

Thrige Holding A/S

Hovmarken 4, 8520 Lystrup
Annual Report 2022/23

The Annual Report was presented and approved at the annual general meeting of the Company on 30 May 2023.

Chairman

Central Business Register No. 26 31 16 83

The Annual Report includes 49 pages

Table of contents

	Page
Management's Review	3
Company Details	3
Financial Highlights	4
Management's Review	5
Financial Statements	10
Income Statement	10
Balance Sheet	11
Statement of Changes in Equity	13
Cash Flow Statement	15
Notes	16
Statements and Reports	46
Statement by the Board of Directors and Executive Management	46
Independent Auditor's Report	47

Management's Review

Company Details

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

T +45 87 43 60 00
F +45 87 43 60 01
www.terma.com
terma.hq@terma.com

Central Business Register No. 26 31 16 83
Founded 24 October 2001
Situated in Aarhus Municipality

Board of Directors

Carsten Dilling(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 30 May 2023.

Management's Review

Financial Highlights - consolidated

MDKK	2022/23	2021/22	2020/21	2019/20	2018/19
Order intake	2.398	2.314	2.019	2.842	1.726
Order backlog, year-end	3.430	3.290	3.171	3.222*	2.297*

Revenue	2.258	2.195	2.070	1.917	1.803
EBITDA before special items	375	356	321	273	276
Depreciation, amortization, and write-downs	(183)	(170)	(151)	(148)	(167)
Operating profit before special items	192	186	170	125	109
Financial income and costs	(18)	(30)	(35)	(18)	(19)
Earnings before special items and tax	174	157	135	107	90
Special items before tax**	0	0	0	0	(164)
Profit for the year	144	128	114	92	(70)

Non-current assets	1.262	1.242	1.216	1.088	994
Current assets	1.407	1.279	1.344	1.330	1.194
Total assets	2.669	2.522	2.560	2.418	2.188
Total equity	987	830	715	666	567
Subordinated loans	170	170	170	170	170
Capital base	1.157	1.000	885	836	737
NIBD (excl. subordinated loans)	129	261	413	367	324

Cash flows from operating activities	331	366	183	301	360
Cash flows for investing activities	(189)	(217)	(286)	(213)	(230)
hereof investments in software, property, plant & equipment	(88)	(149)	(138)	(96)	(107)

Financial Ratios:

EBITDA margin before special items	16,6	16,2	15,5	14,3	16,0
EBT margin before special items	7,7	7,1	6,5	5,6	5,2
Return on investments before special items	8,1	7,8	7,4	5,9	5,4
Liquidity ratio	130	124	121	130	146
Solvency ratio (capital base)	43,4	39,6	34,6	34,6	33,7
Return on equity	15,8	16,6	16,5	14,9	(11,5)
Leverage ratio	0,3	0,7	1,3	0,9	2,1

Average number of full-time employees	1.599	1.648	1.653	1.521	1.495
--	--------------	--------------	--------------	--------------	--------------

* Including framework agreements

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

Definitions to Financial Ratios:

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

Management's Review

Thrige Holding A/S is fully owned by Thomas B. Thrige Fond, a commercial foundation established in 1933 by manufacturer Thomas B. Thrige. The Group operational activities are maintained through the fully owned 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, Austria, Romania, Czech Republic, Indonesia, Singapore, France, India, and UAE, and re-presentation office in Belgium.

Development in the Parent Company financial situation

The result after tax in 2022/23 was MDKK 143.7 (2021/22: MDKK 128.8). As of 28 February 2023, the equity amounted to MDKK 987.4 (28 February 2022: MDKK 830.1).

Development in the Group financial situation

In 2022/23, the Thrige Holding Group result after tax was MDKK 143.7 (2021/22: MDKK 128.2). As of 28 February 2023, the equity amounted to MDKK 987.4 (28 February 2022: MDKK 829.8).

In 2022/23, the Terma A/S result after tax amounted to MDKK 138.6 (2021/22: MDKK 127.3). As of 28 February 2023, the equity amounted to MDKK 898.2 (28 February 2022: MDKK 744.7).

Development activities

Development activities of the Group are carried out in Terma A/S which during the FY 2022/23 had development activities in all business areas and as of 28 February 2023, the carrying amount was MDKK 610.0. Investments amounted to MDKK 102.1 and depreciations amounted to MDKK 86.3. 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 cf. §99a

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-2022-2023/csr-report-2022-2023.html>

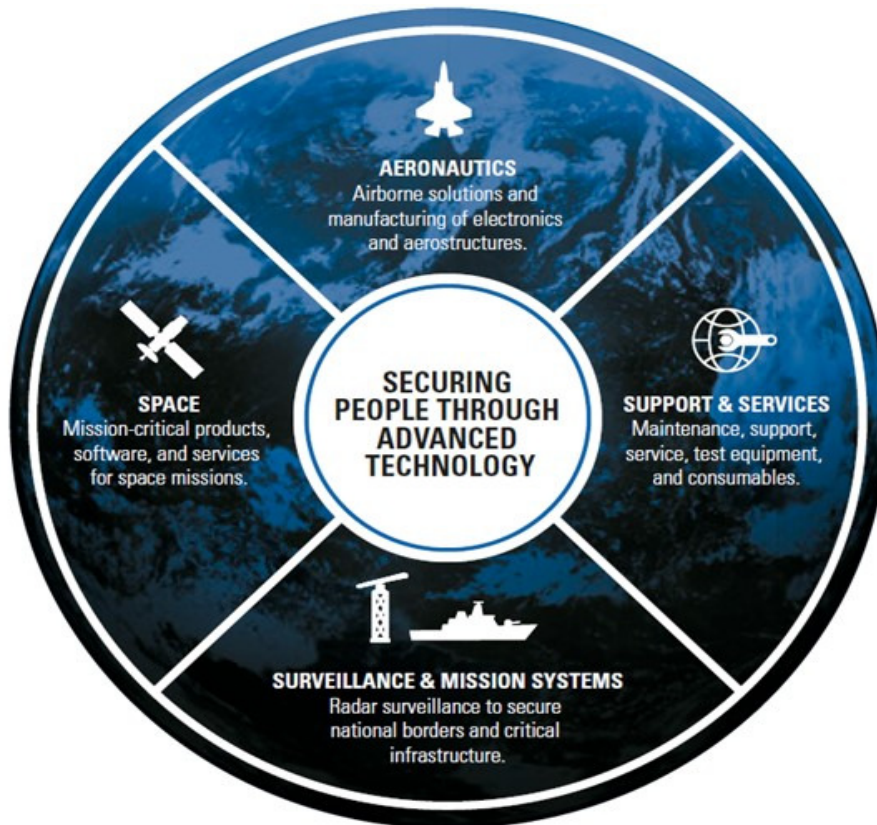
Terma's Business Model

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 delivers products and services foremost in times of peace, but also in times of conflict. Therefore, there is a risk that Terma may be part of human rights impacts.

