

Annual Report

2024/25



Terma A/S, Hovmarken 4, 8520 Lystrup, Denmark

Central Business Register No. 41 88 18 28.

The Annual Report was presented and approved at the annual general meeting of the Company on 26 May 2025.

Meeting Chair: Mette Roenborg Lawaetz

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Letter from Executive Board



In August 2024, Terma welcomed Henriette Hallberg Thygesen as new CEO & President.

The fiscal year 2024/25 marked another positive step forward for Terma, building on the strong momentum of recent years. Our financial results demonstrate robust operational performance and reflect an increasing global demand for our technological solutions. We achieved an order intake of 3.9 BDKK, representing a 49% improvement compared to last year. Revenue reached 2.9 BDKK, growing by 9% organic growth year on year and exceeding our initial outlook by two percentage points due to favorable market conditions. Earnings before special items and tax were 313 MDKK, an increase of 37% over last year's performance and above our guidance. This improvement was primarily driven by higher revenue, enhanced production efficiencies, and continued strong project execution.

Over the past three years, Terma's order intake has grown by 69%, our revenue has increased by 31%, and earnings before tax have doubled. These results clearly illustrate the strength and relevance of our product portfolio and our ongoing ability to deliver high-quality solutions in close collaboration with our customers.

Our financial foundation is stronger than ever. We closed the year with a record-high order backlog of 4.5 BDKK, 400 MDKK higher than the previous year, of which 2.4 BDKK is already allocated to the 2025/26 fiscal year. Operating cash flow improved significantly to 521 MDKK – more than double the level recorded four years ago – reflecting our ability to convert growth into liquidity. Meanwhile, our solvency ratio strengthened to 52%, up from 43%, highlighting a resilient balance sheet.

These results are the outcome of a disciplined focus on operational excellence, cash generation, and strategic investments in capacity and capabilities. With strong liquidity, a growing pipeline, and a healthy balance sheet, Terma is well positioned to continue scaling our business, investing in new technologies, and pursuing strategic acquisitions.

Our growth ambitions were further reinforced this past year when ATP, Denmark's largest pension fund, became an investor and joined our Board of Directors. This partnership strengthens our ability to pursue both organic and inorganic growth opportunities, while also investing significantly in new capabilities and technologies, ensuring that we remain at the forefront of our industry.

Looking at the world around us, this past year was marked by notable global developments and escalating geopolitical uncertainties, particularly in Europe, the Baltic Sea region, and the Arctic. These developments have highlighted the critical importance of reliable defense and security solutions – not only for military purposes but also for the protection of critical infrastructure. As a response, governments across NATO and the European Union are significantly accelerating their

defense investments, reinforcing the commitment to ensuring national and collective security. In this shifting geopolitical landscape, Terma's purpose – *Securing People through Advanced Technology* – remains increasingly relevant.

We are committed to supporting Denmark and our international allies by continuously providing advanced, reliable technological solutions. Given the increasing focus on defense investment in Europe, we see substantial opportunities for our business in the region and will therefore intensify our efforts and resources toward serving the European defense market. Simultaneously, the United States continues to be an essential market for us.

Our continued success and remarkable results in the past years are driven by the exceptional dedication and professionalism of Terma's employees. With our global workforce approaching 2,000 employees, their ongoing commitment, expertise, and collaborative spirit remain essential to Terma's strong performance and our ability to effectively support the safety and security of societies worldwide.

On behalf of Terma's Board of Directors and Executive Board, we therefore want to express our sincere gratitude to all employees worldwide for their exceptional dedication and contribution to our successful results.

Looking ahead, Terma remains committed to continued innovation and growth, particularly within key technological areas. We are expanding our strategic focus to include drones and counter-drone capabilities, recognizing their increasing significance within defense and security

operations – also within our traditional stronghold areas. In line with this ambition, we have recently introduced a groundbreaking radar solution, SCANTER Sphera – an exceptional system designed for state-of-the-art drone detection.

This product represents the first step in a broader initiative aimed at delivering a comprehensive suite of advanced solutions in the drone and counter-drone domain. This domain also plays a significant role in Terma's existing and future efforts within critical infrastructure protection (CIP) – an increasingly pressing global issue, where safeguarding the institutions and infrastructural pillars of society is becoming both more important and more challenging. With 75 years of technical innovation and experience within radar surveillance, C2 solutions, and systems integration, Terma is uniquely positioned to become one of the leading providers of CIP solutions worldwide.

With a solid foundation, a clear ambition for the future, and a continued focus on technology and partnerships, Terma is ready to seize new opportunities and play an even greater role in strengthening security – at home and abroad.

Kind regards,

Henriette Hallberg Thygesen
Chief Executive Officer, Terma A/S

Per Thiesen
Executive Vice President & CFO, Terma A/S



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Every day, Emma **protects naval forces** through advanced surveillance and critical technologies

Terma at a Glance

HIGHLIGHTS

2024/25 was a very strong year for Terma with an order intake reaching 3.9 BDKK. This is a 49% improvement over last year, and it has led to a markedly higher order backlog of 4.5 BDKK, providing a robust foundation for further growth.

Revenue grew 9% organically over last year, combined with a significantly improved profitability. Our strong commitment and capability to execute on projects and drive efficiency improvements, has enabled us to achieve a record-high double digit EBT margin.

Cash flow from operations was robust with 521 MDKK and on par with EBITDA, wherefore the cash conversion rate was solid at 1.0. This, combined with a solvency ratio of 52, is a solid foundation to pivot our continued growth.

ORDER INTAKE: 3,919 (MDKK)



ORDER BACKLOG: 4,456 (MDKK)



REVENUE: 2,883 (MDKK)



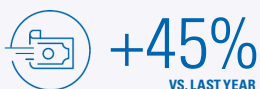
EBITDA: 524 (MDKK before special items)



OPERATING PROFIT: 313 (MDKK before special items)



CASH FLOW FROM OPERATIONS: 521 (MDKK)



Financial Highlights



Terma's 3D-Audio system provides high-fidelity digital audio signals by spatially separating radio signals, aligning audio with threat directions, and integrating active noise reduction. Thereby, pilots can make faster and better-informed decisions in critical situations, and pilot fatigue is reduced. Every second counts.

