

Interim report for Q2 and H1 2022/23 (the period 01.10.2022 - 31.03.2023)

Announcement
to Nasdaq Copenhagen A/S and the media
Nørresundby, 2 May 2023
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Continued growth in RTX in Q2 2022/23

“In the second quarter of 2022/23, RTX continues to create solid revenue growth, and we have had a very strong first half of the financial year with revenues growing by 49% over last year and significant growth in earnings. This demonstrates the long-term growth opportunities in our large framework agreements with leading global customers. Despite the solid revenue growth, we still see consequences of electronics component shortages affecting customer inventory levels and demand patterns. Consequently, the realized product mix in the quarter impacts the gross margin negatively. Overall, the macroeconomic situation still creates uncertainty also for RTX reflected in our outlook for 2022/23 which we maintain.”

Peter Røpke, CEO

Highlights Q2 2022/23

- **Net revenue** increased by 34.0% to DKK 180.0 million in Q2 2022/23 (Q2 2021/22: DKK 134.3 million) with continued strong demand in the Enterprise and ProAudio segments.
- **Enterprise segment:** Revenue increased by 37.7% to DKK 115.7 million. The growth is driven by the large framework agreement customers and is aided by the launch of headset product to an existing framework agreement customer.
- **ProAudio segment:** Revenue increased by 49.8% to DKK 52.8 million. Increased recurring revenue from product sales via strong demand for RTX’s product platforms and modules in the segment and via continued strong demand for products related to live events drive the growth.

- **Healthcare segment:** Revenue decreased by 23.4% to DKK 11.5 million due to a planned changeover to a next generation product also to be supplied by RTX (from Q3/Q4 onwards) and therefore more cautious customer purchasing of the current product generation during Q2.

The supply situation with component scarcity in the global electronics industry was stable in the quarter. There are still some constraints in component availability and electronics component prices remain high, but the situation was stable during Q2 and in general the component availability is approaching a normal level. Therefore, the supply situation had net neutral effect on revenue in Q2.

FX corrected revenue growth was 28.7% as revenue compared to last year was positively impacted by the stronger average US dollar in the quarter (al-



Q2 2022/23

Revenue

180 DKKm

EBITDA

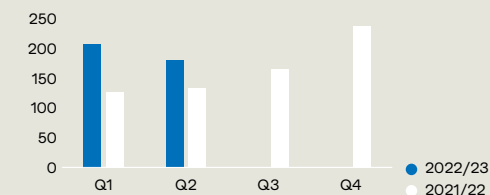
8 DKKm

EBIT

-2 DKKm

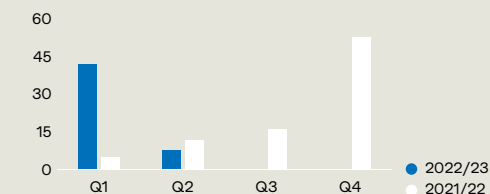
Revenue per quarter

DKK million



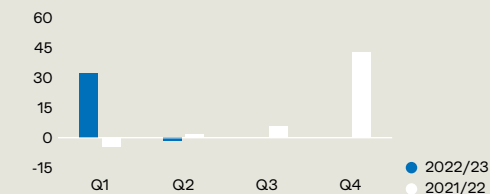
EBITDA per quarter

DKK million



EBIT per quarter

DKK million



though the USD:DKK rate generally declined during Q2 of this financial year and thus was lower than during Q1).

- **Gross profit** increased by 10.6% to DKK 74.2 million in Q2 2022/23 (Q2 2021/22: DKK 67.0 million) driven by the revenue growth. The gross margin decreased to 41.2% (Q2 2021/22: 49.9%) and was negatively impacted compared to last year by the product mix realized, by a lower share of revenue from engineering services and royalties and by customer payments to cover extraordinary component costs (meaning that such extraordinary additional component costs are carried by the customers, but at roughly zero margin for RTX). The gross margin is expected to continue to be adversely impacted by the product mix in the coming quarters as the supply and demand situations are not yet fully normalized. While the component availability situation is gradually normalizing, component prices are not yet fully normalized, and demand is not yet fully normalized after the period with shortages on electronics components and due to macroeconomic uncertainty so demand by specific customers and for specific products is not at normal levels across the portfolio impacted the product mix. We expect the product mix to be more normalized during the next financial year (2023/24) again leading to higher gross margin especially toward the latter part of next financial year.

- **Operating performance** was positively impacted by the higher revenue and negatively impacted compared to last year by the lower gross margin and higher capacity costs. Therefore, **EBITDA** decreased to DKK 7.8 million in Q2 2022/23 (Q2 2021/22: DKK 11.7 million) and **EBIT** amounted to DKK -1.9 million in Q2 2022/23 (Q2 2021/22: DKK 1.7 million).
- **Cash flows from operations (CFFO)** amounted to DKK 14.5 million in Q2 2022/23 compared to DKK 6.6 million in Q2 2021/22. Compared to last year, CFFO was positively impacted by the working capital development.

Summary H1 2022/23

- Driven by a strong improvement in demand and aided by an improvement in component availability, **net revenue** increased significantly by 48.6% to DKK 387.5 million in H1 2022/23 (H1 2021/22: DKK 260.7 million). The growth is driven by strong demand in the Enterprise and ProAudio segments, Enterprise segment revenue increased by 55.7% to DKK 270.5 million and ProAudio segment revenue increased by 50.3% to DKK 91.4 million in H1 2022/23. Healthcare segment revenue were roughly flat compared to last year and decreased by 1.8% to DKK 25.7 million. The supply situation with component scarcity in the global electronics



H1 2022/23

Revenue

387 DKKm

EBITDA

50 DKKm

EBIT

30 DKKm

industry, improved in the first half of 2022/23 (improvement in Q1 and stable situation in Q2). All in all, deliveries and revenue of approx. DKK 35 million were postponed from H1 into Q3 – a net improvement of approx. DKK 30 million from the approx. DKK 65 million postponed from Q4 2021/22 into Q1 2022/23. FX corrected revenue growth of RTX in H1 2022/23 was 37.9% as revenue compared to last year was positively impacted by the stronger US dollar (although the USD:DKK exchange rate has been declining over H1 2022/23).