Policy, actions and results: Human rights is a focus area in Terma's CSR strategy Allies in Responsibility. In recognition of the importance of UN Guiding Principles on Business and Human Rights (UNGPs), we continuously work with human and labor rights and assess the robustness and efficiency of our processes and procedures. In FY2022/23, Terma published the third annual human rights impact assessment for the Danish locations, and the first for Terma GmbH (Germany). Each assessment accounts for both potential and actual impacts. The assessment reports can be found here <https://www.terma.com/who-we-are/our-reports/>. During the next financial year, we will continue our annual assessments, and once again expand the scope to include another location outside of Denmark.

Furthermore, Terma continues to conduct due diligence on third parties both for the upstream (suppliers) and downstream (customers and end-users) value chain, in which process human rights is a key factor.

Environment & Climate

Material risks: Terma has identified risks relating to the use of chemicals and hazardous substances, and energy consumption and emissions.

Policy, actions and results: Terma focuses on constantly improving its production processes, resources and the use of chemicals and hazardous substances. Some of these substances are hazardous to humans and the environment, and therefore we are actively working on substituting the most harmful chemicals and have made strong progress. Moreover, Terma measures and discloses emissions using the Greenhouse Gas (GHG) Protocol, which are published in our CSR report <https://www.terma.com/who-we-are/our-reports/>. While exploring the options for energy reductions based on the results of the energy screening conducted last year, the volatility of the market pressed us to act faster and identify new ways of optimizing and reducing energy consumption across all Danish locations, for example by adjusting and work and production methods. Furthermore, Terma was able to commence the installation of 5,500 m² of solar panels at the Grenaa facility, which covers approximately 10% of the energy used. More information about our results can be found in the CSR report 2022/23 <https://www.terma.com/reports/csr-2022-2023/csr-report-2022-2023.html>

Going forward, Energy and emissions, as well as waste and recycling, will be strategic priorities in Terma's new CSR strategy 2023/26. Moreover, environmental management will be part of the new Health, Safety, Environment & Energy (HSE&E) structure in Terma. 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 a safe and health work environment for all employees. In FY2022/23, we have continued to implement safety initiatives and campaigns to create an interdependent safety culture in Terma, such as finalizing chemical risk assessments, rolling out new safety instructions, and improving the online portal containing safety information. Going forward, we want to maintain a high level of safety excellence even as Terma grows, and we continue to identify and address areas for improvement. The new Health, Safety, Environment & Energy structure in Terma will lead this work.

When it comes to health and mental well-being, we launched a health screening in collaboration with Topdanmark, based on which we have started to implement activities that address the top challenges in each Danish location. Moreover, we have rolled out a mentoring program and continue to listen to employees via global surveys. More information about our results can be found in the CSR report 2022/23.

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.

Terma aims to ensure compliance with international and national anti-corruption legislation. On a yearly basis, we review our anti-corruption program, update and conduct anti-corruption training, and every other year we update our Employee Code of Conduct and associated e-learning with relevant new policies and scenarios. On a continuous basis throughout the year, we investigate cases, raise awareness of our reporting channels, monitor and report compliance, as well as conduct due diligence. In FY2022/23, additional effort was put into developing the in-person training for employees with high-risk job functions. Full details about Terma's anti-corruption program can be found here <https://www.terma.com/who-we-are/our-responsibility/>.

Terma's anti-corruption program and procedures are robust and well-implemented. We will continuously work to ensure that this remains so and actively seek out new ways of optimizing our processes. More information about our results can be found in the CSR report 2022/23.

Going forward, one of the key initiatives during the next financial year is to update the Employee Code of Conduct and associated e-learning with relevant new policies such as a Due Diligence Policy a Responsible Lobbying policy.

Gender distribution in management cf. §99b

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.

EU Taxonomy regulation

The industry and economic activities associated with Terma are outside the scope of the EU Taxonomy in its current state. Therefore, we do not have any eligible activities upon which to report.

Nonetheless, at Terma, we actively work with our environmental footprint and are committed to supporting the purpose of the EU Taxonomy regulations.

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 2023/24

The outlook for the base budget in 2023/24 reflects an organic growth in revenue of approx. 10% with earnings on par with 2022/23. The outlook does not include the impact from the Atos EGSE business acquisition.

We will invest in organizational capabilities to fulfil our new role. Elevated inflation will persist and impact the cost base and earnings.

The Group's growth rate for 2023/24 and the following years depends on the ability of Denmark and other countries to accelerate defense acquisitions. In recent years, the F-35 program has been an important growth driver for Terma. We do not expect growth beyond the current activity level over the next couple of years.

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 2023.

