
Mortgage loans total	1.85	2.04			205,878
Loans from banks					
Fixed interest rate loans	1.15	1.15	EUR		156,840
Loans from banks total	1.15	1.15			156,840
Credit institutions total at 29 February					362,718

	2019				
DKK 1.000	Average nominal interest rate	Average effective interest rate	Currency	Fixed interest rate	Carrying amount
Mortgage loans:					
Variable rate loans	0.95	0.91	DKK	3-6 months	51,967
Fixed rate loans	2.42	2.69	DKK	16-22 years	143,070
Mortgage loans total	2.02	2.21			195,037
Loans from banks					
Fixed interest rate loans	1.15	1.15	EUR		197,171
Loans from banks total	1.15	1.15			197,171
Credit institutions total at 28 February					392,208

Penneo dokumentnøgle: A7864-HF0NI-XJP2L-T00GI-0SXNK-801XF

Consolidated and Parent Company Annual Report 1 March 2019 - 29 February 2020

20 Contingent liabilities and security

Contingent liabilities

DKK 1.000	Consolidated 2020	Consolidated 2019	Parent company 2020	Parent company 2019
Lease liabilities (operating leases) falling due within five years (annual cost 15,165 tDKK)	43,516	43,579	0	0
Lease liabilities due after more than five years	1,055	3,026	0	0

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 the obligations will be actualized is assessed low.

On 3 April 2020, the Polish Court of Appeal delivered its judgment which generally decided in favor of the Polish Ministry of Defence, Terma's counterpart, with the exception of an amount claimed as liquidated damages. The amount in question totals 33 MDKK plus statutory interst. There is a risk that the Polish Ministry of Defence will appeal this part of the decision to the Polish Supreme Court. Terma may in that event apppeal the verdict against Terma as well, to protect our interest optimally.

The subsidiaries Terma A/S, Terma Aero-structures 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 Thomas B. Thrige Foundation, and the Group companies Terma A/S and Thrige-Titan A/S.

On behalf of the Terma Group, third parties have issued performance and advance payment bonds at at total of	145,657	74,205	0	0
Included in the amount are customer advances reflected in the balance sheet	92,980	12,704	0	0

Security

The following assets have been provided as security for mortgage loans:				
Carrying amount of land and buildings	307,724	274,383	-	-
Other property, plant, and equipment estimated to be comprised by the collateral, cf. the provisions of the Danish Registration of Property Act	252,722	243,013	-	-

Penneo dokumentnøgle: A7864-HF0NI-XJP2L-T00GI-0SXNK-801XF

Consolidated and Parent Company Annual Report 1 March 2019 - 29 February 2020

21 Related parties

The related parties of Thrige Holding A/S are:

Related parties with control and ownership

Thrige Holding A/S is fully (100%) owned by:

Thomas B. Thriges Fond (Central Business Register No. 10 15 62 11)
% Terma A/S
Vasekær 12
2730 Herlev

As a subsidiary, the company is included in the annual report of Thomas B. Thriges Fond. The annual report can be obtained by requst at the company's address.

Other related parties

		Ownership share	Capital stock
Terma A/S (Central Business Register No. 41 88 18 28)	Lystrup, Denmark	100%	18.000 tDKK
Terma Aerostructure A/S (Central Business Register No. 35 23 62 52)	Grenaa, Denmark	100%	5.000 tDKK
Terma North America inc., USA	Delaware, USA	100%	150 tUSD
Terma B.V., the Netherlands	Leiden, the Netherlands	100%	750 tEUR
Terma GmbH, Germany	Darmstadt, Germany	100%	51 tEUR
Terma Singapore Pte. Ltd., Singapore	Singapore, Singapore	100%	100 tSGD
Terma (UK) Ltd., England	London, England	100%	10 tEUR
Terma (India) Pvt.Ltd., India	Delhi, India	100%	1.000 tINR
Terma France SAS, France	Paris, France	100%	10 tEUR
Terma Middle East Trading LLC	Abu Dhabi, UAE	49%	300 tAED
Thrige- Titan A/S (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

Transactions with related parties

Significant transactions with related parties comprise:

DKK 1.000	2019/20	2018/19
Consolidated		
Subordinated loans from Parent Company	170,000	170,000
Amounts owed to Parent Company	24,724	23,137
Sale of services to Parent Company	922	913
Interest expense to Parent Company	8,045	7,931
Parent Company		
Subordinated loan from Parent Company	45,000	45,000
Accounts receivable at subsidiary	41,192	35,499
Amounts owed to Parent Company	6,152	3,890
Amounts owed to subsidiary	43,430	41,771
Purchase of service from subsidiary	73	72
Interest income from subsidiary	313	309
Interest expense to subsidiary	2,149	2,072
Interest expense to Parent Company	2,261	2,152

Penneo dokumentnøgle: A7864-HF0NI-XJP2L-T00GI-0SXNK-801XF

Consolidated and Parent Company Annual Report 1 March 2019 - 29 February 2020

22 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 29 February 2020.