- **Gross profit** in H1 2022/23 increased by 37.9% to DKK 175.6 million (H1 2021/22: DKK 127.4 million) driven by the strong revenue growth. The gross margin was 45.3% in the first half of 2022/23 (H1 2021/22: 48.9%). Compared to last year, the gross margin is impacted by a lower share of revenue from engineering services and royalty, by the product mix realized and by customer payments to cover extraordinary component costs (meaning that such extraordinary additional component costs are carried by the customers, but at roughly zero margin for RTX). The higher revenue has significantly increased earnings in H1 2022/23 with **EBITDA** growth of 198.4% to DKK 49.8 million (H1 2021/22: DKK 16.7 million) and **EBIT** growth to DKK 30.4 million (H1 2021/22: DKK -3.1 million).

- **Cash flow from operations (CFFO)** amounted to DKK 36.6 million in H1 2022/23 (H1 2021/22: DKK 20.9 million) aided by the improved earnings and the working capital development.

Enterprise product launch

- During the quarter, RTX finalized the tailoring of a product based on the wireless headset platform to an existing large framework agreement customer and started deliveries of this new product to the customer. This is an important milestone for the RTX headset platform and will lead to an expected increase in the size and scope of the cooperation with this customer in the years to come.

Outlook for 2022/23

- RTX maintains the outlook for the financial year 2022/23, as communicated on 29 November 2022 in our annual report for 2021/22, with revenue of DKK 700-760 million, EBITDA of DKK 85-105 million and EBIT of DKK 45-65 million. As stated in the annual report, especially the macroeconomic volatility creates uncertainty for demand in the financial year.
- The outlook is based on a strong order book for 2022/23 and an expectation of a normalization of the component shortages in the global electronics

industry. The main uncertainty for the year continues to be the impact of macroeconomic volatility on customer demand and inventory replenishment towards the latter part of the year. The growth in 2022/23 is expected to occur within product sales which in turn is expected to impact gross margin. Also, the specific product mix that will be realized in 2022/23 given the not yet fully normalized demand situation across the portfolio and given new product introductions may impact the earnings performance. The USD FX rate has been declining relative to DKK in 2022/23 and this also creates some uncertainty regarding the full-year outlook as the vast majority of revenue and cost of sales are USD denominated. For a full list of assumptions behind the outlook, refer to the annual report for 2021/22 (pages 20-21).

- As communicated when announcing the outlook for the year, the revenue and earnings distribution over 2022/23 is not expected to be backloaded in the way it has been in recent years as can also be seen by the implied outlook for the second half of 2022/23. For the remainder of the year, revenue in the fourth quarter is expected to be higher than revenue in the third quarter.

RTX A/S

Peter Thostrup
Chair

Peter Røpke
CEO

Enquiries and further information:

CEO, Peter Røpke,
tel +45 96 32 23 00

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

Investor and analyst conference call

On Tuesday, 2 May 2023 at 3.30 pm (15.30) CET, RTX will hold a conference call for investors and analysts hosted by Danske Bank.

In this conference call, the Company's management will comment on the interim report for the second quarter and first half of the financial year 2022/23.

To register for the conference call, please e-mail vonh@danskebank.dk.

Group Financial Highlights and Key Ratios

(non-audited)

| Amounts in DKK million | Q2 2022/23 | Q2 2021/22 | H1 2022/23 | H1 2021/22 | FY 2021/22 |
|--|---------------|---------------|---------------|---------------|---------------|
| Income statement items | | | | | |
| Revenue | 180.0 | 134.3 | 387.5 | 260.7 | 663.3 |
| Gross Profit | 74.2 | 67.0 | 175.6 | 127.4 | 309.3 |
| EBITDA | 7.8 | 11.7 | 49.8 | 16.7 | 85.4 |
| EBITDA % | 4.3% | 8.7% | 12.9% | 6.4% | 12.9% |
| Operating profit/loss (EBIT) | -1.9 | 1.7 | 30.4 | -3.1 | 45.6 |
| Net financials | -1.8 | -4.4 | -11.6 | -3.7 | -3.4 |
| Profit/loss before tax | -3.7 | -2.7 | 18.8 | -6.8 | 42.3 |
| Profit/loss for the period | -2.9 | -2.3 | 14.6 | -5.6 | 33.9 |
| Balance sheet items | | | | | |
| Net liquidity position ⁽¹⁾ | 96.3 | 118.3 | 96.3 | 118.3 | 73.8 |
| Total assets | 547.0 | 471.7 | 547.0 | 471.7 | 556.8 |
| Equity | 346.5 | 286.8 | 346.5 | 286.8 | 331.6 |
| Liabilities | 200.5 | 185.0 | 200.5 | 185.0 | 225.2 |
| Other key figures | | | | | |
| Development cost financed by RTX before capitalization | 5.7 | 6.8 | 18.1 | 14.8 | 30.6 |
| Capitalized development costs | 3.2 | 5.1 | 6.6 | 7.6 | 15.8 |
| Depreciation, amortization and impairment | 9.7 | 10.0 | 19.4 | 19.8 | 39.7 |
| Cash flow from operations | 14.5 | 6.6 | 36.6 | 20.9 | -0.0 |
| Cash flow from investments | -9.1 | -10.6 | -15.1 | -15.5 | 30.5 |
| Investment in property, plant and equipment | 4.2 | 4.4 | 5.7 | 6.6 | 11.4 |
| Increase/decrease in cash and cash equivalents | 3.5 | -5.5 | 18.3 | 2.6 | 24.9 |