Income Statement 1 March - 28 February

DKK 1.000	Note	Consolidated		Parent company	
		2022/23	2021/22	2022/23	2021/22
Revenue	3,4	2.258.464	2.194.682	-	-
Production costs	5	(1.744.925)	(1.725.648)	-	-
Gross Profit		513.539	469.034	-	-
Distribution costs	5	(157.663)	(141.171)	-	-
Administrative costs	5,6	(166.428)	(140.907)	(243)	(283)
Other operating income	7	2.862	10.288	-	-
Other operating costs	7	(659)	(10.750)	-	-
Operating profit		191.651	186.494	(243)	(283)
Result in subsidiaries after tax	8	-	-	138.922	127.672
Result from equity interests	8	(23)	-	-	-
Financial income	9	14.451	6.664	6.145	5.347
Financial costs	9	(32.524)	(36.453)	(3.604)	(3.699)
Earnings before tax (EBT)		173.555	156.705	141.220	129.037
Tax on profit	10	(29.843)	(28.533)	2.492	(238)
Result for the year		143.712	128.172	143.712	128.799
The Group result is split as follows:					
Stockholder in Terma A/S		143.712	128.799		
Minority interest		-	(627)		
		<u>143.712</u>	<u>128.172</u>		
Proposed profit appropriation	25				

Balance Sheet 28 February

DKK 1.000	Note	Consolidated		Parent Company	
		2023	2022	2023	2022
ASSETS					
Non-current assets					
Intangibles					
Software		54.798	55.702	-	-
Software in process		35.434	20.360	-	-
Development projects completed		339.893	354.272	-	-
Development projects in process		270.055	234.608	-	-
	11	<u>700.180</u>	<u>664.941</u>	-	-
Property, plant, and equipment					
Land and buildings		265.542	278.378	-	-
Plant and machinery		221.351	205.237	-	-
Fixtures and fittings, tools and equipment		31.377	37.083	-	-
Property, plant, and equipment under construction		38.540	56.824	-	-
	12	<u>556.810</u>	<u>577.522</u>	-	-
Investments					
Investments in subsidiaries		-	-	908.892	755.070
Investments in equity interests		5.117	-	-	-
Loan to subsidiary		-	-	130.000	130.000
	8	<u>5.117</u>	-	<u>1.038.892</u>	<u>885.070</u>
Total non-current assets		<u>1.262.107</u>	<u>1.242.463</u>	<u>1.038.892</u>	<u>885.070</u>
Current assets					
Inventories					
Raw materials and consumables		357.573	319.308	-	-
Work in process		188.002	158.023	-	-
Prepayments to suppliers		7.149	10.042	-	-
		<u>552.724</u>	<u>487.373</u>	-	-
Receivables					
Trade receivables		404.102	395.154	-	-
Construction contracts	13	155.847	157.923	-	-
Amounts owed by subsidiaries		-	-	33.936	91.883
Corporate tax receivables	14	1.331	2.709	-	-
Other receivables		17.661	30.710	-	-
Deferred tax asset	15	10.478	12.225	-	-
Prepayments	16	14.354	10.748	-	-
		<u>603.773</u>	<u>609.470</u>	<u>33.936</u>	<u>91.883</u>
Cash at bank in hand		<u>250.101</u>	<u>182.322</u>	<u>32</u>	<u>9.902</u>
Total current assets		<u>1.406.598</u>	<u>1.279.165</u>	<u>33.968</u>	<u>101.785</u>
Total assets		<u>2.668.705</u>	<u>2.521.628</u>	<u>1.072.860</u>	<u>986.855</u>

Balance Sheet 28 February

DKK 1.000	Note	Consolidated		Parent Company	
		2023	2022	2023	2022
EQUITY AND LIABILITIES					
Equity					
Capital stock	17	25.000	25.000	25.000	25.000
Net revaluation according to the equity method		-	-	441.445	287.621
Translation adjustments and hedging instruments		8.709	(6.852)	-	-
Retained earnings		951.398	810.642	518.662	516.169
Proposed dividends		2.297	1.358	2.297	1.358
Thrige Holding A/S' stockholder part of equity		987.404	830.148	987.404	830.148
Minority interest		-	(360)	-	-
Total equity		987.404	829.788	987.404	830.148
Provisions					
Warranty provisions	18	21.293	27.239	-	-
Provisions regarding construction contracts		907	2.138	-	-
Deferred tax	15	154.280	158.536	-	-
Total provisions		176.480	187.913	-	-
Liabilities other than provisions					
Non-current liabilities other than provisions					
Subordinated loans	20	170.000	170.000	45.000	45.000
Credit institutions		17.371	63.708	-	-
Mortgage credit institutions		142.658	153.430	-	-
Other debt		91.377	86.617	-	-
	20	421.406	473.755	45.000	45.000
Current liabilities other than provisions					
Current portion of non-current liabilities	20	57.143	57.316	-	-
Construction contracts	13	356.436	310.085	-	-
Prepayments received from customers		192.573	145.465	-	-
Trade payables		134.738	158.871	-	-
Amounts owed to Parent Company		70.485	82.721	17.628	82.721
Amounts owed to subsidiaries		-	-	10.968	10.694
Corporate tax	14	16.378	22.768	11.694	18.124
Other payables		255.662	252.946	166	168
		1.083.415	1.030.172	40.456	111.707
Total liabilities other than provisions		1.504.821	1.503.927	85.456	156.707
Total equity and liabilities		2.668.705	2.521.628	1.072.860	986.855
Accounting policies	1				
Contingent liabilities and security	21				
Related parties	22				
Events after the Balance Sheet date	23				
Financial instruments and financial risks	24				

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 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 1 March 2022	25.000	(6.852)	810.642	1.358	830.148	(360)	829.788	
Results for the year	-	-	141.415	2.297	143.712	-	143.712	
Paid dividend	-	-	-	(1.358)	(1.358)	-	(1.358)	
Take over of ownership in minority interest	-	-	(659)	-	(659)	360	(299)	
Other changes in equity in subsidiaries etc. (before tax)	-	19.363	-	-	19.363	-	19.363	
Tax on other changes in equity	-	(3.802)	-	-	(3.802)	-	(3.802)	
Equity at 28 February 2023	25.000	8.709	951.398	2.297	987.404	-	987.404	

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	273.097	416.400	-	714.497
Dividends received from subsidiaries		-	(100.000)	100.000	-	-
Results for the year	25	-	127.672	(231)	1.358	128.799
Changes in value of hedging instruments, etc. (before tax)		-	(17.722)	-	-	(17.722)
Tax on changes in value of hedging instruments		-	4.574	-	-	4.574
Equity at 1 March 2022		25.000	287.621	516.169	1.358	830.148
Results for the year	25	-	138.922	2.493	2.297	143.712
Take over of ownership in minority interest		-	(659)	-	-	(659)
Paid dividend		-	-	-	(1.358)	(1.358)
Other changes in equity in subsidiaries, etc. (before tax)		-	19.363	-	-	19.363
Tax on other changes in equity		-	(3.802)	-	-	(3.802)
Equity at 28 February 2023		25.000	441.445	518.662	2.297	987.404