MDKK	CONSOLIDATED				
	2024/25	2023/24	2022/23	2021/22	2020/21
KEY FIGURES					
Order intake	3,919	2,623	2,398	2,314	2,019
Order backlog, year-end	4,456	3,420	3,430	3,290	3,171
INCOME STATEMENT					
Revenue	2,883	2,633	2,258	2,195	2,070
EBITDA before special items	524	448	375	357	321
EBITDA after special items	503	427	375	357	321
Depreciation, amortization, and write-downs	(198)	(194)	(183)	(170)	(151)
Operating profit before special items	325	255	192	187	170
Special items before tax*	(20)	(22)	-	-	-
Operating profit after special items	305	233	192	187	170
Financial income and costs	(11)	(25)	(21)	(32)	(33)
Earnings before special items and tax	313	228	171	155	137
Earnings before tax (EBT)	293	206	171	155	137
Profit for the year	222	155	139	127	116
BALANCE SHEET					
Non-current assets	1,444	1,362	1,262	1,242	1,216
Current assets	2,658	1,644	1,406	1,269	1,333
Total assets	4,103	3,006	2,668	2,512	2,549
Total equity	1,889	1,046	898	744	731
Subordinated loans	255	255	255	255	125
Capital base	2,144	1,301	1,153	999	856
NIBD (excl. subordinated loans)	(824)	54	139	277	438
CASH FLOWS					
Cash flows from operations before tax	521	360	370	361	203
Cash flows from investing activities	(268)	(236)	(189)	(217)	(286)
hereof investments in software, property, plant & equipment	(164)	(152)	(90)	(149)	(138)
FINANCIAL RATIOS					
EBITDA margin before special items	18.2	17.0	16.6	16.2	15.5
EBITDA margin after special items	17.5	16.2	16.6	16.2	15.5
EBT margin before special items	10.9	8.7	7.6	7.1	6.6
EBT margin after special items	10.2	7.8	7.6	7.1	6.6
Return on investments before special items	9.2	8.4	7.4	7.4	7.4
Liquidity ratio	173.2	128.8	129.3	124.4	118.3
Cash conversion ratio	1.0	0.8	1.0	1.0	0.6
Solvency ratio (capital base)	52.3	43.3	43.2	39.8	33.6
Return on equity	15.1	15.9	16.9	17.2	16.4
Leverage ratio	(1.6)	0.1	0.4	0.8	1.4
Average number of full-time employees	1,818	1,704	1,599	1,648	1,653

See definitions of financial key ratios under note 01 * Special items in 2024/25, see note 03

Outlook

As we enter the 2025/26 fiscal year, Terma does so from a position of strength. We closed 2024/25 with a record-high order backlog of 4.5 BDKK, reflecting sustained demand for our advanced technology solutions and our ability to deliver on the evolving needs of our customers.

The geopolitical environment remains complex and fluid, but it is also marked by a renewed and growing commitment to national and European defense. Across our core markets, we see governments and institutions continuing to prioritize investment in capabilities that enhance security, resilience, and technological sovereignty. In particular, Europe's ambition for greater defense autonomy and the implementation of initiatives such as the EU's ReArm plan are creating new momentum and opportunities for companies like Terma.

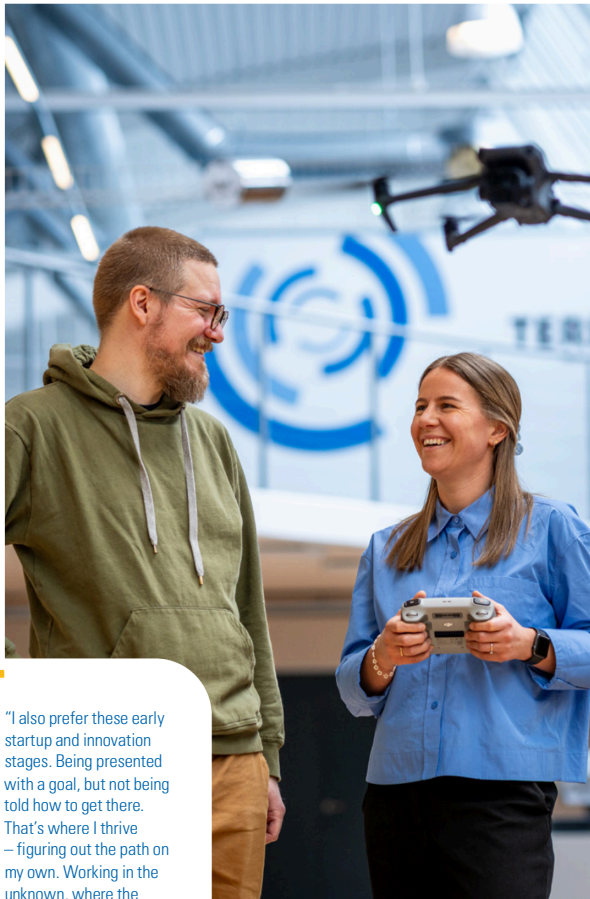
We expect this dynamic to continue driving strong demand for our technology offerings in 2025/26. Our focus remains on delivering against our growing backlog, scaling our operations, and supporting customers through continued investment in capacity and capabilities. At the same time, we will accelerate the development of new products, with a particular emphasis on unmanned systems and counter-drone solutions. Strengthening our position within critical infrastructure protection will also be a key priority, as the need to safeguard vital societal assets becomes ever more urgent. The recent launch of our new radar, specifically designed for drone detection, marks the beginning of a strategic expansion into this important and rapidly evolving area.

