

# ANNUAL REPORT 2015/16



WE TRANSFORM  
WIRELESS WISDOM INTO  
SOLUTIONS

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# RTX IN BRIEF

RTX was established in May 1993. Since June 2000, the company's shares have been listed on Nasdaq Copenhagen A/S. RTX is headquartered in Denmark with departments in Hong Kong and California, USA.

RTX's business foundation is based on extensive knowledge and insight into the design of advanced, wireless, short-range radio systems and products. This know-how is primarily focused on solutions within the following technology areas: DECT, Wi-Fi™, LORA®, Bluetooth®, VoIP and variants of these technologies.

It is a general tendency that both the supply and demand for different wireless applications have grown significantly in recent years, and this tendency is expected to accelerate.

As the number of wireless radio signals increases, the demand for customised and market specific solutions also increases, which focus on reliability, latency, range and safety. RTX has the competencies to solve these specific requirements in cooperation with our customers.

RTX possesses a unique combination of software and hardware know-how. RTX manages projects from the concept stage to finished product, through specification, design, development, test and verification. RTX also provides production services for OEM and ODM products in Asia and Europe. The comprehensive insight into the process from specification to finished product assures that solutions can be produced.

RTX's team of highly qualified engineers and experts have the requisite technological and professional disciplines, and RTX possesses the necessary facilities, including EMC and acoustic laboratories, to handle development work from the idea stage to finished product. The design is developed either at the customer's request, and is therefore customer financed, or is an internally financed project by RTX where an OEM/ODM product or a software package is subsequently resold to a number of customers across the world.

RTX's customers comprise renowned global companies.

**BUSINESS UNITS AND OVERALL STRATEGY:**

The Group's activities are organized into the following two business units:

- Design Services, an R&D design partner within wireless solutions, supplier of wireless modules based on Wi-Fi and DECT radio technologies and supplier of test systems.

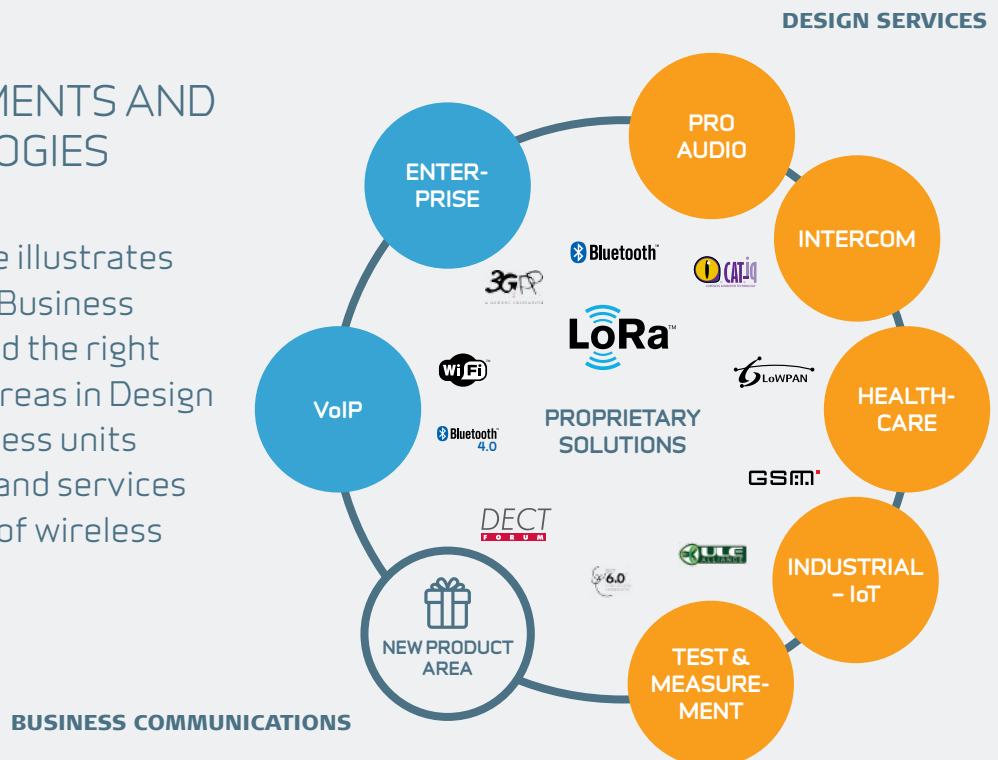
- Business Communications (previously ProTelecom), an OEM supplier of advanced IP telephony solutions for professional users. The business unit achieves scaling benefits by manufacturing and providing knowledge for a number of brands, and products are not marketed in their own brand.

Each business unit has its own dedicated department for development and sales and controls its own production and logistics function. Products and components are primarily sourced from a number of selected partners and suppliers.

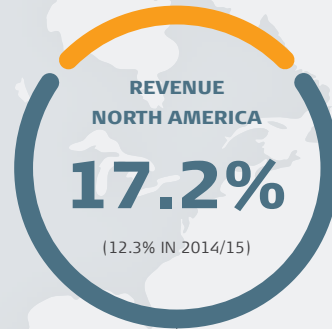
The basis for RTX's further development and the achievement of its financial objectives is generally characterised by business development through customer focus, technological innovation within wireless technologies and general market opportunities.

**BUSINESS SEGMENTS AND CORE TECHNOLOGIES**

Left side of the circle illustrates the market areas in Business Communications, and the right side illustrates the areas in Design Services. Both business units work with products and services from the same core of wireless technologies.



REVENUE IN 2015/16 IN GEOGRAPHICAL MARKETS



During the year RTX saw an increased demand for our products and services from US customers. In the period RTX has added more resources in this geographical area in order to benefit even more from the market potentials.

RTX IS PROUD TO DESIGN AND PRODUCE ADVANCED WIRELESS SOLUTIONS FOR A RANGE OF INTERNATIONAL CUSTOMERS FROM ALL AROUND THE WORLD

CUSTOMERS INCLUDE

AGFEO

beyerdynamic

Gigaset

KEYSIGHT TECHNOLOGIES

Alcatel-Lucent

COBS

ReSound

LEOF Innovation Lab

audio-technica

dialog SEMICONDUCTOR

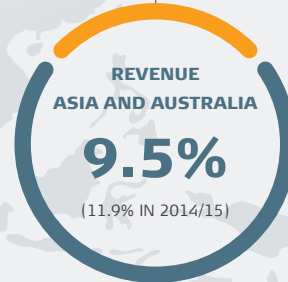
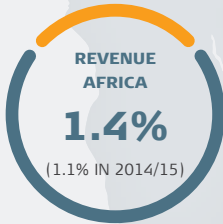
intelbras

ERICSSON | LG



A significant part of RTX's revenue comes from major European customers distributing and selling the products globally.

In 2015/16 RTX signed a contract for the development of a 2.4 GHz based communication system for a major Chinese distributor. As opposed to standard DECT, 2.4 GHz can be used all over the world. The perspective of this platform is that RTX will be able to supply communication solutions for new geographical areas, where the use of DECT based solutions has not been possible.



# HIGHLIGHTS FROM 2015/16

**REVENUE**  
(MILLION DKK)

**395.6**

**EBIT**  
(MILLION DKK)

**65.8**

**EBITDA MARGIN**  
(%)

**17.7**

**PROFIT FOR THE YEAR**  
(MILLION DKK)

**49.5**

**CASH FLOW FROM OPERATIONS**  
(MILLION DKK)

**57.2**

**FULL-TIME EMPLOYEES**  
(NUMBER ULTIMO)

**223**

**SOLVENCY RATIO**  
(%)

**78.9**

**CASH FLOW FOR  
SHAREHOLDER ACTIVITIES**  
(MILLION DKK)

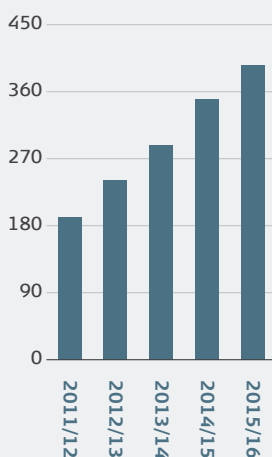
**44.9**

**EARNINGS PER SHARE (EPS)**  
(DKK PER SHARE)

**5.6**

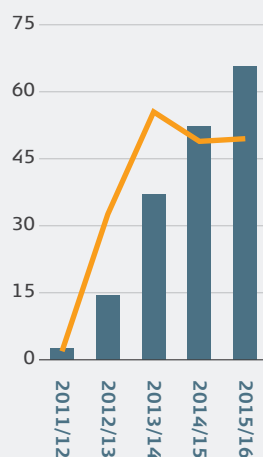
## REVENUE DEVELOPMENT

(MILLION DKK)



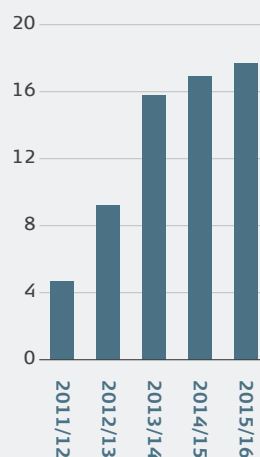
## EBIT AND PROFIT DEVELOPMENT

(MILLION DKK)



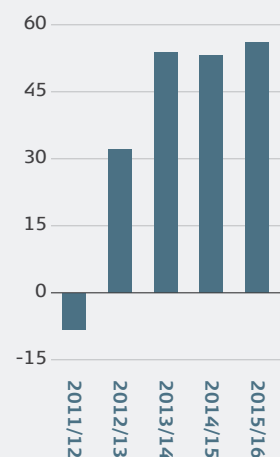
## EBITDA MARGIN

(%)



## CASHFLOW FROM OPERATIONS

(MILLION DKK)



■ EBIT    ● Profit/loss for the year

# FINANCIAL HIGHLIGHTS FOR THE GROUP

Amounts in DKK million	2015/16	2014/15	2013/14	2012/13	2011/12
<b>INCOME STATEMENT ITEMS</b>					
Revenue	395.6	349.5	288.3	241.5	191.3
Gross Profit	229.4	196.2	164.0	138.8	114.6
Operating profit/loss (EBIT)	65.8	52.3	37.0	14.4	2.5
EBITDA	70.0	59.0	45.6	22.1	8.9
EBITDA %	17.7%	16.9%	15.8%	9.2%	4.7%
Net financials	2.7	0.7	-1.0	-1.6	0
Profit/loss before tax	68.5	53.0	35.9	12.8	2.5
Profit/loss for the year	49.5	48.9	55.5	32.6	1.9
<b>BALANCE SHEET ITEMS</b>					
Cash and current asset investments	202.5	136.9	108.8	70.8	47.7
Total assets	355.4	343.1	305.2	250.5	212.4
Equity	280.6	265.9	227.6	176.3	156.3
Liabilities	74.9	77.2	77.6	74.2	56.0
<b>OTHER KEY FIGURES</b>					
Development cost financed by RTX before capitalization	25.9	22.7	19.6	24.0	37.2
Capitalized development cost	1.0	2.7	0	1.2	12.5
Depreciation, amortization and impairment	4.2	6.7	8.6	7.7	6.4
Cash flow from operations	57.2	53.2	53.8	32.1	-8.2
Cash flow from investments	24.4	-46.5	-4.7	14.6	-9.2
Investment in property, plant and equipment	5.8	3.1	4.7	0.9	1.2
Increase/decrease in cash and cash equivalents	31.7	-11.0	38.1	33.9	-18.8
<b>KEY RATIOS</b>					
Growth in net turnover (percentage)	13.2	21.2	19.4	26.3	-6.6
Profit margin (percentage)	16.6	15.0	12.8	6.0	1.3
Return on invested capital (percentage)	45.8	29.9	16.5	10.7	2.2
Return on equity (percentage)	18.1	19.8	27.5	19.6	4.1
Equity ratio	78.9	77.5	74.6	70.4	73.6
<b>EMPLOYMENT</b>					
Average number of full-time employees	193	171	155	158	168
Revenue per employee (DKK '000)	2,050	2,044	1,860	1,528	1,138
Operating profit per employee (DKK '000)	341	306	239	91	15
<b>SHARES (NUMBER OF SHARES IN THOUSANDS)</b>					
Average number of shares in distribution	8,805	8,621	8,587	8,968	9,289
Average number of diluted shares	9,014	9,084	9,159	10,005	10,235
<b>SHARE DATA, DKK PER SHARE AT DKK 5</b>					
Profit/loss for the year (EPS), per share	5.6	5.7	6.5	3.6	0.2
Profit/loss for the year, diluted (DEPS), per share	5.5	5.4	6.1	3.3	0.2
Dividends, per share	2.0	2.0	1.0	0.5	0
Equity value, per share	31.6	30.7	26.6	20.6	16.8
Listed price, per share	113.0	87.0	49.4	19.8	11.3

Note: The Group's financial year runs from 1 October to 30 September.  
The accounting principles describe the calculations of the financial highlights.

# STRONG CUSTOMER RELATIONS COMBINED WITH NEW OPPORTUNITIES RESULT IN FURTHER GROWTH

"2015/16 showed positive development for RTX. Financial results in terms of growth in revenue as well as earnings proved to be better than expected at the beginning of the year, and during the financial year we continued to develop innovative solutions in cooperation with existing and new customers. This will impact the development of RTX in the coming years. We will work diligently to strengthen our customer relations, seek new market potential and further develop our competence profile within wireless technologies."

RTX met its latest expectations for the financial year with revenue amounting to DKK 395.6 million and earnings (EBIT) amounting to DKK 65.8 million. Revenue growth for the 2015/16 financial year amounted to 13.2%, pre-tax operating profit (EBIT) increased by 25.8%, and the EBITDA margin rose from 16.9% last year to 17.7% in 2015/16. The EBITDA margin was negatively affected by the sale of the premises in Noerresundby as per 1 January 2016. Corrected for the effects from the sale of the building, the EBITDA margin increased from 15.7% in 2014/15 to 17.7% in 2015/16.

Our two business units have developed positively during the year, and in several business areas and vertical markets we meet increased demands for the technological and wireless competencies within RTX. Therefore, we have added more resources in our technical skill teams during the financial year. The increase in resources is both in Denmark and Hong Kong, and we now have a total of 223 employees in RTX by the end of the financial year 2015/16 compared to 172 last year. In 2015/16 we have employed a total of 51 new employees, 25 of them are located in Denmark.

In 2015/16, Business Communications (previously ProTelecom) realised revenue growth of DKK 32.5 million, equivalent to an increase of 13.8%. Corrected for exchange effects the growth amounted to 9.2%. During the financial year it was, among other things, decided to develop a 2.4 GHz based communication system for a major Chinese distributor. As opposed to the DECT standard, 2.4 GHz is used all over the world. The perspective for this platform for Business Communications in the future is to deliver communication solutions for new geographical

markets, where DECT based solutions are not applicable (e.g. China). The system is launched in cooperation with the customer in the second half of the financial year 2016/17. During the third quarter of the financial year 2015/16, Management decided to invest in the development of a new product range complementing the existing communication solutions sold by Business Communications. The target group in the first phase for these new products is the business unit's existing customers and distribution channels. This product range is expected ready for launch during the fourth quarter of 2016/17.

In the financial year, Design Services realised revenue growth of DKK 16.1 million, equivalent to an increase of 14.6%. Corrected for exchange effects the growth amounted to 13.3%. During the year the growth is primarily generated from sales of customer funded development projects. In the financial year new major contracts have been achieved with new customers primarily within the audio segment, which will have a positive impact on the coming year. The business unit has finalised an innovation project within one of the core technological areas in RTX. We



expect that this innovation project will attract a new customer group to the business unit during the coming years. Furthermore, the business unit has entered into a cooperation with a new and exciting customer that will play a part in further developing the potential within wireless technologies. These activities are expected to generate future revenue also within the business unit's scalable sales of modules and products.

The ongoing reporting of growth in revenue and profit for RTX in 2015/16 was positively received by the share market. Thus the share price increased by 30% from DKK 87.0 per share on 30 September 2015 to a closing price of DKK 113.0 per share on 30 September 2016.

#### DIVIDEND AND SHAREHOLDER-DIRECTED INITIATIVES

As authorized by the Annual General Meetings in 2015 and 2016, RTX has in the financial year 2015/16 acquired 301,966 treasury shares at a value of DKK 27.7 million. The purpose of the share buy-back programme is partly to adjust the company's capital structure and partly to cover future share-based remuneration (c.f. company announcements nos. 10/2015 and 06/2016). On the basis of the implemented share buy-back, the Supervisory Board will recommend to the Annual General Meeting in January 2017 that the share capital be reduced by an amount corresponding to the cancellation of 290,000 shares.

Based on the positive results for 2015/16, RTX's strong capital structure and the management's outlook, we will recommend to the Annual General Meeting, which will be held in January 2017, that a dividend of DKK 2.00 per share be paid combined with a share buy-back programme of up to DKK 60.0 million. The purpose of the share buy-back is to adjust the company's capital structure and to cover future share-based remuneration.

#### CHANGE IN MANAGEMENT

In accordance with announcement no. 41/2016, Peter Røpke was appointed CEO in RTX A/S. Peter Røpke has a background as Master of Science from DTU, and previously held a position as CEO in Flügger. During 2010-2014 he was Executive Vice President in Grundfos and in the period 1994-2010 he held different positions in Nokia Corporation and Nokia Denmark.

#### OUTLOOK FOR 2016/17

As regards the business unit Business Communications, new products were launched in 2015/16 and investment has been made in a new product range to be launched by the end of 2016/17. Consequently, we expect growth to continue based on a broader product platform and new customer contracts.

Also in the business unit Design Services, we expect growth in 2016/17. Growth forecasts stem from the fact that RTX offers an ever broader range of wireless technology variants combined with an expanded customer base. The customer base also reflects a general desire and will to invest in new technology platforms and product development.

On this background, Management expects revenue to range from DKK 420-435 million and earnings (EBIT) to fall within DKK 68-75 million and an EBITDA of between DKK 73-80 million for the 2016/17 financial year.

Our focus for the next phase of our strategy implementation is to identify further growth potential for RTX. This is expected to be in the form of new technology areas that will give RTX a broader technological platform attracting new customers. This may be in terms of development of wireless communication within both audio and images, where our technology can create value for customers and users.

We wish to ensure that RTX works with customers and technologies contrib-



**PETER THOSTRUP**  
CHAIRMAN



**PETER RØPKE**  
CEO

uting to an EBITDA margin of at least 16%, so that RTX can deliver attractive returns to shareholders and offer an attractive workplace for our employees.

RTX's full potential is exploited with the most dedicated and best qualified employees. RTX's employees in cooperation with our customers develop unique and value adding solutions. At the same time market conditions and technological opportunities are constantly changing and developing. Through their efforts in 2015/16 RTX's employees have contributed to further strengthening RTX's unique position in the market.

**Peter Thostrup**  
Chairman

**Peter Røpke**  
CEO

# EVENTS 2015/16

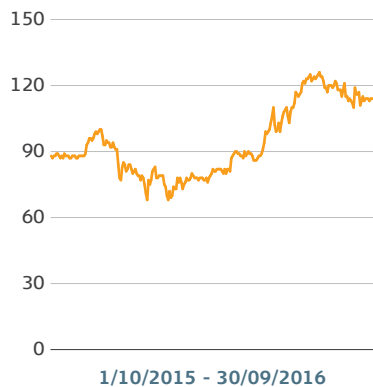


## SALE OF THE PREMISES

As per 1 January 2016 RTX sold the premises in Noerresundby to a real-estate company. The purpose is to increase the Company's strategic degree of freedom in the future. Apart from using the building as RTX's premises, it was also used as a business park for a number of external leaseholders. The sale was an income equivalent to the listed value of DKK 71.5 million.

The sale caused changes in the income statement for 2015/16 compared to the year before. Revenue fell by DKK 2.6 million, costs increased because of the effect from external lease of DKK 3.9 million, and depreciations on the building of DKK 1.5 million ceased.

SHARE VALUE DEVELOPMENT IN DKK



## RAISED EXPECTATIONS IN APRIL 2016

In relation to the publishing of the financial report for 2014/15 on 25 November 2015, the expectations for the financial year 2015/16 were announced. Revenue was expected in the range of DKK 365-380 million, EBIT in the range of DKK 54-60 million and EBITDA in the range of DKK 58-66 million.

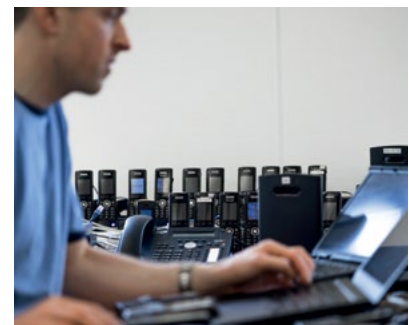
During the first six months both revenue and earnings developed better than expected, and both business units continued to attract new customer project and customers. On this background Management raised expectations in April for the financial year's revenue and earnings.

The revised expectations were revenue in the range of DKK 385-400 million, EBIT in the range of DKK 60-67 million and EBITDA in the range of DKK 64-71 million.



## RTX HAS DEVELOPED OUR OWN AUDIO CODEC

Ever since the first RTX project, the developers have used audio and voice "codec". An audio "codec" consists of a coder and a decoder. This technology is used for converting and coding voice and audio into a digital signal to be transferred, for instance wirelessly, after which it is decoded and played again. MP3 is an example of a well-known codec used for music. Since 2015, RTX has worked on developing our own codec, as we believe it will strengthen RTX's position towards the company's audio customers. The development was finalised in 2015/16.



## GROWTH IN STAFF

During the financial year, the number of employees increased from 172 full-time employees as per 30 September 2015 to 223 employees as per 30 September 2016.

## RTX WINS DISPUTE ABOUT A POSSIBLE PATENT INFRINGEMENT

Through nearly 10 years RTX was part of a case concerning possible infringement of a third party's patent. RTX has unceasingly claimed not to have infringed the patent. During late summer 2016 it was clear that "The United States Court of Appeals for the Federal Circuit" finally rejected the appeal options from the opponent.



## NEW LAUNCHED COMMUNICATION SYSTEM

In cooperation with a Swedish customer, RTX has developed a new and flexible DECT system including Wi-Fi and Bluetooth that enables other integration opportunities. Voice and alarm signals are transferred via dedicated channels for highest possible security and as little risk as possible for disturbances.

The customer is one of Sweden's leading companies in alarm and messaging management for wireless communication with focus on safe and secure communication.



## RTX PURSUES NEW GEOGRAPHICAL OPPORTUNITIES

In the financial year it was decided to develop a 2.4 GHz based communication system for a major Chinese distributor. As opposed to standard DECT the 2.4 GHz can be used all over the world, so the system can help Business Communications in future to supply communication solutions in new geographical areas, where DECT based solutions are not applicable. The system is expected to be launched in cooperation with the customer in the second half of the next financial year.



## RTX DEVELOPS NEW PRODUCT PLATFORM

RTX has in the end of this financial year and in the coming financial year invested in the development of a new product series that will complement the business unit's existing communication solutions. The target group for this product series will be the existing customers.



## INNOVATION PROJECT IS EXPECTED TO STRENGTHEN DESIGN SERVICES

In the financial year, Design Services finalised an innovation project within one of RTX's technological core businesses. The innovation project is expected to attract a new customer group to the business unit in the coming year.



## NEW CEO 1 SEPTEMBER 2016

With reference to announcement no. 41/2016 Peter Røpke was appointed new CEO in RTX A/S. Peter Røpke has a background as M.Sc. from DTU, and he comes from a position as CEO in Flügger. During 2010–2014 he was Executive Vice President in Grundfos and during 1994–2010 he held different positions in Nokia Corporation and Nokia Denmark.





# DESIGN SERVICES

REVENUE  
(MILLION DKK)

**126.3**

REVENUE GROWTH  
(%)

**14.6**

EBIT  
(MILLION DKK)

**13.5**

It is one of RTX's core competencies to supply technology for high quality intercom systems enabling robust and reliable communication with low latency. It is not a trivial thing to deliver high quality solutions for usage in huge flight hangars, construction sites, large stadiums, shopping centres, etc. In such situations the requirements are special for robustness, efficient energy consumption and reliable communication. RTX has several years of experience and expertise in designing solutions matching complex usage.