Cash Flow Statement 1 March - 28 February

DKK 1.000	Note	Consolidated	
		2022/23	2021/22
Earnings before tax		<u>173.555</u>	<u>156.705</u>
Adjustments:			
Depreciation, amortization, and write-downs, etc		182.640	178.440
Provisions		(7.177)	4.456
Net financial income and costs		<u>18.073</u>	<u>29.789</u>
		<u>193.536</u>	<u>212.685</u>
Changes in working capital	26	<u>13.026</u>	<u>19.263</u>
Cash flows generated from operations before financial items		<u>380.117</u>	<u>388.653</u>
Financial income, received		14.537	5.824
Financial costs, paid		<u>(22.495)</u>	<u>(32.263)</u>
Cash flows from operations before tax		<u>372.159</u>	<u>362.214</u>
Corporate tax paid	13	<u>(41.278)</u>	<u>3.601</u>
Cash flows from operating activities		<u>330.881</u>	<u>365.815</u>
Capitalized development costs	10	(102.072)	(107.829)
Sale of property, plant and equipment		507	39.755
Acquisitions of software, property, plant, and equipment	27	<u>(87.919)</u>	<u>(148.511)</u>
Cash flows from investing activities		<u>(189.484)</u>	<u>(216.585)</u>
Repayments, non-current liabilities		(59.163)	(85.675)
Investments in subsidiaries		(567)	-
Investments in associates and joint ventures		(5.140)	-
Changes in non-current other debt		4.760	2.109
Loan from parent company		(12.236)	(17.931)
Paid dividend		<u>(1.358)</u>	<u>-</u>
Cash flows from financing activities		<u>(73.704)</u>	<u>(101.497)</u>
Net cash flows from operating, investing, and financing activities		<u>67.693</u>	<u>47.733</u>
Current cash at 1 March		182.322	133.749
Exchange rate variations on current cash		<u>86</u>	<u>840</u>
Current cash at 28 February		<u><u>250.101</u></u>	<u><u>182.322</u></u>

Notes

1. Accounting Policies

The Annual Report for Thrige Holding A/S for 2022/23 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.

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.

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 after tax

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

Profit in equity interests after tax

The individual equity interests' 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 and equity interests incl. participating interests

Investments in subsidiaries and equity interests are measured according to the equity method.

Investments in subsidiaries and equity interests 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 and equity interests 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 and equity interests 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)

The net revaluation reserve according to the equity method comprises net revaluations of equity investments in group entities and associates and participating interests compared to cost comprising i.a. recognised shares of profit/loss and foreign exchange adjustments less dividends.

The reserve can be eliminated in case of losses, realisation of equity investments or changes in accounting estimates.

The reserve cannot be recognised 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.

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 hierarchy, 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 from 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.

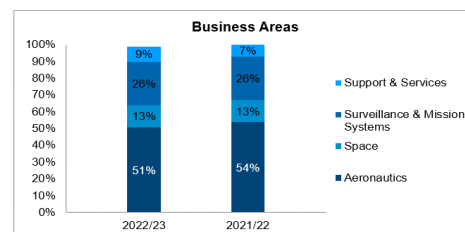
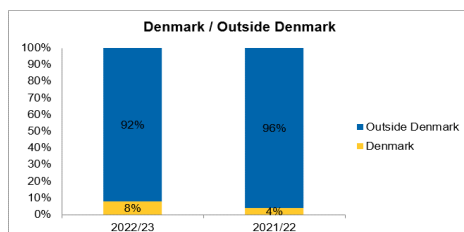
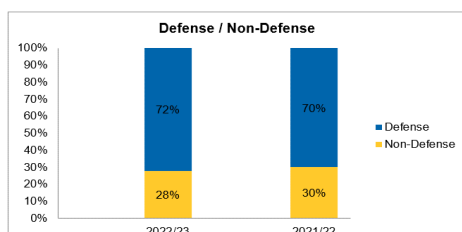
2. Special Items

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 from being a part of the operational activities.

3. Segment information, Revenue

Consolidated:



4. Revenue

DKK 1.000

Goods and services
Construction contracts

	Consolidated		Parent Company	
	2022/23	2021/22	2022/23	2021/22
Goods and services	735.414	618.690	-	-
Construction contracts	1.523.050	1.575.992	-	-
	<u>2.258.464</u>	<u>2.194.682</u>	-	-

5. Staff costs

DKK 1.000

Remuneration to boardmembers and executive
Management registered in the Central Business
Register

Wages and salaries

Pensions

Other social security costs

Average number of full-time employees

	Consolidated		Parent Company	
	2022/23	2021/22	2022/23	2021/22
Remuneration to boardmembers and executive Management registered in the Central Business Register	875	875	-	-
Wages and salaries	959.393	949.367	-	-
Pensions	60.218	61.466	-	-
Other social security costs	55.972	57.963	-	-
	<u>1.076.458</u>	<u>1.069.671</u>	-	-
Average number of full-time employees	<u>1.599</u>	<u>1.648</u>	-	-

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 avoid 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 annually.

Parent

No Remuneration for the Parent Company Board Members and Management was given in the 2022/23 fiscal year.

No staff is employed apart from the management.

6. Fees paid to auditors

	Consolidated	
	2022/23	2021/22
DKK 1.000		
Total fees to EY can be specified as follows:		
Statutory audit	1.395	1.268
Other assurance engagements	112	212
Tax and VAT	239	260
Other non-audit services	640	632
Total	2.386	2.372

7. Other operating income and costs

	Consolidated		Parent Company	
	2022/23	2021/22	2022/23	2021/22
DKK 1.000				
Management fees	1.731	1.209	-	-
Profit on disposal of minor assets	38	1.540	-	-
Other operating income	374	-	-	-
Profit on disposal of non-current assets	614	-	-	-
Rental income	105	7.539	-	-
Other operating income	2.862	10.288	-	-
Costs related to disposal of minor assets	-	-	-	-
Loss on disposal of non-current assets	659	10.750	-	-
Costs related to premises rented out	-	-	-	-
Other operating costs	659	10.750	-	-