A key objective for 2025/26 is to continue delivering improved financial performance. We expect organic revenue growth of 12-15%, earnings before tax to increase by 4-6%, and our order backlog to surpass 5 BDKK. This growth is expected despite a reduction in revenue from the F-35 program, driven by a levelling in program planning. While we have seen a trimming in the overall demand, Terma will maintain its share of the program. In the longer term, we expect the activity level on existing parts to recover and reach previous volume levels. Meanwhile, strong demand across our broader portfolio is expected to more than compensate for the temporary decline in F-35 revenue.

The company faces potential risks related to tariffs arising from current geopolitical tensions and shifting international trade policies. Such tariffs could negatively impact the company's cost structure and supply chain stability. The company is actively monitoring developments to ensure timely assessment and implementation of appropriate measures to mitigate potential disruptions.

We will continue to invest in our organization and in the development of future capabilities – ensuring that Terma remains a trusted partner for our customers, a technology leader in the industry, and a contributor to the resilience and security of our home market and international allies.





"I also prefer these early startup and innovation stages. Being presented with a goal, but not being told how to get there. That's where I thrive – figuring out the path on my own. Working in the unknown, where the answers don't exist yet," Rasmus says.

Our People

"Securing People through Advanced Technology" is far more than a mere slogan; it is at the core of everything we do. Technology is the cornerstone upon which everything we build is founded. We continuously integrate the most cutting-edge advancements to ensure the highest standards of protection, and our team of experts, driven by an unwavering commitment, is sincerely dedicated to safeguarding individuals. Every day.

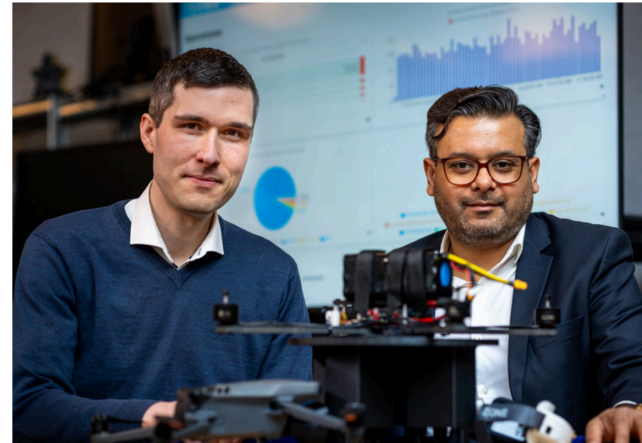
Drone Technology for Today and Tomorrow

The drone industry is evolving rapidly, and the global defense landscape is shifting. It is crucial for Terma to be part of this development to meet customer demands, and Cecilie and Rasmus are part of Terma's efforts to develop advanced drone technologies for different scenarios.

"Exploring its potential and developing the necessary technologies is particularly interesting," says Cecilie, who recently obtained a drone certification so she can fly the drones herself to help her in her work with drone detection.

Rasmus works with drone warfare. Not the drone itself, but its brain. Terma creates an autonomous system with a black box that includes a camera and intelligent software. This enables the drone to track hostile drones with the intention of destroying them and removing the threat.

Rasmus and Cecilie



Resilience Against Cyberattacks

Samant holds a PhD in cryptology, and during his research, he discovered how quantum computing could eventually break widely used cryptographic systems.

"As we enter a new era of technological innovation, integrating cyber and quantum capabilities is no longer a choice, but a necessity. Our mission is to ensure that critical infrastructure remains secure and resilient in the face of evolving threats. Harnessing the potential of quantum technology alongside robust cybersecurity measures will be key to safeguarding our future," says Samant.

Terma stands out for its efficiency and speed in the development phase. Samant's colleague, Theis, emphasizes how swiftly ideas are transformed into action, noting that a paradigm shift has almost occurred within Terma's R&D processes.

"The pace of innovation here is unmatched compared to my previous experiences. There's a strong willingness to approach things differently at Terma. People are open to experimentation, and I believe this is a key factor in our success," says Theis.

Theis and Samant

F-16 Fighters to Ukraine

Henrik and his colleagues have delivered Terma's self-protection system to the Danish F-16s that were donated to Ukraine. This system helps the pilot detect and defeat threats from hostile missiles, and thereby, it protects the aircraft and its crew.

"The technology behind it is deeply fascinating, but the fact that you also know that the product we supply, is used to protect and save the lives of aircrews is incredible. We feel both proud and in awe of the task. *Securing People through Advanced Technology*; that's exactly what we strive to do."

Henrik



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Every day, Jan integrates AI in our product solutions to **secure maritime surveillance**