In April 2020, the Polish Court of Appeal delivered its judgment in the dispute which Terma filed in 2014 against the Polish Ministry of National Defence for breach of contract. Despite the fact that Terma has a strong case from a legal perspective, the court ruled in favor of the Polish Ministry of Defence. The judgment is in line with the provision made in 2018/19, hence the event does not have any impact on the result for 2019/20, yet the provision has been reclassified in the Balance Sheet to Current Liabilities.

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.

23 Financial instruments and financial risks

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

Liquidity risk	The risk that Thrige Holding Group is not able to meet its future cash flow need
Credit rsik	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.

Penneo dokumentnøgle: A7864-HF0NI-XJP2L-T00GI-0SXNK-801XF

Consolidated and Parent Company Annual Report 1 March 2019 - 29 February 2020

Liquidity risk

Related business activity	Implication	Risk mitigatior	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. Cash management is vital in relation to fulfill requirements from financial institutions.	*Effect: Medium* *Threat: Low*	Liquidity is managed at Group level. Liquidity forecasts are produced and updated regularly based on forecasts on operational cash flows, CAPEX, and investment commitments. Flexibility in the Group's loan portfolio is secured by having different institutions, terms, and expiry. The Group's loan agreements include covenants (leverage ratio). The agreements do not include clauses where cash security has to be pledged.	The Group's liquidity reserve consists of an unsecured overdraft facility for multi-currency short-term financing needs. Similar to 2018/19, there has been no breach of covenants during the year. 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 2020, cash and cash equivalents amounted to MDKK 249. In addition to cash and cash equivalents, an unsecured overdraft facility for multi-currency short-term financing needs is in place.

Penneo dokumentnøgle: A7864-HF0NI-XJP2L-T00GI-0SXNK-801XF

Consolidated and Parent Company Annual Report 1 March 2019 - 29 February 2020

Below is a maturity list of financial liabilities at year-end, 29 February 2020 and 28 February 2019

	2020				2019			
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	0	170,000	0	170,000	45,000	125,000	0
Credit institutions	197,522	40,682	156,840	0	208,777	11,606	179,762	17,409
Mortgage credit institutions	218,434	12,556	51,456	154,422	206,868	11,831	48,891	146,146
Other debt	40,922	0	5,196	35,726	0	0	0	0
Current liabilities other than provisions	956,398	956,398	-	-	730,464	730,554	-	-
Derivats:								
Forward contracts	7,445	7,445	-	-	12,695	12,695	-	-
Interest swaps	2,296	2,296	-	-	3,254	3,254	-	-
	1,593,017	1,019,377	383,492	190,148	1,332,058	814,940	353,653	163,555

Credit risk

Related business activity	Implication	Risk mitigation	Impact
The Group is exposed to credit risk from receivables and from balances with banks. Risk related to receivables occurs when customers do not pay as agreed. Credit risk with balances in banks occurs when it is uncertain if the bank is capable of settleing its obligations as they become due.	Effect: Medium Threat: Low	The Group conducts credit assessments of new customers and partners. Customers outside Europe and North America are individually assessed and due to the assessment the trade is handled on letter of credit or with upfront payment. Credit insurance from EKF is used if deemed necessary. The Group minimizes risk from banks by using banks with proper ratings.	In general, there is no significant credit risk relative to individual customers. In 2019/20, the Group has incurred a financial loss of 1.4 MDKK on debtors. In 2018/19, there was a minor loss. Both losses incurred within the Asia Pasific region. 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.

Penneo dokumentnøgle: A7864-HF0NI-XJP2L-T00GI-0SXNK-801XF

Consolidated and Parent Company Annual Report 1 March 2019 - 29 February 2020

Accounts receivable from sales are specified as follows:

DKK 1.000	2020	2019
Europe	147,206	192,822
North and central America	139,238	119,384
Asia Pacific	56,962	36,153
Middle East and North Africa	8,076	8,805
Rest of world	5,137	1,245
Accounts receivable at 29 February	356,619	358,409

Overdue accounts receivable

DKK 1.000	2020	2019
Up to 1 month	45,034	16,480
Between 1 and 2 months	12,078	4,262
More than 2 months	13,662	8,247
Overdue accounts receivable at 29 February	70,774	28,989