8. Investments

DKK 1.000

	Parent Company
	Investments in subsidiaries
Cost at 1 March 2022	467.447
Additions	-
Cost at 28 February	467.447
Net revaluations at 1 March 2022	287.623
Other changes in equity in subsidiaries	14.900
Results for the year	138.922
Net revaluations at 28 February 2023	441.445
Carrying amount at 28 February 2023	908.892

Please refer to note 22 for further disclosure of subsidiaries

	Consolidated		Parent Company	
	2022/23	2021/22	2022/23	2021/22
		Investments in equity interests	Investments in equity interests	Investments in equity interests
Cost at 1 March 2022	-	-	-	-
Additions	5.140	-	-	-
Cost at 28 February 2023	5.140	-	-	-
Net revaluations at 1 March 2022	-	-	-	-
Results for the year	(23)	-	-	-
Net revaluations at 28 February 2023	(23)	-	-	-
Carrying amount at 28 February 2023	5.117	-	-	-
Name	Registered office		Ownership	Capital stock
Danske Patruljeskibe Komplementarselskab A/S	Lystrup, Denmark		33%	420 tDKK
Danske Patruljeskibe K/S	Lystrup, Denmark		33%	15,000 tDKK

9. Financial income and costs

DKK 1.000

Included in financial income and costs are:

	Consolidated		Parent Company	
	2022/23	2021/22	2022/23	2021/22
Intra- group interest, current assets	-	-	6.139	5.341
Other interest	913	479	6	6
Exchange rate variations and hedging income regarding hedging instruments	13.538	6.185	-	-
Financial income	14.451	6.664	6.145	5.347
Intra- group interest, current liabilities	1.728	1.228	1.552	1.659
Interest on subordinated loans	7.650	7.650	2.025	2.025
Interest to credit institutions, non-current liabilities	3.488	5.393	-	-
Interest to credit institutions, current liabilities	459	1.588	21	13
Other interest	2.549	1.955	6	-
Guarantee expenses and bank charges	4.032	5.416	-	2
Exchange rate variations and hedging costs regarding hedging instruments	12.618	13.223	-	-
Financial costs	32.524	36.453	3.604	3.699

10. Tax

	Consolidated		Parent Company	
	<u>2022/23</u>	<u>2021/22</u>	<u>2022/23</u>	<u>2021/22</u>
DKK 1.000				
Joint tax contribution/current tax	36.266	29.021	(2.492)	238
Deferred tax	(2.621)	(5.062)	-	-
Total Tax	<u>33.645</u>	<u>23.959</u>	<u>(2.492)</u>	<u>238</u>
Specified as follows:				
Tax on profit	29.843	28.533	(2.492)	238
Tax on changes in equity	3.802	(4.574)	-	-
	<u>33.645</u>	<u>23.959</u>	<u>(2.492)</u>	<u>238</u>

11. Intangibles

	Consolidated				
	Software	Software in process	Developm. projects, completed	Developm. projects, in process	Total
DKK 1.000					
Cost at 1 March 2022	113.747	31.741	750.591	234.608	1.130.687
Foreign currency adjustments	-	-	251	5.136	5.387
Additions	10.294	17.224	-	102.072	129.590
Disposals	(767)	-	-	-	(767)
Transfers	13.531	(13.531)	71.761	(71.761)	-
Cost at 28 February 2023	<u>136.805</u>	<u>35.434</u>	<u>822.603</u>	<u>270.055</u>	<u>1.264.897</u>
Amortizations and impairments at 1 March 2022	58.046	-	396.319	-	454.365
Foreign currency adjustments	-	-	88	-	88
Amortizations and impairments	24.728	-	86.303	-	111.031
Disposals	(767)	-	-	-	(767)
Amortizations and impairments at 28 February 2023	<u>82.007</u>	<u>-</u>	<u>482.710</u>	<u>-</u>	<u>564.717</u>
Carrying value at 28 February 2023	<u>54.798</u>	<u>35.434</u>	<u>339.893</u>	<u>270.055</u>	<u>700.180</u>
Amortized over	<u>3-10 years</u>		<u>5-15 years</u>		

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				
	Land and buildings	Plant and machinery	Fixtures and fittings, tools and equipment	Property, plant and equipment under construction	Total
DKK 1.000					
Cost at 1 March 2022	502.997	550.558	116.757	56.824	1.227.136
Foreign currency adjustments	-	443	1.573	-	2.016
Transfers	2.196	46.694	687	(49.577)	-
Additions	3.103	8.757	19.309	31.293	62.462
Disposals	(800)	(6.267)	(12.136)	-	(19.203)
Cost at 28 February 2023	507.496	600.185	126.189	38.540	1.272.410
Revaluation at 1 March 2022	20.621	-	-	-	20.621
Revaluation at 28 February 2023	20.621	-	-	-	20.621
Depreciation and impairments at 1 March 2022	245.240	345.321	91.055	-	681.616
Foreign currency adjustments	-	437	1.270	-	1.707
Depreciations	18.106	39.238	14.610	-	71.954
Disposals	(771)	(6.162)	(12.123)	-	(19.056)
Depreciations and impairments at 28 February 2023	262.575	378.834	94.812	-	736.221
Carrying amount at 28 February 2023	265.542	221.351	31.377	38.540	556.810
Depreciated over	<u>10-50 years</u>	<u>3-20 years</u>	<u>3-7 years</u>		

The accounting value of the property without revaluation is 255 MDK.

13. Construction contracts

	Consolidated		Parent Company	
	2023	2022	2023	2022
DKK 1.000				
Selling price of construction contracts	2.683.073	2.942.924	-	-
Invoiced on account	(2.883.662)	(3.095.086)	-	-
Construction contracts at 28 February	(200.589)	(152.162)	-	-
Recognized as follows:				
Construction contracts (assets)	155.847	157.923	-	-
Construction contracts (liabilities)	(356.436)	(310.085)	-	-
	(200.589)	(152.162)	-	-

14. Corporate tax payable

	Consolidated		Parent Company	
	2023	2022	2023	2022
DKK 1.000				
Corporate tax payable at 1 March	20.059	(12.563)	18.124	(11.086)
Tax for the year/joint tax contribution	36.266	29.021	(2.491)	238
Corporate tax paid during the year	(41.278)	3.601	(35.633)	9.902
Transferred from intra-group balances	-	-	31.694	19.070
Corporate tax payable at 28 February	15.047	20.059	11.694	18.124
Recognized as follows:				
Corporate tax receivable	(1.331)	(2.709)	-	-
Corporate tax payable	16.378	22.768	11.694	18.124
	15.047	20.059	11.694	18.124