Who We Are

OUR LOCATIONS

NORTH AND CENTRAL AMERICA UNITED STATES

Atlanta (GA)
Warner Robins (GA)
Fort Worth (TX)
Washington D.C

EUROPE

DENMARK
Lystrup
Copenhagen
Grenaa

GERMANY
Darmstadt

THE NETHERLANDS
Leiden

BELGIUM
Brussels

FRANCE
Paris

UNITED KINGDOM
London

AUSTRIA
Vienna

CZECH REPUBLIC
Prague

ROMANIA
Braşov

ASIA PACIFIC

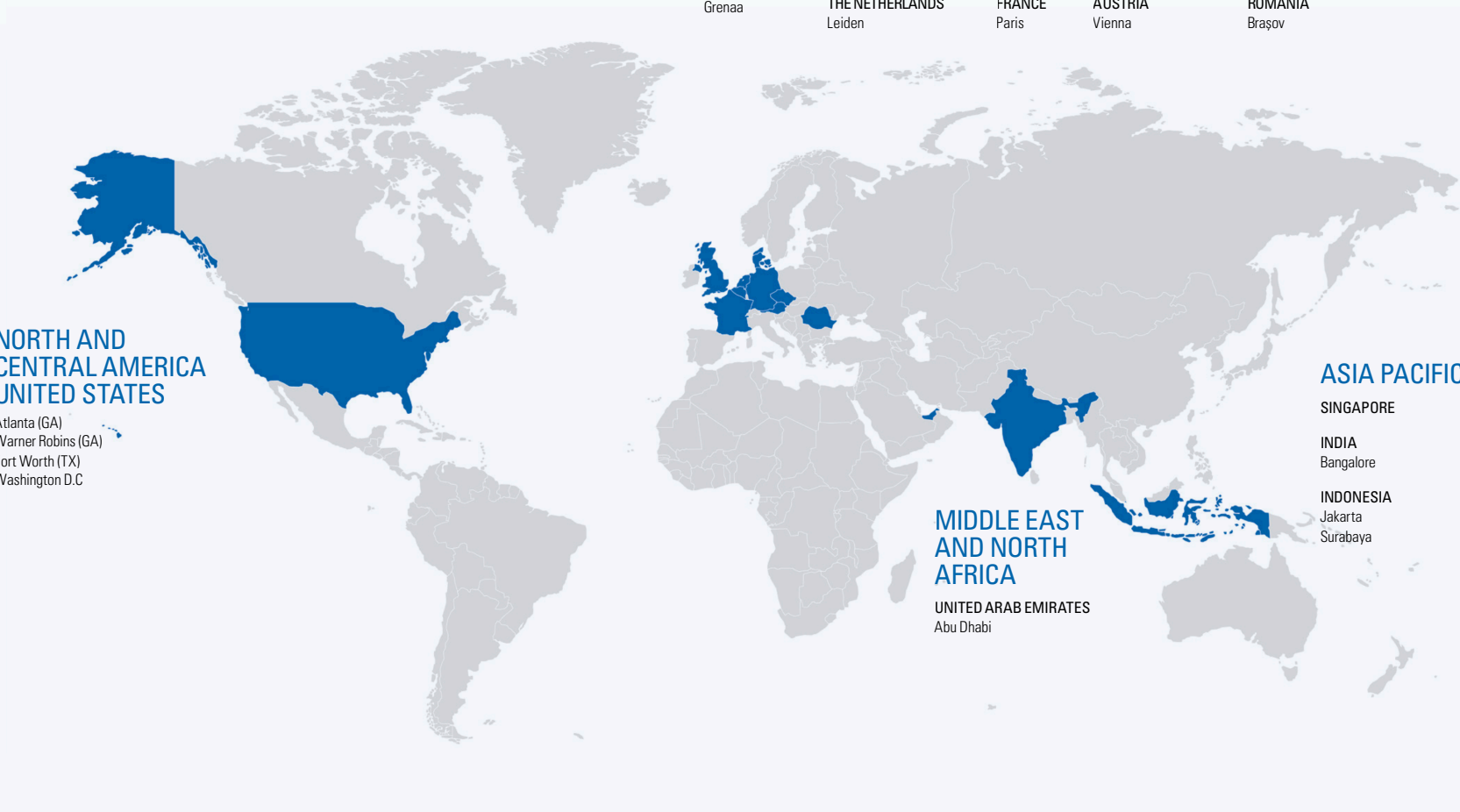
SINGAPORE

INDIA
Bangalore

INDONESIA
Jakarta
Surabaya

MIDDLE EAST AND NORTH AFRICA

UNITED ARAB EMIRATES
Abu Dhabi



Executive Leadership Team

HOW WE MANAGE OUR BUSINESS

The Executive Leadership Team (ELT) is the primary senior leadership team for Terma.

The leadership team is designed to enable a flat, aligned, and agile structure with clear ownership and accountability for key strategic elements.



Henriette Hallberg Thygesen
CEO & President



Per Thiesen
Executive Vice President & CFO



Jesper Böhnke
Executive Vice President, Integrated Product Development



Mette Roenborg Lawaetz
Senior Vice President, General Counsel

Securing People through Advanced Technology



Thomas Flarup
Executive Vice President, Global Sales & Portfolio Management



Rikke F. Rennau
Senior Vice President, Global People



Steen M. Lyneskjold
Executive Vice President, Government & Partnerships



Our Purpose

Securing People through Advanced Technology

At Terma, we believe that security – the protection of human lives, countries, and sovereignty – is essential for a safer, more prosperous future. This belief drives us to deliver mission-critical solutions to our partners, customers, and end-users worldwide.

Our enduring purpose – *Securing People through Advanced Technology* – has become increasingly vital in a complex geopolitical landscape where old alliances and certainties are rapidly shifting.

Whether in familiar global arenas or the uniquely challenging environments of the Arctic and outer space, our innovative systems, technologies, and strategic partnerships provide security and stability to citizens, the institutions and organizations that serve them, and the soldiers, sailors, and airmen who protect them.

Our Values

Guided by our purpose, we uphold values that form the foundation of our unity as a global company. These values support our corporate strategy and are built on our strong culture:

- Act globally
- Deliver the promise
- Work with integrity
- Learn and improve
- Show passion

Sustainability

SUSTAINABILITY AND ESG IN TERMA

At Terma, we believe it is important to be responsible and accountable for the impacts of our business operations, and therefore, we actively work with sustainability and ESG.

Terma's sustainability strategy is entitled *Allies in Responsibility* and consists of strategic focus areas as well as other topics we consider to be part of a "sustainability foundation", i.e. the way we work.

These topics include our efforts on anti-corruption, human rights, responsible supply chain management, employee health and mental well-being, and employee safety.

In the current phase of *Allies in Responsibility* 2023/26, the strategic focus areas are the following:

- Securing People While Respecting the Environment.
- Shaping Tomorrow's Workplace by Advancing Inclusion & Diversity.
- Strengthening STEM and Securing Our Future.

A detailed description of the activities and targets of the strategy, as well as our performance, can be found in our separate statutory Sustainability Report 2024/25 available [here](#).