# DESIGN SERVICES

## MARKET AND CUSTOMERS

Design Services is an R&D design outsourcing partner providing advanced wireless solutions, standardised or customised wireless modules and test systems for major global companies. The solutions are typically offered within the following areas: professional audio, medical equipment, sensor solutions for home automation or industrial applications, wireless headsets, intercom systems and industrial solutions in the context of Internet of Things (IoT).

Design Services has extensive technological knowledge of design and system integration of wireless protocols, products and solutions within Wi-Fi™, DECT, CAT-iq™, ULE (ultra low energy), Bluetooth®, LORA® and within proprietary TDMA systems and cellular systems. The business unit has a long-standing

close co-operation with semiconductor suppliers that provide the above-mentioned technologies in their integrated circuits (ICs).

The business unit's core area is engineering design in which Design Services acts as a system integrator between the project owners, often a major global company, and the IC supplier as well as a general extension of the customer's own R&D department. System expertise is a key difference between RTX and its competitors within design services. The projects typically focus on products and/or new features in the customer's product portfolio, which are developed on the basis of Design Services' innovative software solutions combined with the more or less hidden potential in the ICs. The projects are usually customer-fund-

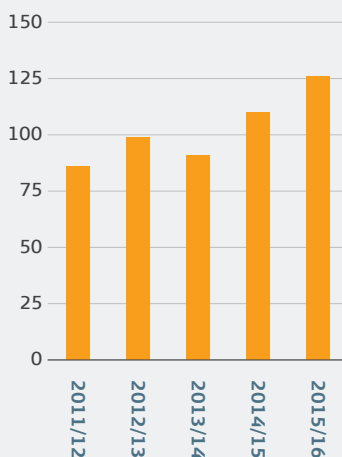
ed based on a fixed contract sum, cf. "Development projects" in note 4. In case RTX has agreed with the customer for a development project that the sale contains technology developed by RTX, this generates a royalty income to RTX. This income is specified in note 4 as "Royalty".

In the wireless module area, RTX offers standardised low energy, wireless modules based on DECT ULE as well as Wi-Fi radio technologies. RTX also offers both the development and supply of a finished ODM product, often as a customised module for integration into a finished product. Revenue from this sale of products is included in "Sale of products, etc." in note 4.

Design Services also supplies test solutions, which combine Design Services'

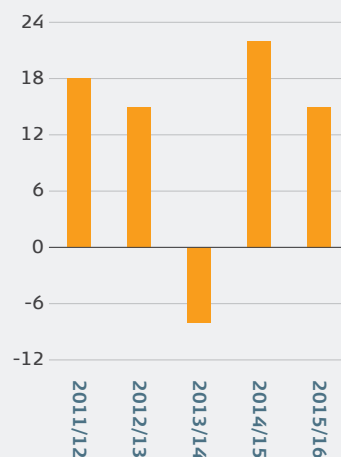
## REVENUE DEVELOPMENT

(MILLION DKK)



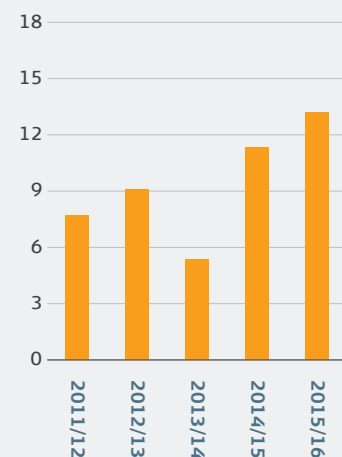
## REVENUE GROWTH DEVELOPMENT – YEAR TO YEAR

(%)



## EBIT

(MILLION DKK)



experience within complex wireless system development with the understanding of electronic product manufacturing. This enables Design Services to write test specifications and design both standardised and customer-specific test solutions. Design Services offers a portfolio of dedicated measuring and test instruments consisting of RF testers and production test equipment. Design Services also offers turnkey test solutions customised for the customer's proprietary wireless systems and test set-ups for laboratory and development use. Everything can be based on RTX's own hardware solutions and/or instruments from standard test equipment suppliers.

Dependent on the level of standardisation of the test equipment, revenue from the sale of test systems is included in "Sale of products, etc." or "Development projects" in note 4.

#### THE YEAR UNDER REVIEW

With regard to 2015/16, Design Services delivered a highly satisfactory growth with revenue of DKK 126.3 million. This is an advance of 14.6% compared to 2014/15. Adjusted for the effect of exchange rates, revenue growth for Design Services amounted to 13.3%.

During the financial year, RTX continued its development work for a number of long-standing customers, where Design Services takes on the role of domain expert, maintaining and developing the customer's wireless technology platform. In addition to its work for a number of loyal customers, Design Services signed contracts with several new and important customers during the financial year. The most important markets during the financial year were within audio and intercom.

Since 2015 RTX has been working on the development of our own codec, as this complements RTX's existing technological solutions for its customers within the audio segment. Besides

this RTX finalised an innovation project in the financial year within one of the company's expertise areas. The innovation project is expected to attract a new group of customers to the business unit in the coming years. In 2015/16 the business unit also started the cooperation with a new exciting customer, which we expect will further develop RTX's opportunities within combinations of wireless technologies.

The most important applied radio technologies were Bluetooth®, Wi-Fi™, DECT/ULE, LORA® and proprietary technologies. The business unit's core service, engineering design, grew in 2015/16 by a satisfactory 26% compared to last year.

The ODM business also showed satisfactory development with a revenue increase of 5%. Revenue is generated from module units, which are integrated into customers' products. ODM orders typically follow a development project where Design Services provides the supply of fully tested and certified components ready for assembly in customers' products. The test solutions business resulted in a decline of 12%.

#### STRATEGY AND MARKET OPPORTUNITIES FOR DESIGN SERVICES

The global demand for wireless communication within business-to-business areas has been growing substantially in the past few years. RTX has substantial expertise in wireless audio and intercom systems that can provide reliable and stable communication in a range of different user situations - procurement, construction sites, stadiums, hotels, restaurants etc. RTX possesses the necessary expertise to ensure that such intercom systems perform in line with customer requirements.

The potential for the treatment of disease rises significantly, and there are growing demands for efficient resource application in the treatment

sector. Consequently, more and more suppliers of medical measuring devices are demanding wireless solutions for patient treatment and monitoring, which can assist in improving diagnosis and ensure effective treatment. RTX has unique insight into the special requirements for wireless solutions in environments with medical equipment such as magnetic scanners, etc.

Many sectors are firmly focused on improving uptime, reliability and efficiency in the production process. Consequently, they are increasingly demanding wireless monitoring and control systems in real time to ensure better performance, higher throughput and reduce maintenance costs. RTX possesses the expertise to help customers develop and produce a targeted solution. As a result of many years' experience in energy-saving wireless applications, data processing and miniature hardware design, we have tailored a wide range of wireless sensor programmes.

RTX's expertise covers the full range of wireless solutions, from robust communications connectivity to Wi-Fi, DECT, BLE and other ISM band for systems that monitor and control homes and companies via the internet and cloud services.

In recent years, RTX has built up competencies in low energy versions of the wireless technologies Bluetooth and DECT, which, among other things, enables multi-year operation from standard batteries. RTX is, therefore, ahead of general market developments and will continue to be the preferred supplier within the core service of engineering design among existing and new customers.

However, the increased demand for wireless solutions will also change the competitive situation as the supply of competing solutions is currently expanded both within standard and customised solutions. Design Services



will, therefore, continue its intensive work to maintain and improve the business unit's competitiveness and expand both the technology and customer platform. This will be done through conscious choice and focus on lucrative market niches combined with RTX's profound technological understanding.

#### **FUTURE PERSPECTIVES FOR DESIGN SERVICES**

Engineering design is largely dependent on the customer's ability and will to invest in new technology, in the product pipeline and product upgrades. These investments are, in turn, dependent on market development, which are affected by global economic trends.

The resources expended on expanding the sales and customer platform and the investments made in the development of new technologies and product platforms are expected to contribute to the steady growth of Design Services within the core service of engineering design.

With regard to the ODM business, it normally takes a relatively long time from the design of an RTX module until a product is finally launched and well received by the market. As a sub-supplier, RTX is seldom able to manage and control the end product to market. Therefore, the long-term market prospects within this product segment may be less transparent to RTX. Based

on customer forecast etc. we expect the ODM area to see moderate growth over the coming financial year.

As for the year ahead, RTX expects to be able to expand its market position within test systems with a new solution. In the coming year the business unit will focus on using alternative distribution channels for test systems.



### NASA USES TECHNOLOGICAL SOLUTIONS DESIGNED BY RTX

RTX has participated in supplying communication technology used by NASA in their Orion program. The Orion program is part of NASA's plans about a Mars mission that will bring humans further out than ever before.





# BUSINESS COMMUNICATIONS

REVENUE  
(MILLION DKK)

**268.4**

REVENUE GROWTH  
(%)

**13.8**

EBIT  
(MILLION DKK)

**54.8**

RTX is an expert in supplying wireless communication solutions for professional use. RTX was among the first to introduce digital wireless telephones in the European market under the DECT standard, and since then RTX has developed and supplied a large number of customised solutions combining unique audio quality and an intuitive user interface. RTX has unique competencies in wireless solutions that can be integrated with the customers' switchboards (PBX systems). Ships and cruise liners are examples of markets, where dedicated communication solutions are required.



# BUSINESS COMMUNICATIONS

## MARKET AND CUSTOMERS

Business Communications (previously ProTelecom) develops and supplies professional wireless IP telephony for PBX systems that are used in communication systems for professional use.

Ever since the first ground-breaking digital wireless systems, RTX has supplied many unique products that combine radio frequency performance at a very high level with high quality audio reproduction with an intuitive interface that also includes an Android-based smartphone concept.

Business Communications focuses on the development, production and sale of professional telephony equipment, including wireless handsets, base stations and repeaters for PBX systems

and VoIP solutions. The solutions are based on DECT, CAT-iq™, Bluetooth and Wi-Fi™ technologies and address the market for IP telephony. The overall IP telephony market is showing moderate growth driven by the switch from analogue-based telephony to IP-based solutions. Products from Business Communications are developed and sold on an OEM basis, primarily to a number of global suppliers of PBX products (telephony switchboards and systems) or as private label products for regional distributors.

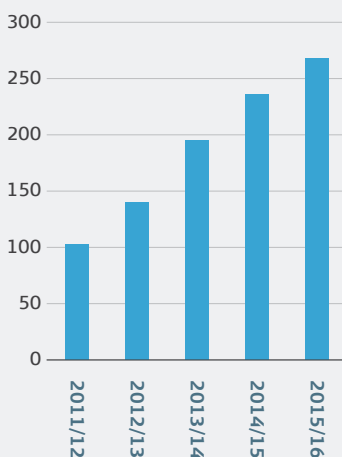
Business Communications handles all tasks from idea to finished product. This includes idea generation, specification and development of mechanics, hardware and software. Drawing on a well-established network of suppliers,

Business Communications ensures a smooth transition from the initial prototypes to volume production and thus handles supplier management, testing and quality control during the products' operational phase.

The business unit has offices in Denmark and Hong Kong and enjoys close collaboration with a number of sub-suppliers in Asia. The combination of the Group's technological know-how and software competencies in Denmark supplemented with mechanical design, hardware development and procurement and supply chain management in Hong Kong and Asia has resulted in Business Communications establishing a solid, scalable competitive position. The business model combines a high and innovative technological level with

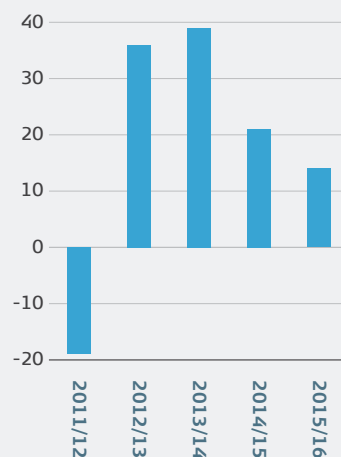
## REVENUE DEVELOPMENT

(MILLION DKK)



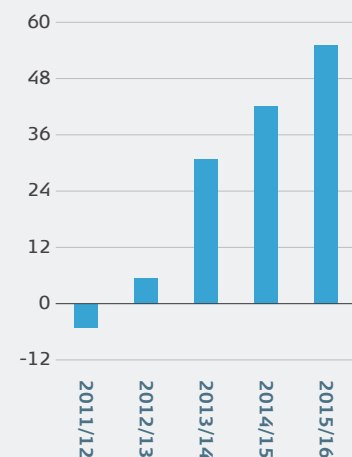
## REVENUE GROWTH DEVELOPMENT – YEAR TO YEAR

(%)



## EBIT

(MILLION DKK)



a low cost structure and short time-to-market.

To a higher extent the development projects in Business Communications are customer financed based on a fixed contract amount during the development phase. Revenue is recognised as "Development projects", and revenue from products is recognised as "Sale of products, etc." in note 4.

### THE YEAR UNDER REVIEW

Revenue increased from DKK 235.9 million last year to DKK 268.4 million, a rise of 13.8% compared to last year, which is a satisfactory development. Adjusted for the effect of exchange rates, revenue growth for Business Communications was 9.2%.

The growth in revenue is due to significant progress in the sale of products to the major Enterprise customers, for which the growth rate was 3.2%, and advances in the sale of communication products to small and medium-sized companies (SME), for which revenue increased by 53.2%.

In the financial year the business unit has entered into a cooperation with a Swedish customer to develop a new and flexible DECT system incl. Wi-Fi and Bluetooth. The customer is one of Sweden's leading suppliers within alarm and information management via wireless communication with focus on safe communication. Another significant project during the year was the development of an internal communication system for a customer based in England. The customer focuses specifically on a vertical market, and the communication solution is optimised and specially developed for this market. The business unit has in 2015/16 signed a contract for development of a

2.4 GHz based communication system for a Chinese customer. In opposition to DECT, 2.4 GHz can be used all over the world, and this will enable Business Communications to supply communication solutions to new geographical areas, where the use of DECT based solutions is not possible.

At the end of the financial year 2015/16, RTX decided to invest in the development of a new product series complementing the business unit's existing communication solutions. The target customer group for this product series is the existing customers.

Overall, the revenue growth and optimised cost structure resulted in an improvement to the EBIT for Business Communications from DKK 42.1 million to DKK 54.8 million in 2015/16.

### STRATEGY AND MARKET OPPORTUNITIES FOR BUSINESS COMMUNICATIONS

There is an ongoing need in the commercial market for mobility solutions for voice and messaging. Despite the fact that the need for mobility in individual workplace environments is targeted at mobile phones or smart phones with PBX connectivity, we expect that there will be a large residual market for robust wireless handsets. Globally, this Enterprise market accounts for approximately 2.4 million handsets per year, with the handsets based on DECT, IP DECT or Wi-Fi. The market is broad and comprises verticals like healthcare, industry, mining operations, the service sector and retailing, which demand customer and vertical specific robust solutions. The trend is expected to be towards further customer and vertical specific solutions, conditions that Business Communications are targeting as an ODM supplier.

### FUTURE PERSPECTIVES FOR BUSINESS COMMUNICATIONS

The business plan for 2016/17 encompasses the continued development of new product platforms in close co-operation with existing and new customers.

By the end of the financial year 2016/17 we expect to launch the business unit's new product series for sale to existing customers. We expect this will generate future growth as well as solutions adapted in new geographical areas.

Business Communications has a competitive product portfolio in a new Enterprise series and a multi-cell and a single-cell based VoIP system with several product variants for SME businesses. As a supplement to this we will have a new complementary portfolio and products that will enable us to penetrate huge markets, which have been closed for us until now. To an increasing extent the business unit's customers address vertical markets. On this background we believe that the business unit is well positioned for increasing revenue in the coming year.

As a consequence of the close co-operation with the major suppliers within the Enterprise segment, there is a certain risk that the planned customer forecast and new launches may change and be postponed as a result of decisions beyond RTX's control. Despite favourable market conditions and new attractive and competitive products, the Enterprise and SME market for communication solutions will continue to be influenced by the overall global economic climate.



## RTX SUPPLIES THE WIRELESS HANDSET FAMILY TO ALCATEL-LUCENT ENTERPRISE

The wireless handset family for Alcatel-Lucent Enterprise ensures reliable communication in professional use. Wireless robust handsets offer mobility to the employees when at work, and the handsets ensure high audio quality and safety. A number of functions in the handsets address special and challenging use and needs.



# FINANCIAL REPORT

## ACCOUNTS 2015/16

Unless stated otherwise, the financial report is based on the consolidated figures in the Annual Report for 2015/16 and compared with the consolidated figures for 2014/15. The parent company represents the main part of the Group. Consequently, the parent company's financial development is not described separately except where it differs from the Group.

## CONSOLIDATED INCOME STATEMENT

### Revenue

In 2015/16, the Group delivered net revenue of DKK 395.6 million, which is an increase of 13.2% compared to last year's net revenue of DKK 349.5 million. The revenue is within the range announced by the management in April 2016, when expectations were raised to revenue within the range of DKK 385-400 million, EBIT of around DKK 60-67 and EBITDA in the range of DKK 64-71 million.

As per 1 January 2016, RTX sold the building in Noerresundby to a real-estate company. Thus the income from external leaseholders ceased in the remaining three quarters of the financial year.

RTX has a significant portion of both revenue and cost of goods in US dollars. Therefore, revenue was also affected by the rate of the US dollar. Adjusted for the effects on revenue from the rent and the higher US dollar, total revenue growth is 10.5% compared to the year before.

## Gross profit and gross margin

RTX's gross profit amounted to DKK 229.4 million, which is a rise of DKK 33.2 million compared to last year's gross profit of DKK 196.2 million. The gross margin increased in the financial year, from 56.1% in 2014/15 to 58.0% in 2015/16. The reason is a favourable change in the product mix.

## Other external expenses

Other external expenses amounted to 43.0 million in 2015/16, which is a rise of DKK 9.4 million compared to 2014/15. The main reason for the rise is that, in the 2015/16 financial year, the Group, has costs for rent instead of depreciations on the building. At the same time, the increased activity level meant that in 2015/16 more cost was expended for consultants to match the level of activity.

## Staff expenses

Staff expenses amounted to DKK 117.4 million, which is a rise of DKK 11.1 million compared to last year when staff expenses totalled DKK 106.3 million.

The increased staff expenses should be viewed against the increasing activity level, which resulted in an average of 22 more employees in 2015/16 compared to the previous year.

## Value of company's own work transferred to assets

In the financial year, RTX capitalised development costs in connection with the investment in a new product series complementing the existing communication solutions. The development and the investment will continue in the 2016/17 financial year.

## Amortisation, depreciation and impairment

The Group's amortisation, depreciation and impairment decreased from DKK 6.7 million in 2014/15 to DKK 4.2 million in 2015/16. Amortisation related to RTX development projects in 2015/16 amounted to DKK 2.1 million, which is a decrease of DKK 1.0 million compared to last year. The reason for the decrease is that amortisation on previous development projects was completed in the 2015/16 financial year.

## Operating profit (EBIT)

Operating profit (EBIT) amounted to DKK 65.8 million compared to DKK 52.3 million in the 2014/15 financial year. The increase in EBIT was DKK 13.5 million corresponding to 25.8%.

## Net financials

Net financials resulted in an income of DKK 2.7 million compared to an income of DKK 0.7 million last year (c.f. note 9). As a result of more active management of the Group's securities portfolio compared to the previous year and the fact that the securities portfolio increased during 2015/16, this resulted in increased income from interest and exchange effects of DKK 3.3 million compared to last year when interest and exchange losses were a cost of DKK 0.3 million.

Under financial income, the exchange rate trend primarily in USD in 2015/16 affected net financials negatively at DKK 0.2 million whereas there was an exchange rate profit on foreign currencies of DKK 1.4 million last year.



**Profit before tax**

Profit before tax for 2015/16 was DKK 68.5 million compared to last year when profit before tax was DKK 53.0 million.

**Tax on profit for the year**

Tax on the year's profit has therefore been recognised at a total expense of DKK 19.0 million compared to DKK 4.1 million the previous year (cf. note 10). As a consequence of the Group's tax asset, the expected liquidity effect of tax payments are around DKK 4.2 million.

**Profits for the year**

Total profits for 2015/16 amounted to DKK 49.5 million compared to profits of DKK 48.9 million last year.

**Earnings per share (EPS)**

Earnings per share (EPS) amounted to DKK 5.6 compared to DKK 5.7 last year. The reason for the decline in earnings per share should be seen in the light of the fact that the number of shares has increased compared to last year and the earnings per share in 2014/15 was positively affected by the inclusion of tax assets.

**CONSOLIDATED BALANCE SHEET**

At 30 September 2016, the consolidated balance sheet amounted to DKK 355.4 million corresponding to a rise of DKK 12.3 million compared to last year. As a result of the positive development in the company's cash flow, the sum total of securities and cash at bank and in hand increased by DKK 65.6 million. Last year, the portfolio of securities and cash at bank and in hand totalled DKK 136.9 million and

in 2015/16 the portfolio increased to DKK 202.5 million.

Receivables and cash in hand increased by DKK 57.6 million to DKK 84.7 million. Despite the increase, the value of overdue receivables from sales and services that are past due by more than 30 days is less than 1% of the value of total receivables from sales and services (cf. note 29).

At the Annual General Meeting in January 2016, the Supervisory Board received authorisation to acquire treasury shares. During the year, the company acquired 301,966 treasury shares at a value corresponding to DKK 27.7 million, which negatively affected the Group's equity. Despite this, Group equity increased by DKK 14.7 million during the year, from DKK 265.9 million to DKK 280.6 million. The equity ratio totals 78.9% in 2015/16 compared to 77.5% in 2014/15.

As a result of the strong solvency ratio and the strong balance sheet, the Supervisory Board will recommend to the Annual General Meeting to be held on 26 January 2017 that dividend be paid for the 2015/16 financial year corresponding to DKK 2.0 per share. Similarly, the Supervisory Board will recommend to the Annual General Meeting that the board be authorised to acquire treasury shares at a value of up to DKK 60 million. The purpose of the share buy-back is an adaptation of the company's capital structure. At the same time, the Supervisory Board will recommend that the share capital be reduced by an amount equal to the cancellation of 290,000 shares.

**CONSOLIDATED CASH FLOW, FINANCING AND LIQUIDITY FOR CONTINUING OPERATIONS**

Cash flow from operations for the 2015/16 financial year was DKK 57.2 million compared to last year when it amounted to DKK 53.2 million. The development is driven by the growth in operating profit, while working capital developed negatively in 2015/16 owing to an increase in the activity level.

Cash flow from investment activities was positive during the year at DKK 24.4 million compared to DKK -46.5 million. The positive development was driven by the sale of the building in Noerresundby. A considerable part of the free liquidity is invested in securities.

Under financing activities, the acquisition of treasury shares had a negative impact on cash flow at DKK 44.9 million compared to DKK 19.6 million last year. In connection with the current warrants programme, RTX undertook capital increases which together impacted the cash flow positively at DKK 5.8 million in 2015/16 compared to DKK 3.2 million last year.

**Management and employees**

As of 30 September 2016, the Group had 223 employees (2014/15: 172 employees). Of the 223 employees, 77 are employed in Hong Kong (2014/15: 51), three in U.S. (2014/15: 3) and the remaining 143 employees are employed at the head office in Noerresundby (2014/15: 118). The average number of full-time employees is 22 more than last year and is primarily due to the fact that the Group adjusted its

staffing levels to the ongoing demand for products and services during the year.

### INCENTIVE PROGRAMMES

In 2015/16, the Supervisory Board of RTX A/S granted Restricted Share Units to the Executive Board, senior executives and other key employees as part of the company's long-term share incentive programme. The granted Restricted Share Units are earned and matured over a three year period, and can be exercised no earlier than the Annual General Meeting in January 2019. The final grant is conditional upon the fact that the targets for the

share price and EBITDA are met in the three year period. RSUs are granted on the condition that the employees are still employed by RTX A/S at the time of the exercise.

In 2015/16 the total of RSU's granted were 91,484. In the financial year the number was adjusted with -32,436 RSU's as a consequence of a terminated employment. The financial effect in 2015/16 of the RSU programme is DKK 3.7 million (2014/15: DKK 2.5 million).