15. Deferred tax

	Consolidated		Parent Company	
	2023	2022	2023	2022
DKK 1.000				
Deferred tax at 1 March	146.311	151.994	-	-
Foreign currency adjustments	112	(621)	-	-
Adjustment for the year	(2.621)	(5.062)	-	-
Deferred tax at 28 February	143.802	146.311	-	-
Recognized as follows:				
Deferred tax (assets)	(10.478)	(12.225)	-	-
Deferred tax (liabilities)	154.280	158.536	-	-
	143.802	146.311	-	-
Deferred tax relates to:				
Intangibles	109.750	109.116	-	-
Property, plant and equipment	45.784	45.361	-	-
Current assets	13.304	14.286	-	-
Provisions	(1.541)	(1.540)	-	-
Liabilities other than provisions etc.	(23.495)	(20.912)	-	-
	143.802	146.311	-	-

Expected timeframe for elimination of deferred tax liabilities:

	Consolidated		Parent Company	
	2023	2022	2023	2022
0-1 year	(8.131)	(10.511)	-	-
1-5 years	64.561	59.325	-	-
>5 years	87.372	97.497	-	-
	143.802	146.311	-	-

16. Prepayments

	Consolidated		Parent Company	
	2023	2022	2023	2022
Insurance premiums	259	123	-	-
Rent	-	365	-	-
Tax on real property	305	140	-	-
IT licenses, short term	6.166	6.146	-	-
Other prepayments	7.624	3.974	-	-
Prepayments at 28 February	14.354	10.748	-	-

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	
	2023	2022	2023	2022
Warranty provisions at 1 March	27.240	(19.347)	-	-
Used during the year	(4.999)	17.326	-	-
Unused warranty provisions, reversed	(2.595)	5.633	-	-
Provisions for the year	1.647	23.627	-	-
Warranty provisions at 28 February	21.293	27.239	-	-
Expected maturity for warranty provisions				
0-1 year	10.647	20.492	-	-
>1 years	10.646	6.747	-	-
	21.293	27.239	-	-

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

	Consolidated					
	Liabilities	Fair value	Nominal value	Long-term liabilities	Short-term liabilities	Loans outstanding after five years
DKK 1.000						
Subordinated loans	170.000	170.000	170.000	170.000	-	-
Credit institutions	63.674	63.694	63.694	17.371	46.303	-
Mortgage credit institutions	153.498	134.392	154.116	142.658	10.840	97.278
Other debt	91.377	91.377	91.377	91.377	-	91.377
28 February 2023	478.549	459.463	479.187	421.406	57.143	188.655

	Consolidated					
	Liabilities	Fair value	Nominal value	Long-term liabilities	Short-term liabilities	Loans outstanding after five years
DKK 1.000						
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

2022/23

	Consolidated			
	28 February 2022	Cash flow	Non-monetary changes	28 February 2023
DKK 1.000				
Non-current liabilities other than provisions	473.755	(52.436)	87	421.406
Current liabilities other than provisions	140.037	(11.051)	-	127.628
Paid dividend	-	(1.358)	-	-
Liabilities other than provisions from financing activities	613.792	(64.845)	87	549.034

20. Non- current liabilities other than provisions, continued

Debt to financial institutions

	2022/2023				
	Average nominal interest rate	Average effective interest rate	Currency	Fixed interest rate	Carrying amount
DKK 1.000					
Mortgage loans:					
Variable rate loans	1,55	1,52	DKK	6 months	24.104
Fixed rate loans	<u>2,28</u>	<u>2,27</u>	DKK	11-21 years	<u>118.554</u>
Mortgage loans total	<u><u>2,17</u></u>	<u><u>2,15</u></u>			<u><u>142.658</u></u>
Loans from Banks					
Fixed interest rate loans	<u>1,15</u>	<u>1,15</u>	EUR		<u>17.371</u>
Loans from banks total	<u><u>1,15</u></u>	<u><u>1,15</u></u>			<u><u>17.371</u></u>
Credit institutions total at 28 February					<u><u>160.029</u></u>

	2021/2022				
	Average nominal interest rate	Average effective interest rate	Currency	Fixed interest rate	Carrying amount
DKK 1.000					
Mortgage loans:					
Variable rate loans	0,95	0,80	DKK	3-6 months	24.051
Fixed rate loans	<u>2,20</u>	<u>2,42</u>	DKK	16-22 years	<u>129.379</u>
Mortgage loans total	<u><u>2,02</u></u>	<u><u>2,18</u></u>			<u><u>153.430</u></u>
Loans from Banks					
Fixed interest rate loans	<u>1,15</u>	<u>1,15</u>	EUR		<u>63.708</u>
Loans from banks total	<u><u>1,15</u></u>	<u><u>1,15</u></u>			<u><u>63.708</u></u>
Credit institutions total at 28 February					<u><u>217.138</u></u>

21. Contingent liabilities and security

Contingent liabilities

	Consolidated		Parent company	
	2023	2022	2023	2022
DKK 1.000				
Lease liabilities (operating leases) at 28 February falling due within 5 years (annual cost 18,920 tDKK).	57.799	47.299		
Lease liabilities at 28 February due after more than 5 years	1.688	4.699		
<p>The Group has entered into a rent agreement with the Parent Company Thomas B. Thriges Foundations valid until 1 April 2024. The annual rent amounts to 10,000 tDKK (2021/22: 0 tDKK), and as of 28 February 2023, the termination period is 6 months, and the total commitment amounts to 5,000 tDKK (2021/22: 0 tDKK)</p>				
<p>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.</p>				
<p>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.</p>				
<p>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.</p>				
On behalf of the Terma Group, third parties have issued performance and advance payment bonds at at total of	135.140	130.671		
Included in the amount are customer advances reflected in the balance sheet	43.422	83.622		
Through customer projects in various countries Terma A/S are contractually committed to certain offset obligations	6.143	15.828		
Security				
The following assets have been provided as security for mortgage loans:				
Carrying amount of land and buildings	265.542	278.378		
Other property, plant, and equipment estimated to be comprised by the collateral, cf. the provisions of the Danish Registration of Property Act	291.268	299.144		