| Amounts in DKK million | Q2 2022/23 | Q2 2021/22 | H1 2022/23 | H1 2021/22 | FY 2021/22 |
|--|---------------|---------------|---------------|---------------|---------------|
| Key ratios (percentage) | | | | | |
| Growth in net turnover | 34.0% | 51.7% | 48.6% | 74.0% | 45.1% |
| Profit margin | -1.1% | 1.2% | 7.8% | -1.2% | 6.9% |
| Return on invested capital ⁽²⁾ | 38.3% | 29.6% | 38.3% | 29.6% | 25.6% |
| Return on equity ⁽²⁾ | 17.1% | 11.1% | 17.1% | 11.1% | 10.9% |
| Equity ratio | 63.3% | 60.8% | 63.3% | 60.8% | 59.6% |
| Employment | | | | | |
| Average number of full-time employees | 295 | 281 | 294 | 279 | 282 |
| Average number of FTE employed directly | 262 | 248 | 262 | 246 | 249 |
| Revenue per employee (DKK '000) ⁽³⁾ | 610 | 478 | 1,318 | 934 | 2,352 |
| Operating profit per employee (DKK '000) ⁽³⁾ | -7 | 6 | 103 | -11 | 162 |
| Shares (number of shares in thousands) | | | | | |
| Average number of shares in distribution | 8,200 | 8,170 | 8,191 | 8,155 | 8,169 |
| Average number of diluted shares | 8,216 | 8,211 | 8,200 | 8,182 | 8,198 |
| Share data (DKK per share at DKK 5) | | | | | |
| Profit/loss for the year (EPS), per share ⁽³⁾ | -0.4 | -0.3 | 1.8 | -0.7 | 4.2 |
| Profit/loss for the year, diluted (DEPS), per share ⁽³⁾ | -0.4 | -0.3 | 1.8 | -0.7 | 4.1 |
| Dividends, per share | - | - | - | - | - |
| Equity value, per share | 42.2 | 35.0 | 42.2 | 35.0 | 40.5 |
| Listed price, per share | 139.8 | 173.4 | 139.8 | 173.4 | 115.0 |

Note: The Group's financial year runs from 1 October to 30 September. Definitions of the key ratios used are stated in the annual report for 2021/22 in the accounting policies.

⁽¹⁾ Equals total of cash and current equity investments ⁽²⁾ Calculated over a 12 months' period. ⁽³⁾ Not annualized.

Management report for Q2 2022/23

Growth in the Enterprise and ProAudio segments in Q2 contributes to a very strong development in the first half of 2022/23 compared to last year.

Enterprise and ProAudio drive growth in Q2

The RTX Group posted **revenue** of DKK 180.0 million in Q2 2022/23, an increase of 34.0% (Q2 2021/22: DKK 134.3 million). Corrected for exchange rate effects the increase equals 28.7% compared to last year with a stronger USD than last year (although the USD:DKK exchange rate has generally declined over the first half of 2022/23). Strong customer demand in the Enterprise and ProAudio segments drives the growth. In H1 2022/23, revenue increased significantly by 48.6% to DKK 387.5 million (H1 2021/22: DKK 260.7 million) also driven by the Enterprise and ProAudio segments.

| DKK million | Q2 22/23 | Change (%, YoY) | H1 22/23 | Change (%, YoY) |
|--------------------|--------------|--------------------|--------------|--------------------|
| Enterprise revenue | 115.7 | 37.7% | 270.5 | 55.7% |
| ProAudio revenue | 52.8 | 49.8% | 91.4 | 50.3% |
| Healthcare revenue | 11.5 | -23.4% | 25.7 | -1.8% |
| Total | 180.0 | 34.0% | 387.5 | 48.6% |

The supply situation with component scarcity in the global electronics industry was stable in the quarter. There are still some constraints in component availability and electronics component prices remain high, but the situation was stable during Q2 after having improved for previous two quarters (Q4 2021/22 and Q1 2022/23). Component prices remain high, but the situation was stable during Q2 and in general the component availability is approaching a normal level. Therefore, the supply situation had net neutral effect on revenue in Q2. Looking at H1 2022/23, the supply situation and component availability have improved. All in all, deliveries and revenue of approx. DKK 35 million were postponed from H1 into Q3 – an improvement of approx. DKK 30 million from the DKK 65 million postponed from Q4 2021/22 into Q1 2022/23 and therefore a net positive impact on revenue of approx. DKK 30 million in H1 2022/23.

Enterprise segment revenue reached DKK 115.7 million in Q2 2022/23 (Q2: 2021/22: DKK 84.0 million) – an increase of 37.7%. Corrected for exchange rate effects



Revenue Q2 2022/23

Enterprise

116 DKKm

ProAudio

53 DKKm

Healthcare

12 DKKm

the growth was 32.3%. The growth is driven by the large framework agreement customers. During the quarter, RTX finalized the tailoring of a product based on the wireless headset platform to an existing large framework agreement customer and started deliveries of this new product to the customer. This is an important milestone for the RTX headset platform and will lead to an expected increase in the size and scope of the cooperation with this customer in the years to come. Enterprise segment revenue in H1 2022/23 increased by 55.7% to DKK 270.5 million (H1 2021/22: DKK 173.8 million).

ProAudio segment increased by 49.8% to DKK 52.8 million in Q2 2022/23 (Q2 2021/22: DKK 35.2 million). Corrected for exchange rate effects the growth was 43.1%. The growth is driven by recurring revenue from product sales via strong demand for products related to live events and via strong demand for RTX's product platforms (Sheersound™, Sheerlink™ and TeamEngage™) and associated modules. RTX continues to invest into the roadmap for our product platforms further improving performance and adding

features in future releases. ProAudio segment revenue in H1 2022/23 reached DKK 91.4 million, an increase of 50.3% (H1 2021/22: DKK 60.8 million).

Revenue in the **Healthcare** segment amounted to DKK 11.5 million, a decrease of 23.4% (Q2 2021/22: DKK 15.1 million). Corrected for exchange rate effects the decrease was 25.4%. The decrease is due to a planned changeover to a next generation product also to be supplied by RTX (from Q3/Q4 onwards) and therefore more cautious customer purchasing of the current product generation during Q2. RTX continues to invest into new product solutions for the segment. Healthcare segment revenue in H1 2022/23 were largely flat and decreased by 1.8% to DKK 25.7 million (H1 2021/22: DKK 26.1 million).