In connection with the new CEO's appointment, the Supervisory Board offered him the inclusion in a matching

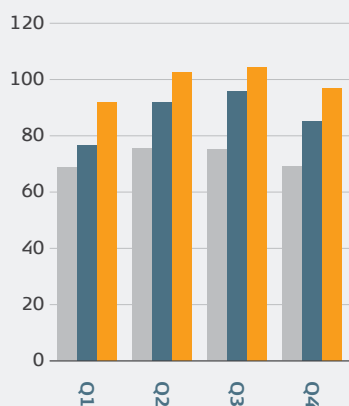
shares program. The CEO was granted 13,343 shares earned over 36 months. The cost in 2015/16 is DKK 0.1 million (2014/15: DKK 0). The grant is in accordance with the company's guidelines for incentive programmes (<http://www.rtx.dk/incitamentsafloenning-2710.aspx>). For further information about the programs, their terms and financial impact, please refer to note 6.

### EVENTS AFTER THE BALANCE SHEET DATE

No material events of significance to the Annual Report occurred after the balance sheet date of 30 September.

#### QUARTERLY REVENUE

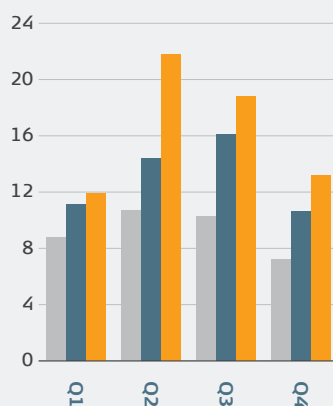
(MILLION DKK)



■ 2013/14 ■ 2014/15 ■ 2015/16

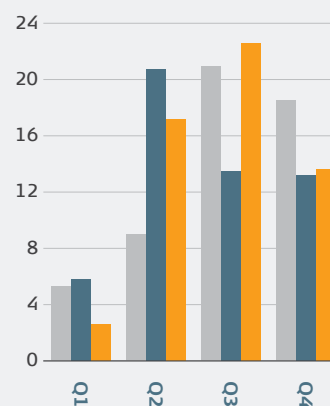
#### QUARTERLY EBIT

(MILLION DKK)



#### CASHFLOW FROM OPERATIONS

(MILLION DKK)



# RISK MANAGEMENT

Management in RTX strives to clarify risks satisfactorily. The following sets out a number of risk factors that may influence RTX's future growth, operations, financial position and results. The factors listed do not necessarily constitute an exhaustive description of the risks to which the Group is exposed, but the risks estimated by management to be significant.

RISK	CHARACTERISTICS	RISK MITIGATING ACTIVITIES
<b>Research and development</b>	A significant part of RTX's business is based on a unique knowledge within advanced wireless radio systems. Therefore, technological change may affect future business opportunities for RTX.	<p>With our close customer relations RTX has a good impression of the customers' future product development plans. The close relations enable RTX to predict and react on an ongoing basis to changes in technologies requested by the customers.</p> <p>Via innovation projects RTX develops the technological competencies that will enable RTX to offer a wider range of technological opportunities. This reduces the dependence on single technologies.</p>
<b>IPR (Intellectual Property Rights)</b>	<p>RTX is operating in an innovative environment with increasing focus on wireless technologies and software.</p> <p>RTX's freedom of acting may from time to time be limited by patents from third parties, and there may be a risk that RTX inadvertently infringes third party rights.</p> <p>RTX has applied for patents within selected key areas. It cannot be guaranteed that RTX's practice for protecting the company's immaterial rights is sufficient or that competitors will not develop similar technologies.</p> <p>RTX's activities are comprised by legislation and standards for radio communication.</p> <p>Any changes in the legislation and standards may affect RTX.</p>	<p>The company's model for development projects includes a scanning of the project to clarify if there is a risk that RTX infringes or is limited by third party rights. It is also a formal point of our project model that the project is considered for relevant patents.</p> <p>RTX has competencies within design, development and manufacturing of wireless solutions and combinations of the wireless technologies. The number of wireless technologies that RTX has competencies within are constantly expanded in order to avoid dependency on a single technology.</p> <p>RTX takes part in ETSI (European Telecommunications Standards Institute) as well as other technological forums. This will ensure that RTX is updated on all issues of the standard, e.g. frequency band that may affect RTX's business.</p>

RISK	CHARACTERISTICS	RISK MITIGATING ACTIVITIES
<b>Ability to attract and maintain qualified employees</b>	<p>RTX's most important asset is its employees and sometimes this is a scarce resource. In order to continue to develop and market its products and services, RTX is dependent on its ability to attract, maintain, motivate and train qualified employees.</p>	<p>RTX endeavours to be an attractive workplace for employees by offering competitive employment conditions and by creating a professional and sociable working environment.</p>
<b>Operation, supply chain and new product launches</b>	<p>The majority of the Group's production is handled by sub-suppliers, primarily in Asia. The Group depends on the sub-suppliers' ability to produce and supply the planned volume at the agreed time and at the agreed quality. Significant fluctuations on sales and gross margin may arise if some sub-suppliers fail to supply at the agreed time and at the desired quality.</p> <p>New technology platforms are often developed in close cooperation with reputable international chip manufacturers. To some extent RTX depends on the chip manufacturers' supply of the agreed technology at the agreed time.</p> <p>Our position as sub-supplier to a number of international customers means that RTX's business may be influenced by their decisions.</p>	<p>RTX has ongoing close and transparent contact with its sub-suppliers in order to plan and monitor supplies, quality assurance systems and production.</p> <p>In some cases RTX has more suppliers, and in other cases it is necessary to reduce the delivery uncertainty with a buffer storage.</p> <p>RTX cooperates with major contract manufacturers with several factories, which means that production may be transferred from one factory to another in the event that one of the sites is temporarily out of operation.</p>
<b>Macro-economic uncertainty</b>	<p>As a supplier of technical products and solutions in the B-t-B market, RTX is dependent on our customers' will and interest in investing in product and technology development.</p> <p>Long-term macro-economic uncertainty and low growth rate is expected to result in a reduced demand for projects from RTX's customers.</p>	<p>On an ongoing basis, RTX works on extending our customer portfolio and attracting new customers within new markets. One of the objectives is to reduce RTX's dependency on the economic conditions in a single market segment.</p>
<b>IT security</b>	<p>To a large and increasing extent RTX is dependent on reliable and secure IT systems. If RTX fails to protect our IT infrastructure and key systems against breakdown, hacking and virus, this may have a negative effect on RTX's knowledge base and reputation, and it may have a negative impact on the business.</p>	<p>On an ongoing basis RTX is working on reducing these risks via regular adjustments of technical security control and guidelines and policies for IT security.</p> <p>In order to strengthen and secure that RTX has an adequate security level, an external consultancy company made a risk assessment of RTX's IT structure and systems in 2015.</p>



RISK	CHARACTERISTICS	RISK MITIGATING ACTIVITIES												
<b>Financial risks</b>	<p>In recent financial years, approximately 95% of the Group's revenue has originated from customers outside Denmark (2014/15: 97%). In the majority of cases, invoices are in currencies other than Danish kroner, primarily USD at 82% (2014/15: 72%) and EUR at 14% (2014/15: 25%). The majority of goods purchased from sub-suppliers is paid for in USD.</p> <p>Annual EBIT effect from a 5% increase in the currency:</p> <table border="1"> <thead> <tr> <th>Currency</th> <th>2015/16</th> <th>2014/15</th> </tr> </thead> <tbody> <tr> <td>USD</td> <td>+ 6.0 mil.DKK</td> <td>+ 3.4 mil.DKK</td> </tr> <tr> <td>EUR</td> <td>+ 2.5 mil.DKK</td> <td>+ 3.9 mil.DKK</td> </tr> <tr> <td>HKD</td> <td>- 1.5 mill.DKK</td> <td>- 1.2 mil.DKK</td> </tr> </tbody> </table>	Currency	2015/16	2014/15	USD	+ 6.0 mil.DKK	+ 3.4 mil.DKK	EUR	+ 2.5 mil.DKK	+ 3.9 mil.DKK	HKD	- 1.5 mill.DKK	- 1.2 mil.DKK	<p>As a consequence of its significant international activity, the Group's cash flows are influenced by changes in exchange rates and the Group's trading policy with customers and suppliers is, to the greatest possible extent, continually adapted to match the currencies of its purchase and sales.</p> <p>If deemed appropriate, RTX may enter into transactions to hedge its commercial currency risks in order to reduce its currency exposure.</p>
	Currency	2015/16	2014/15											
	USD	+ 6.0 mil.DKK	+ 3.4 mil.DKK											
	EUR	+ 2.5 mil.DKK	+ 3.9 mil.DKK											
HKD	- 1.5 mill.DKK	- 1.2 mil.DKK												
<p>The Group is primarily exposed to interest rate risks through interest-bearing assets and liabilities. The overall purpose of managing the interest rate risk is to limit the negative effects of interest rate fluctuations on earnings and the balance sheet.</p>	<p>The Group's surplus liquidity is primarily invested in short-term solidly credit-rated Nordic cash bonds. Overall, the portfolio of bonds generated interest of 4.4% in 2015/16.</p>													
<p>In 2015/16, exchange rate regulations of the Group's cash at bank and at hand generated an income of DKK 3.8 million in net financials (2014/15: DKK 0.8 million)</p> <p>Sale to customers raises a credit risk, and the Group's credit risks relating to receivables from trade and services are assessed on an ongoing basis.</p>	<p>The Group's cash at bank and at hand primarily consists of deposits in highly respected banks and credit institutions.</p> <p>All customers placing orders above a minimum level are assessed and covered in the best way possible. RTX has also in 2015/16 used a credit insurance company to cover the risks on outstanding amounts.</p>													
<b>Dependency on major customers</b>	<p>Two of the company's customers represent approx. 37% of the revenue in 2015/16. These customers are long-term relations and RTX's supplies are an integrated part of their businesses.</p>	<p>Considerable resources have been invested in the technical integration, and a change of supplier would give the customers considerable costs.</p> <p>RTX continues to work for an expansion of the customer portfolio and attract new customers within new markets. The purpose is among others to make RTX less dependant on the financial situation in a single market segment.</p>												

# INTELLECTUAL CAPITAL

## EMPLOYEES

In order for RTX to maintain its position as an attractive component supplier of specialised wireless development services and advanced IP products, it is crucial that the Group's employees have an extensive insight into all the engineering disciplines necessary to carry out high-tech development projects from definition to complete delivery of wireless communications services and products. That RTX is able to supply turnkey solutions is down to the expertise of its employees.

The Group is able to adapt to change and is prepared for growth in that the organisation is structured in a way that enables the rapid integration of additional skilled employees. As a result of its location in Noerresundby, close to Aalborg University, and its location in Hong Kong, the Group has access to international skills within development, logistics and quality assurance. The subsidiary in California strengthens RTX's relations to a number of technical frontrunners within wireless radio technologies.

A flexible development organisation enables the transfer and recruitment of engineers in technological areas at short notice to create increased activity and weight. Technical expertise within the areas of software, baseband and RF are continually updated.

Through visits to educational institutions and on the backdrop of the Group's positive image among engineers within the industry, RTX strives

to retain its reputation as an attractive workplace for employees with the best professional and interpersonal skills.

Intellectual capital is a key element for a technological company like RTX. Significant maintenance work, updating and development is done on existing products and technology platforms as well as new products and technology variants continue to be carried out. Thus in the 2015/2016 financial year, RTX assigned 6.8% of its revenue (2014/15: 6.6%) for these purposes. This trend is owing to the fact that in recent years, RTX has seen increased demand for customised and customer financed solutions, as well as the fact that RTX to a higher extent obtain a larger scale effect from our investments in platforms.

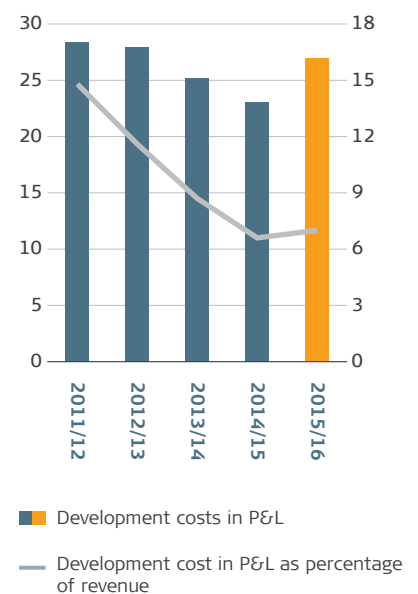
In recent years RTX has involved customers earlier in the innovation and developments phases, when they have showed interest in the participation in the development and financing of new technology and new technology variants. This has resulted in decreased development costs at our own account and earnings increased.

Of the 101-strong engineering team in Denmark (2014/15: 79), 70 (2014/15: 60) are qualified civil engineers. The average length of service in Denmark for all employees is around 10 years. The development department in Hong Kong comprises 34 employees (2014/15: 25) 29 of whom (2014/15: 20) have an engineering background.

## DEVELOPMENT COSTS

(MILLION DKK)

%



# RESEARCH AND DEVELOPMENT ACTIVITIES

Despite the fact that RTX does not undertake basic research at a significant level, RTX has, in recent years, increased its focus on market oriented product and technology development. An important criteria for committing significant development resources is that ongoing development projects are of commercial interest.

During recent years, RTX further refined its internal innovation process so that ideas are collected and matured systematically. The most important criteria for adding resources to the innovation projects are feedback from customer and market studies. Technology or product projects are completed subsequently in collaboration with one or more customers. The process thus balances learning and investment and maximises focus on return. RTX has 3-6 innovation projects ongoing at various stages of maturity in a balanced portfolio.

## BUSINESS COMMUNICATIONS

In the financial year the business unit has entered into a cooperation with a Swedish customer to develop a new and flexible DECT system incl. Wi-Fi and Bluetooth. The system also enables more integration opportunities. The customer is one of Sweden's leading suppliers within alarm and information management via wireless communication with focus on safe communication. Another significant project

during the year was the development of an internal communication system for a customer based in England. The customer focuses specifically on a vertical market, and the communication solution is optimised and specially developed for this market. The business unit has in 2015/16 signed a contract for development of a 2.4 GHz based communication system for a Chinese customer. In opposition to DECT, 2.4 GHz can be used all over the world, and this will enable Business Communications to supply communication solutions to new geographical areas, where the use of DECT based solutions are not possible. RTX has decided to invest in the development of a new product series complementing the business unit's existing communication solutions. The target group for this series is the existing customers.

## DESIGN SERVICES

An audio codec is software that converts and codes sound into a digital signal, which is transmitted wirelessly. The signal can then be decoded and played again. Since 2015 RTX has worked on the development of our own codec, as this will complement RTX's existing technological offerings for our audio customers. During the financial year, Design Services also completed an innovation project within one of RTX's core technological areas. The innovation project is expected to attract a new customer group to

the business unit in the coming year. In 2015/16, the business unit started a cooperation with a new exiting customer, which we expect will further development RTX's potential within combination solutions of wireless technologies.

During the 2015/16 financial year, own account expensed development and maintenance costs impacted the income statement by DKK 27.0 million compared to DKK 23.2 million the previous year. Development costs thus increased by DKK 3.8 million. In 2015/16, RTX saw increasing demand for customised solutions, and the customer financed development has increased significantly. As illustrated in note 4, revenue from customer financed development projects have increased by DKK 24.7 million equivalent to an increase of 37% compared to 2014/15.

During the year, amortisation was made on the development asset corresponding to DKK 2.1 million.

In the balance sheet, development projects at our own account were booked at a value of DKK 2.6 million in 2015/16. The equivalent value was DKK 3.7 million for the previous year.

Development costs incurred are expected to contribute positively to future revenue.



# STATUTORY REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR)

RTX strives to act responsibly towards all the Group's stakeholders and this is a core value that is reflected in both the preparation and implementation of strategic objectives and action plans. A summary of RTX's activities in 2015/16 is given below.

## HUMAN AND EMPLOYER RIGHTS

Talented and motivated employees are essential to a knowledge-based company like RTX in order to be successful. Consequently, RTX puts significant value on a healthy mental and physical working environment and conducts regular employee satisfaction surveys. In general the surveys confirm that the employees in RTX are very engaged and motivated. Management aims to constantly develop RTX so as to ensure RTX remains an attractive place to work.

During the financial year 2015/16, RTX implemented significant changes in our supply chain. Our supplier code of conduct ("Code of Conduct") is an important tool in our selection and evaluation of suppliers. More than 75% of our current suppliers of produced goods have signed our Code of Conduct or have affirmed that they support and have adopted the UN global Compact. Our target is that the remaining suppliers will sign the Code of Conduct or affirm that they support or have adopted the UN global Compact in 2017.

## ENVIRONMENT

On an ongoing basis, RTX implements energy-saving activities, and RTX cooperates and requests from our suppliers that they reduce their material consumption and reduce the environmental impact in the production processes.

RTX also cooperates with a number of our customers to develop more efficient and energy-saving radio technologies.

## ANTI-CORRUPTION

RTX dissociates itself from all forms of corruption, including extortion and bribery. This is why, in 2013, RTX launched a whistleblower scheme and policy to emphasize to employees that RTX wishes to be an open and reliable company, and that the executive management encourages the reporting of any serious and sensitive matters in relation to the any breach of the company's business ethics or relevant legislation.

## OBJECTIVE FOR THE UNDER-REPRESENTED GENDER

RTX's staff policy aims to attract and retain highly qualified and motivated

employees. As regards employment and recruitment, the aim is to have male and female candidates despite the fact that the company operates in a male-dominated working environment.

For the executive management the aim is that by 2017 females should constitute at least 17% of the board members elected by the Annual General Meeting. For other management RTX encourages female candidates to apply in order to ensure a pipeline of future female candidates for management positions in RTX.

## RESPONSIBILITY TO THE SOCIETY

In 2015/16 RTX adopted a tax policy. The policy states that RTX wishes to be a responsible tax payer contributing to our community. Besides supporting local cultural and sport activities in 2015/16 RTX also sponsored Team Rynkeby (a child cancer fund) with a gold sponsorship.

The company's website contains a full Communication On Progress (COP) report: [http://www.rtx.dk/CoP\\_reporting](http://www.rtx.dk/CoP_reporting).

# OUTLOOK FOR 2016/17

As with the 2015/16 financial year, RTX expects that for the year ahead, focus will remain on execution combined with the development of new business opportunities. The most important focus areas will be to strengthen RTX's profile as a technology-based growth company while retaining focus on sustained and profitable growth within RTX's core competencies. This will be based on highly qualified employees and loyal customers who require unique wireless services and products.

During 2015/16, the business unit Business Communications launched new products and entered into new development contracts for new products which will be launched in 2016/17 and will address new customers, vertical markets and geographical markets.

At the same time Business Communications will launch a new product series complementing the existing product portfolio, which will generate

increased revenue to existing customers. We therefore expect growth to continue based on a broader product platform and new customer contracts.

Also in the business unit Design Services we expect revenue to grow in 2016/17. Growth forecasts are based on RTX's increasing range of wireless technology variants combined with recent years' growth in the customer base. At the same time, the customer base is reflecting a general willingness to invest in new technology platforms and product development, which is of benefit to RTX.

On this basis, Management expects a turnover of between DKK 420-435 million, earnings (EBIT) of between DKK 68-75 million and EBITDA of between DKK 73-80 million for the 2016/17 financial year.

The above forecasts are based on the assumption that the exchange rates

will continue at a relatively unchanged level compared to the current rates in October 2016.

In the next phase of the implementation of our strategy, focus will be on identifying further growth potential for RTX. This is expected to be in the form of new technology areas, which not only support the current domains, but also new domain areas where RTX's technology can add value for customers and users. At the same time, RTX will ensure that the new opportunities make a positive contribution to earnings and growth so that in the long-term, the company can continue to offer an attractive return to shareholders while providing employees with good development potential. RTX's aim is for the EBITDA margin in the next 3 years' period will be at least 16%. The EBITDA margin was in 2015/16 realised at 17.7% (2014/15: corrected for sale of the premises it was 15.7%).

# STATUTORY REPORT ON CORPORATE GOVERNANCE

The Supervisory Board and Executive Board of RTX A/S strive to ensure that the Group's management structure and control systems are appropriate and function satisfactorily.

Management regularly assesses – at least once a year – whether this is the case. The basis on which Management's tasks are organised includes the Danish Companies Act, the Danish Financial Statements Act, the Securities Trading Act, Nasdaq Copenhagen's rules and recommendations for the issuers of shares, the company's Articles of Association and best practice for companies of the same size and with the same international scope as RTX.

On this basis, a number of internal procedures have been developed, which are regularly maintained and are designed to ensure the pro-active, secure and profitable management of the Group. RTX A/S has prepared a statutory report on Corporate Governance, c.f. Article 107b of the Danish Financial Statements Act, for the 2015/16 financial year and published this on the Group's website [www.rtx.dk/corporate-governance](http://www.rtx.dk/corporate-governance).

The statutory report is divided into three sections:

1. A report on RTX's work with Recommendations on Corporate Governance. The relevant recommendations for corporate governance 2013, updated in May 2014, are based on the "adopt or explain principle". The Supervisory Board's view is that the management of RTX complies with the Corporate Governance recommendations.
2. A description of the main elements in RTX's internal control and risk management system in relation to financial reporting.
3. A description of the composition of RTX's management bodies, committees and function.

# SHAREHOLDER INFORMATION

## CAPITAL POSITION

As at 30 September 2016, RTX's share capital had a nominal value of DKK 47,164,190 comprising 9,432,838 shares at DKK 5. All shares carry the same rights and they are not divided into classes. The following shareholders hold shares, which either carry at least 5% of the share capital's voting rights or whose nominal value amounts to at least 5% of the share capital:

OWNERSHIP	2015/16	2014/15
Jens Hansen	8.75%	9.04%
Jens Toftgaard Petersen	7.22%	7.46%
FI stock pick and related FI stock pick II acc	7.79%	9.90%
RTX A/S	5.89%	5.19%

## DEVELOPMENT IN THE SHARE CAPITAL AND TREASURY SHARES

RTX's holding of treasury shares amounted to 474,375 shares corresponding to 5.19% of issued shares at 1 October 2015. On 26 January 2016, the Annual General Meeting authorised the Supervisory Board to acquire treasury shares for up to DKK 35 million. The purchase of the share buy-back was partly an adjustment to the company's capital structure and partly to cover share-based remuneration programmes. The RTX Supervisory Board used its authorisation to purchase treasury shares and the share buy-back took place over several periods during the 2015/16 financial year (c.f. company announcements 50/2015, 69/2015, 06/2016, 31/2016 and 59/2016) and was undertaken according to the so-called Safe Harbour method, which protects listed compa-

nies' Supervisory Boards and Executive Boards against any violation of insider legislation in relation to share buy-backs. During the year, RTX acquired 301,966 treasury shares. In accordance with company announcement 16/2016 dated 29 February 2016, the Extraordinary General Meeting the same day decided to reduce the company's share capital by annulment of 221,000 treasury shares. On 24 April 2016 this capital reduction was effected. As per 30 September 2016 the holding amounted to 555,341 shares corresponding to a market value of DKK 62.8 million.

As published in the company announcements nos. 04/2014, 08/2015 and 66/2015 RTX A/S issued warrants whereby the recipients of the warrants could purchase shares at a nominal value of DKK 5 per share in the company. The warrants may be exercised

in each four week period following the Company's publication of its interim and annual reports until 31 December 2017. During the 2015/16 financial year, the exercise of the warrants resulted in three increases in the share capital (c.f. company announcements nos. 08/2016, 32/2016 and 58/2016) of 516,500 shares.

## RULES CONCERNING CHANGES TO THE COMPANY'S ARTICLES OF ASSOCIATION

In accordance with the Danish Companies Act Sections 106 and 107, RTX's Articles of Association can be changed by a resolution at the Annual General Meeting. Resolutions concerning amendments to the Articles of Association are only valid if they are approved by at least two-thirds of both the votes cast and of the share capital represented at the Annual General Meeting.