22. Related parties

The related parties of Thrige Holding A/S are:

Related parties with control and ownership

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 44

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

<u>Name</u>	<u>Registered office</u>	<u>Ownership</u>	<u>Capital stock</u>
Terma A/S (Central Business Register No. 41 88 18 28)	Lystrup, Denmark	100%	18.000 tDKK
Terma Aerostructures A/S (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
Terma Technologies GmbH	Wien, Austria	100%	35 tEUR
Terma Space Romania S.R.L	Brasov, Romania	100%	0 tEUR
Terma Technologies Czech Republic S.R.O	Czech	100%	1 tEUR
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	100%	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

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	
	<u>2022/23</u>	<u>2021/22</u>
DKK 1.000		
Subordinated loan from the Owners	170.000	170.000
Amounts owed to Parent Company	70.485	82.721
Sale of services to Parent Company	1.731	1.209
Interest expense to Parent Company	9.378	8.878
Paid dividend	1.358	-

	Parent Company	
	<u>2022/23</u>	<u>2021/22</u>
DKK 1.000		
Subordinated loans from the Owners	45.000	45.000
Accounts receivable at subsidiary	33.936	91.883
Amounts owed to Parent Company	17.628	82.721
Amounts owed to subsidiary	10.968	10.694
Purchase of service from subsidiary	76	73
Interest income from subsidiary	6.139	5.341
Interest expense to subsidiary	490	532
Interest expense to Parent Company	3.087	3.152
Paid dividend	1.358	-

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 2023.

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 the Terma 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

<u>Related business activity</u>	<u>Implication</u>	<u>Risk Mitigation</u>	<u>Impact</u>
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 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.	The Group's liquidity reserve consists of an unsecured overdraft facility for multi-currency short-term financing needs as well as a committed 1-year loan facility. Similar to 2021/22, 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. 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. (2021/22: 170 MDKK)

At year-end February 2023, cash and bank deposits amounted to 250 MDKK (2021/22:182 MDKK). In addition to cash and bank deposits, an unsecured overdraft facility for multi-currency short-term financing needs as well as a committed 1-year loan facility is in place.

Below is a maturity analysis of the financial liabilities at year-end, 28 February 2023 and 28 February 2022

	2023				2022			
	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
DKK 1.000								
Non-derivats:								
Subordinated loans	170.000	-	170.000	-	170.000	-	-	170.000
Credit institutions	63.674	46.303	17.371	-	109.913	46.205	63.708	-
Mortgage credit institutions	153.498	10.840	45.380	97.278	164.541	11.111	45.047	108.383
Other debt	91.377	-	-	91.377	86.617	-	-	86.617
Current liabilities other than provisions	1.027.972	1.027.972	-	-	962.384	962.384	-	-
Derivats:								
Forward contracts	(1.700)	(199)	(1.501)	-	10.472	6.919	3.553	-
Interest swaps	-	-	-	-	-	-	-	-
	<u>1.504.821</u>	<u>1.084.916</u>	<u>231.250</u>	<u>188.655</u>	<u>1.503.927</u>	<u>1.026.619</u>	<u>112.308</u>	<u>365.000</u>

Credit risk

<u>Related business activity</u>	<u>Implication</u>	<u>Risk mitigation</u>	<u>Impact</u>
The Group is exposed to credit risk from receivables and from balances with banks.	Effect: Medium	The Group conducts credit assessments of new customers and partners.	In general, there is no significant credit risk relative to individual customers.
Risk related to receivables occurs when customers do not pay as agreed.	Threat: Low	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.	In 2022/23, the Group has not incurred any financial losses on debtors.
Credit risk with balances in banks occurs when it is uncertain if the bank is capable of settling its obligations as they become due.		Credit insurance from EKF is used if deemed necessary.	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.
		The Group minimizes risk from banks by using banks with proper ratings.	

In 2022/23, there was no impairment of receivables. 3% of the receivables exceeded payment terms with more than 1 month.

Accounts receivable from sales are specified as follows:

	2023	2022
DKK 1.000		
Europe	184.837	155.166
North America	107.450	127.357
Asia Pacific	58.456	68.373
Middle East and North Africa	52.207	42.729
Rest of world	1.152	1.529
Accounts receivable at 28 February	404.102	395.154

Overdue Accounts Receivable:

	2023	2022
DKK 1.000		
Up to 1 month	24.115	50.779
Between 1 and 2 months	1.736	15.406
More than 2 months	12.072	18.767
Overdue accounts receivable at 28 February	37.923	84.952

Interest rate risk

<u>Related business activity</u>	<u>Implication</u>	<u>Risk mitigation</u>	<u>Impact</u>
<p>Due to financing of investments and normal business operations, the Group is exposed to risk concerning fluctuations in the interest rate.</p> <p>The primary risk is related to fluctuations in CIBOR.</p>	<p>Effect: Medium</p> <p>Threat: Low</p>	<p>It is the Group's policy to have long-term borrowings to a large extent at fixed rates.</p> <p>Net interest rate risks may be hedged via interest rate swaps and related instruments, if assessed as advantageous.</p> <p>The Group uses cash pool arrangements to net funds on deposit with debt to minimize interest payments.</p>	<p>50% of total interest-bearing debt excluding subordinated loans is fixed rated (2021/22 it was 55%).</p> <p>The effective interest rate of this part of the debt is 1.9% (2021/22 it was 1.9%).</p> <p>Please refer to note 19 for information about subordinated loans.</p>

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 650 MDKK (2021/22: 572 MDKK).

Sensitivity of interest rate risk

A 1%-point interest rate increase would affect profit/(loss) by 1.4 MDKK (2021/22: 0.6 MDKK) and equity by 1.1 MDKK (2021/22: 0.4 MDKK).

A 1%-point interest rate decrease would have a corresponding inverse effect.