Costs and Earnings

Driven by the growth in revenue, the **gross profit** increased by 10.6% to DKK 74.2 million in Q2 2022/23 (Q2 2021/22: DKK 67.0 million). The gross margin decreased to DKK 41.2% (Q2 2021/22: 49.9%). Compared to last year, the gross margin is negatively impacted by the product mix realized, by a lower share of revenue from engineering services and royalties with the revenue growth occurring within product sales as well as impacted by the product mix realized by customer payments to cover extraordinary component costs (meaning that such extraordinary



74 DKKm

Gross profit

Gross profit increased by 10.6% to DKK 74.2 million in Q2 2022/23. The gross margin decreased to 41.2% primarily due to the product and revenue mix realized.

additional component costs are carried by the customers, but at roughly zero margin for RTX). The gross margin is expected to continue to be adversely impacted by the product mix in the coming quarters as the supply and demand situations are not yet fully normalized. While the component availability situation is gradually normalizing, component prices are not yet fully normalized, and demand is not yet fully normalized after the period with shortages on electronics components and due to macroeconomic uncertainty so demand by specific customers and for specific products is not at normal levels across the portfolio impacted the product mix. We expect the product mix to be more normalized during the next financial year (2023/24) again leading to higher gross margin especially toward the latter part of next financial year.

For H1 2022/23, gross profit increased by 37.9% to DKK 175.6 million (H1 2021/22: DKK 127.4 million) corresponding to a gross margin of 45.3% (H1 2021/22: 48.9%).

| DKK million | Q2 22/23 | Change (%, YoY) | H1 22/23 | Change (%, YoY) |
|--------------|-------------|--------------------|-------------|--------------------|
| Gross profit | 74.2 | 10.6% | 175.6 | 37.9% |
| Gross margin | 41.2% | -8.7 pp | 45.3% | -3.5 pp |

Capacity costs, consisting of staff costs and other external expenses, amounted to DKK 69.6 million (before capitalization of development costs) in Q2 2022/23

compared to DKK 60.4 million in Q2 of last year. After several years with a cautious management of capacity costs and the number of RTX employees, RTX added capacity and capabilities and increased the number of employees towards the end of the previous financial year, 2021/22. Therefore, the average total headcount in Q2 2022/23 was 295 compared to an average of 281 FTEs in Q2 of last year. Also, capacity costs increased compared to last year due to regulations of salaries, spend on external consultants assisting with development work as well as increase in travel and trade fair activity. In H1 2022/23, capacity costs amounted to DKK 132.4 million (H1 2021/22: DKK 118.2 million).

| DKK million | Q2 22/23 | Change (%, YoY) | H1 22/23 | Change (%, YoY) |
|----------------------------------|-------------|--------------------|-------------|--------------------|
| Capacity costs ⁽¹⁾ | 69.6 | 15.1% | 132.4 | 12.0% |
| Value of own work capitalized | 3.2 | -36.7% | 6.6 | -12.9% |
| Depreciation etc. ⁽²⁾ | 9.7 | -2.9% | 19.4 | -1.8% |

(1) Staff costs and other external expenses
(2) Depreciation, amortization and impairment

In the quarter, RTX has continued to fund development activities of e.g. cloud-based product deployment and administration tools, new features for the ProAudio product platforms and product development for the future development of the healthcare segment. Further, RTX has invested into dedicated automated test equipment for high-volume production lines producing

RTX products at RTX suppliers. In total, the Group **capitalized development costs** of DKK 3.2 million in Q2 2022/23 (Q2 2021/22: DKK 5.1 million) and of DKK 6.6 million in H1 2022/23 (H1 2021/22: DKK 7.6 million).

Operating performance was positively impacted by the higher revenue and negatively impacted compared to last year by the lower gross margin and higher capacity costs. Therefore, **EBITDA** decreased to DKK 7.8 million in Q2 2022/23 (Q2 2021/22: DKK 11.7 million). In H1 2022/23, EBITDA increased significantly reaching DKK 49.8 million (H1 2021/22: DKK 16.7 million).

| DKK million | Q2 22/23 | Change (YoY) | H1 22/23 | Change (YoY) |
|---------------------------|-------------|-----------------|-------------|-----------------|
| EBITDA | 7.8 | -3.9 | 49.8 | 33.1 |
| EBIT | -1.9 | -3.6 | 30.4 | 33.5 |
| Profit/loss before tax | -3.7 | -1.0 | 18.8 | 25.6 |
| EPS (DKK per share) | -0.4 | -0.1 | 1.8 | 2.5 |

Depreciations and amortizations were at a relatively stable level of DKK 9.7 million in Q2 2022/23 (Q2 2021/22: DKK 10.0 million) and is also largely on par with previous quarters. Operating profit (**EBIT**) amounted to DKK -1.9 million in Q2 2022/23 (Q2 2021/22: DKK 1.7 million). EBIT for H1 2022/23 increased significantly and amounted to DKK 30.4 million (H1 2021/22: DKK -3.1 million).

Net financial items amounted to DKK -1.8 million in Q2 2022/23 (Q2 2021/22: DKK -4.4 million). Financial items are positively impacted by an increase of the value of the investments in the trading portfolio but negatively impacted by the exchange rate adjustments of balance sheet items due to the USD exchange rate which decreased in the quarter.

Profit before tax amounted to DKK -3.7 million in Q2 2022/23 (Q1 2021/22: DKK -2.7 million). In H1 2022/23, profit before tax increased significantly to DKK 18.8 million (H1 2021/22: DKK -6.8 million).

Equity, Assets and Cash Flow

The **equity ratio** of RTX continues to be solid at 63.3% at the end of Q2 2022/23 (Q2 2021/22: 60.8%).

Total assets amounted to DKK 547.0 million at the end of Q2 2022/23 compared to DKK 471.7 million at the end of Q2 last year and compared to DKK 556.8 million at the end of Q1 2022/23 (i.e., the previous quarter). The increase in assets compared to last year is primarily due to receivables being higher due to the higher activity level and the timing of sales in the quarter as well as inventories being higher due to higher component buffer stocks to secure as many critical components as possible in tight component markets to increase our ability to fulfil the demand of our customers. However, the inventory level has begun to decline towards the



96 DKKm

Strong balance sheet

RTX continues to have a strong balance sheet with a high equity ratio (63.3%) and a solid net liquidity position of DKK 96 million.

end of Q2 compared to the level at the end of Q1 as component markets stabilize.