## NUMBER OF SHARES

Issued shares 30 September 2015	9,137,338
Treasury shares 30 September 2015	474,375
Treasury shares percentage of issued shares 30 September 2015	5.19%
Share buy-back 1 October 2015 up to and including 19 November 2015	19,500
Share buy-back 26 November 2015 up to and including 21 January 2016	32,181
Capital increase 1 February 2016	361,000
Share buy-back 27 January 2016 up to and including 4 May 2016	123,352
Capital reduction 15 April 2016	-221,000
Capital increase 13 May 2016	96,000
Share buy-back 11 May 2016 up to and including 18 August 2016	99,189
Capital increase 26 August 2016	59,500
Share buy-back 26 August 2016 up to and including 30 September 2016	27,744
Issued shares 30 September 2016	9,432,838
Treasury shares 30 September 2016	555,341
Treasury shares percentage of issued shares 30 September 2016	5.89%

A resolution to amend the Articles of Association whereby the shareholders' liabilities to the company are increased is only valid if it is adopted by all shareholders. A resolution to amend the Articles of Association with regard to the shareholders' right to receive dividend, share transferability, share redemption, the exercise of voting rights and unequal splitting etc. requires the acceptance of at least 90% of both the votes cast as well as the share capital represented at the Annual General Meeting.

#### RULES CONCERNING APPOINTMENTS AND CHANGES TO THE SUPERVISORY BOARD

All board members elected at the Annual General Meeting are elected for one year at a time and may be re-elected until the year in which they reach 70. All employee representatives are elected for four years at a time in accordance with current Danish legis-

lation. The election of employee representatives to the Supervisory Board is through secret ballot and direct voting. The next election takes place in 2019. The employee representatives have the same rights, obligations and responsibilities as the members elected at the Annual General Meeting.

#### INFORMATION TO THE STOCK EXCHANGE

The company's shares have been listed on Nasdaq Copenhagen A/S since June 2000 (ISIN DK0010267129). The closing price was DKK 113.0 per share and the share price has thus risen by 29.9% compared to the closing price of DKK 87.0 per share on the same day last year. In the financial year 2015/16, the highest and lowest closing prices were DKK 126.0 and DKK 67.5 per share. The market value of the company's shares at 30 September 2016 amounted to DKK 1,066 million compared to DKK 795 million at 30 September 2015.

#### DIVIDEND AND CAPITAL STRUCTURE

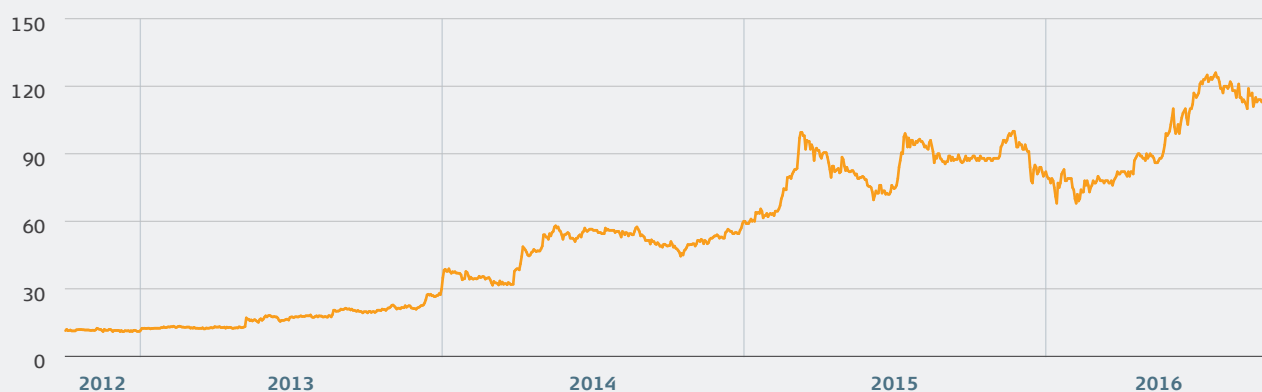
Based on the positive performance in 2015/16, RTX's strong capital structure and Management's future outlook, we will recommend to the Annual General Meeting that a dividend of DKK 2.00 per share be paid out.

In addition, the Supervisory Board will recommend to the Annual General Meeting in January 2017 that authorisation be given to acquire treasury shares of up to DKK 60.0 million in the period until the company's Annual General Meeting in January 2018. The Supervisory Board will also recommend to the Annual General Meeting in January 2017 that the company's share capital be decreased by an amount corresponding to 290,000 shares.

The RTX Supervisory Board wishes to return as much of the annual profits after tax to shareholders as can be

#### RTX SHARE DEVELOPMENT FROM 1 OCTOBER 2012 TO 30 SEPTEMBER 2016

SHARE VALUE DEVELOPMENT IN DKK





justified by the profits, the capital structure desired by the Supervisory Board and RTX's future outlook.

### INSIDER RULES

The Executive Board, the Supervisory Board and senior executives as well as their related parties are obliged to inform the company about their transactions with the Company's shares for the purpose of subsequent reporting to Nasdaq Copenhagen A/S. In its internal rules, the company has chosen to operate with an insider list comprising individuals who, through their relationship to the company, may possess internal and share price sensitive insight into the Group's situation. Individuals included on the insider list are only allowed to trade in the company's shares for a period of four weeks after publication of the company's interim and annual reports.

### IR POLICY AND INVESTOR INFORMATION

RTX pursues an open dialogue with its shareholders and wishes to keep them regularly updated on the company's development through participation in small and mid cap seminars etc. RTX's objective is to ensure a level of information to Stock Market players so as to provide a basis for fair pricing of the company's shares – pricing that always reflects the Group's strategy, financial ability and future outlook. The information flow should contribute to reducing the company-specific risks associated with investing in the company's shares so that the Group's capital costs can be reduced as much as possible.

It is RTX's policy for the Executive Board not to participate in meetings with investors and analysts or make

statements to the media for a period of three weeks prior to the issue of financial reports. The Group also uses its website [www.rtx.dk](http://www.rtx.dk) as a communications tool with the Stock Market. The website contains further information about the Group and its business areas.

### MARKET MAKER AGREEMENT

RTX has signed a market maker agreement with Danske Bank who will act as market maker for RTX's shares on Nasdaq Copenhagen A/S. Danske Bank will continually provide both a buying and a sales price on RTX's share. The purpose of the agreement is to improve the liquidity of RTX's share on Nasdaq Copenhagen A/S in order to facilitate a transparent price.

The conditions in the market maker agreement are:

- Buying and selling prices are made with a maximum spread of 4%.
- The price is made for a minimum of 1,000 shares.

Danske Bank may deviate from the above if changes in economic, financial or political conditions occur that can significantly impede the fulfillment of the obligations.

### OTHER INFORMATION IN RELATION TO THE DANISH FINANCIAL STATEMENTS ACT SECTION 107A

RTX has entered into certain development and sales contracts that cannot be renegotiated should control of the Group changes. Changes to these agreements are not considered to have a significant impact on the Group's situation.

### FINANCIAL CALENDAR

26 January 2017  
Annual General Meeting

26 January 2017  
Interim report Q1 2016/17

2 May 2017  
Interim report Q2 2016/17

29 August 2017  
Interim report Q3 2016/17

28 November 2017  
Annual report 2016/17

### COMPANY

#### RTX A/S

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E-mail [info@rtx.dk](mailto:info@rtx.dk)  
Website [www.rtx.dk](http://www.rtx.dk)

### COMPANY AUDITOR

#### Deloitte

State Authorised  
Public Accounting Company

### ANNUAL GENERAL MEETING

The Annual General Meeting is held on Thursday, 26 January 2017 at 3pm at the company's premises Stroemmen 6, 9400 Noerresundby, Denmark.

# SUPERVISORY BOARD AND MANAGEMENT



## 1 PETER THOSTRUP

Chairman

### Education

M.Sc. in Economics and Finance 1987. MBA 1986.

### Title

CEO at firm LIVING.

### Other directorships

Member of the Supervisory Board of Bach Composite Industry A/S and Resources ApS.

## 2 JESPER MAILIND

Deputy chairman

### Education

HGraduate Diploma in Business Administration 1982. MBA 1984.

### Title

CEO of ALECTIA A/S.

### Other directorships

Member of the Supervisory Boards of Sonion A/S and Etac AB.

## 3 KATRIN CALDERÓN

### Education

M.Sc. in Business Administration and Economics.

### Title

Director Device Supply Chain Asia, Telenor Group.

## 4 JENS HANSEN

### Education

M.Sc. in Electrical Engineering 1984.

### Title

Vice President, Strategic Technology, RTX A/S.

### Other directorships

CEO of JH Venture ApS. Chairman of the Supervisory Board of Futarque A/S.

## 5 THOMAS SIEBER

### Education

Lic oec. HSC.

### Other directorships

Chairman of the Supervisory Board of Axpo Holding AG. Member of the Supervisory Boards of Sierra Wireless Inc., HCL Technologies and Garaio AG.

## 6 RUNE STRØM JENSEN

### Education

M.Sc. in Engineering 2004.

### Title

Software Team Lead in RTX A/S.

## 7 KURT HEICK RASMUSSEN

### Education

B.Sc. in Engineering 2000, Graduate Diploma in Business Administration 2009.

### Title

Program Manager in RTX A/S.

## 8 FLEMMING VENDBJERG

### ANDERSEN

### Education

M.Sc. in Electrical Engineering 1999, Graduate Diploma in Business Administration 2008.

### Title

Program Manager in RTX A/S.

**PETER RØPKE**

CEO

**Education**

M.Sc. Electrical, Electronics and Communications Engineering  
1992

**Other directorships**

Member of the Supervisory Board of DEIF A/S and DHI.

**JACOB VITTRUP**

CFO

**Education**

Master of Science in Economics and Management 1998

**SUPERVISORY BOARD IN RTX**

Name	Born	Natio- nality	Elected – first time	Position	Dependent/ Independent	Shares in RTX 30.09.2016
Peter Thostrup	1960	Danish	2009*	Chairman of the Supervisory board	Independent	1,275
Jesper Maillind	1956	Danish	2009 and again in 2013*	Deputy chairman of the Supervisory board	Dependent	2,256
Katrin Calderon	1968	Swedish	2014*	Member of the Supervisory board	Independent	0
Jens Hansen	1958	Danish	1994*	Member of the Supervisory board	Dependent	825,625
Thomas Sieber	1962	Schweiz	2014*	Member of the Supervisory board	Independent	0
Rune Strøm Jensen	1979	Danish	2011**	Member of the Supervisory board (elected by the employees)		4,254
Kurt Heick Rasmussen	1974	Danish	2015**	Member of the Supervisory board (elected by the employees)		972
Flemming Vendbjerg Andersen	1973	Danish	2015**	Member of the Supervisory board (elected by the employees)		2,000

\* Term of office expires January 2017

\*\* Term of office expires Januar 2019

**MANAGEMENT IN RTX**

Name	Born	Natio- nality	Employed since	Title	Shares in RTX 30.09.2016	Granted RSU'er	Granted Matching shares
Peter Røpke	1966	Danish	2016	CEO	8,895	-	13,343
Jacob Vittrup	1971	Danish	2010	CFO	2,876	33,068	-

# STATEMENT BY MANAGEMENT ON THE ANNUAL REPORT

The Board of Directors and the Executive Board have today considered and approved the annual report of RTX A/S for the financial year 1 October 2015 - 30 September 2016.

The annual report is prepared in accordance with International Financial Reporting Standards as adopted by the EU and Danish disclosure requirements for listed companies.

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 30 September 2016 and of the results of their operations and cash flows for the financial year 1 October 2015 - 30 September 2016.

In our opinion, the management commentary contains a fair review of the development of the Group's and the

Parent's business and financial matters, the results for the year and of the Parent's financial position and the financial position as a whole of the entities included in the consolidated financial statements, together with a description of the principal risks and uncertainties that the Group and the Parent face.

We recommend the annual report for adoption at the Annual General Meeting.

Noerresundby, 29 November 2016

## Executive Board

Peter Røpke  
*President and CEO*

Jacob Vittrup  
*CFO*

## Supervisory Board

Peter Thostrup  
*Chairman of the Board*

Jesper Mailind  
*Deputy Chairman*

Katrin Calderón

Thomas Sieber

Jens Hansen

Rune Strøm Jensen  
*Employee Representative*

Flemming Vendbjerg Andersen  
*Employee Representative*

Kurt Heick Rasmussen  
*Employee Representative*

# INDEPENDENT AUDITOR'S REPORT

## To the shareholders of RTX A/S Report on the consolidated financial statements and parent financial statements

We have audited the consolidated financial statements and parent financial statements of RTX A/S for the financial year 1 October 2015 - 30 September 2016, which comprise the income statement, statement of comprehensive income, balance sheet, statement of changes in equity, cash flow statement and notes, including the accounting policies, for the Group as well as for the Parent. The consolidated financial statements and parent financial statements are prepared in accordance with International Financial Reporting Standards as adopted by the EU and Danish disclosure requirements for listed companies.

### Management's responsibility for the consolidated financial statements and parent financial statements

Management is responsible for the preparation of consolidated financial statements and parent financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the EU and Danish disclosure requirements for listed companies and for such internal control as Management determines is necessary to enable the preparation and fair presentation of consolidated financial statements and parent financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's responsibility

Our responsibility is to express an opinion on the consolidated financial statements and parent financial statements based on our audit. We con-

ducted our audit in accordance with International Standards on Auditing and additional requirements under Danish audit regulation. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements and parent financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements and parent financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatements of the consolidated financial statements and parent financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of consolidated financial statements and parent financial statements that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as the overall presentation of the consolidated financial statements and parent financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Our audit has not resulted in any qualification.

### Opinion

In our opinion, the consolidated financial statements and parent financial statements give a true and fair view of the Group's and the Parent's financial position at 30.09.2016, and of the results of their operations and cash flows for the financial year 01.10.2015 - 30.09.2016 in accordance with International Financial Reporting Standards as adopted by the EU and Danish disclosure requirements for listed companies.

### Statement on the Management commentary

Pursuant to the Danish Financial Statements Act, we have read the management commentary. We have not performed any further procedures in addition to the audit of the consolidated financial statements and parent financial statements.

Based on the above, it is our opinion that the information provided in the management commentary is consistent with the consolidated financial statements and parent financial statements.

Nørresundby, 29 November 2016

### Deloitte

State Authorised Public Accounting Company  
CVR DK 33 96 35 56

Bill Haudal Pedersen  
*State Authorised Public Accountant*

Lars Birner Sørensen  
*State Authorised Public Accountant*

# FINANCIAL STATEMENTS

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## INCOME STATEMENT 2015/16

Amounts in DKK '000	Note	GROUP		PARENT	
		2015/16	2014/15	2015/16	2014/15
<b>Revenue</b>	<b>3,4</b>	<b>395,555</b>	<b>349,502</b>	<b>395,428</b>	<b>349,386</b>
Value of work transferred to assets	7	985	2,685	985	2,685
Cost of sales	5	-166,155	-153,266	-164,121	-152,410
Other external expenses	7,8	-43,027	-33,584	-71,369	-59,115
Staff costs	6,7	-117,376	-106,299	-93,022	-83,608
Depreciation, amortization and impairment	12,13	-4,217	-6,746	-4,104	-6,424
<b>Operating profit/loss (EBIT)</b>		<b>65,765</b>	<b>52,292</b>	<b>63,797</b>	<b>50,514</b>
Financial income	9	3,308	2,221	8,030	2,342
Financial expenses	9	-593	-1,557	-960	-2,016
<b>Profit/loss before tax</b>		<b>68,480</b>	<b>52,956</b>	<b>70,867</b>	<b>50,840</b>
Tax on profit/loss	10	-18,980	-4,055	-18,434	-3,689
<b>Profit/loss for the year</b>		<b>49,500</b>	<b>48,901</b>	<b>52,433</b>	<b>47,151</b>
<b>Proposed distribution of profit/loss</b>					
Retained earnings				34,678	29,825
Proposed dividend				17,755	17,326
				<b>52,433</b>	<b>47,151</b>
<b>Earnings per share</b>					
Earnings per share (DKK)	11	5.6	5.7		
Earnings per share, diluted (DKK)	11	5.5	5.4		
<b>Distribution of profit/loss</b>					
Shareholders of the parent		49,500	48,901		
		<b>49,500</b>	<b>48,901</b>		

# STATEMENT OF COMPREHENSIVE INCOME

## 2015/16

Amounts in DKK '000	GROUP		PARENT	
	2015/16	2014/15	2015/16	2014/15
<b>Profit/loss for the year</b>	<b>49,500</b>	<b>48,901</b>	<b>52,433</b>	<b>47,151</b>
Items that can be reclassified subsequently to the income statement				
Exchange rate adjustments of foreign subsidiaries	59	3,236	-	-
Fair value adjustment of short-term current asset investments	422	-490	422	-490
<b>Other comprehensive income, net of tax</b>	<b>481</b>	<b>2,746</b>	<b>422</b>	<b>-490</b>
<b>Comprehensive income for the year</b>	<b>49,981</b>	<b>51,647</b>	<b>52,855</b>	<b>46,661</b>
<b>Attributable to:</b>				
Shareholders of the parent	49,981	51,647		
	<b>49,981</b>	<b>51,647</b>		



# BALANCE SHEET 30 SEPTEMBER 2016

## – ASSETS

Amounts in DKK '000	Note	GROUP		PARENT	
		2015/16	2014/15	2015/16	2014/15
Own completed development projects	12	1,567	3,681	1,567	3,681
Own development projects in progress	12	985	-	985	-
Goodwill	12	7,797	7,797	-	-
<b>Total intangible assets</b>		<b>10,349</b>	<b>11,478</b>	<b>2,552</b>	<b>3,681</b>
Plant and machinery	13	4,736	2,008	4,736	2,008
Other fixtures, tools and equipment	13	1,843	1,727	1,153	1,634
Leasehold improvements	13	855	53	804	-
<b>Total tangible assets</b>		<b>7,434</b>	<b>3,788</b>	<b>6,693</b>	<b>3,642</b>
Investments in subsidiaries	15	-	-	30,553	30,553
Deposits	16	7,723	560	7,125	-
Deferred tax assets	10	22,097	36,900	21,527	36,245
<b>Other long-term assets</b>		<b>29,820</b>	<b>37,460</b>	<b>59,205</b>	<b>66,798</b>
<b>Total long-term assets</b>		<b>47,603</b>	<b>52,726</b>	<b>68,450</b>	<b>74,121</b>
<b>Inventories</b>	<b>17</b>	<b>20,632</b>	<b>24,377</b>	<b>20,632</b>	<b>24,377</b>
Trade receivables	18	63,709	45,399	63,706	45,399
Contract development projects in progress	19	14,074	9,088	14,074	9,088
Income taxes	10	-	134	-	-
Other receivables		2,874	1,493	2,280	1,195
Accruals		4,056	1,452	4,056	1,452
<b>Receivables</b>	<b>29</b>	<b>84,713</b>	<b>57,566</b>	<b>84,116</b>	<b>57,134</b>
Short-term current asset investments	20	18,258	34,188	18,258	34,188
Short-term current asset investments in the trading portfolio	20	89,401	39,630	89,401	39,630
<b>Total short-term current asset investments</b>	<b>20</b>	<b>107,659</b>	<b>73,818</b>	<b>107,659</b>	<b>73,818</b>
<b>Cash at bank and in hand</b>		<b>94,809</b>	<b>63,090</b>	<b>89,988</b>	<b>60,041</b>
<b>Assets held for sale</b>	<b>14</b>	<b>-</b>	<b>71,528</b>	<b>-</b>	<b>71,528</b>
<b>Total short-term assets</b>		<b>307,813</b>	<b>290,379</b>	<b>302,395</b>	<b>286,898</b>
<b>Total assets</b>		<b>355,416</b>	<b>343,105</b>	<b>370,845</b>	<b>361,019</b>

# BALANCE SHEET 30 SEPTEMBER 2016

## - EQUITY AND LIABILITIES

Amounts in DKK '000	Note	GROUP		PARENT	
		2015/16	2014/15	2015/16	2014/15
Share capital	21	47,164	45,687	47,164	45,687
Share premium account		288,598	296,090	288,598	296,090
Retained earnings		-55,199	-75,871	-60,024	-83,570
<b>Equity</b>		<b>280,563</b>	<b>265,906</b>	<b>275,738</b>	<b>258,207</b>
Provisions	23	261	395	261	395
<b>Long-term liabilities</b>		<b>261</b>	<b>395</b>	<b>261</b>	<b>395</b>
Prepayments received from customers		801	-	801	-
Trade payables		37,157	26,178	37,153	26,163
Contract development projects in progress	19	4,710	2,513	4,710	2,513
Payables to subsidiaries	15	-	-	25,636	30,997
Income taxes	10	4,354	2,123	3,867	2,123
Provisions	23	3,476	3,911	3,476	3,911
Other payables	24	24,094	29,686	19,203	24,317
<b>Short-term liabilities</b>		<b>74,592</b>	<b>64,411</b>	<b>94,846</b>	<b>90,024</b>
<b>Liabilities associated with assets held for sale</b>	<b>14</b>	<b>-</b>	<b>12,393</b>	<b>-</b>	<b>12,393</b>
<b>Total liabilities</b>		<b>74,853</b>	<b>77,199</b>	<b>95,107</b>	<b>102,812</b>
<b>Total equity and liabilities</b>		<b>355,416</b>	<b>343,105</b>	<b>370,845</b>	<b>361,019</b>

## EQUITY STATEMENT FOR THE GROUP

Amounts in DKK '000	Share capital	Share premium	Retained earnings	Total
<b>Equity at 30 September 2014</b>	<b>44,374</b>	<b>294,230</b>	<b>-111,039</b>	<b>227,565</b>
Profit/loss for the year	-	-	48,901	48,901
Exchange rate adjustments of foreign subsidiaries	-	-	3,236	3,236
Fair value adjustment of short-term current asset investment	-	-	-490	-490
<b>Other comprehensive income, net of tax</b>	<b>-</b>	<b>-</b>	<b>2,746</b>	<b>2,746</b>
<b>Comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>51,647</b>	<b>51,647</b>
Share-based remuneration	-	-	3,085	3,085
Exercise of warrants	1,313	1,860	-	3,173
Paid dividend for 2013/14	-	-	-8,486	-8,486
Acquisition of treasury shares	-	-	-11,078	-11,078
<b>Other transactions</b>	<b>1,313</b>	<b>1,860</b>	<b>-16,479</b>	<b>-13,306</b>
<b>Equity at 30 September 2015</b>	<b>45,687</b>	<b>296,090</b>	<b>-75,871</b>	<b>265,906</b>
Profit/loss for the year	-	-	49,500	49,500
Exchange rate adjustments of foreign subsidiaries	-	-	59	59
Fair value adjustment of short-term current asset investment	-	-	422	422
<b>Other comprehensive income, net of tax</b>	<b>-</b>	<b>-</b>	<b>481</b>	<b>481</b>
<b>Comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>49,981</b>	<b>49,981</b>
Share-based remuneration	-	-	3,757	3,757
Exercise of warrants	2,582	3,289	-	5,871
Annulment of treasury shares	-1,105	-10,781	11,876	-10
Paid dividend for 2014/15	-	-	-17,207	-17,207
Acquisition of treasury shares	-	-	-27,735	-27,735
<b>Other transactions</b>	<b>1,477</b>	<b>-7,492</b>	<b>-29,309</b>	<b>-35,324</b>
<b>Equity at 30 September 2016</b>	<b>47,164</b>	<b>288,598</b>	<b>-55,199</b>	<b>280,563</b>

## EQUITY STATEMENT FOR THE PARENT

Amounts in DKK '000	Share capital	Share premium	Retained earnings	Total
<b>Equity at 30 September 2014</b>	<b>44,374</b>	<b>294,230</b>	<b>-113,752</b>	<b>224,852</b>
Profit/loss for the year	-	-	47,151	47,151
Fair value adjustment of short-term current asset investments	-	-	-490	-490
<b>Other comprehensive income, net of tax</b>	<b>-</b>	<b>-</b>	<b>-490</b>	<b>-490</b>
<b>Comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>46,661</b>	<b>46,661</b>
Share-based remuneration	-	-	3,085	3,085
Exercise of warrants	1,313	1,860	-	3,173
Paid dividend for 2013/14	-	-	-8,486	-8,486
Acquisition of treasury shares	-	-	-11,078	-11,078
<b>Other transactions</b>	<b>1,313</b>	<b>1,860</b>	<b>-16,479</b>	<b>-13,306</b>
<b>Equity at 30 September 2015</b>	<b>45,687</b>	<b>296,090</b>	<b>-83,570</b>	<b>258,207</b>
Profit/loss for the year	-	-	52,433	52,433
Fair value adjustment of short-term current asset investments	-	-	422	422
<b>Other comprehensive income, net of tax</b>	<b>-</b>	<b>-</b>	<b>422</b>	<b>422</b>
<b>Comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>52,855</b>	<b>52,855</b>
Share-based remuneration	-	-	3,757	3,757
Exercise of warrants	2,582	3,289	-	5,871
Annulment of treasury shares	-1,105	-10,781	11,876	-10
Paid dividend for 2014/15	-	-	-17,207	-17,207
Acquisition of treasury shares	-	-	-27,735	-27,735
<b>Other transactions</b>	<b>1,477</b>	<b>-7,492</b>	<b>-29,309</b>	<b>-35,324</b>
<b>Equity at 30 September 2016</b>	<b>47,164</b>	<b>288,598</b>	<b>-60,024</b>	<b>275,738</b>

The share capital of DKK 47,164,190 consists of 9,432,838 shares of DKK 5.