Moreover, a detailed description on how Terma is preparing for the EU Corporate Sustainability Reporting Directive (CSRD) can also be found in our sustainability report.

The sustainability report meets the requirements for sustainability reporting as stated in the Danish Financial Statements Act §99a and accompanies Terma's Communication on Progress to the UN Global Compact.



David won the gold medal at the Danish championship for young electronics professionals in 2024. The victory serves as a steppingstone for David to qualify for the European Championship of Young Professionals (Eurosills) in 2025.

Since joining Terma as an apprentice four years ago, David – who always aspired to be an inventor – has gained invaluable experience working with space equipment, self-protection, and radar systems. His determination and skills led him to set his sight on the European Championship four years ago, and now that goal might become a reality.

Our Business

Terma provides mission-critical solutions for the aerospace, defense, and security industries, guided by one overarching purpose: *Securing People through Advanced Technology*. Our strength lies not only in engineering and manufacturing, but in our ability to apply these capabilities in complex operational environments, tailored to the specific needs of our customers. We are recognized for our expertise in mission-critical software, systems integration, and secure data transfer across domains.

BUSINESS AREAS

Surveillance & Mission Systems delivers advanced radar and command-and-control (C2) technologies for single-domain operations – such as air defense and naval missions – as well as multi-domain scenarios involving intelligence, surveillance, and reconnaissance. The SCANTER radar family remains a core offering, particularly in coastal surveillance and port and airport traffic control. Radar applications for naval vessels continue to grow, including a milestone contract in 2024/25 with the Canadian Coast Guard for a new class of multi-purpose vessels. Terma also advanced its drone detection and classification capabilities using artificial intelligence, attracting strong interest from customers worldwide.

The Business Area secured a key order from the Danish Ministry of Defence Acquisition and Logistics Organization for the BMD-Flex C2 system and was appointed system integrator for Denmark's new Very Short-Range Air Defense (VSHORAD) system. The growing demand for

Critical Infrastructure Protection (CIP) further strengthens this Business Area's strategic position. As the protection of vital infrastructure becomes an increasingly urgent priority for governments and private operators alike, Terma's integrated radar and software solutions are uniquely suited to securing critical assets against evolving threats, from conventional intrusions to emerging challenges. This positions Surveillance & Mission Systems as a key enabler in the safeguarding of essential societal Infrastructure across land, sea, under water and air.

Space designs and delivers electronics, software, and support services for satellites, control centers, and testing systems. With strong heritage in European institutional programs, the Business Area is expanding into global New Space markets with increasing focus on defense. Terma continues to develop and deliver advanced Star Trackers and other critical satellite technologies, serving customers across Europe, the U.S., Asia Pacific, and the Middle East.

Self-Protection Systems provides integrated electronic warfare solutions for military aircraft, enhancing survivability through systems such as the ALQ-213 controller and Advanced Threat Displays. The Business Area also delivers Terma's operationally proven 3D-Audio solution, improving aircrew situational awareness and reducing fatigue. In 2024/25, demand was at a record high, with continued traction across fighters, helicopters, mobility aircraft, and collaborative combat systems.

Aerostructures is a key contributor to the global F-35 program, with more than 80 different components supplied across all aircraft variants. Although a levelling in program planning led to reduced short-term volumes, Terma remains a stable and long-term partner. The Business Area also contributes to the Evolved Sea Sparrow Missile (ESSM) program and is expanding into high-growth areas such as missile structures, consumables, and unmanned systems.

Support & Services ensures high availability and lifecycle support for Terma solutions across civil and defense applications. With scalable maintenance offerings and the Terma Lifecare service portfolio, the Business Area provides everything from unit-level service to country-wide solutions. In 2024/25, Support & Services expanded its presence in the Middle East and Asia, introduced cyber-hardened radar solutions, and launched a new cybersecurity subscription model. The Business Area also initiated OEM support activities to meet growing regional demand and support defense procurement across Denmark and the Nordics.

REGIONS

Europe remains a strategic priority for Terma. With increasing defense budgets and additional funding to support Ukraine, Terma is intensifying its presence across the region. The EU's ReArm initiative and growing ambitions for defense autonomy create strong momentum for technological investment and collaboration. Terma continues to deliver radar systems for

naval and security operations and maintains a leading position in aircraft self-protection for European customers.

North and Central America saw strong growth in 2024/25, with major contracts secured for Electronics Manufacturing (including components for Raytheon and the ESSM program), Self-Protection Systems, and 3D-Audio solutions. U.S. prime contractors and the Department of Defense awarded key contracts for Terma's electronic warfare technologies, while demand for situational awareness systems continues to grow.

Asia Pacific experienced significant momentum in 2024/25, especially within Surveillance & Mission Systems. Demand is driven by growing infrastructure and naval retrofit programs, where Terma solutions are deployed for drone detection and enhanced situational control. Several major port and airport upgrades offer additional opportunities. The Business Area continues to invest in local support and services to meet growing customer expectations.

Middle East and Africa (MEA) remained a stable and growing region for both civil and defense radar systems, including coastal surveillance, vessel traffic management, and airport applications. Terma continued to expand its footprint in Critical Infrastructure Protection (CIP), serving government and commercial customers with advanced, integrated security solutions across the region.





Selfie time: Magnus and Kim in Florida to follow the launch of the European HERA space mission in October 2024, a mission targeting planetary defense. Terma's contributions to HERA underscore our continued leadership in space technology.

INTEGRATED PRODUCT DEVELOPMENT

In 2024/25, Terma transitioned from a traditional R&D structure into a fully Integrated Product Development (IPD) organization. This strategic shift ensures that all phases of product development – from concept and design to testing and deployment – are aligned across the business.

Through IPD, we have introduced Accelerated Product Development (APD) processes that significantly reduce time-to-market. This enables Terma to deliver advanced solutions faster, with greater customer alignment and competitive agility.