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. The primary risk is related to fluctuations in CIBOR.	Effect: Medium Threat: Low	It is the Group's policy to have long-term borrowings to a large extent at fixed rates. Net interest rate risks may be hedged via interest rate swaps and related instruments, if assessed as advantageous. The Group uses cash pool arrange-ments to net funds on deposit with debt to minimize interest payments.	92% of total interest-bearing debt excluding subordinated loans is fixed rated (2018/19 it was 87%). The effective interest rate of this part of the debt is 1.7% (2018/19 it was 1.8%). Please refer to note 18 for information about

The exposure to floating interest rates at Balance Sheet date 29 February 2020 and 28 February 2019 are as follows:

	2020				2019			
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	36,218	(1,638)	(2,296)	2 years	38,620	(2,375)	(3,254)	3 years

Penneo dokumentnøgle: A7864-HF0NI-XJP2L-T00GI-0SXNK-801XF

Consolidated and Parent Company Annual Report 1 March 2019 - 29 February 2020

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 469 MDKK (2018/19: 340 MDKK).

Sensitivity of interest rate risk

The calculated effect after tax based on a 1% point interest rate increase would affect profit/(loss) by 1.5 MDKK (2018/19: 0 MDKK) and equity by 1.2 MDKK (2018/19: 0 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: High 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. EUR cash flow is used for repaying loan in EUR but otherwise not hedged due to Danish fixed exchange rate policy against EUR. Net investments in foreign subsidiaries are not hedged.	The effect from currency risk originates mainly from USD cash flows. The company has hedged the currency risk in accordance with the Group's policy. As in 2018/19, 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

Penneo dokumentnøgle: A7864-HF0NI-XJP2L-T00GI-0SXNK-801XF

Consolidated and Parent Company Annual Report 1 March 2019 - 29 February 2020

At year end, the Group held the following derivatives

2020

DKK 1.000	Payable/ maturity date	Receivables	Credit institutions	Liabilities other than provisions	Hedged by forward exchange contracts and currency swaps	Net position
Currency						
USD	< 1 year	325,287	-	(131,513)	(48,619)	145,155
GBP	< 1 year	10	-	(9,026)	8,609	(407)
CAD	< 1 year	75	-		-	75
SEK	< 1 year	-	-	(17)	-	(17)
NOK	< 1 year	-	-	(47)	-	(47)
EUR	< 1 year	204,048	(40,682)	(170,536)	-	(7,170)
EUR	> 1 year		(156,919)		-	(156,919)
INR	< 1 year	454	-	(272)	-	182
SGD	< 1 year	571	-	(5,193)	-	(4,622)
AED	< 1 year	2,618	-	(714)	(1,608)	296
CHF	< 1 year	-	-	(286)	-	(286)
AUD	< 1 year	-	-	(1,745)	1745	0

2019

DKK 1.000	Payable/ maturity date	Receivables	Credit institutions	Liabilities other than provisions	Hedged by forward exchange contracts and currency swaps	Net position
Currency						
USD	< 1 year	227,605		(101,708)	(40,226)	85,671
GBP	< 1 year	169		(8,636)	8,475	8
SEK	< 1 year			(296)		(296)
EUR	< 1 year	218,979	(11,606)	(110,098)		97,275
EUR	> 1 year		(197,310)			(197,310)
INR	< 1 year	456		(326)		130
SGD	< 1 year	735		(2,178)		(1,443)
AED	< 1 year	2,816		(743)	(1,481)	592

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 (9.1) MDKK (2018/19: (3.3) MDKK) and affect equity by (5.4) MDKK (2018/19: (5.2) MDKK). The total effect on Equity after tax would be (11.3) MDKK (2018/19: (6.7) MDKK). The effect of a 10% increase in the currency translation rates against DKK would have a corresponding inverse effect.

Penneo dokumentnøgle: A7864-HF0NI-XJP2L-T00GI-0SXNK-801XF

Consolidated and Parent Company Annual Report 1 March 2019 - 29 February 2020

Exchange rate contracts at year-end:

DKK 1.000		Contractual value		Fair value		Gains and losses recognized in the equity	
	Period	2020	2019	2020	2019	2020	2019
AED	0-1 year	2,234	1,421	(81)	(107)	(11)	(39)
AED	1-5 years	0	635	0	(48)	0	(19)
AUD	0-1 year	(4)	0	6	0	31	0
AUD	1-5 years	(1,423)	0	(57)	0	0	0
GBP	0-1 year	(9,495)	0	431	0	0	0
GBP	1-5 years	(13,602)	0	611	0	0	0
USD	0-1 year	341,813	291,498	(21,183)	(20,648)	(4,808)	(7,879)
USD	1-5 years	225,198	109,411	(4,625)	(3,301)	(1,020)	(1,966)
		544,721	402,965	(24,898)	(24,104)	(5,808)	(9,903)
Tax						(1,637)	(2,793)
Total before tax						(7,445)	(12,696)