RTX realized **Cash flows from operations (CFFO)** of DKK 14.5 million in Q2 2022/23 compared to DKK 6.6 million in Q2 2021/22. Compared to last year, CFFO was positively impacted by the working capital development with lower receivables and inventory.

| DKK million | Q2 22/23 | Change (YoY) | H1 22/23 | Change (YoY) |
|--|-------------|-----------------|-------------|-----------------|
| CFFO ⁽¹⁾ | 14.5 | 7.9 | 36.6 | 15.7 |
| Net liquidity position ⁽²⁾ | 96.3 | -22.0 | 96.3 | -22.0 |

(1) Cash flow from operations

(2) Cash and current asset investments in trading portfolio

The **total cash funds and current securities less bank debt** of RTX amounted to DKK 96.3 million at the end of Q2 2022/23 compared to DKK 118.3 million at the end of Q2 last year and DKK 73.8 million at the end of the financial year 2021/22. The level is positively impacted by the cash generated via earnings over the 12 months' period and negatively impacted by higher working capital and the investments made into product development and into various tangible assets (primarily various test equipment) over the past 12 months.

The balance sheet of RTX thus continues to be strong with a high equity ratio and a net cash position.

Outlook for 2022/23

RTX maintains the outlook for the financial year 2022/23, as communicated on 29 November 2022 in our annual report for 2021/22, with revenue of DKK 700-760 million, EBITDA of DKK 85-105 million and EBIT of DKK 45-65 million. As stated in the annual report, especially the macroeconomic volatility creates uncertainty for demand in the financial year.

The outlook is based on a strong order book for 2022/23 and an expectation of continued normalization of the component shortages in the global electronics industry. The main uncertainty for the year continues to be the impact of macroeconomic volatility on customer demand and inventory replenishment towards the latter part of the year. The growth in 2022/23 is expected to occur within product sales which in turn is expected to impact gross margin. Also, the specific product mix that will be realized in 2022/23 given the not yet fully normalized demand situation across the portfolio and given new product introductions may impact the earnings performance. The USD FX rate has been declining relative to DKK in 2022/23 and this also creates some uncertainty regarding the full-year outlook as the vast majority of revenue and cost of sales are USD denominated. For a full list of assumptions behind the outlook, refer to the annual report for 2021/22 (pages 20-21).

As communicated when announcing the outlook for the year, the revenue and earnings distribution over 2022/23 is not expected to be backloaded in the way it has been in recent years as can also be seen by the implied outlook for the second half of 2022/23. For the remainder of the year, revenue in the fourth quarter is expected to be higher than revenue in the third quarter.

Financial calendar

Expected publication of financial information for the financial year 2022/23:

29 August 2023

Interim report Q3 2022/23

30 November 2023

Annual report for 2022/23

Risks and uncertainties for the 2022/23 financial year

Forward-looking statements

The above statements on the Group's future conditions, including in particular, future revenue and operating profit (EBITDA and EBIT), reflect Management's current outlook and carry some uncertainty. These statements can be affected by a number of risks and uncertainties, which mean that actual developments and results can be materially different from the expectations expressed directly or indirectly in this interim report. These risks and uncertainties include, but are not limited to, general economic conditions and developments including the impact of the COVID-19 pandemic, changes in demand for RTX's products and services, competition, technological changes, fluctuations in currencies, component availability and fluctuations in sub-contractor supplies as well as legislative and/or regulatory changes.

Income Statement

(non-audited)

| Amounts in DKK '000 | Note | Q2 2022/23 | Q2 2021/22 | H1 2022/23 | H1 2021/22 | FY 2021/22 |
|--|------|---------------|---------------|---------------|---------------|---------------|
| Revenue | 3 | 179,987 | 134,276 | 387,497 | 260,685 | 663,289 |
| Value of own work capitalized | 4 | 3,223 | 5,091 | 6,601 | 7,579 | 15,759 |
| Cost of sales | | -105,834 | -67,230 | -211,876 | -133,329 | -354,037 |
| Other external expenses | | -17,982 | -15,306 | -34,423 | -31,740 | -62,376 |
| Staff costs | | -51,577 | -45,133 | -97,987 | -86,503 | -177,280 |
| Operating profit/loss before depreciation and amortization (EBITDA) | | 7,817 | 11,698 | 49,812 | 16,692 | 85,355 |
| Depreciation, amortization and impairment | 4 | -9,736 | -10,022 | -19,416 | -19,769 | -39,714 |
| Operating profit/loss (EBIT) | | -1,919 | 1,676 | 30,396 | -3,077 | 45,641 |
| Financial income | 5 | 677 | 1,290 | 3,159 | 2,994 | 13,480 |
| Financial expenses | 5 | -2,473 | -5,661 | -14,799 | -6,715 | -16,846 |
| Profit/loss before tax | | -3,715 | -2,695 | 18,756 | -6,798 | 42,275 |
| Tax on profit/loss | | 813 | 352 | -4,161 | 1,217 | -8,359 |
| Profit/loss for the period | | -2,902 | -2,343 | 14,595 | -5,581 | 33,916 |
| Earnings per share | | | | | | |
| Earnings per share (DKK) | | -0.4 | -0.3 | 1.8 | -0.7 | 4.2 |
| Earnings per share, diluted (DKK) | | -0.4 | -0.3 | 1.8 | -0.7 | 4.1 |

Statement of Comprehensive Income

(non-audited)

| Amounts in DKK '000 | Note | Q2 2022/23 | Q2 2021/22 | H1 2022/23 | H1 2021/22 | FY 2021/22 |
|--|------|---------------|---------------|---------------|---------------|---------------|
| Profit/loss for the period | | -2,902 | -2,343 | 14,595 | -5,581 | 33,916 |
| Items that can be reclassified subsequently to the income statement | | | | | | |
| Exchange rate adjustments of foreign subsidiaries | | -820 | 627 | -4,336 | 1,348 | 6,168 |
| Fair value adjustment relating to hedging instruments | | 208 | -297 | 2,822 | -712 | -4,904 |
| Tax on hedging instruments | | -46 | 66 | -621 | 157 | 1,079 |
| Fair value of hedging instruments reclassified to the income statement | | -487 | 388 | -157 | 641 | 2,965 |
| Tax on hedging instruments reclassified | | 108 | -86 | 35 | -141 | -652 |
| Other comprehensive income, net of tax | | -1,037 | 698 | -2,257 | 1,293 | 4,656 |
| Comprehensive income for the period | | -3,939 | -1,645 | 12,338 | -4,288 | 38,572 |