Our continued investment in IPD and APD, combined with a strong focus on emerging technologies and employee development, positions Terma to remain at the forefront of innovation in the aerospace, defense, and security industries.

OPERATIONS

Terma's production facilities in Grenaa and Lystrup are at the core of our delivery capability. In Grenaa, we manufacture advanced aerostructures in metal, aluminum, and composite materials, while Lystrup produces electronic systems and components for mission-critical applications. Both sites maintained high levels of production efficiency and on-time delivery throughout 2024/25.

In January 2025, Terma successfully completed the AS9100 surveillance audit across all major sites, reaffirming our commitment to delivering quality and compliance in everything we do. This certification is vital to our position in the global aerospace and defense industry.

We also see new opportunities to support the Danish Government and its allies through expanded industrial cooperation and offset commitments. With established capacity and a proven track record, Terma is prepared to scale production in support of national and allied defense strategies.

RISKS

Terma operates in a global, regulated, and politically sensitive environment where a number of external and internal factors may influence performance. We continuously assess risks across the business and implement mitigating actions to maintain operational and financial resilience.

Fluctuations in demand within the **F-35 program** continue to pose a risk to revenue and profitability. While current production volumes are impacted by a levelling in program planning,

we expect activity on existing parts to recover in the long term and meet or exceed previous years' volumes. To reduce exposure and maintain a stable production setup, Terma is actively pursuing diversification and new industrial opportunities.

Supply chain disruptions and moderate inflation remain relevant risks, particularly in relation to cost levels and cash flow. We have implemented targeted mitigation measures to preserve cost efficiency in direct production and to reduce vulnerability to delays or bottlenecks.

Terma's increasing role as a **prime system integrator** introduces additional project and execution risks. In response, we maintain a strong focus on contract management, risk governance, and financial control. Our performance in 2024/25 demonstrated our ability to manage complex, multi-stakeholder projects with discipline and reliability.

Operating in **highly regulated markets**, Terma is subject to strict export control frameworks governing military and dual-use technologies. We devote significant resources to ensuring compliance with export regulations from the UN, EU, Denmark, and other relevant national authorities.

Our business depends on a stable and predictable international environment. Diverging national regulations or political developments that impact trade or defense cooperation may affect Terma's ability to operate effectively across key markets. Potential changes in tariff regimes, export policies, or industrial frameworks could pose risks to market access and competitiveness.

From a financial perspective, Terma has secured the necessary **credit facilities** and maintains strong relationships with financial partners, ensuring that both short- and long-term investment plans can be carried out as intended.

Terma's business is primarily conducted in **DKK, EUR, and USD**. For contracts in other currencies, exchange rate risks are managed through forward exchange contracts agreed upon at contract signing. We generally maintain a low credit risk profile, with no material exposure to individual customers.

DATA ETHICS POLICY

Terma's policy on data ethics is integrated into the IT policy and GDPR set-up. The focus of data ethics is handled through the following:

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

Terma's GDPR setup supports the legislation's requirements for GDPR, including data collection and processing, data subjects' rights, and requirements for subcontractors' use of data processing agreements.

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

EVENTS AFTER THE BALANCE SHEET DATE

Following the end of the fiscal year, no significant events have occurred which affect the assessment of the Group's and Parent Company's financial position as reported on 28 February 2025.

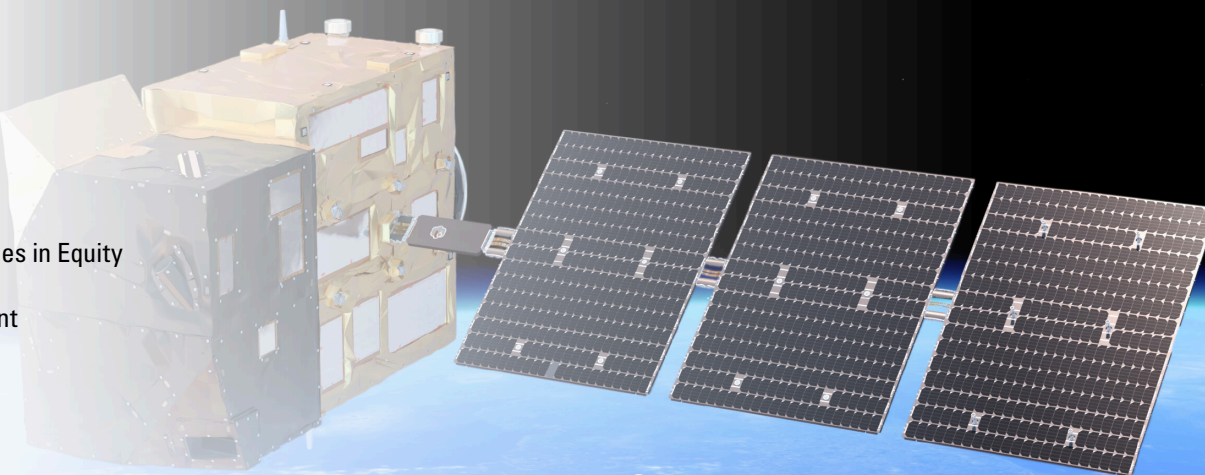
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Every day, Nicolai ensures the success of satellite missions to **safeguard vital scientific data**