The Group holds 555,341 treasury shares at 30 September 2016 (474,375 shares at 30 September 2015).

There are no shares with special rights.

## CASH FLOW STATEMENT 2015/16

Amounts in DKK '000	Note	GROUP		PARENT	
		2015/16	2014/15	2015/16	2014/15
Operating profit/loss (EBIT)		65,765	52,292	63,797	50,514
Reversal of items with no effects on cash flow					
Depreciation, amortization and impairment		4,217	6,746	4,104	6,424
Other items with no effects on cash flow	26	-3,617	8,112	-3,114	4,383
Exchange rate corrections on cash		3,844	765	3,841	774
Change in working capital					
Change in inventories		2,492	-14,779	2,492	-14,779
Change in receivables		-27,281	789	-26,982	949
Change in trade payables, etc.		13,176	-1,085	7,826	5,797
<b>Cash flow from operating activities</b>		<b>58,596</b>	<b>52,840</b>	<b>51,964</b>	<b>54,062</b>
Financial income received	9	853	828	853	828
Financial expenses paid	9	-421	-525	-867	-984
Income taxes paid	10	-1,814	64	-1,975	1,250
<b>Cash flow from operations</b>		<b>57,214</b>	<b>53,207</b>	<b>49,975</b>	<b>55,156</b>
Investments in own development projects		-985	-2,685	-985	-2,685
Acquisition of property, plant and equipment		-5,765	-3,073	-5,056	-2,970
Deposits on leaseholds		-7,161	-116	-7,125	-
Refund of deposits on leaseholds		-1,531	-	-1,531	-
Proceeds from the sale of building		71,308	-	71,308	-
Acquisition and sale of short-term securities		-31,427	-40,661	-31,427	-40,661
Proceeds from subsidiaries		-	-	4,722	-
<b>Cash flow from investments</b>		<b>24,439</b>	<b>-46,535</b>	<b>29,906</b>	<b>-46,316</b>
Repayment of long-term liabilities		-10,863	-1,293	-10,863	-1,293
Income from capital increase		5,871	3,173	5,871	3,173
Acquisition of treasury shares		-27,735	-11,078	-27,735	-11,078
Paid dividend		-17,207	-8,486	-17,207	-8,486
<b>Cash flow from financing activities</b>		<b>-49,934</b>	<b>-17,684</b>	<b>-49,934</b>	<b>-17,684</b>
Increase/decrease in cash and cash equivalents		31,719	-11,012	29,947	-8,844
Cash and cash equivalents at 1 October, net		63,090	74,102	60,041	68,885
<b>Cash and cash equivalents at 30 September, net</b>		<b>94,809</b>	<b>63,090</b>	<b>89,988</b>	<b>60,041</b>
Cash and cash equivalents at 30 September, net are composed as follows:					
Cash at bank and in hand		94,809	63,090	89,988	60,041
Bank debt		-	-	-	-
<b>Cash and cash equivalents at 30 September, net</b>		<b>94,809</b>	<b>63,090</b>	<b>89,988</b>	<b>60,041</b>

# NOTES

## RATIO DEFINITIONS AND CALCULATION FORMULAE

Earnings per Share (EPS) and Diluted Earnings per Share (DEPS) are calculated in accordance with IAS 33.

The other ratios have been calculated in accordance with "Recommendations & Financial Ratios 2015" issued by the Danish Society of Financial Analysts, unless otherwise indicated.

Operating profit/loss <sup>1)</sup>	Profit/loss before financial income and expenses
Growth in net turnover <sup>1) 2)</sup>	(Net turnover in year n - net turnover in year n - 1) * 100 / Net turnover in year n - 1
Profit margin <sup>1)</sup>	Operating profit/loss * 100 / Net turnover
Return on invested capital (ROIC including goodwill) <sup>1)</sup>	Operating profit/loss before amortization (EBITA) * 100 / Average invested capital including goodwill
Return on equity	Profit/loss from ordinary activities after tax and minority interests * 100 / Average equity
Equity ratio <sup>2)</sup>	Equity at year-end * 100 / Total assets at year-end
Earnings per share (EPS)	Profit/loss from ordinary activities after tax and minority interests / Average number of shares in circulation each at a nominal value of DKK 5
Diluted earnings per share (DEPS)	Profit/loss from ordinary activities after tax and minority interests / Average number of diluted shares each at a nominal value of DKK 5
Cash flow from operations per share <sup>1) 2)</sup>	Cash flow from operations / Average number of shares in circulation each at a nominal value of DKK 5
Equity value per share <sup>2)</sup>	Equity excluding minority interests at year-end / Number of shares in circulation at year-end
Dividends per share	Total dividends paid / Average number of issued shares each at a nominal value of DKK 5

1) Key ratios have been calculated on the basis of items comprising the Group's continuing operations.

2) Not defined by the Danish Association of Financial Analysts.

Computation of earnings per share and diluted earnings per share is specified in note 11.



# NOTES

## 1 CHANGES IN ACCOUNTING PRINCIPLES

RTX A/S is a Danish public limited company. The annual report of RTX for 2015/16, including both the consolidated financial statements and the Parent financial statements, is presented in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and additional Danish disclosure requirements for annual reports of listed companies, with reference to the disclosure requirements of listed companies from Nasdaq Copenhagen A/S and the Danish Executive Order on IFRS Adoption issued in accordance with the Danish Financial Statements Act.

The consolidated financial statements and the separate financial statements are presented in DKK, which is the presentation currency for the Group's activities and the functional currency for the Parent company.

The annual report is based on historical cost prices, except items where IFRS require measurement at fair value. The accounting policies are consistently used through the financial year and for the comparison amounts. Accounting policy is indicated in the notes where applied and the accounting policies in general are as described in note 31.

### The effect of new standards

IASB has published a number of new standards, amendments to existing standards and interpretations not yet in force, but which will be in force for the financial year 2016/17 or later. New or amended standards are expected to be implemented at the time of the validation date. The following standards are expected to have the most significant impact on the accounting policies in the future:

IASB published IFRS 9 concerning "Financial Instruments". The standard is valid for financial years commencing 1 January 2018 or later. The standard is subject to approval by EU. Management does not expect the changed standard and its interpretation to have significant impact on RTX's annual report.

IASB published IFRS 15 concerning "Revenue from Contracts with Customers". The standard is valid for financial years commencing 1 January 2017 or later. The standard is subject to approval by EU. Management does not expect the changed standard and its interpretation to have significant impact on RTX's annual report, but Management's analysis has not been completed at the balance sheet date.

In January 2016, IASB published IFRS 16 concerning leasing. The standard is valid for

financial years commencing 1 January 2019 or later, and it significantly changes the accounting principles for leasing contracts, which are currently registered as operational leasing contracts. The standard demands all leasing contracts irrespective of type - with a few exceptions - are included in leasing holder's balance sheet as an asset with a leasing obligation. At the same time leasing holder's income statement is affected, as the annual costs for leasing will consist of two elements - depreciation and interest costs - as opposed to today, where the annual costs for operational leasing are included as a total in operating costs. RTX has not analysed the impact of the new standard, but it is expected to have some effect, as RTX in 2016 has operating leasing contracts with minimum leasing obligations at a value of approx. DKK 47.9 million corresponding to approx. 13.5% of the balance sheet total, which will potentially be included in the income statement in the future.

In preparing the consolidated and Parent Company's financial statements, Management makes various accounting assessments that form the basis of presentation, registration and measurement of the Parent Company and the Group's assets and liabilities. The most significant estimates and assessments are presented in note 2.

# NOTES

## 2 UNCERTAINTIES AND ESTIMATES

The Group's accounting policy described in note 31 requires that Management makes assessments and estimates and outlines the assumptions for the financial value of assets and liabilities that can not be concluded from other sources.

Several financial statement items cannot be measured with certainty but only be estimated. Such estimates comprise assessments made on the basis of the latest information available at the time of the financial reporting. The estimates and assumptions are currently evaluated. Changes to the accounting estimates are included in the financial period in which the changes take place, and in future financial periods in the event that the changes have effect both in the actual period and future financial periods.

### Material accounting estimates

In relation to the practical application of the accounting policies described, Management performs material accounting estimates and assessments which may have a significant impact on the annual report's assets and liabilities at the balance sheet date. Management bases its estimates on historical experiences as well as a number of assumptions which are assessed as being reasonable under the given circumstances. The result thereof forms the basis for the reported carrying amounts of assets and liabilities as well as the reported income and expenses which are not directly disclosed in other documentation. The actually realised results may deviate from these estimated recognized at the balance sheet date. The following accounting estimates are likely to be significant for the Group's and the Parent's financial report.

### Recoverable amount for goodwill

The determined impairment losses on goodwill values require an assessment of the capital values for the cash flow generating units on which the goodwill amounts are divided. An assessment of the capital values requires an estimation of the future cash flows in each cash flow generating unit as well as an estimation of a fair discount factor. The accounting value of goodwill as at 30 September 2016 is DKK 7.8 million. For a further description of the use of discount factors please refer to note 12.

### Deferred tax assets

RTX recognises deferred tax assets if it is probable that sufficient taxable income exists in future to use the temporary differences between the tax values and the carrying amounts of assets and liabilities and unused tax loss carry-forwards. Management has made a three-year estimate over the future taxable income in the Group. This estimate is included in the assessment as to whether the deferred tax assets may be recognised at the balance sheet date. Management has considered it right to include tax assets equivalent to DKK 22.1 million as per 30 September 2016 (DKK 36.9 million as per 30 September 2015). There are no tax assets, that are not included in the balance sheet.

### Development projects

Development costs are capitalised when the technical and commercial project plans have been established. In those cases where RTX has signed a contract, where RTX (fully or partially) will finance the development cost in order to win the following supply agreement on non-exclusive terms, the development project is own-financed. For these projects the contract with the customer is an important indication of the future financial benefits for RTX and thereby for the capitalisation of development costs. Following RTX's posi-

tion in the value chain (business-to-business technology supplier within niche areas) it may be difficult to estimate future financial advantages of an own-financed development project, as the market opportunities are unclear at the early stages before a customer contract is signed. Therefore, a customer contract is an important indication of future income for RTX and decisive for calculation of a development project as an asset.

The product's lifetime is estimated when activating the development costs Management assesses that the amortization period is usually three years.

In the balance sheet the development projects amount to DKK 2,6 million as at 30 September 2016 (DKK 3,7 million as at 30 September 2015).

### Estimate of recognition of contracts

Customer contracts with customer financed development giving the customer full or partial exclusivity for the product are classified as development project with customer financing recognised currently in line with the finalisation for the project.

The stage of completion is basis for the current recognition of revenue in the Company's use of the production method for contracts, and it is determined by the relation between the Company's used resources compared to latest total estimate of resources. The stages of completion are estimated on an ongoing basis by the responsible employees, and Management carefully follows the development and make adjustments of the estimates if necessary.

The value of ongoing work at others' expense amount to DKK 91.2 million in 2015/16 (DKK 66.5 million in 2014/15).

# NOTES

## 3 SEGMENT INFORMATION

The management reporting to the Supervisory Board of the parent company in RTX is based on the continued operations in the Group's segments Design Services and Business Communications. Design Services is an R&D design partner in wireless solutions and supplier of test systems. Business Communications is a supplier of advanced IP telephone solutions to the Enterprise and SME markets.

For a presentation of the events within the segments in the financial year and the development compared to 2014/15, please refer to the Management's report.

Segment information relating to business segments in the Group:

### 2015/16

Amounts in DKK '000	Design Services	Business Communications	Non-allocated	Group
Revenue to external customers	126,279	268,352	924	395,555
<b>Segment revenue</b>	<b>126,279</b>	<b>268,352</b>	<b>924</b>	<b>395,555</b>
<b>EBIT</b>	<b>13,535</b>	<b>54,844</b>	<b>-2,614</b>	<b>65,765</b>
<b>EBITDA</b>	<b>14,204</b>	<b>57,602</b>	<b>-1,824</b>	<b>69,982</b>
Segment assets	38,633	76,150	240,633	355,416
Investment in fixed assets	2,087	2,490	1,188	5,765

### 2014/15

Amounts in DKK '000	Design Services	Business Communications	Non-allocated	Group
Revenue to external customers	110,195	235,902	3,405	349,502
<b>Segment revenue</b>	<b>110,195</b>	<b>235,902</b>	<b>3,405</b>	<b>349,502</b>
<b>EBIT</b>	<b>11,344</b>	<b>42,069</b>	<b>-1,121</b>	<b>52,292</b>
<b>EBITDA</b>	<b>11,639</b>	<b>45,845</b>	<b>1,554</b>	<b>59,038</b>
Segment assets	28,241	62,544	252,320	343,105
Investment in fixed assets	940	877	1,584	3,401

Investment in fixed assets include additions of intangible and tangible assets including additions from company mergers.



### MANAGEMENT COMMENTS

In the financial year 2015/16 two customers each represent revenue higher than 10% of the total revenue. One of the customers represents 22.1% (2014/15: 26.2%), and the other customer represents 15.2% (14.7%).

Revenue non-allocated is generated from rent of offices to leaseholders outside the Group. Expenses include non-allocated types of costs.

Transactions between segments are conducted at an arm's length basis.

# NOTES

## 3 SEGMENT INFORMATION (CONTINUED)

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

Amounts in DKK '000	GROUP		PARENT	
	2015/16	2014/15	2015/16	2014/15
Denmark	4,458	10,370	4,458	10,370
France	91,991	94,021	91,991	94,021
Netherlands	79,864	67,527	79,864	67,527
Germany	59,617	51,763	59,617	51,763
Other Europe	48,293	37,133	48,293	37,133
Asia and Australia	37,736	41,758	37,609	41,642
USA	66,823	40,509	66,823	40,509
Other North and South America	1,270	2,489	1,270	2,489
Africa	5,503	3,932	5,503	3,932
<b>Total</b>	<b>395,555</b>	<b>349,502</b>	<b>395,428</b>	<b>349,386</b>



### MANAGEMENT COMMENTS

Revenue distributed to geographic area according to the customer's geographical location. As posted in the balance sheet, all significant assets in the Group is owned by the parent company in Denmark. All significant assets are thus located in Denmark.

## 4 REVENUE



### ACCOUNTING POLICIES

Net revenue from merchandise and finished products are recognised in the income statement when delivery and transfer of risk to the buyer has taken place.

Net revenue from services and ongoing development projects for others' expenses is recognised as the agreed services are delivered so that revenue corresponds to the fair value of the work performed during the year. Costs incurred and expensed when incurred.

Revenue is measured at fair value of the consideration received or receivable. The difference between fair value and nominal value of the consideration is recognized as financial income in the income statement by using the effective interest method.

Royalty is recognised as revenue on a straight-line basis in the period concerned. If the income depends on future events including the customers' sale of the products containing the technology developed by RTX, the royalty is recognised in the income statement after this event. Rent income is also recognised on a straight-line basis over the period concerned.

Revenue is calculated net of VAT, duties, etc. collected on behalf of a third party. If the outcome of a development project in progress can not be predicted with reliability, revenue is recognized equivalent to the incurred project costs in the period to the extent that it is probable that these costs will be recovered.

Costs of sales work and of securing contracts as well as financing costs are recognized in the income statement when incurred.

If an arrangement contains multiple deliverables, these are divided into separate deliveries addressed individually to the extent that they have been separately quoted, that every delivery has been separately negotiated and the customer has had the opportunity to accept or reject a single supply and the fair value of each deliverable can be measured reliably.

# NOTES

## 4 REVENUE (CONTINUED)

Revenue by type of income:

Amounts in DKK '000	GROUP		PARENT	
	2015/16	2014/15	2015/16	2014/15
Development projects	91,217	66,511	91,217	66,511
Royalty	6,731	7,019	6,731	7,019
Sale of products, etc.	295,179	270,729	295,052	270,613
Rent and other services	2,428	5,243	2,428	5,243
<b>Total</b>	<b>395,555</b>	<b>349,502</b>	<b>395,428</b>	<b>349,386</b>



### MANAGEMENT COMMENTS

The Group is currently not using financial instruments for securing revenue.

## 5 COST OF SALES



### ACCOUNTING POLICIES

Cost of sales etc. comprises raw materials, consumables, cost of sales, freight, customs and write-downs on inventories incurred to achieve revenue in the financial year.

Consumed resources related to development projects financed by a third party are expensed when consumed.

Amounts in DKK '000	GROUP		PARENT	
	2015/16	2014/15	2015/16	2014/15
Cost of sales	164,573	150,076	163,518	149,437
Write-down on inventories	1,254	1,495	1,254	1,495
Other unit costs	328	1,695	-651	1,478
<b>Total</b>	<b>166,155</b>	<b>153,266</b>	<b>164,121</b>	<b>152,410</b>

# NOTES

## 6 STAFF COST AND REMUNERATION



### ACCOUNTING POLICIES

Staff costs comprise wages and salaries, share-based remuneration as well as social security costs, pension contributions etc. for the company's management and staff.

Staff costs also include wages and salaries etc. relating to development projects at own expense which do not meet the criteria for recognition in the balance sheet.

Share-based incentive schemes in the form of share options, warrants and restricted share rights, where the employees may only choose to buy and subscribe for shares in the Parent, at an agreed rate (equity-settled share-based payment scheme), the fair value of the rights is measured at the time of issue and are recognised in the income statement under staff costs for the period during which the employees achieve final right to the share options and warrants, respectively. The setoff entry is recognised directly in equity.

On initial recognition of the share options, restricted share rights and warrants an estimate is made regarding the number of rights for which the employees are expected to acquire final right. Subsequently, adjustments are made for changes to this estimate whereby final recognition of the cost corresponds to the actual number of acquired rights to share options and warrants.

The fair value of the share options, warrants and restricted share rights is computed by using the Black & Scholes model for valuation of European call options with the parameters shown below.

	GROUP		PARENT	
	2015/16	2014/15	2015/16	2014/15
<b>Amounts in DKK '000</b>				
Remuneration of the Board of Directors	1,775	1,402	1,775	1,402
Wages and salaries	104,961	96,664	81,644	74,807
Defined contribution pension plans	5,800	4,074	5,080	3,476
Other social security costs, etc.	1,252	1,072	935	836
Public grants related to staff costs	-237	-77	-237	-77
Other staff costs	68	79	68	79
<b>Staff costs before share-based remuneration</b>	<b>113,619</b>	<b>103,214</b>	<b>89,265</b>	<b>80,523</b>
Share-based remuneration	3,757	3,085	3,757	3,085
<b>Total</b>	<b>117,376</b>	<b>106,299</b>	<b>93,022</b>	<b>83,608</b>
Number of full-time employees at 30 September	223	172	143	118
Average number of full-time employees	193	171	124	114



## NOTES

## 6 STAFF COST AND REMUNERATION (CONTINUED)

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

Amounts in DKK '000	GROUP						
	2015/16				2014/15		
	Supervisory Board	Executive Board 1/10-31/12	Executive Board 1/1-30/9	Other management employees	Supervisory Board	Executive Board	Other management employees
Wages, salaries and fees	1,775	538	1,492	2,877	1,402	2,138	3,645
Bonus	-	-	498	1,314	-	1,427	2,537
Pensions	-	-	63	102	-	-	119
Severance pay	-	4,906	-	-	-	-	-
<b>Total</b>	<b>1,775</b>	<b>5,444</b>	<b>2,053</b>	<b>4,293</b>	<b>1,402</b>	<b>3,565</b>	<b>6,301</b>
Share-based payment	-	-	550	1,149	-	682	1,145
<b>Total remuneration</b>	<b>1,775</b>	<b>5,444</b>	<b>2,603</b>	<b>5,442</b>	<b>1,402</b>	<b>4,247</b>	<b>7,446</b>

Amounts in DKK '000	PARENT						
	2015/16				2014/15		
	Supervisory Board	Executive Board 1/10-31/12	Executive Board 1/1-30/9	Other management employees	Supervisory Board	Executive Board	Other management employees
Wages, salaries and fees	1,775	538	1,492	1,269	1,402	2,138	2,061
Bonus	-	-	498	510	-	1,427	1,516
Pensions	-	-	63	102	-	-	119
Severance pay	-	4,906	-	-	-	-	-
<b>Total</b>	<b>1,775</b>	<b>5,444</b>	<b>2,053</b>	<b>1,881</b>	<b>1,402</b>	<b>3,565</b>	<b>3,696</b>
Share-based payment	-	-	550	456	-	682	655
<b>Total remuneration</b>	<b>1,775</b>	<b>5,444</b>	<b>2,603</b>	<b>2,337</b>	<b>1,402</b>	<b>4,247</b>	<b>4,351</b>



## MANAGEMENT COMMENTS

On dismissal by the company the Executive Board shall be entitled to salary in the period of notice and severance pay totalling up to 12 months' salary, equivalent to DKK 3.4 million (DKK 2.1 million in 2014/15).

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

Amounts in DKK '000	2015/16	2014/15
Peter Thostrup, Chairman after the General Meeting, January 2014	500	417
Jesper Mailind, Deputy Chairman after the General Meeting, January 2014	300	258
Jens Hansen	150	125
Thomas Sieber	225	142
Katrin Calderon	150	125
Kurt Heick Rasmussen	150	85
Flemming Vendbjerg Andersen	150	85
Rune Strøm Jensen	150	125
Jørgen Dalby-Jakobsen	-	40
<b>Total</b>	<b>1,775</b>	<b>1,402</b>

# NOTES

## 6 STAFF COST AND REMUNERATION (CONTINUED)



### ACCOUNTING POLICIES

#### The Group has entered into defined contribution pension

The Group finances defined contribution plans through regular payments to independent pension and insurance companies, which are responsible for the pension obligations. After payment of pension contributions to defined contribution plans, the Group has no further pension obligations to current or former employees with regard to future developments in interest rates, inflation, mortality, disability, etc. in respect of the amount eventually to be paid to the employee.



### MANAGEMENT COMMENTS

#### Warrants program

In 2010/11 the Supervisory Board initiated a warrants-based incentive program including allocation of warrants for the Group's executive management, other members of the management and key employees with the right to acquire shares in RTX A/S. The Supervisory Board was not included in the incentive program.

The warrants program is a three-year program, and each year it has been decided which employees should be included in order to create a long-term development of RTX. The total nominal value of the warrants program was originally DKK 7.5 million.

Warrants have been allocated in the financial years 2010/11, 2011/12 and 2012/13 and they are earned over a 36 months' period.

The three conditioned allocations of warrants depend on the cash flows generated in the RTX Group in the financial years 2010/11 to 2014/15. In case the minimum criteria for the three-year goal for increase in cash flows has not been achieved, the warrants are not valid. The allocation depends on the employee's continued employment. The allocated warrants give the employee a right, but not an obligation to buy shares in RTX A/S.

The allocated can be exploited during four weeks after announcements of the interim reports. All outstanding warrants have been fully exploited as per 30 September 2016.



### UNCERTAINTIES AND ESTIMATES

As the allocations depend on performance criteria, the number of outstanding warrants will currently be regulated in accordance with the expectations to the fulfilment of these criteria.