Balance Sheet

(non-audited)

| Amounts in DKK '000 | 31.03.23 | 31.03.22 | 30.09.22 |
|--|----------------|----------------|----------------|
| Assets | | | |
| Own completed development projects | 27,683 | 49,541 | 38,734 |
| Own development projects in progress | 24,824 | 7,683 | 16,896 |
| Goodwill | 7,797 | 7,797 | 7,797 |
| Intangible assets | 60,304 | 65,021 | 63,427 |
| Right-of-use assets (lease assets) | 50,875 | 54,320 | 54,384 |
| Plant and machinery | 20,649 | 15,116 | 16,724 |
| Other fixtures, tools and equipment | 3,905 | 4,345 | 4,575 |
| Leasehold improvements | 10,745 | 11,929 | 11,273 |
| Tangible assets | 86,174 | 85,710 | 86,956 |
| Deposits | 6,730 | 7,083 | 6,817 |
| Deferred tax assets | 1,916 | 1,573 | 2,151 |
| Other non-current assets | 8,646 | 8,656 | 8,968 |
| Total non-current assets | 155,124 | 159,387 | 159,351 |
| Inventories | 112,671 | 56,555 | 102,494 |
| Trade receivables | 163,207 | 119,224 | 195,485 |
| Contract development projects in progress | 4,746 | 4,006 | 8,037 |
| Income taxes | - | 181 | - |
| Other receivables | 8,959 | 3,771 | 13,103 |
| Prepaid expenses | 6,005 | 10,282 | 4,545 |
| Receivables | 182,917 | 137,464 | 221,170 |
| Current asset investments in the trading portfolio | 31,208 | 97,192 | 30,083 |
| Current asset investments | 31,208 | 97,192 | 30,083 |
| Cash at bank and in hand | 65,051 | 21,124 | 43,725 |
| Total current assets | 391,847 | 312,335 | 397,472 |
| Total assets | 546,971 | 471,722 | 556,823 |

| Amounts in DKK '000 | 31.03.23 | 31.03.22 | 30.09.22 |
|---|----------------|----------------|----------------|
| Equity and liabilities | | | |
| Share capital | 42,339 | 43,214 | 42,339 |
| Share premium account | 170,439 | 203,714 | 170,439 |
| Currency adjustments | 7,804 | 7,320 | 12,140 |
| Cash flow hedging | 362 | -275 | -1,717 |
| Retained earnings | 125,509 | 32,797 | 108,439 |
| Equity | 346,453 | 286,770 | 331,640 |
| Lease liabilities | 49,621 | 52,677 | 52,896 |
| Deferred tax liabilities | 3,887 | 4,839 | 3,347 |
| Provisions | 1,855 | 1,149 | 1,855 |
| Other payables | 13,434 | 13,435 | 13,389 |
| Non-current liabilities | 68,797 | 72,100 | 71,487 |
| Lease liabilities | 6,316 | 5,974 | 6,300 |
| Prepayments received from customers | 16,970 | 4,636 | 8,169 |
| Trade payables | 61,633 | 53,469 | 80,517 |
| Contract development projects in progress | 8,952 | 4,822 | 7,515 |
| Income taxes | 11,560 | 222 | 11,049 |
| Provisions | 1,793 | 1,731 | 1,793 |
| Other payables | 24,497 | 41,998 | 38,353 |
| Current liabilities | 131,721 | 112,852 | 153,696 |
| Total liabilities | 200,518 | 184,952 | 225,183 |
| Total equity and liabilities | 546,971 | 471,722 | 556,823 |

Equity Statement

(non-audited)

| Amounts in DKK '000 | Share capital | Share premium | Currency adjustments | Cash flow hedging | Retained earnings | Total |
|--|---------------|---------------|----------------------|-------------------|-------------------|---------------|
| Equity at 1 October 2021 | 43,214 | 203,714 | 5,972 | -204 | 35,837 | 288,533 |
| Profit/loss for the period | - | - | - | - | -5,581 | -5,581 |
| Exchange rate adjustments of foreign subsidiaries | - | - | 1,348 | - | - | 1,348 |
| Fair value adjustment relating to hedging instruments | - | - | - | -712 | - | -712 |
| Tax on hedging instruments | - | - | - | - | 157 | 157 |
| Fair value of hedging instruments reclassified to the income statement | - | - | - | 641 | - | 641 |
| Tax on hedging instruments reclassified | - | - | - | - | -141 | -141 |
| Other comprehensive income, net of tax | - | - | 1,348 | -71 | 16 | 1,293 |
| Comprehensive income for the period | - | - | 1,348 | -71 | -5,565 | -4,288 |
| Share-based remuneration | - | - | - | - | 2,296 | 2,296 |
| Deferred tax on equity transactions | - | - | - | - | 229 | 229 |
| Other transactions | - | - | - | - | 2,525 | 2,525 |
| Equity at 31 March 2022 | 43,214 | 203,714 | 7,320 | -275 | 32,797 | 286,770 |

| Amounts in DKK '000 | Share capital | Share premium | Currency adjustments | Cash flow hedging | Retained earnings | Total |
|--|---------------|---------------|----------------------|-------------------|-------------------|---------------|
| Equity at 1 October 2022 | 42,339 | 170,439 | 12,140 | -1,717 | 108,439 | 331,640 |
| Profit/loss for the period | - | - | - | - | 14,595 | 14,595 |
| Exchange rate adjustments of foreign subsidiaries | - | - | -4,336 | - | - | -4,336 |
| Fair value adjustment relating to hedging instruments | - | - | - | 2,822 | - | 2,822 |
| Tax on hedging instruments | - | - | - | -621 | - | -621 |
| Fair value of hedging instruments reclassified to the income statement | - | - | - | -157 | - | -157 |
| Tax on hedging instruments reclassified | - | - | - | 35 | - | 35 |
| Other comprehensive income, net of tax | - | - | -4,336 | 2,079 | - | -2,257 |
| Comprehensive income for the period | - | - | -4,336 | 2,079 | 14,595 | 12,338 |
| Share-based remuneration | - | - | - | - | 2,194 | 2,194 |
| Deferred tax on equity transactions | - | - | - | - | 281 | 281 |
| Other transactions | - | - | - | - | 2,475 | 2,475 |
| Equity at 31 March 2023 | 42,339 | 170,439 | 7,804 | 362 | 125,509 | 346,453 |

Share capital of DKK 42,339,190 consists of 8,467,838 shares at DKK 5 (DKK 43,214,190 consisting of 8,642,838 shares at 31 March 2022). The Group holds 259,031 treasury shares at 31 March 2023 (459,924 shares at 31 March 2022). There are no shares carrying special rights.