Income Statement

1 MARCH - 28 FEBRUARY

DKK 1,000	Note	CONSOLIDATED		PARENT COMPANY	
		2024/25	2023/24	2024/25	2023/24
Revenue	4	2,882,937	2,632,924	1,652,888	1,376,277
Production costs	5,6	(2,142,641)	(2,030,352)	(1,251,268)	(1,086,680)
Gross Profit		740,296	602,572	401,620	289,597
Distribution costs	5,6	(240,701)	(172,117)	(181,939)	(152,221)
Administrative costs	5,6	(192,242)	(185,280)	(126,088)	(113,320)
Other operating income	7	18,675	18,690	97,954	102,040
Other operating costs	7	(21,232)	(30,830)	(19,510)	(30,386)
Operating profit		304,796	233,035	172,037	95,710
Result in subsidiaries after tax	13	-	-	95,340	102,007
Results in affiliated companies after tax	13	(1,133)	(1,418)	(1,133)	(1,418)
Financial income	8	33,233	21,894	36,940	12,590
Financial costs	8	(43,959)	(47,085)	(34,001)	(34,116)
Earnings before tax (EBT)		292,937	206,426	269,183	174,773
Tax on profit	9	(70,679)	(51,480)	(46,925)	(19,827)
Result for the year		222,258	154,946	222,258	154,946
THE GROUP RESULT IS SPLIT AS FOLLOWS					
Stockholder in Terma A/S		222,258	154,946		
		222,258	154,946		
Proposed profit appropriation	10				



Terma's attractiveness as a workplace was reflected in our recruitment numbers, as we were joined by 375 new talented employees in 2024.

Balance Sheet

28 FEBRUARY



DKK 1,000	Note	CONSOLIDATED		PARENT COMPANY	
		2024/25	2023/24	2024/25	2023/24
ASSETS					
NON-CURRENT ASSETS					
INTANGIBLES					
Software		103,836	99,359	102,249	98,645
Software in process		62,571	28,003	61,127	26,321
Development projects completed		328,861	365,037	304,389	328,761
Development projects in process		343,543	267,909	222,804	157,740
IP-rights		28,957	30,447	28,957	30,447
Goodwill		2,235	2,995	-	-
	11	870,003	793,750	719,526	641,914
PROPERTY, PLANT, AND EQUIPMENT					
Land and buildings		279,780	266,826	279,780	266,826
Plant and machinery		193,380	199,687	42,763	35,843
Fixtures and fittings, tools and equipment		49,875	34,658	15,930	16,299
Leasehold improvements		-	-	8,308	-
Property, plant, and equipment under construction		37,456	61,370	24,431	46,023
	12	560,491	562,541	371,212	364,991
INVESTMENTS					
Investments in subsidiaries		-	-	540,693	612,692
Investments in associates and joint ventures		4,565	5,698	4,565	5,698
Receivables from associated companies		9,366	-	9,366	2,833
Loan to subsidiary		-	-	100,325	96,394
	13	13,931	5,698	654,949	717,617
Total non-current assets		1,444,425	1,361,989	1,745,687	1,724,522
CURRENT ASSETS					
INVENTORIES					
Raw materials and consumables		439,479	430,653	256,119	239,177
Work in process		266,472	262,135	200,406	208,779
Prepayments to suppliers		27,544	9,299	26,387	8,105
		733,495	702,087	482,912	456,061
RECEIVABLES					
Trade receivables		499,201	499,685	287,494	309,736
Construction contracts	14	245,619	108,057	130,933	48,244
Receivables from associated companies		4,752	8,126	4,752	5,293
Amounts owed by subsidiaries		-	-	67,444	165,708
Corporate tax receivables	15	3,199	1,708	-	-
Other receivables		40,186	26,318	18,189	7,476
Deferred tax	16	12,927	10,190	-	-
Prepayments	17	24,318	18,166	18,492	15,293
		830,202	672,250	527,304	551,750
Cash at bank and in hand		1,094,636	269,738	1,055,655	246,961
Total current assets		2,658,333	1,644,075	2,065,871	1,254,772
Total assets		4,102,758	3,006,064	3,811,558	2,979,294

Balance Sheet, Continued

28 FEBRUARY



DKK 1,000	Note	CONSOLIDATED		PARENT COMPANY	
		2024/25	2023/24	2024/25	2023/24
EQUITY AND LIABILITIES					
EQUITY					
Capital stock	18	20,002	18,000	20,002	18,000
Net revaluation according to the equity method		-	-	269,538	341,547
Reserve for development costs		-	-	411,211	320,565
Exchange rate adjustment and hedging instruments		(12,603)	2,162	(10,135)	2,191
Retained earnings		1,681,425	876,329	998,208	214,188
Proposed dividends		200,000	150,000	200,000	150,000
Terma A/S' stockholder part of equity		1,888,824	1,046,491	1,888,824	1,046,491
Total equity		1,888,824	1,046,491	1,888,824	1,046,491
PROVISIONS					
Warranty provisions	19	23,800	21,714	23,800	21,714
Provisions regarding construction contracts		2,913	2,574	2,661	1,582
Deferred tax	16	164,522	170,732	145,271	147,188
Total provisions		191,235	195,020	171,732	170,484
LIABILITIES OTHER THAN PROVISIONS					
NON-CURRENT LIABILITIES OTHER THAN PROVISIONS					
Subordinated loans	20	255,000	255,000	255,000	255,000
Mortgage credit institutions		120,300	131,671	120,300	131,671
Other debt		112,838	101,766	84,377	71,478
		488,138	488,437	459,677	458,149
CURRENT LIABILITIES OTHER THAN PROVISIONS					
Current portion of non-current liabilities	21	11,407	28,407	11,407	28,407
Construction contracts	14	331,994	248,998	222,502	115,799
Prepayments received from customers		572,471	263,545	454,751	179,532
Trade payables		86,228	297,553	45,733	189,459
Amounts owed to Parent Company		110,086	78,629	110,086	78,629
Amounts owed to subsidiaries		-	-	178,516	478,912
Corporate tax payables	15	9,123	5,899	-	-
Other payables	22	413,252	353,085	268,330	233,432
		1,534,561	1,276,116	1,291,325	1,304,170
Total liabilities other than provisions		2,022,699	1,764,553	1,751,002	1,762,319
Total equity and liabilities		4,102,758	3,006,064	3,811,558	2,979,294
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Statement of Changes in Equity