## NOTES

## 6 STAFF COST AND REMUNERATION (CONTINUED)

## Earned warrants in RTX A/S:

	Executive Board, Management employees	Other employees	Others	Total number	Exercise price	Exercise period
Outstanding warrants						
Granted warrants 2010/11	132,000	168,000	204,000	504,000	11.37	Jan 2014-jan 2016
Granted warrants 2011/12	99,000	186,000	157,000	442,000	12.17	Jan 2015-jan 2017
Granted warrants 2012/13	-	290,000	231,500	521,500	11.41	Jan 2016-jan 2018
<b>Granted warrants at 30 September 2015</b>	<b>231,000</b>	<b>644,000</b>	<b>592,500</b>	<b>1,467,500</b>		
Discontinued 2010/11						
- ceased employment	-132,000	-	-	-132,000		
Regulation 2010/11						
- non-fulfillment of target	-	-117,929	-86,888	-204,817		
Exploitation of warrants 2010/11	-	-50,071	-114,112	-164,183		
Discontinued 2011/12						
- ceased employment	-99,000	13,327	-	-85,673		
Regulation 2011/12						
- non-fulfillment of target	-	-55,500	-27,000	-82,500		
Exploitation of warrants 2011/12	-	-143,827	-117,000	-260,827		
Discontinued 2012/13						
- ceased employment	-	-	-21,000	-21,000		
<b>Outstanding at 30 September 2015</b>	<b>-</b>	<b>290,000</b>	<b>226,500</b>	<b>516,500</b>		
Exploitation of warrants 2010/11	-	-	-3,000	-3,000		
Exploitation of warrants 2011/12	-	-	-13,000	-13,000		
Exploitation of warrants 2012/13	-	-290,000	-210,500	-500,500		
<b>Outstanding at 30 September 2016</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>		



## MANAGEMENT COMMENTS

Market value of unexercised warrants at 30 September 2016 amounts to DKK 0 (30 September 2015: DKK 1.8 million).

There are no outstanding warrants at 30 September 2016. Average maturity on outstanding warrants was 6 months at 30 September 2015.

## NOTES

## 6 STAFF COST AND REMUNERATION (CONTINUED)



## MANAGEMENT COMMENTS

**RSU program:**

The Supervisory Board of RTX has in 2013/14, 2014/15 and 2015/16 granted restricted share units (RSU) to management as well as key employees as part of the Company's long-term incentive program. The granted restricted share units are earned and matured over a three years period, and can not be vested before general assembly in January 2017. One RSU equals one RTX share.

The grant is conditioned by defined targets for shareprice and EBITDA in achieved in the three years mature period. The RSU only vest if the employee is still employed in RTX A/S at the time for utilization. If the restrictions for the RSU's are fulfilled they are finally transferred at a price of DKK 0.

The grant is in accordance with the company's guidelines for remuneration. Besides the Executive Management and three managers, 18 key employees have been granted conditioned warrants in 2015/16 under the same terms as the terms for the Executive Management. The total number of RSU's is covered by the treasury shares of RTX A/S.

**Market value of RSUs, conditions:****RSUs granted in**

	2013/14	2014/15	2015/16
Vesting period	2013/14-2015/16	2014/15-2016/17	2015/16-2017/18
Price per share	35.4	64.5	96.85
Volatility	0.49	0.45	0.36
Expected dividend	1.50%	1.80%	2.20%
Risk-free interest rate	0.35%	0.25%	0.20%
The expected maturity	4 months	16 months	28 months
Market value (Black-Scholes) per RSU is calculated to	24.50	40.84	71.21

**Number of RSUs in RTX A/S:**

	Executive management	Other management	Other employees	Total
Allocations in 2013/14	27,850	46,755	-	74,605
Allocations in 2014/15	25,708	43,190	56,500	125,398
Allocations in 2015/16	15,243	26,741	49,500	91,484
Regulations - ceased employment	-32,436	-	-	-32,436
<b>Outstanding as per 30 September 2016</b>	<b>36,365</b>	<b>116,686</b>	<b>106,000</b>	<b>259,051</b>

# NOTES

## 6 STAFF COST AND REMUNERATION (CONTINUED)



### MANAGEMENT COMMENTS

#### Matching shares program:

In relation to the employment of Peter Røpke as CEO, the Supervisory Board of RTX has decided to him the opportunity to take part in a Matching Shares Programme.

Under the Matching Shares Programme Peter Røpke is offered to acquire shares (investment shares) in RTX A/S at his own cost in the first open trading window after joining the company. After 3 years of ownership and maturity period the participants have the right to receive 1.5 shares in RTX A/S per invested share.

The Supervisory Board offers this Matching Shares Programme in order to ensure focus on long-term value generation.

The company is entitled to provide a cash amount corresponding to the value of the Matching Shares.

The market value of the allocation of the Matching Shares Programme is estimated to an amount of DKK 1.5 million.

Peter Røpke has acquired 8,895 shares in RTX and thereby fulfilled the conditions to a grant of 13,343 shares in RTX.

#### NUMBER OF MATCHING SHARES IN RTX A/S:

Allocated to Peter Røpke 2015/16	13,343
<b>Outstanding as per 30 September 2016</b>	<b>13,343</b>

Amounts in DKK '000	GROUP		PARENT	
	2015/16	2014/15	2015/16	2014/15
Below amounts have been expensed concerning				
Warrants programs	-	617	-	617
RSU programs	3,663	2,468	3,663	2,468
Matching shares program	94	-	94	-
<b>Share-based remuneration posted as staff costs</b>	<b>3,757</b>	<b>3,085</b>	<b>3,757</b>	<b>3,085</b>

# NOTES

## 7 DEVELOPMENT COSTS

Amounts in DKK '000	GROUP		PARENT	
	2015/16	2014/15	2015/16	2014/15
Own development cost incurred before capitalisation	25,859	22,708	25,859	22,708
Value of work transferred to assets (capitalised)	-985	-2,685	-985	-2,685
Total amortization and impairment losses on development projects	2,114	3,131	2,114	3,131
<b>Development cost recognised in the profit and loss account</b>	<b>26,988</b>	<b>23,154</b>	<b>26,988</b>	<b>23,154</b>
Development costs are recognised as follows:				
Other external expenses	1,584	1,081	1,584	1,081
Staff costs	24,275	21,627	24,275	21,627
Value of work transferred to assets	-985	-2,685	-985	-2,685
Amortization and impairment losses on development projects	2,114	3,131	2,114	3,131
<b>Total</b>	<b>26,988</b>	<b>23,154</b>	<b>26,988</b>	<b>23,154</b>

## 8 FEES TO AUDITORS ELECTED AT THE ANNUAL GENERAL MEETING

Amounts in DKK '000	GROUP		PARENT	
	2015/16	2014/15	2015/16	2014/15
Total fees to Deloitte can be specified as follows:				
Statutory audit	498	492	402	400
Other auditing and assurance services	-	15	-	15
Tax advisory services	92	69	92	69
Other services	178	116	178	116
<b>Total</b>	<b>768</b>	<b>692</b>	<b>672</b>	<b>600</b>



# NOTES

## 9 FINANCIAL INCOME AND EXPENSES



### ACCOUNTING POLICIES

These items comprise interest income and interest expenses, the interest portion of finance lease payments, foreign exchange gains and losses on liabilities and transactions in foreign currency, amortisation premium/allowance on financial assets and liabilities etc as well as tax surcharge and repayment under the Danish Tax Prepayment Scheme.

Interest income and interest expenses are accrued based on the principal sum and the effective interest rate. Dividends from investments in other securities and equity investments are recognised when the right to the dividends has been finally obtained.

Amounts in DKK '000	GROUP		PARENT	
	2015/16	2014/15	2015/16	2014/15
<b>Financial income</b>				
Interest income from financial assets available for sale	853	716	853	716
Interest income from banks etc.	-	69	-	69
Other interest income	-	43	-	43
<b>Total interest income</b>	<b>853</b>	<b>828</b>	<b>853</b>	<b>828</b>
Exchange rate gain (net)	-	1,393	-	1,514
Dividends from subsidiaries	-	-	4,722	-
Fair value of investments in trading portfolio	2,455	-	2,455	-
<b>Total financial income</b>	<b>3,308</b>	<b>2,221</b>	<b>8,030</b>	<b>2,342</b>
<b>Financial expenses</b>				
Interest costs from credit banks	45	178	44	178
Interest costs to subsidiaries	-	-	461	463
Total interest costs	45	178	505	641
Exchange rate loss (net)	172	-	93	-
Exchange rate loss on bonds in the trading portfolio	-	1,032	-	1,032
Other financial costs	376	347	362	343
<b>Total financial expenses</b>	<b>593</b>	<b>1,557</b>	<b>960</b>	<b>2,016</b>

## 10 INCOME TAXES



### ACCOUNTING POLICIES

Tax for the year consisting of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit/loss for the year and classified directly as equity by the portion attributable to entries directly on equity.

The current tax payable or receivable is recognised in the balance sheet, stated as tax calculated on this year's taxable income, adjusted for prepaid tax. When calculating the current tax for the year, the tax rates in effect at the balance sheet date are used.

Deferred tax is recognised applying the liability method on all temporary differences between the carrying amount and taxbased value of assets and liabilities.

## NOTES

## 10 INCOME TAXES (CONTINUED)



## ACCOUNTING POLICIES

Deferred tax is calculated based on the planned use of each asset or the planned winding-up of each liability, respectively. Deferred tax is measured by using the tax rates and tax rules of the respective countries which are expected to apply when deferred tax is expected to be released as current tax.

Deferred tax assets, including the tax base of tax loss carry-forwards, are recognised in the balance sheet at their estimated realizable value, either as a set-off against deferred tax liabilities or as net tax assets for set-off in future positive taxable income. At each balance sheet date, it is reassessed whether sufficient taxable income is likely to occur in future for the deferred tax asset to be used.

Amounts in DKK '000	GROUP		PARENT	
	2015/16	2014/15	2015/16	2014/15
<b>Tax on profit/loss for the year</b>				
Current tax on profit/loss for the year	-4,295	-2,372	-3,837	-1,948
Change in deferred tax	-14,923	-61	-14,837	-119
<b>Adjustment concerning previous years</b>				
Current tax	118	310	118	310
Deferred tax	120	-1,932	122	-1,932
<b>Total</b>	<b>-18,980</b>	<b>-4,055</b>	<b>-18,434</b>	<b>-3,689</b>
<b>Adjustment of the effective tax percentage</b>				
Result before tax	68,480	52,956	70,867	50,840
Calculated tax at a tax percentage of 23.5%	-	-12,445	-	-11,949
Calculated tax at a tax percentage of 22.0%	-15,066	-	-15,591	-
Effect of change in tax percentage in Denmark	262	83	262	83
Effect of different tax percentages for foreign companies	-199	-11	-	-
Tax value of not tax-deductible costs	-1,779	-1,216	-740	-1,216
Regulation compared to previous years	-2,198	9,534	-2,365	9,393
	<b>-18,980</b>	<b>-4,055</b>	<b>-18,434</b>	<b>-3,689</b>
<b>Effective tax percentage (%)</b>	<b>27.7%</b>	<b>7.7%</b>	<b>26.0%</b>	<b>7.3%</b>



## MANAGEMENT COMMENTS

Tax on profit/loss for the year and the effective tax rate are materially affected by the valuation of deferred tax assets of recoverable amount.

## NOTES

## 10 INCOME TAXES (CONTINUED)

Amounts in DKK '000	GROUP		PARENT	
	2015/16	2014/15	2015/16	2014/15
Tax paid/received during the year	1,814	- 64	1,975	-1,250
<b>Income taxes, net</b>				
Income taxes on 1 October, net	-1,989	99	-2,123	765
Current tax on profit/loss for the year	-4,295	-2,372	-3,837	-1,948
<b>Tax paid during the year</b>				
Current year	-161	661	-	-
Previous years, net	1,975	-725	1,975	-1,250
Adjustment of current tax concerning previous years, net	118	310	118	310
Current tax of changes in equity	-	-	-	-
Exchange rate adjustments	-2	38	-	-
<b>Income taxes at 30 September, net</b>	<b>-4,354</b>	<b>-1,989</b>	<b>-3,867</b>	<b>-2,123</b>
Which can be specified as follows:				
Income tax receivable	-	134	-	-
Income tax payable	-4,354	-2,123	-3,867	-2,123
<b>Total</b>	<b>-4,354</b>	<b>-1,989</b>	<b>-3,867</b>	<b>-2,123</b>
<b>Deferred Tax</b>				
Deferred tax, net at 1 October	36,900	38,825	36,245	38,300
Adjustment of deferred tax concerning previous years	119	-1,932	119	-1,932
Foreign exchange adjustment	1	68	-	-
Change in deferred tax on profit/loss for the year, asset	-14,923	-61	-14,837	-123
<b>Deferred tax, net at 30 September</b>	<b>22,097</b>	<b>36,900</b>	<b>21,527</b>	<b>36,245</b>
Specification of deferred tax:				
Intangible assets	12,577	17,514	12,577	17,514
Property, plant and equipment	3,867	5,543	3,867	5,543
Inventories	980	1,167	980	1,167
Receivables	-	22	-	22
Long-term liabilities	1,050	968	480	313
Tax loss carryforwards	3,623	11,686	3,623	11,686
Non-recognized deferred tax assets	-	-	-	-
<b>Total</b>	<b>22,097</b>	<b>36,900</b>	<b>21,527</b>	<b>36,245</b>
Which can be specified as follows:				
Deferred tax assets	22,097	36,900	21,527	36,245
<b>Total</b>	<b>22,097</b>	<b>36,900</b>	<b>21,527</b>	<b>36,245</b>



## MANAGEMENT COMMENTS

Due to reduced tax rate, the value of deferred tax assets is reduced by DKK 2.3 million for 2015/16.

# NOTES

## 11 EARNINGS PER SHARE

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

Amounts in DKK '000	GROUP	
	2015/16	2014/15
1,000 shares		
Average number of shares	9,363	9,026
Average number of treasury shares	-554	-405
Average number of shares in circulation	8,809	8,621
Average diluted effect on outstanding warrants	205	463
Average diluted number of shares	9,014	9,084
Profit/loss for the year in DKK '000	49,500	48,901
Earnings per share (DKK)	5.6	5.7
Diluted earnings per share (DKK)	5.5	5.4

## 12 INTANGIBLE ASSETS

Amounts in DKK '000	GROUP			PARENT		
	Own development projects	Acquired licence rights	Goodwill	Own development projects	Acquired licence rights	
Cost at 1 October 2014	8,890	3,598	8,269	8,890	3,598	
Disposals	2,685	-	-	2,685	-	
<b>Cost at 30 September 2015</b>	<b>11,575</b>	<b>3,598</b>	<b>8,269</b>	<b>11,575</b>	<b>3,598</b>	
Amortisation and impairment at 1 October 2014	-4,763	-3,598	-472	-4,763	-3,598	
Amortisation for the year	-3,131	-	-	-3,131	-	
<b>Amortisation and impairment at 30 September 2015</b>	<b>-7,894</b>	<b>-3,598</b>	<b>-472</b>	<b>-7,894</b>	<b>-3,598</b>	
<b>Carrying amount at 30 September 2015</b>	<b>3,681</b>	<b>-</b>	<b>7,797</b>	<b>3,681</b>	<b>-</b>	
Cost at 1 October 2015	11,575	3,598	8,269	11,575	3,598	
Internal additions	985	-	-	985	-	
<b>Cost at 30 September 2016</b>	<b>12,560</b>	<b>3,598</b>	<b>8,269</b>	<b>12,560</b>	<b>3,598</b>	
Amortisation and impairment at 1 October 2015	-7,894	-3,598	-472	-7,894	-3,598	
Amortisation for the year	-2,114	-	-	-2,114	-	
<b>Amortisation and impairment at 30 September 2016</b>	<b>-10,008</b>	<b>-3,598</b>	<b>-472</b>	<b>-10,008</b>	<b>-3,598</b>	
<b>Carrying amount at 30 September 2016</b>	<b>2,552</b>	<b>-</b>	<b>7,797</b>	<b>2,552</b>	<b>-</b>	

# NOTES

## 12 INTANGIBLE ASSETS (CONTINUED)



### ACCOUNTING POLICIES

#### Goodwill

Goodwill arisen in relation to business combinations is distributed at the time of acquisition to the cash flow units which are expected to obtain financial advantages from the acquisition.

The carrying amount of goodwill is distributed as follows on the respective cash flow generating units:

Amounts in DKK '000	PARENT	
	2015/16	2014/15
RTX Hong Kong, Ltd.	7,797	7,797

Goodwill is as a minimum tested once a year for impairment and more frequently if there are indications of impairment.

The recoverable amount for the individual cash flow generating units to which the goodwill amounts have been distributed are stated based on computation of the units' present value of expected cash flows.



### UNCERTAINTIES AND ESTIMATES

For calculating the value of the cash generating units, Management's latest budgets and strategy plans for the coming years are used and a terminal value is added. Management estimates that changes that are likely to happen to the assumptions will not cause the financial value of goodwill to exceed the recoverable amount. Major uncertainties in this connection are connected with the determination of the discount factors and growth rates as well as expected changes in sales prices and production costs in the budget periods.

The determined discount factors reflect market evaluations of the timing value of money, reflected in risk free interest and the specific risks connected to the individual cash flow generating unit. The pre tax discount factors used in the calculation is 13% (in 2014/15 13%). The used discount factor has not affected the conclusion of the depreciation test.

The determined growth rates are based on internal strategy plans and forecast for the coming 3 years. Growth in the terminal period is included at 0.0%.

Estimated changes in selling prices and production costs are based on historical experiences as well as expectations for future changes in the market. The prognoses are based on a specific business evaluation of the expected sales prices and production costs. The changes in sales prices and costs are substantially equivalent to the ones used in the calculations 2014/15.



### MANAGEMENT COMMENTS

#### Other intangible assets

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

The assessment of the recoverable amount of own development projects in progress is based on net present value calculations for development projects. Net present value calculations are based on the expected cash flow from the assets in management approved budgets over expected lifetime of the projects, and a discount rate before tax at 13% (in 2014/15 13%).

Management estimates that the changes in the conditions are likely to be made and will not make the accounting value of the goodwill or development projects exceed the recoverable amount.

## NOTES

## 13 TANGIBLE ASSETS



## ACCOUNTING POLICIES

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated. The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

Buildings	25 to 50 years
Plant and machinery	4 to 10 years
Other fixtures and fittings, tools and equipment, including IT equipment	3 to 7 years
Leasehold improvements	Lease period

Depreciation methods, useful lives and residual amounts are reassessed annually.

Property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

## GROUP

Amounts in DKK '000	Land and buildings	Plant and machinery	Other fixtures, tools and equipment	Leasehold improvements
Cost at 1 October 2014	98,173	11,718	11,345	772
Foreign exchange adjustments	-	61	52	99
Additions	719	1,690	937	55
Disposals	-	-328	-	-
Reversed depreciation on assets transferred to sale	-98,892	-	-	-
<b>Cost at 30 September 2015</b>	<b>-</b>	<b>13,141</b>	<b>12,334</b>	<b>926</b>
Depreciation and impairment at 1 October 2014	-25,205	-10,543	-9,902	-536
Foreign exchange adjustments	-	-61	-41	-75
Depreciation for the year	-2,159	-529	-664	-262
Reversal relating to disposals	27,364	-	-	-
<b>Depreciation and impairment at 30 September 2015</b>	<b>-</b>	<b>-11,133</b>	<b>-10,607</b>	<b>-873</b>
<b>Carrying amount at 30 September 2015</b>	<b>-</b>	<b>2,008</b>	<b>1,727</b>	<b>53</b>
Cost at 1 October 2015	-	13,141	12,334	926
Foreign exchange adjustments	-	-	4	2
Additions	-	3,837	1,034	894
Disposals	-	-	-651	-
Transfer to assets held for sale	-	-	-	-
<b>Cost at 30 September 2016</b>	<b>-</b>	<b>16,978</b>	<b>12,721</b>	<b>1,822</b>
Depreciation and impairment at 1 October 2015	-	-11,133	-10,607	-873
Foreign exchange adjustments	-	-	-4	-2
Depreciation for the year	-	-1,109	-793	-92
Reversed depreciation on assets transferred to sale	-	-	526	-
<b>Depreciation and impairment at 30 September 2016</b>	<b>-</b>	<b>-12,242</b>	<b>-10,878</b>	<b>-967</b>
<b>Carrying amount at 30 September 2016</b>	<b>-</b>	<b>4,736</b>	<b>1,843</b>	<b>855</b>

## NOTES

## 13 TANGIBLE ASSETS (CONTINUED)

Amounts in DKK '000	PARENT			
	Land and buildings	Plant and machinery	Other fixtures, tools and equipment	Leasehold improvements
Cost at 1 October 2014	98,173	11,238	10,224	-
Additions	719	1,690	889	-
Disposals	-	-328	-	-
Reversed depreciation on assets transferred to sale	-98,892	-	-	-
<b>Cost at 30 September 2015</b>	<b>-</b>	<b>12,600</b>	<b>11,113</b>	<b>-</b>
Depreciation and impairment at 1 October 2014	-25,205	-10,063	-8,875	-
Depreciation for the year	-2,159	-529	-604	-
Reversal relating to disposals	27,364	-	-	-
<b>Depreciation and impairment at 30 September 2015</b>	<b>-</b>	<b>-10,592</b>	<b>-9,479</b>	<b>-</b>
<b>Carrying amount at 30 September 2015</b>	<b>-</b>	<b>2,008</b>	<b>1,634</b>	<b>-</b>
Cost at 1 October 2015	-	12,600	11,113	-
Additions	-	3,836	350	870
Disposals	-	-	-274	-
Transfer to assets held for sale	-	-	-	-
<b>Cost at 30 September 2016</b>	<b>-</b>	<b>16,436</b>	<b>11,189</b>	<b>870</b>
Depreciation and impairment at 1 October 2015	-	-10,592	-9,479	-
Depreciation for the year	-	-1,108	-706	-66
Reversed depreciation on assets transferred to sale	-	-	149	-
<b>Depreciation and impairment at 30 September 2016</b>	<b>-</b>	<b>-11,700</b>	<b>-10,036</b>	<b>-66</b>
<b>Carrying amount at 30 September 2016</b>	<b>-</b>	<b>4,736</b>	<b>1,153</b>	<b>804</b>



# NOTES

## 14 ASSETS HELD FOR SALE

In the first quarter of 2015/16, the Supervisory Board of RTX decided to sell the building. The price was in line with the public real estate assessment.

Assets and obligations related to the building was in the balance sheet at 30 September 2015 reclassified as assets held for sale, please refer to the below.

As informed in announcement no. 76/2015 the building was sold at 1 January 2016. The outstanding mortgage debt was settled in relation to the sale.

Amounts in DKK '000	GROUP		PARENT	
	2015/16	2014/15	2015/16	2014/15
Tangible assets	-	71,528	-	71,528
<b>Total assets</b>	-	<b>71,528</b>	-	<b>71,528</b>
Liabilities	-	1,531	-	1,531
Mortgage debt	-	10,862	-	10,862
<b>Total liabilities</b>	-	<b>12,393</b>	-	<b>12,393</b>
<b>Net assets held for sale</b>	-	<b>59,135</b>	-	<b>59,135</b>

Mortgage debt is calculated at the time of the raising of loans at market value, corresponding to the proceeds received after deduction of transaction costs if any.

Amounts in DKK '000	GROUP		PARENT	
	2015/16	2014/15	2015/16	2014/15
Mortgage debt and other secured loans with expiration 2021-2025 and weighted average interest rate of 0,40%	-	10,862	-	10,862
<b>Total</b>	-	<b>10,862</b>	-	<b>10,862</b>
The debt is divided in the following currencies:				
DKK	-	7,214	-	7,214
EUR	-	3,648	-	3,648
<b>Total</b>	-	<b>10,862</b>	-	<b>10,862</b>

## NOTES

## 15 INVESTMENTS IN SUBSIDIARIES



## ACCOUNTING POLICIES

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

Amounts in DKK '000	PARENT	
	2015/16	2014/15
Cost at 1 October 2015	30,553	30,553
<b>Cost at 30 September 2016</b>	<b>30,553</b>	<b>30,553</b>
Value adjustment at 1 October 2015	-	-
<b>Value adjustment at 30 September 2016</b>	<b>-</b>	<b>-</b>
<b>Carrying amount at 30 September</b>	<b>30,553</b>	<b>30,553</b>



## MANAGEMENT COMMENTS

Investments in subsidiaries comprise the following enterprises at 30 September 2016:

Name and registered office	Nominal share capital	Ownership	Receivable from Parent DKK '000	Equity DKK '000	Profit for the year DKK '000
RTX America, Inc., USA	T. USD 500	100%	5,779	4,818	346
RTX Hong Kong Ltd., Hong Kong	T.HKD 1,110	100%	19,857	22,767	1,440
<b>Total</b>			<b>25,636</b>	<b>27,585</b>	<b>1,786</b>
Which can be specified as follows:					
Payables to subsidiaries			25,636		
<b>Total</b>			<b>25,636</b>		

**Subsidiaries' addresses and time for establishment:**

RTX America Inc., Sacramento, California, USA, established in March 2004.