Cash Flow Statement

(non-audited)

| Amounts in DKK '000 | Q2 2022/23 | Q2 2021/22 | H1 2022/23 | H1 2021/22 | FY 2021/22 |
|---|---------------|----------------|----------------|----------------|---------------|
| Operating profit/loss (EBIT) | -1,919 | 1,676 | 30,396 | -3,077 | 45,641 |
| Reversal of items with no effects on cash flow | | | | | |
| Depreciation, amortization and impairment | 9,736 | 10,022 | 19,416 | 19,769 | 39,714 |
| Other items with no effects on cash flow | 1,578 | 4,533 | -6,596 | 5,436 | 15,051 |
| Change in working capital | | | | | |
| Change in inventories | 5,379 | -12,154 | -10,418 | -25,643 | -73,498 |
| Change in receivables | 8,831 | 4,467 | 40,715 | 30,011 | -55,579 |
| Change in trade payables, etc. | -2,790 | -1,174 | -22,457 | -7,222 | 22,361 |
| Cash flow from operating activities | 20,815 | 7,370 | 51,056 | 19,274 | -6,310 |
| Financial income received | 170 | 254 | 2,131 | 3,837 | 13,968 |
| Financial expenses paid | -4,660 | -1,000 | -14,532 | -2,232 | -6,962 |
| Income taxes paid | -1,816 | -38 | -2,008 | 42 | -724 |
| Cash flow from operations | 14,509 | 6,586 | 36,647 | 20,921 | -28 |
| Investments in own development projects | -4,933 | -5,645 | -9,360 | -7,937 | -19,064 |
| Acquisition of property, plant and equipment | -4,231 | -4,368 | -5,749 | -6,628 | -11,415 |
| Sale of tangible assets | 0 | 2 | 0 | 2 | 24 |
| Deposits on leaseholds | 15 | -232 | 87 | -247 | 19 |
| Acquisition / sale of current asset investments in the trading portfolio, net | 0 | -405 | -97 | -723 | 60,985 |
| Cash flow from investments | -9,149 | -10,648 | -15,119 | -15,533 | 30,549 |

| Amounts in DKK '000 | Q2 2022/23 | Q2 2021/22 | H1 2022/23 | H1 2021/22 | FY 2021/22 |
|--|---------------|---------------|---------------|---------------|---------------|
| Repayment of lease liabilities | -1,900 | -1,394 | -3,259 | -2,745 | -5,660 |
| Acquisition of treasury shares | - | - | - | - | - |
| Paid dividend | - | - | - | - | - |
| Cash flow from financing activities | -1,900 | -1,394 | -3,259 | -2,745 | -5,660 |
| Increase/decrease in cash and cash equivalents | 3,460 | -5,456 | 18,269 | 2,643 | 24,861 |
| Exchange rate adjustments on cash | 995 | -619 | 3,057 | -980 | -597 |
| Cash and cash equivalents at the beginning of the period, net | 60,596 | 27,199 | 43,725 | 19,461 | 19,461 |
| Cash and cash equivalents at the end of the period, net | 65,051 | 21,124 | 65,051 | 21,124 | 43,725 |
| Cash and cash equivalents at the end of the period, net are composed as follows: | | | | | |
| Cash at bank and in hand | 65,051 | 21,124 | 65,051 | 21,124 | 43,725 |
| Cash and cash equivalents at the end of the period, net | 65,051 | 21,124 | 65,051 | 21,124 | 43,725 |

Notes

1 Accounting policies

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

The accounting policies applied in this interim report are consistent with those applied in the Company's 2021/22 annual report which was presented in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and additional Danish disclosure requirements for annual reports of listed companies. We refer to the 2021/22 annual report for a more detailed description of the accounting policies.

The applied accounting policies are unchanged compared to the annual report for 2021/22. New or amended standards and interpretations becoming effective for the financial year 2022/23 have no material impact on the interim report.

2 Estimates and assumptions

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

The material estimates that management make when applying the accounting principles of the Group and the material uncertainty connected with these estimates and assumptions are unchanged in the preparation of the interim report compared to the preparation of the annual report as per 30 September 2022.

3 Segment information

In accordance with internal reporting, RTX reports on the three target markets segments; Enterprise, ProAudio and Healthcare. Costs are reported by allocating costs directly attributable to the three reportable market segments whereas common functions costs etc. (primarily other external expenses, staff costs and depreciations related to IT, finance, overall management, joint facilities, joint technology projects, and supply chain management) are reported as non-allocated in accordance with internal reporting.

3 Segment information (continued)

| Amounts in DKK '000 | Q2 2022/23 | Q2 2021/22 | H1 2022/23 | H1 2021/22 | FY 2021/22 |
|---------------------|----------------|----------------|----------------|----------------|----------------|
| Revenue | | | | | |
| Enterprise | 115,685 | 83,996 | 270,478 | 173,772 | 493,141 |
| ProAudio | 52,765 | 35,220 | 91,354 | 60,773 | 114,056 |
| Healthcare | 11,537 | 15,060 | 25,665 | 26,140 | 56,092 |
| Group | 179,987 | 134,276 | 387,497 | 260,685 | 663,289 |
| EBITDA | | | | | |
| Enterprise | 29,036 | 25,862 | 93,243 | 51,250 | 173,128 |
| ProAudio | 19,143 | 17,578 | 32,288 | 28,038 | 47,776 |
| Healthcare | 1,234 | 3,208 | 5,236 | 3,928 | 8,886 |
| Non-allocated | -41,596 | -34,950 | -80,955 | -66,524 | -144,435 |
| Group | 7,817 | 11,698 | 49,812 | 16,692 | 85,355 |
| EBIT | | | | | |
| Enterprise | 24,341 | 20,715 | 83,786 | 41,262 | 153,161 |
| ProAudio | 17,385 | 15,597 | 28,918 | 23,982 | 40,194 |
| Healthcare | 1,016 | 2,990 | 4,799 | 3,491 | 8,014 |
| Non-allocated | -44,661 | -37,626 | -87,107 | -71,812 | -155,728 |
| Group | -1,919 | 1,676 | 30,396 | -3,077 | 45,641 |