Currency risk

<u>Related business activity</u>	<u>Implication</u>	<u>Risk mitigation</u>	<u>Impact</u>
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 USD, EUR, INR, and AED.	Effect: Medium 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 2022/23, 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:

2023

DKK 1.000	<u>Payable/ maturity date</u>	<u>Receivables</u>	<u>Credit institu- tions</u>	<u>Liabilities other than provisions</u>	<u>Hedged by forward exchange contracts and currency swaps</u>	<u>Net position</u>
Currency						
USD	<1 year	187.381	-	(97.098)	14.114	104.397
GBP	<1 year	4.457	-	(24.597)	-	(20.140)
CAD	<1 year	5.519	-	(389)	-	5.130
EUR	<1 year	344.915	(46.303)	(290.220)	-	8.392
EUR	>1 year	-	(17.371)	-	-	(17.371)
INR	<1 year	792	-	(2.399)	-	(1.607)
SGD	<1 year	5.086	-	-	-	5.086
AED	<1 year	4.087	-	(3.290)	-	797
CHF	<1 year	-	-	(658)	-	(658)

2022

DKK 1.000	Payable/ maturity date	Receivables	Liabilities		Hedged by forward exchange contracts and currency swaps	Net position
			Credit institu- tions	other than provisions		
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)
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)	0
CHF	<1 year	-	-	(296)	-	(296)

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 exchange rates against DKK would result in a net profit/(loss) of (12.2) MDKK (2021/22: (11.7) MDKK) and affect equity by 0 MDKK (2021/22: 0 MDKK). The total effect on Equity after tax would be (9.5) MDKK (2021/22: (8.8) MDKK). The effect of a 10% increase in the currency exchange rates against DKK would have a corresponding inverse effect.

Exchange rate contracts at year-end:

DKK 1.000	Period	Contractual value		Fair value		Gains and losses recognized in the equity	
		2023	2022	2023	2022	2023	2022
		AUD	0-1 year	-	(251)	-	4
AUD	1-5 years	(535)	(535)	5	(2)	-	-
GBP	0-1 year	-	(773)	-	29	-	-
USD	0-1 year	329.640	268.374	(9.110)	(7.668)	155	(5.397)
USD	1-5 years	213.568	165.456	(1.912)	(5.501)	1.171	(2.771)
		<u>542.673</u>	<u>432.271</u>	<u>(11.017)</u>	<u>(13.138)</u>	1.326	(8.168)
Tax						374	(2.304)
Total before tax						<u>1.700</u>	<u>(10.472)</u>

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

Categories of financial instruments:

DKK 1.000	<u>2022/23</u>	<u>2021/22</u>
Financial assets:		
Financial derivatives used for hedging purposes	<u>187.381</u>	<u>241.027</u>
Receivables and cash at bank and in hand	<u>654.203</u>	<u>577.476</u>
Financial liabilities:		
Financial derivatives used for hedging purposes	<u>97.098</u>	<u>88.471</u>
Financial liabilities measured at amortized costs	<u>478.549</u>	<u>531.071</u>

Raw materials price risk

<u>Related business activity</u>	<u>Implication</u>	<u>Risk mitigation</u>	<u>Impact</u>
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: 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.	The developments in raw material prices have had an immaterial impact on the Group's financial results in 2021/22 and 2022/23.
		The development in raw material prices is followed continuously.	

25. Proposed profit appropriation

	Parent Company	
	<u>2022/23</u>	<u>2021/22</u>
DKK 1.000		
Proposed dividends	2.297	1.358
Reserve for net revaluation according to the equity method	138.922	127.672
Retained earnings	<u>2.493</u>	<u>(231)</u>
	<u><u>143.712</u></u>	<u><u>128.799</u></u>

26. Changes in working capital and investments

	Consolidated	
	<u>2022/23</u>	<u>2021/22</u>
DKK 1.000		
Inventories	(65.351)	35.678
Receivables	2.572	74.370
Construction contracts and prepayments from customers	93.459	(7.510)
Trade payables and other payables	<u>(17.654)</u>	<u>(83.275)</u>
	<u><u>13.026</u></u>	<u><u>19.263</u></u>

27. Acquisition of software, property, plant and equipment

	Consolidated	
	<u>2022/23</u>	<u>2021/22</u>
DKK 1.000		
Additions to software, property, plant, and equipment (note 11 and 12)	89.980	130.947
Hereof trade payables to be paid in the following financial year	(19.878)	(17.817)
Trade payables beginning of year	<u>17.817</u>	<u>35.381</u>
Paid concerning addition to property, plant, and equipment	<u><u>87.919</u></u>	<u><u>148.511</u></u>

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 2022/23 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 2023 and of the results of the Group's and the Parent Company's operations and the Group's cash flows for 2022/23.

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

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

Søborg, 30 May 2023

Executive Management:

Mette R. Lawaetz

Board of Directors:

Carsten Dilling
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 2022 – 28 February 2023, 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 2023 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 2022 – 28 February 2023 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, 30 May 2023

EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Jes Lauritzen
State-Authorized Public Accountant
mne10121

PENNEO

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

Board Member

Serienummer: 627b4aa1-28b5-41e8-afc1-658532ce62e4

IP: 193.163.xxx.xxx

2023-05-30 12:49:58 UTC



Carsten Dilling

Chairman of the Board

Serienummer: 173f9000-63f9-42af-96b2-d6da3b93dea0

IP: 176.22.xxx.xxx

2023-05-30 14:04:26 UTC



Jørgen Huno Rasmussen

Board Member

Serienummer: 4324416e-20dd-4a17-8a5f-86977399bb14

IP: 2.104.xxx.xxx

2023-05-30 15:53:27 UTC



Mette Roenborg Lawaetz

Executive Management

Serienummer: 627b4aa1-28b5-41e8-afc1-658532ce62e4

IP: 193.163.xxx.xxx

2023-06-01 19:43:39 UTC



Mette Roenborg Lawaetz

Chairman of the meeting

Serienummer: 627b4aa1-28b5-41e8-afc1-658532ce62e4

IP: 193.163.xxx.xxx

2023-06-01 19:46:07 UTC



Jes Lauritzen

State-Authorized Public Accountant

Serienummer: CVR:30700228-RID:1269340745888

IP: 80.62.xxx.xxx

2023-06-02 06:11:52 UTC



Penneo dokumentnøgle: 456CA-3VJ3G-1H715-8P0TS-TDYKO-OXN7M

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 tidsstempelt 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 i indlejret i dokumentet ved at anvende Penneos validator på følgende websted: <https://penneo.com/validator>