RTX Hong Kong Ltd., Hong Kong, purchased in January 2006.

## NOTES

## 16 OTHER LONG-TERM ASSETS

Amounts in DKK '000	GROUP		PARENT	
	2015/16	2014/15	2015/16	2014/15
<b>Deposits</b>				
Cost at 1 October 2015	560	394	-	-
Exchange rate adjustments	1	50	-	-
Additions for the year	7,162	116	7,125	-
<b>Cost at 30 September 2016</b>	<b>7,723</b>	<b>560</b>	<b>7,125</b>	<b>-</b>
<b>Carrying amount at 30 September 2016</b>	<b>7,723</b>	<b>560</b>	<b>7,125</b>	<b>-</b>



## ACCOUNTING POLICIES

Deposits are measured at cost. Deposits are not depreciated.

## 17 INVENTORIES



## ACCOUNTING POLICIES

Inventories are measured at the lower of cost using the FIFO method and net realisable value.

Amounts in DKK '000	GROUP		PARENT	
	2015/16	2014/15	2015/16	2014/15
Raw materials and consumables	3,586	2,472	3,586	2,472
Finished goods	17,046	21,905	17,046	21,905
<b>Total inventories</b>	<b>20,632</b>	<b>24,377</b>	<b>20,632</b>	<b>24,377</b>
<b>Write-down of inventories</b>	<b>1,254</b>	<b>1,495</b>	<b>1,254</b>	<b>1,495</b>

# NOTES

## 18 TRADE RECEIVABLES



### ACCOUNTING POLICIES

Receivables comprise trade receivables, receivables from project contracts as well as other receivables. Receivables are financial assets with fixed or determinable payments which are not listed at an active market and which are not derivatives.

On initial recognition, receivables are measured at fair value and subsequently at amortised cost less write-down for bad debts. Writedown is made on an individual basis by using a writedown account.

Trade receivables are written down to net realisable value equal to the sum of future net payments expected to be generated by receivables. Claims in the Group have been written down to net realisable value based on an individual assessment.

Amounts in DKK '000	GROUP		PARENT	
	2015/16	2014/15	2015/16	2014/15
Receivables, gross	63,709	45,611	63,706	45,611
Write-down for expected losses 30 September	-	-212	-	-212
<b>Carrying amount at 30 September</b>	<b>63,709</b>	<b>45,399</b>	<b>63,706</b>	<b>45,399</b>
<b>Write-down for the year</b>	<b>-211</b>	<b>97</b>	<b>-211</b>	<b>20</b>
Trade receivables that have been written down are included in the income statement as other external expenses,				
Provisions account at 1 October	212	802	212	192
Losses recorded for the year	-1	-687	-1	-
Reversed provisions	-312	-115	-312	-192
Bad debt provisions for the year	101	212	101	212
<b>Provisions account at 30 September</b>	<b>-</b>	<b>212</b>	<b>-</b>	<b>212</b>



### UNCERTAINTIES AND ESTIMATES

The Group's credit risks related to trade receivables are assessed on an ongoing basis.

It is RTX's experience that sometimes the credit risk is relatively high, as a substantial part of the outstanding amounts often can be related to a relatively small number of partners and customers.



### MANAGEMENT COMMENTS

For sales of products on credit RTX makes credit evaluations, credit insurance and bank guarantees to secure the debts. On the date of the balance sheet, the majority of the company's outstanding debts from product sales are secured via credit insurance.

Please refer to note 29 for a list of the outstanding debts sorted by maturity.

## NOTES

## 19 CONTRACT DEVELOPMENT PROJECTS IN PROGRESS



## ACCOUNTING POLICIES

Contract development projects are measured at selling price of the work performed at the balance sheet date (percentage-of-completion) less on account invoicing and write-down for bad debt.

The selling price is measured based on the stage of completion on the balance sheet date and the total estimated income from each development project. Usually, the stage of completion is estimated as the ratio between the realised and the total budgeted consumption of time and material.

If the outcome of a development project cannot be estimated reliably, the development project is measured at costs incurred to the extent these can be recovered.

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

The individual development project in progress is recognised in the balance sheet under receivables or liabilities, depending on whether net value is a receivable or a liability.

	GROUP		PARENT	
	2015/16	2014/15	2015/16	2014/15
<b>Amounts in DKK '000</b>				
Market value of development projects in progress	72,312	54,742	72,312	54,742
Invoiced on account	-62,948	-48,167	-62,948	-48,167
<b>Contract development projects in progress, net</b>	<b>9,364</b>	<b>6,575</b>	<b>9,364</b>	<b>6,575</b>
which are recognised in the balance sheet as follows:				
Receivables	14,074	9,088	14,074	9,088
Short-term liabilities	-4,710	-2,513	-4,710	-2,513
<b>Contract development projects in progress, net</b>	<b>9,364</b>	<b>6,575</b>	<b>9,364</b>	<b>6,575</b>
Total value of orders, etc.	98,925	68,838	98,925	68,838
Market value hereof of performed work recognised as income	-72,312	-54,742	-72,312	-54,742
<b>Market value of non-performed work</b>	<b>26,613</b>	<b>14,096</b>	<b>26,613</b>	<b>14,096</b>
Market value of non-performed work at the balance sheet date in % of total volume of orders, etc.	27%	20%	27%	20%

## NOTES

## 20 SHORT-TERM CURRENT ASSET INVESTMENTS



## ACCOUNTING POLICIES

According to the regulations in IAS 39 the Group's portfolio of current asset investments recognised under short-term assets and divided in trading portfolio and financial current assets available for sale.

**Current assets available for sale**

Short-term current asset investments consist of listed Danish mortgage bonds and bonds issued by the Ship Credit Fund. Unrealised losses and gains are recognised in other comprehensive income. Upon sale of the assets, accumulated gains and losses recognised in equity are transferred to the income statement.

Amounts in DKK '000	GROUP		PARENT	
	2015/16	2014/15	2015/16	2014/15
Cost at 1 October	34,385	34,385	34,385	34,503
Value adjustment of disposals	-147	-	-147	-
Additions for the year	-	-	-	-
Disposals for the year	-16,352	-	-16,352	-118
<b>Cost at 30 September</b>	<b>17,886</b>	<b>34,385</b>	<b>17,886</b>	<b>34,385</b>
Value adjustment at 1 October	-197	293	-197	175
Value adjustments for the year	569	-490	569	-372
<b>Value adjustment at 30 September</b>	<b>372</b>	<b>-197</b>	<b>372</b>	<b>-197</b>
<b>Carrying amount at 30 September</b>	<b>18,258</b>	<b>34,188</b>	<b>18,258</b>	<b>34,188</b>
Short-term current asset investments consist of listed Danish bonds issued by the Ship Credit Fund with an:				
Average maturity of (years)	3.3	4.3	3.3	4.3
Average effective rate of interest of	1.60%	0.02%	1.60%	0.02%
Bonds terminate within the following periods from the balance sheet date:				
Less than one year	-	-	-	-
Between one and two years	-	-	-	-
Between two and three years	-	-	-	-
Between three and four years	18,258	-	18,258	-
Between four and five years	-	34,188	-	34,188
After five years	-	-	-	-
<b>Total</b>	<b>18,258</b>	<b>34,188</b>	<b>18,258</b>	<b>34,188</b>

## NOTES

## 20 SHORT-TERM CURRENT ASSET INVESTMENTS (CONTINUED)



## ACCOUNTING POLICIES

**Short-term current assets in the trading portfolio**

The Group's available funds are primarily invested in convertible bonds with a solid credit rating, either in DKK or as an investment in a monetary market. In the financial year, RTX has made an agreement with Danske Capital concerning an active investment management in relation to part of the Group's portfolio of securities (2014/15: DKK 39.6 million). The portfolio is measured at fair value and unrealised losses and gains are currently recognised in the income statement.

Amounts in DKK '000	GROUP		PARENT	
	2015/16	2014/15	2015/16	2014/15
Cost at 1 October	40,627	-	40,627	-
Value adjustment of disposals	610	-	610	-
Additions for the year	173,444	50,941	173,444	50,941
Disposals for the year	-126,128	-10,314	-126,128	-10,314
<b>Cost at 30 September</b>	<b>88,553</b>	<b>40,627</b>	<b>88,553</b>	<b>40,627</b>
Value adjustment at 1 October	-997	-	-997	-
Value adjustments for the year	1,845	-997	1,845	-997
<b>Value adjustment at 30 September</b>	<b>848</b>	<b>-997</b>	<b>848</b>	<b>-997</b>
<b>Carrying amount at 30 September</b>	<b>89,401</b>	<b>39,630</b>	<b>89,401</b>	<b>39,630</b>
Short-term current asset investments as a trading portfolio with an:				
Average maturity of (years)	2.4	20.6	2.4	20.6
Average effective rate of interest of	0.9%	2.2%	0.9%	2.2%
Bonds terminating within the following periods from the balance sheet date:				
Less than one year	-	-	-	-
Between one and two years	-	-	-	-
Between two and three years	89,401	2,706	89,401	2,706
Between three and four years	-	-	-	-
Between four and five years	-	-	-	-
After five years	-	36,924	-	36,924
<b>Total</b>	<b>89,401</b>	<b>39,630</b>	<b>89,401</b>	<b>39,630</b>



# NOTES

## 21 SHARE CAPITAL

The share capital of DKK 47,164,190 (2014/15: DKK 45,686,690) consists of 9,432,838 shares of DKK 5 (2014/15: 9,137,338).

The Group holds 555,341 treasury shares at 30 September 2016 (474,375 shares at 30 September 2015).

There are no shares with special rights.

Amounts in DKK '000	GROUP		PARENT	
	2015/16	2014/15	2015/16	2014/15
Development in share capital:				
Share capital at 1 October			45,687	44,374
Exercise of warrants			2,582	1,313
Annulment of treasury shares			-1,105	-
<b>Share capital at 30 September</b>			<b>47,164</b>	<b>45,687</b>
Number of shares at DKK 5 at 30 September			9,432,838	9,137,338



### MANAGEMENT COMMENTS

As stated in announcements 04/2014, 08/2015 and 66/2015 dated 31 January 2014, 26 January 2015 and 25 November 2015 RTX A/S issued warrants giving the recipients the right to subscribe 167,183, 273,827 and 500,500 shares respective of a nominal value of DKK 5. The warrants may be exercised during each period of 4 weeks after the company's publication of interim and annual reports.

In connection with the above RTX A/S has increased its capital five times, two of which were in 2014/15. On 28 January 2015 by 169,254 shares cf. announcement no 11/2015 and on 6 May 2015 by 93,327 shares cf. announcement no 29/2015. In 2015/16, the following capital increases were made: On 1 February 2016 by 361,000 shares cf. announcement no 8/2016, on 11 May 2016 by 96,000 shares cf. announcement no 32/2016 and on 26 August 2016 by 59,500 shares cf. announcement no 58/2016.

# NOTES

## 22 TREASURY SHARES



### ACCOUNTING POLICIES

Acquisition and selling prices of treasury shares as well as dividends on these are recognised directly as equity under retained earnings.

Amounts in DKK '000	PARENT			PARENT	
	Nominal value	2015/16 Number of shares at DKK 5	% of share capital	2014/15 Number of shares at DKK 5	% of share capital
Shareholding at 1 October	2,372	474,375	5.0%	312,768	3.4%
Purchase for the year	1,510	301,966	3.2%	161,607	1.8%
Annulment of treasury shares	-1,105	-221,000	-2.3%	-	0.0%
<b>Shareholding at 30 September</b>	<b>2,777</b>	<b>555,341</b>	<b>5.9%</b>	<b>474,375</b>	<b>5.2%</b>
Market value of shareholding at 30 September, DKK '000		62,753		41,271	



### MANAGEMENT COMMENTS

For further information about the development in the Company's treasury shares, please refer to page 31.

## 23 PROVISIONS



### ACCOUNTING POLICIES

Provisions are recognised when the Group has a legal or constructive obligation as a result of events in this or previous financial years, and repayment of the liability is likely to result in a drain on the Group's financial resources.

Provisions are measured as the best estimate of costs expected for the obligation to be settled on the balance sheet date. Provisions that are estimated to mature after more than one year after the balance sheet date are measured at their present value.

Guarantee commitments comprise commitments to remedy defects and deficiencies on goods sold within the guarantee period. The liabilities are based on historical experiences.

When total costs are likely to exceed total income from a contract development project, a provision is recognised equal to the total loss estimated to result from the relevant project.

Provisions on dismissed employees are recognised at the date of the dismissal to the employee and are measured as the amount of the salary paid to the employees without any demand for services in return.

## NOTES

## 23 PROVISIONS (CONTINUED)

Amounts in DKK '000	GROUP		PARENT	
	2015/16	2014/15	2015/16	2014/15
<b>Provision for guarantee obligations</b>				
Provisions at 1 October	2,973	1,958	2,973	1,958
Provisions made during the year	626	1,896	626	1,896
Employed during the year	-2,292	-881	-2,292	-881
<b>Provisions at 30 September</b>	<b>1,307</b>	<b>2,973</b>	<b>1,307</b>	<b>2,973</b>
<b>Provisions for other liabilities</b>				
Provisions at 1 October	1,333	1,949	1,333	1,949
Provisions made during the year	4,045	393	4,045	393
Employed during the year	-2,949	-1,009	-2,949	-1,009
<b>Provisions at 30 September</b>	<b>2,429</b>	<b>1,333</b>	<b>2,429</b>	<b>1,333</b>
<b>Total provisions at 30 September</b>	<b>3,736</b>	<b>4,306</b>	<b>3,736</b>	<b>4,306</b>
Provisions are recognised in the balance sheet as follows:				
Short-term liabilities (less than 1 year)	3,476	3,911	3,476	3,911
Long-term liabilities (between 1 and 2 years)	261	395	261	395
<b>Total</b>	<b>3,737</b>	<b>4,306</b>	<b>3,737</b>	<b>4,306</b>



## MANAGEMENT COMMENTS

The guarantee obligations concern products with up to two years' warranty.



## UNCERTAINTIES AND ESTIMATES

The obligations are prepared based on previous years' experience.

The expenses are expected to be paid in the period 1 October 2016 - 30 September 2018.

Other obligations are primarily related to obligations for employees dismissed and disemployed, and are expected to be paid within the coming twelve months.

# NOTES

## 24 OTHER PAYABLES

Amounts in DKK '000	GROUP		PARENT	
	2015/16	2014/15	2015/16	2014/15
Wages and salaries, personal income taxes, social security costs, holiday pay, etc.	10,801	12,042	7,177	9,745
Holiday allowance, etc.	10,648	8,680	10,573	8,680
Other costs payable	2,645	8,964	1,453	5,892
<b>Total</b>	<b>24,094</b>	<b>29,686</b>	<b>19,203</b>	<b>24,317</b>

### UNCERTAINTIES AND ESTIMATES

Carrying amount of due items concerning wages and salaries, personal income taxes, social security costs, holiday pay etc. and other expenses due etc. equals the fair market value of the liabilities.

The holiday pay obligations represent the Group's obligations to pay salary during holiday periods which the employees have earned the right to hold in subsequent financial years at the balance sheet date.

# NOTES

## 25 CONTINGENT LIABILITIES, COLLATERAL AND CONTRACTUAL OBLIGATIONS



### ACCOUNTING POLICIES

#### Contingent liabilities

The Group has not incurred any guarantee commitments and has not undertaken any guarantee and supply obligations other than the obligations and guarantees relating to the services and products developed by the Group.

#### Collateral

Amounts in DKK '000	GROUP		PARENT	
	2015/16	2014/15	2015/16	2014/15
Mortgage debt with an outstanding debt of	-	10,862	-	10,862
is secured by mortgaged property with related plant and machinery				
Carrying amount of mortgaged properties	-	71,528	-	71,528
As security for the subsidiaries' bank facilities RTX A/S has deposited current asset with a total carrying amount of	-	-	-	-

In 2015/16 RTX A/S has not provided payment guarantees etc. which was also the case in 2014/15.

#### Contractual obligations

As part of the Group's business the usual customer and supplier agreements etc. have been concluded, letters of intent have been issued to cooperative partners, and moreover, agreements have been entered into on normal business terms.

#### Operating lease commitments

Lease payments on operating leases are recognised on a straight-line basis in the income statement over the term of the lease.

For the years 2016-2025 operating leases have been concluded for lease of premises, cars and equipment, including IT equipment, etc. The Group's rental obligations of the leasehold amount to DKK 47.5 million (DKK 4.9 million at 30 September 2015). The rental obligations represent 99% of the total liabilities (2014/15: 91%).

Rent and lease payments (minimum lease payments) relating to operating lease contracts, including rental obligations, fall due as follows:

Amounts in DKK '000	GROUP		PARENT	
	2015/16	2014/15	2015/16	2014/15
Less than one year	6,952	1,899	4,998	229
Between one five years	20,765	3,533	19,124	296
More than five years	20,188	-	20,188	-
<b>Total</b>	<b>47,905</b>	<b>5,432</b>	<b>44,310</b>	<b>525</b>

The Group's costs of rent/leasing amounted to DKK 5.7 million in 2015/16 and DKK 1.8 million in 2014/15. The amounts are recognised in the income statement. The increase in rent for the premises in Noerresundby take effect on January 2021 and will follow the development in the net price index.

# NOTES

## 26 OTHER ITEMS WITH NO EFFECTS ON CASH FLOW

Amounts in DKK '000	GROUP		PARENT	
	2015/16	2014/15	2015/16	2014/15
Change in write-down to net realisable value of short-term assets	-6,805	4,628	-6,302	899
Change in provisions	-569	399	-569	399
Share-based remuneration	3,757	3,085	3,757	3,085
<b>Total</b>	<b>-3,617</b>	<b>8,112</b>	<b>-3,114</b>	<b>4,383</b>

## 27 RELATED PARTIES

### Transaction between related parties

Related parties with significant interest in RTX include the Company's Supervisory Board, Executive Board and managers as well as these persons' related nearest family members.

In addition, related parties comprise Group enterprises.

An overview of Group enterprises is disclosed in note 15.

### Supervisory Board and Executive Board

Management's remuneration and share-based remuneration are stated in note 6. Four members of the Supervisory Board (the employee representatives and Jens Hansen) are employed in RTX, and besides their board remuneration they receive a market salary equivalent to their position. In 2015/16 the amount totalled DKK 2.9 million (2014/15: DKK 2.6 million).

### Subsidiaries

In 2015/16 trade etc. between RTX A/S and related parties amounted to DKK 38.4 million (2014/15: DKK 33.5 million).

There have been no transactions between the subsidiaries in 2015/16.

Transactions with subsidiaries have concerned the following:

Amounts in DKK '000	SUBSIDIARIES	
	2015/16	2014/15
Purchase of services	38,399	33,462
Received dividends	4,721	-
Interest costs for subsidiaries	461	463
Payables to subsidiaries	25,636	30,997
Receivables written down	-	-

Transactions with subsidiaries are eliminated in the consolidated financial statements in accordance with the applied accounting policies.

In addition, intra-Group balances with subsidiaries comprise money lending as well as ordinary business balances regarding purchase and sale of goods and services.

During the year no transactions were performed between RTX and the Supervisory Board, Executive Board, management, large shareholders or other related parties, apart from payment of normal management remuneration ref. note 6.

# NOTES

## 28 DIVIDEND

Dividends of DKK 17.8 million will be recommended (2014/15 DKK 17.3 million) equivalent to a dividend per share of DKK 2.00. (2014/15 DKK 2.00 per share). In January 2016 RTX paid dividends of DKK 17.2 million (January 2015 DKK 8.6 million), equivalent to a dividend per share of DKK 2.00 (2014/15 DKK 1.00 per share). Dividends for the shareholders in RTX have no tax related consequences to RTX A/S.

## 29 FINANCIAL RISKS AND FINANCIAL INSTRUMENTS

Categories of financial instruments

Amounts in DKK '000	GROUP		PARENT	
	2015/16	2014/15	2015/16	2014/15
Trade receivables	63,709	45,399	63,706	45,399
Other receivables	6,930	2,945	6,336	2,647
Cash at bank and in hand	94,809	63,090	89,988	60,041
<b>Total loans and receivables</b>	<b>165,448</b>	<b>111,434</b>	<b>160,030</b>	<b>108,087</b>
Short-term current asset investments	18,258	34,188	18,258	34,188
<b>Financial assets available for sale</b>	<b>18,258</b>	<b>34,188</b>	<b>18,258</b>	<b>34,188</b>
Short-term current asset investments	89,401	39,630	89,401	39,630
<b>Financial assets available in the trading portfolio</b>	<b>89,401</b>	<b>39,630</b>	<b>89,401</b>	<b>39,630</b>
Payables to subsidiaries	-	-	25,636	30,997
Mortgage debt related to assets held for sale	-	10,862	-	10,862
Employee bonds	-	-	-	-
Trade payables	37,157	26,178	37,153	26,163
Other payables	24,094	29,686	19,203	24,317
<b>Financial liabilities measured at amortised cost</b>	<b>61,251</b>	<b>66,726</b>	<b>81,992</b>	<b>92,339</b>



### MANAGEMENT COMMENTS

#### Financial risk management policy

As a consequence of its operations, investments and financing, RTX is primarily exposed to changes in the level of interest and exchange rates. The Parent manages the Group's financial risks and coordinates the Group's cash management including financing and investment of surplus liquidity. The Group can use derivatives to some extent. It is the Group's policy not to conduct active speculation in financial risks.

The Group's financial management is directed towards management and reduction of financial risks which are a direct consequence of the Group's operations, investments and financing. The objective is that the Group's financial management will contribute to increasing the predictability of the financial performance, including reducing and delaying the impact of foreign exchange rate fluctuations on the income statement.



## NOTES

## 29 FINANCIAL RISKS AND FINANCIAL INSTRUMENTS (CONTINUED)



## MANAGEMENT COMMENTS

**Liquidity risks**

The Group ensures sufficient cash resources by a combination of cash control, investment in short-term current asset investments and by the establishment of credit facilities.

Bank deposits, bank debt and most of the Group's mortgage debt carry a floating rate.

In order to reduce the risk on deposits, RTX only places deposits in banks with a high credit worthiness and investments in short-term bonds.

The maturity dates on the financial liabilities are specified in the notes for each of the liability categories. The Group's liquidity reserve is composed of cash holdings, short-term liabilities and unused credit facilities.

The liquidity reserve in the Group is composed as follows:

Amounts in DKK '000	GROUP		PARENT	
	2015/16	2014/15	2015/16	2014/15
Short-term current asset investments available for sale	18,258	34,188	18,258	34,188
Short-term current asset investments in the traindg portfolio	89,401	39,630	89,401	39,630
Cash at bank and in hand	94,809	63,090	89,988	60,041
Unused credit facilities	-	10,000	-	10,000
<b>Total</b>	<b>202,468</b>	<b>146,908</b>	<b>197,647</b>	<b>143,859</b>

Specification of the maturity dates of the financial assets and liabilities divided in time intervals. The specified amounts represent the amounts due including interests etc.

Amounts in DKK '000	GROUP			
	Within one year	Between one and five years	After five years	Total
Mortgage debt related to assets held for sale	-	-	-	-
Trade payables	37,157	-	-	37,157
Other payables	24,094	-	-	24,094
<b>Total</b>	<b>61,251</b>	<b>-</b>	<b>-</b>	<b>61,251</b>

Amounts in DKK '000	PARENT			
	Within one year	Between one and five years	After five years	Total
Mortgage debt related to assets held for sale	-	-	-	-
Trade payables	37,153	-	-	37,153
Other payables	19,203	-	-	19,203
<b>Total</b>	<b>56,356</b>	<b>-</b>	<b>-</b>	<b>56,356</b>

# NOTES

## 29 FINANCIAL RISKS AND FINANCIAL INSTRUMENTS (CONTINUED)



### MANAGEMENT COMMENTS

#### Credit risks

The Group's primary credit risk is related to trade receivables. The Group's credit risks are assessed on an ongoing basis concerning the trade receivables. By experience, a relatively large credit risk may occur from time to time as a large part of receivables often relates to a relatively small number of counterparties and customers.