Notes

3 Segment information (continued)

| Amounts in DKK '000 | Q2 2022/23 | Q2 2021/22 | H1 2022/23 | H1 2021/22 | FY 2021/22 |
|--------------------------------|----------------|----------------|----------------|----------------|----------------|
| Revenue, geographical segments | | | | | |
| Denmark | 5,336 | 241 | 5,971 | 2,275 | 4,016 |
| France | 30,622 | 27,374 | 77,344 | 67,987 | 168,999 |
| Germany | 31,380 | 19,511 | 55,916 | 26,011 | 63,109 |
| Other Europe | 24,115 | 19,590 | 51,066 | 36,933 | 98,869 |
| USA | 58,867 | 31,118 | 99,458 | 57,063 | 139,635 |
| Hong Kong | 6,655 | 9,803 | 48,463 | 25,450 | 114,277 |
| Other Asia and Pacific | 21,454 | 24,725 | 46,267 | 43,051 | 68,219 |
| Other | 1,558 | 1,914 | 3,012 | 1,915 | 6,165 |
| Group | 179,987 | 134,276 | 387,497 | 260,685 | 663,289 |

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

4 Development costs

| Amounts in DKK '000 | Q2 2022/23 | Q2 2021/22 | H1 2022/23 | H1 2021/22 | FY 2021/22 |
|--|---------------|---------------|---------------|---------------|---------------|
| Development cost incurred before capitalization | 5,653 | 6,770 | 18,065 | 14,750 | 30,568 |
| Value of own work capitalized ⁽¹⁾ | -2,747 | -4,051 | -5,535 | -5,758 | -12,401 |
| Total amortization and impairment on development projects | 6,169 | 6,580 | 12,222 | 12,907 | 25,627 |
| Development costs recognized in the profit/loss account | 9,075 | 9,299 | 24,752 | 21,899 | 43,794 |

⁽¹⁾ Total value of own capitalized of DKK 3.2 million in Q2 2022/23 according to the income statement includes own tangible assets of DKK 0.5 million (Q2 2021/22: DKK 1.0 million). Total value of own capitalized of DKK 6.6 million in H1 2022/23 according to the income statement includes own tangible assets of DKK 1.1 million (H1 2021/22: DKK 1.8 million).

Notes

5 Financial items

| Amounts in DKK '000 | Q2 2022/23 | Q2 2021/22 | H1 2022/23 | H1 2021/22 | FY 2021/22 |
|--|---------------|---------------|---------------|---------------|---------------|
| Exchange rate gains (net) | - | 987 | - | 2,336 | 9,502 |
| Fair value adjustments of investments in trading portfolio | 337 | - | 1,028 | - | - |
| Gain on hedging instruments (net) | - | - | 1,505 | - | - |
| Other financial income | 340 | 303 | 626 | 658 | 3,978 |
| Total financial income | 677 | 1,290 | 3,159 | 2,994 | 13,480 |
| Exchange rate losses (net) | 1,474 | - | 13,288 | - | - |
| Fair value adjustments of investments in trading portfolio | - | 4,661 | - | 4,483 | 9,884 |
| Financing element, IFRS 16 | 561 | 585 | 1,136 | 1,185 | 2,387 |
| Loss on hedging instruments (net) | 170 | 276 | - | 619 | 3,793 |
| Other financial costs | 268 | 139 | 375 | 428 | 782 |
| Total financial expenses | 2,473 | 5,661 | 14,799 | 6,715 | 16,846 |

6 Fair value hierarchy for financial instruments

The below indicates the classification of the financial instruments divided in accordance with the fair value hierarchy:

- Listed prices in an active market for the same type of instrument (level 1)
- Listed prices in an active market for similar assets or liabilities or other valuation methods, where all significant input is based on observable market data (level 2)
- Valuation methods, where any significant input is not based on observable market data (level 3)

| Amounts in DKK '000 | Level 1 | Level 2 | Level 3 | Total |
|--|---------------|--------------|----------|---------------|
| Financial instruments (hedging), asset | - | 1,231 | - | 1,231 |
| Bonds listed on the stock exchange, in the trading portfolio | 31,208 | - | - | 31,208 |
| Financial net assets at fair value at 31 March 2023 | 31,208 | 1,231 | - | 32,439 |
| Financial instruments (hedging), liability | - | -850 | - | -850 |
| Bonds listed on the stock exchange, in the trading portfolio | 97,192 | - | - | 97,192 |
| Financial net assets at fair value at 31 March 2022 | 97,192 | -850 | - | 96,342 |

Financial hedging instruments comprise standard foreign exchange forward contracts with the USD/DKK exchange rate as the main element affecting the fair value of the contracts.

Management's Statement

The Board of Directors and the Executive Board have today considered and adopted the interim report of RTX A/S for the second quarter and first half of the financial year 2022/23 (covering the period 1 October 2022 to 31 March 2023).

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

We consider the applied accounting policies appropriate for the interim report to provide, in our opinion, a true and fair view of the Group's assets, liabilities and financial position as at 31 March 2023 and of its financial performance and cash flow for the second quarter and first half of 2022/23.

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

Noerresundby, 2 May 2023

Executive Board

Peter Røpke
President and CEO

Morten Axel Petersen
CFO

Board of Directors

Peter Thostrup
Chair of the Board

Jesper Mailind
Deputy Chair

Lars Christian Tofft

Henrik Schimmell

Ellen Andersen

Kurt Heick Rasmussen
Employee Representative

Camilla Munk
Employee Representative

Kevin HARRITSØ
Employee Representative

RTX

RTX A/S
Stroemmen 6
9400 Noerresundby
Denmark
rtx.dk