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

Categories of financial instruments:

DKK 1.000	2019/20	2018/19
Financial assets		
Financial derivatives used for hedging purposes	327,915	230,590
Receivables and cash at bank and in hand	605,665	472,989
Financial liabilities:		
Financial derivatives used for hedging purposes	142,998	111,087
Financial liabilities measured at amortized costs	626,878	540,645

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 Threat: Low	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 customer's requirement and their "Right to buy" agreements. These agreements are firm fixed prices in USD in 3-5 years. 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 result in 2018/19 and 2019/20.

Penneo dokumentnøgle: A7864-HF0NI-XJP2L-T00GI-0SXNK-801XF

Consolidated and Parent Company Annual Report 1 March 2019 - 29 February 2020

24 Proposed profit appropriation

DKK 1.000	2019/20	2018/19
Reserved for net revaluation according to the equity method	95,438	(66,647)
Retained earnings	(3,352)	(3,241)
	92,086	(69,888)

25 Changes in working capital

DKK 1.000		
Inventories	(17,490)	(63,826)
Receivables including construction contracts	18,136	50,952
Construction contracts and prepayments from customers	106,697	106,190
Trade payable and other payables	(47,713)	55,594
	59,630	148,910

26 Acquisition of software, property, plant and equipment

	Consolidated	
DKK 1.000	2019/20	2018/19
Additions to software, property, plant, and equipment (note 9 and 10)	122,531	98,979
Hereof trade payables to be paid in the following financial year	(33,944)	(6,930)
Trade payables beginning of year	6,930	14,490
Paid concerning addition to property, plant, and equipment	95,517	106,539

Penneo dokumentnøgle: A7864-HF0NI-XJP2L-T00GI-0SXNK-801XF

Underskrifterne i dette dokument er juridisk bindende. Dokumentet er underskrevet via Penneo™ sikker digital underskrift. Underskrivernes identiteter er blevet registereret, og informationerne er listet herunder.

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

Mette Roenborg Lawaetz
Direktion
På vegne af: Thrige Holding A/S
Serienummer: PID:9208-2002-2-037171515875
IP: 193.163.xxx.xxx
2020-06-04 15:47:15Z
NEM ID

Mette Roenborg Lawaetz
Dirigent
På vegne af: Thrige Holding A/S
Serienummer: PID:9208-2002-2-037171515875
IP: 193.163.xxx.xxx
2020-06-04 15:47:15Z
NEM ID

Flemming Henze Tomdrup
Bestyrelse
På vegne af: Thrige Holding A/S
Serienummer: PID:9208-2002-2-360987106812
IP: 176.22.xxx.xxx
2020-06-04 15:52:13Z
NEM ID

Jørgen Huno Rasmussen
Bestyrelse
På vegne af: Thrige Holding A/S
Serienummer: PID:9208-2002-2-072270766240
IP: 2.108.xxx.xxx
2020-06-04 19:00:06Z
NEM ID

Mette Roenborg Lawaetz
Bestyrelse
På vegne af: Thrige Holding A/S
Serienummer: PID:9208-2002-2-037171515875
IP: 193.163.xxx.xxx
2020-06-08 06:59:32Z
NEM ID

Jes Østergaard Lauritzen
Statsautoriseret revisor
På vegne af: ERNST & YOUNG P/S
Serienummer: PID:9208-2002-2-767513552340
IP: 145.62.xxx.xxx
2020-06-09 06:43:57Z
NEM ID

Penneo dokumentnøgle: A7864-HF0NI-XJP2L-T00GI-0SXNK-801XF

Dette dokument er underskrevet digitalt via **Penneo.com**. Signeringsbeviserne i dokumentet er sikret og valideret ved anvendelse af den matematiske hashværdi af det originale dokument. Dokumentet er låst for ændringer og tidsstemplet med et certifikat fra en betroet tredjepart. Alle kryptografiske signeringsbeviser er indlejret i denne PDF, i tilfælde af de skal anvendes til validering i fremtiden.

Sådan kan du sikre, at dokumentet er originalt
Dette dokument er beskyttet med et Adobe CDS certifikat. Når du åbner dokumentet i Adobe Reader, kan du se, at dokumentet er certificeret af **Penneo e-signature service <penneo@penneo.com>**. Dette er din garanti for, at indholdet af dokumentet er uændret.

Du har mulighed for at efterprøve de kryptografiske signeringsbeviser indlejret i dokumentet ved at anvende Penneos validator på følgende websted: **https://penneo.com/validate**