The level of risk related to the trade receivables is highly correlated with the financial status of the debtor. RTX uses credit ratings, credit insurance and bank guarantees to secure the outstanding amounts.

Trade receivables can be specified as follows:

Amounts in DKK '000	GROUP		PARENT	
	2015/16	2014/15	2015/16	2014/15
Amounts not due	59,239	38,041	59,236	38,041
Amounts due with up to 30 days	3,901	7,095	3,901	7,095
Due between 30 and 60 days	569	263	569	263
Due between 60 and 90 days	-	-	-	-
Due between 90 and 120 days	-	-	-	-
Due with more than 120 days	-	-	-	-
<b>Total</b>	<b>63,709</b>	<b>45,399</b>	<b>63,706</b>	<b>45,399</b>

Approx. 70% of the company's receivables are secured by credit insurance on the balance sheet date. Provisions for loss on trade receivables are specified in note 18. A significant part of receivables more than 30 days overdue, which have not been written down, have been paid after the balance sheet date.

## NOTES

## 29 FINANCIAL RISKS AND FINANCIAL INSTRUMENTS (CONTINUED)



## MANAGEMENT COMMENTS

**Currency risks**

The Group is exposed to exchange rate fluctuations as the individual Group enterprises make investment, conduct purchase and sales transactions and have receivables and payables in foreign currencies. The Group's revenue to customers outside Denmark has been more than 90% of total revenue over the past few years. Moreover, the majority of the Group's purchase of products etc. from sub-suppliers is paid in foreign currencies.

The Group can enter commercial hedging transactions, to the extent considered appropriate, to lower any currency exposure. The Group has not entered into commercial hedging transaction in 2015/16 or 2014/15.

Specification of the Group's risks in foreign currencies:

	GROUP				SENSITIVITY		
	Cash and current asset investments	Receivables	Liabilities	Net position	Expected change in currency exchange rate	Hypothetical effect on result of the year	Hypothetical effect on equity capital
EUR	68,740	1,374	228	69,886	1%	699	699
USD	23,350	8,184	31,456	78	10%	8	8
Other	1,051	4	967	88	5%	4	4
<b>Total 30 September 2016</b>	<b>93,141</b>	<b>9,562</b>	<b>32,651</b>	<b>70,052</b>			
EUR	40,310	4,151	4,221	40,240	1%	402	402
USD	17,350	41,886	25,606	33,630	10%	3,363	3,363
Other	596	6	47	555	5%	28	28
<b>Total 30 September 2015</b>	<b>58,256</b>	<b>46,043</b>	<b>29,874</b>	<b>74,425</b>			



## UNCERTAINTIES AND ESTIMATES

The Group's major currency exposure relates to sale in EUR and USD.

Due to Denmark's fixed-rate policy for EUR, currency risks in relation to EUR are not hedged. During 2015/16, RTX has not hedged USD. A decline in the exchange rates will have an equivalent negative influence on the annual result and equity.



## MANAGEMENT COMMENTS

**Interest rate risks**

The Group is primarily exposed to interest rate risks through interest-bearing assets and liabilities. The overall objective of controlling the interest rate risk is to recede the negative impacts of interest rate fluctuations on earnings and the balance sheet.

Excess liquidity is primarily invested in short-term liquid bonds in DKK with a strong credit evaluation or in marketable deposits. The interest rate risks related to the investments are controlled via duration in relation to a pre-defined benchmark.

## NOTES

## 29 FINANCIAL RISKS AND FINANCIAL INSTRUMENTS (CONTINUED)

Specification of maturity dates of the Group's financial assets and liabilities:

Amounts in DKK '000	Within one year	Between two and five years	After five years	Hereof carrying a fixed rate	Average maturity years
Short-term current assets investments available for sale	-	18,258	-	-	3.3
Short-term current assets investments in the trading portfolio	-	89,401	-	63,475	-
Bank deposits	94,809	-	-	-	1.0
<b>Total at 30 September 2016</b>	<b>94,809</b>	<b>107,659</b>	<b>-</b>	<b>63,475</b>	<b>-</b>
Short-term current assets investments available for sale	-	34,188	-	-	4.8
Short-term current assets investments in the trading portfolio	-	2,706	36,924	32,557	20.6
Bank deposits	63,090	-	-	-	-
Mortgage debt related to assets held for sale	-10,862	-	-	-	1.0
<b>Total at 30 September 2015</b>	<b>52,228</b>	<b>36,894</b>	<b>36,924</b>	<b>32,557</b>	

The Group's bank deposits are deposited in accounts on demand terms.

#### UNCERTAINTIES AND ESTIMATES

Fluctuations in the interest rate level affect the Group's bond portfolios, bank deposits, bank debt as well as mortgage debt. An increase in the interest rate level of 1% point per annum compared to the interest rate level at the balance sheet date would have had a negative effect in the range of DKK 1.2-1.5 million (30.09.2015: DKK 2.6 million) before tax on the Group's income statement and equity.

A decline in the interest rate level would have had a positive effect on the income statement and equity.

#### MANAGEMENT COMMENTS

##### Capital structure

The Group's capital structure is characterised by a considerable equity share. The business conditions for RTX A/S are characterised by a high degree of uncertainty, which requires a substantial equity, among other things to implement large and long-term development projects at the Group's own expense, for instance in connection with the set-up of technology platforms or by cultivating new business areas and markets.

The Group's equity share capital amounted to 78.9% at the end of the financial year 2015/16 compared to 77.5% in 2014/15.

# NOTES

## 29 FINANCIAL RISKS AND FINANCIAL INSTRUMENTS (CONTINUED)



### MANAGEMENT COMMENTS

#### Financial gearing

The Company's Supervisory Board reviews the Group's capital structure in connection with the announcements of interim reports and annual reports. As part of these reviews, the Supervisory Board reviews the Group's cost of capital and the risks related to the various types of capital. As a consequence to the negative financial gearing Management finds it appropriate to recommend to the Annual General Meeting that the share repurchase programme is increased in comparison with the decision at the Annual General Meeting in 2016.

The financial gearing in the Group, calculated as the ratio of interest bearing net debt to equity, can be calculated at the balance sheet date as follows:

Amounts in DKK '000	GROUP	
	2015/16	2014/15
Mortgage debt	-	10,862
Income tax payable	4,354	2,123
Income tax receivable	-	-134
Short-term current asset investments available for sale	-18,258	-34,188
Short-term current asset investments in trading portfolio	-89,401	-39,630
Cash at bank and in hand	-94,809	-63,090
<b>Interest-bearing net debt</b>	<b>-198,114</b>	<b>-124,057</b>
Equity	280,563	265,906
Financial gearing	-0.71	-0.47

#### Breach of loan agreement terms

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

#### Market value hierarchy for financial instruments

The below indicates the classification of the financial instruments divided in accordance with the market 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	GROUP			
	Level 1	Level 2	Level 3	Total
Bonds listed on the stock exchange, available for sale	18,258	-	-	18,258
Bonds listed on the stock exchange, in the trading portfolio	89,401	-	-	89,401
<b>Financial assets at fair value at 30 September 2016</b>	<b>107,659</b>	<b>-</b>	<b>-</b>	<b>107,659</b>
Bonds listed on the stock exchange, available for sale	34,188	-	-	34,188
Bonds listed on the stock exchange, in the trading portfolio	39,630	-	-	39,630
<b>Financial assets at fair value at 30 September 2015</b>	<b>73,818</b>	<b>-</b>	<b>-</b>	<b>73,818</b>

## 30 EVENTS AFTER THE BALANCE SHEET DATE

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

# NOTES

## 31 ACCOUNTING PRINCIPLES APPLIED

### ACCOUNTING POLICIES

In addition to the description in Note 1, the accounting principles are as described below.

#### GROUP FINANCIAL STATEMENT

The consolidated financial statement include the parent company RTX A/S and the companies (subsidiaries) controlled by the parent. The parent company is considered to have control when it directly or indirectly holds more than 50% of the voting rights or otherwise controls or actually exercises control.

RTX A/S and the subsidiaries are in one called the group.

#### Consolidation principles

The consolidated financial statements are prepared on the basis of financial statements of RTX A/S and its subsidiaries. The accounts used for consolidation are prepared in accordance with the Group's accounting principles.

On consolidation, income and expenses, shareholdings, balances, dividends and gains and losses on transactions between the consolidated companies in the Group are eliminated.

In the consolidated accounts items of subsidiaries are included 100%. The proportionate share of minority interests of the result is included as part of the consolidated profit and as a separate component of the Group's equity.

#### Acquisitions

Newly acquired subsidiaries are consolidated from the date of acquisition. The acquisition date is the date on which control of the subsidiary is effectively transferred. Sold or liquidated subsidiaries are recognized in income until the sale or liquidation. The date of sale is the date on which control of the subsidiary is effectively transferred to a third party. For acquisitions of subsidiaries in which the Group gains control of the acquired company, the acquisition method is applied, whereby the acquired identifiable assets, liabilities and contingent liabilities are measured at fair value.

The payment for a subsidiary consists of the fair value of the amount paid for the

acquired company. Costs attributable to the acquisition are recognized directly as profit or loss as incurred.

Positive differences (goodwill) between, on the one hand, the amount for the acquired subsidiary, the value of minority interests in the acquired company and the fair value of any previously acquired shares, and on the other hand, the fair value of the acquired assets, liabilities and contingent liabilities recognized as intangible assets and tested at least annually for impairment. If the carrying amount of an asset exceeds its recoverable amount, it is written down to its recoverable amount.

#### FOREIGN CURRENCY

The Group and the Parent company use Danish kroner (DKK) as its presentation currency. The Parent's functional currency is Danish kroner (DKK).

Transactions in currencies other than corporate functional currency are calculated at the transaction date.

Monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the closing rate. Exchange rate differences between the transaction date and the date of payment, the balance sheet date respectively, are recognized in the income statement as financial items.

On recognition in the consolidated financial statements of companies that report in a functional currency other than Danish kroner (DKK), income statements are translated at average exchange rates for the months. Balance sheet items are translated at the closing exchange rates. Goodwill is considered to belong to the acquired entity and translated at the closing rate at the balance sheet date.

Exchange rate differences between foreign companies' balance sheet items and income statement items are recognized in other comprehensive income. Similarly, exchange rate differences arising as a result of changes made directly in the foreign entity's equity are also recognized in other comprehensive income. Other foreign exchange rate gains and losses are recognized in the income statement under financial items.

## INCOME STATEMENT

### Net revenue

Net revenue from merchandise and finished products are recognized in the income statement when delivery and transfer of risk to the buyer has taken place.

Net revenue from services and ongoing development projects for others' expenses is recognized as the agreed services are delivered so that revenue corresponds to the fair value of the work performed during the year. Costs incurred and expensed when incurred.

Revenue is measured at fair value of the consideration received or receivable. The difference between fair value and nominal value of the consideration is recognized as financial income in the income statement by using the effective interest method.

Royalty is recognized as revenue on a straight-line basis in the period concerned. If the income depends on future events including the customers' sale of the products containing the technology developed by RTX, the royalty is recognized in the income statement after this event. Rent income is also recognized on a straight-line basis over the period concerned.

Revenue is calculated net of VAT, duties, etc. collected on behalf of a third party. If the outcome of a development project in progress can not be predicted with reliability, revenue is recognized equivalent to the incurred project costs in the period to the extent that it is probable that these costs will be recovered.

Costs of sales work and of securing contracts as well as financing costs are recognized in the income statement when incurred.

If an arrangement contains multiple deliverables, these are divided into separate deliverables addressed individually to the extent that they have been separately quoted, that every delivery has been separately negotiated and the customer has had the opportunity to accept or reject a single supply and the fair value of each deliverable can be measured reliably.

### Cost of sales

Cost of sales etc. comprises raw materials, consumables, cost of sales, freight, customs

## NOTES

and write-downs on inventories incurred to achieve revenue in the financial year.

Consumed resources related to development projects financed by a third party are expensed when consumed.

### Other external costs

Other external costs include costs for premises, marketing and sale, administration, loss of debtors, etc.

Other external costs also include external costs of development for own account that does not meet the criteria for capitalization. Furthermore, provisions for losses on development projects in progress are included.

### Development projects for own account

Development costs for own account are held in cases where a project is started without contracted with a third party customer financing of the development project.

Development costs are generally recognized as expenses in the income statement when incurred. In cases where it is likely that the development projects will be marketed in the form of new products in potential markets, and development projects are clearly defined, the development costs are recognized as an asset.

## BALANCE SHEET

### Development projects in progress and completed on own account

Development projects are recognized as intangible assets to the extent that it is likely that the product will generate future financial benefits for the Group, and the development costs associated with each asset can be measured reliably.

Development projects are measured initially at cost. The cost of development projects comprises costs directly attributable to the development projects.

Interest costs on loans for financing the production of qualifying development projects are included in the cost of development projects if they relate to the production period.

Completed development projects are amortized over the expected life-time. The amortization period is usually 3 years. For development projects protected by

intellectual property rights, the maximum amortization period is the remaining term of the rights.

Ongoing development projects recognized in the balance sheet are not amortized but tested at least annually for impairment.

Reimbursements of development costs from customers, which is a partial financing of development projects that RTX has recognized as an intangible asset, are offset directly against the value of the intangible asset.

### Goodwill

Goodwill is recognized and measured initially as the difference between the cost of the acquisition and the fair value of the acquired assets, liabilities and contingent liabilities, ref. the description under Group financial statement.

On recognition of goodwill the amount is allocated to the Group's activities with separate cash generating units. The determination of cash-generating units follows the management structure and internal financial management and financial reporting in the Group.

Goodwill is not amortized, but is tested at least annually for impairment. If the carrying amount of an asset exceeds its recoverable amount, it is written down to its recoverable amount.

### Impairment of tangible and intangible assets and capital shares in subsidiaries

The carrying values of tangible and intangible assets with definite life-time, as well as the Parent's capital shares in subsidiaries, are reviewed at the balance sheet date to determine whether there are indications of impairment. If there are indications of impairment, the recoverable value is estimated in order to establish the need for any write-down and the extent thereof. For ongoing development projects and goodwill, the recoverable value is estimated annually, regardless of whether there are indications of impairment.

If the individual assets does not generate cash flows independently of other assets, the recoverable amount is estimated for the smallest cash-generating unit to which the asset belongs.

The recoverable amount is the higher of an asset's fair value less sales costs and capital value. By calculating the value, future cash flows are discounted to present value using a discount rate that reflects current market assessments of the time value of money and the risks specific for the associated assets, which are not regulated in the estimated future cash flows.

If the recoverable value is estimated to be less than the carrying amount, the recoverable amount is used. Impairment losses are recognized in the income statement.

On any subsequent reversal of impairments, the carrying value is increased to the adjusted estimate of the recoverable amount. However, this can not exceed the carrying amount that the asset would have had in case of a non-impairment. Impairment of goodwill is not reversed.

### Inventories

Inventories are measured at cost using the FIFO method, or net realizable value if this is lower.

Cost of goods, raw materials and consumables include the purchase price plus delivery costs. The cost of finished goods and work in progress comprises the cost of raw materials and labor, and production as well as fixed and variable production overheads.

Variable indirect production costs include indirect materials and wages and are allocated based on preliminary calculations of the goods produced. Fixed indirect production costs comprise costs of maintenance and depreciation of production machinery, buildings and equipment as well as administration and management.

The net realizable value of inventories is calculated as the estimated selling price less costs of completion and necessary sales costs.

### Accrued income and deferred expenses

Accrued income and deferred expenses recognized under assets include costs incurred relating to subsequent financial years. Accrued income and deferred expenses are measured at cost.



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## Other financial liabilities

Other financial liabilities, including bank loans, trade payables and payables to public authorities, etc., are initially measured at fair value, corresponding to the proceeds received net of any transaction costs. Liabilities are subsequently measured at amortized cost using the effective interest method, whereby the difference between the proceeds and the nominal value is recognized as financial costs over the term of the loan.

## Long-term assets held for sale

Long-term assets and groups of assets held for sale, are presented separately in the balance sheet as short-term assets. The obligations directly related to the assets are presented as current liabilities in the balance sheet. Long-term assets held for sale are not depreciated, but are written down to fair value less sales costs if this is lower than the carrying value.

## CASH FLOW STATEMENT

The cash flow statement shows cash flows from operating, investing and financing activities as well as cash and cash equivalents at the beginning and end of the year.

The cash effect of acquisitions and divestments is shown separately under cash flows from investing activities.

Cash flows from operating activities using the indirect method and calculated as operating profit, are adjusted for non-cash operating items and changes in working capital, less net financial income and expenses and the financial corporation tax.

Cash flows from investing activities include payments in connection with acquisition and divestment of companies and financial assets as well as acquisition, development, improvement and sale of intangible and tangible assets.

Cash flows from financing activities comprise changes in the Parent's share capital and related costs as well as the raising and repayment of loans, repayment of interest-bearing debt, acquisition and disposal of treasury shares and payment of dividends.

Cash and cash equivalents comprise cash less any overdraft facilities that are an integral part of the Group's cash management.

## SEGMENT INFORMATION

RTX has two reportable segments: Design Services and Business Communications. The segments are described in detail in the management report.

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

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

# TECHNICAL TERMS AND EXPLANATIONS

TERM	EXPLANATION
<b>Android</b>	Android is a mobile operating system (OS) based on the Linux kernel and currently developed by Google. With a user interface based on direct manipulation, Android is designed primarily for touchscreen mobile devices such as smartphones and tablet computers.
<b>Baseband</b>	Baseband is a general term for part of the physical components of a wireless communication product. Typically, this would include the control circuitry (microprocessor), the power supply, amplifiers, etc.
<b>Bluetooth™</b>	Bluetooth is a technology primarily intended as replacement for cables over short distances (typically 10-100 metres). Bluetooth is mainly used for mobile telephones, so the user can, for example, speak through a mobile telephone via a wireless Bluetooth headset, and it will be easy to exchange business cards between the two mobile telephones. Bluetooth can also be used for a number of other applications, such as wireless connection between a mobile telephone and a laptop or connection between an MP3 music player and a stereo headset. The two most widely distributed versions of Bluetooth (versions 1.1 and 1.2) have a maximum transfer speed of 723.2 kbit/s. Enhanced Data Rates (EDR) are introduced in Bluetooth version 2.0, and the data transfer speed in this version reaches a maximum of 3 Mbit/s.
<b>CAT-iq™</b>	CAT-iq™ is an abbreviation of Cordless Advanced Technology – internet and quality. The CAT-iq™ standard supports new and existing consumer products within wireless communication. CAT-iq™ is based on the already existing DECT technology and connects broadband and telephony.
<b>The cellular market</b>	The cellular market is a term used to cover all mobile telephony technologies and consists mainly of mobile telephone customers and subscribers, manufacturers and operators.
<b>DCT2.4 GHz / WDCT</b>	DCT2.4 GHz (Digital Cordless Telecommunications) or WDCT (World Digital Cordless Telecommunication) is a licence-free technology that makes it possible to speak wirelessly via an ordinary telephone connection. Unlike DECT, DCT2.4 GHz can be used all over the world. DCT2.4 GHz has mainly been targeted to the North American market as the common DECT frequencies have not been allocated to DECT in this area until 2005 (see also US-DECT).
<b>DECT</b>	DECT (Digital Enhanced Cordless Telecommunications) is a technology that makes it possible to talk wirelessly via an ordinary telephone connection at a range of up to 300 metres. This was originally a European standard, developed by ETSI (European Telecommunications Standards Institute) but it has subsequently also been adopted in a number of non-European countries. Many predicted that DECT would die quickly after the introduction of Bluetooth and W-LAN at the end of the 90's, however, the truth is that today DECT is still a strong technology which is also used in other contexts than wireless telephones.
<b>GSM</b>	GSM (Global System for Mobile communication) is also defined as a second generation technology (2G). GSM is the predecessor of today's 3G and 4G (LTE) technologies, and is still an integral part of this. All these cellular technologies are currently used for everything from simple voice transmission (telephony) to data transfer by SMS (Short-Message Service), MMS (Multimedia Message Service), internet, facetime etc.
<b>HD Voice</b>	HD Voice stands for wideband voice, meaning sound quality with an increased band with compared to ordinary telephony audio.
<b>Internet telephony</b>	Internet telephony is in short telephony via the Internet and not via the conventional telephone connections. As opposed to conventional telephony where each connection occupies the entire connection, Internet telephony enables more users to share the same connection, just as lots of cars can use the same motorway. For instance this means that several households in an apartment block can use the same broadband connection and that each individual household can cancel their ordinary telephone subscription and use Internet telephony instead. Moreover, it is possible to be on the phone free of charge or very cheap via the Internet.
<b>IP</b>	Internet Protocol (IP) is a method or protocol for sending data over the Internet. IP networks are package linked networks where data is divided into packages of varying sizes. Voice can also be transferred via an IP network (Voice over IP) and an application using this is called IP Telephony. IP is also used as an abbreviation for ownership of intellectually generated properties, "Intellectual Property". Is also abbreviated as IPR, "Intellectual Property Rights".
<b>M2M</b>	The term Machine To Machine (M2M) stands for machines communicating with each other via a network (without human intervention).

## TECHNICAL TERMS AND EXPLANATIONS

TERM	EXPLANATION
<b>ODM</b>	Original Design Manufacturer (ODM) is a business model involving the development of a product according to the customer's product requirement specification. In the typical ODM model, the ODM supplier designs, develops and manufactures the complete product. For instance, based on detailed product requirement specifications from a customer, RTX has designed a Wireless Telephone Line Extender, including the development and handling of the manufacturing of the product.
<b>OEM</b>	An Original Equipment Manufacturer (OEM) is a manufacturing company developing and manufacturing standardized products or modules, which are incorporated into end products using the reseller's brand name. There is a low degree of customisation of the OEM product compared to an ODM offering. The customer only performs a few alterations to the final product, usually only a brand name and packaging.
<b>PBX</b>	Once upon a time, telephone calls had to be connected manually by the switchboard operator. Such a system was known as a PBX, or Private Branch Exchange. These days, such connections are established automatically, and so the term Private Automatic Branch Exchange (PABX), i.e. an automated switchboard, is used.
<b>Repeater</b>	A repeater is a unit which transmits the data it receives. A repeater is primarily used to extend on the coverage area for a wireless technology (for instance, a DECT repeater can extend the DECT telephones' coverage area).
<b>RF</b>	Radio frequency or high frequency (HF) is a generic description of the radio waves applied for everything from TV and radio to wireless two-way communication (telephony, Walkie-Talkie, etc.) and radar.
<b>Skype™</b>	Skype™ is a programme allowing telephone conversations via the Internet. Calls to other Skype™ users are free of charge as well as calls to ordinary telephone numbers and mobiles all over the world are at a low rate (via SkypeOut and SkypeIn).
<b>DECT 6.0 / US DECT</b>	US-DECT is the 1.9 GHz DECT band which is the American counterpart to the European DECT system. US-DECT is also called DECT 6.0.
<b>VoIP</b>	VoIP or "Voice over Internet Protocol" is a method or protocol employed to transfer speech via the Internet.
<b>Wi-Fi</b>	Wi-Fi is a standard for wireless transferring between computer and other units, i.e. wireless data net (for instance WLAN) based on IEEE802.11 specifications. A Wi-Fi approval assures that units from different manufacturers are able to communicate.

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RTX was established in May 1993. Since June 2000 the Company's shares have been listed on the Nasdaq Copenhagen Stock Exchange. RTX is headquartered in Denmark and has facilities in Hong Kong and California, USA. RTX possesses a unique combination of both software and hardware know-how. Our team of highly experienced engineers and experts has sound knowledge of all relevant technical and professional disciplines. RTX takes projects from the concept stage all the way through specification, design, development, test and verification into final product. In addition, RTX offers production services for OEM and ODM products.