1 MARCH - 28 FEBRUARY

CONSOLIDATED

DKK 1,000	Capital stock	Reserve for exchange rate adjustment and hedging instruments	Retained earnings	Proposed dividends	Total	Total equity
Equity at 1 March 2023	18,000	8,776	871,383	-	898,159	898,159
Results for the year	-	-	4,946	150,000	154,946	154,946
Paid dividend	-	-	-	-	-	-
Exchange rate adjustment relating to foreign entity (before tax)	-	(5,974)	-	-	(5,974)	(5,974)
Tax on exchange rate adjustment relating to foreign entity	-	703	-	-	703	703
Changes in value of hedging instruments, etc. (before tax)	-	(1,721)	-	-	(1,721)	(1,721)
Tax on changes in value of hedging instruments	-	378	-	-	378	378
Equity at 1 March 2024	18,000	2,162	876,329	150,000	1,046,491	1,046,491
Results for the year	-	-	22,258	200,000	222,258	222,258
Capital increase	2,002	-	797,998	-	800,000	800,000
Costs related to capital increase	-	-	(15,160)	-	(15,160)	(15,160)
Paid dividend	-	-	-	(150,000)	(150,000)	(150,000)
Exchange rate adjustment relating to foreign entity (before tax)	-	7,121	-	-	7,121	7,121
Tax on exchange rate adjustment relating to foreign entity	-	(865)	-	-	(865)	(865)
Changes in value of hedging instruments, etc. (before tax)	-	(26,951)	-	-	(26,951)	(26,951)
Tax on changes in value of hedging instruments	-	5,930	-	-	5,930	5,930
Equity at 28 February 2025	20,002	(12,603)	1,681,425	200,000	1,888,824	1,888,824

PARENT COMPANY

DKK 1,000	Capital stock	Reserve for net revaluation according to the equity method	Reserve for development costs	Reserve for exchange rate adjustment and hedging instruments	Retained earnings	Proposed dividends	Total
Equity at 1 March 2023	18,000	267,000	320,022	3,534	289,603	-	898,159
Dividends received from subsidiaries	-	(23,952)	-	-	23,952	-	-
Results for the year	-	102,007	543	-	(97,604)	150,000	154,946
Exchange rate adjustment relating to foreign entity (before tax)	-	(1,017)	-	-	(1,763)	-	(2,780)
Paid dividend	-	-	-	-	-	-	-
Changes in value of hedging instruments, etc. (before tax)	-	(3,194)	-	(1,721)	-	-	(4,915)
Tax on changes in value of hedging instruments	-	703	-	378	-	-	1,081
Equity at 1 March 2024	18,000	341,547	320,565	2,191	214,188	150,000	1,046,491
Dividends received from subsidiaries	-	(164,900)	-	-	164,900	-	-
Results for the year	-	95,330	90,646	-	(163,718)	200,000	222,258
Capital increase	2,002	-	-	-	797,998	-	800,000
Costs related to capital increase	-	-	-	-	(15,160)	-	(15,160)
Exchange adjustment relating to foreign entity (before tax)	-	3,190	-	3,931	-	-	7,121
Tax on exchange rate adjustment relating to foreign entity	-	-	-	(865)	-	-	(865)
Paid dividend	-	-	-	-	-	(150,000)	(150,000)
Changes in value of hedging instruments, etc. (before tax)	-	(7,217)	-	(19,734)	-	-	(26,951)
Tax on changes in value of hedging instruments	-	1,588	-	4,342	-	-	5,930
Equity at 28 February 2025	20,002	269,538	411,211	(10,135)	998,208	200,000	1,888,824

Cash Flow Statement

1 MARCH - 28 FEBRUARY

DKK 1,000	Note	CONSOLIDATED	
		2024/25	2023/24
Earnings before tax		292,937	206,426
ADJUSTMENTS:			
Depreciation, amortization, and write-downs, etc.		198,469	187,228
Other non-cash transactions		2,937	7,176
Badwill		-	(8,108)
Net financial income and costs		10,726	25,191
		212,132	211,487
Changes in working capital	23	32,812	(39,849)
Cash flows generated from operations before financial items		537,881	378,064
Financial income, received		12,099	12,443
Financial costs, paid		(28,888)	(30,170)
Cash flows from operations before tax		521,092	360,337
Corporate tax paid		(35,217)	(35,270)
Cash flows from operating activities		485,875	325,067
Acquisitions of intangible assets		(205,414)	(162,733)
Disposal of intangible assets		6,314	-
Acquisitions of tangible assets		(69,140)	(73,759)
Sale of tangible assets		281	-
Cash flows from investing activities		(267,959)	(236,492)
Paid dividend		(150,000)	-
Repayments, non-current liabilities		(28,426)	(57,094)
Investments in associates and joint ventures	13	-	(2,000)
Loan from Parent Company		(6,553)	(10,325)
Capital increase		784,840	-
Cash flows from financing activities		599,861	(69,419)
Net cash flows from operating, investing, and financing activities		817,777	19,156
Current cash at 1 March		269,738	249,938
Exchange rate variations on current cash		7,121	644
Current cash at 28 February		1,094,636	269,738



Notes



Every day, Søren plays a vital role in **safeguarding critical infrastructure**

01 Accounting Policies

The Annual Report of Terma A/S for 2024/25 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to large reporting class C entities.

The Consolidated Financial Statements of Terma A/S are included in the Consolidated Financial Statements of the Parent Company, Thrige Holding A/S, Lystrup.

Recognition and measurement of derivative financial instruments are made in accordance with International Financial Reporting Standards (IFRS 9), cf. the Danish Financial Statements Act, § 37 section 5.

The accounting policies are consistent with those of last year.

Consolidated Financial Statements

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

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

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

Foreign Exchange Rate Adjustment

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

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

Upon recognition of subsidiaries that are foreign entities, the Income Statements are translated at an average rate of exchange for the month, and the Balance Sheet items are translated at the exchange rates at the Balance Sheet date. Currency differences arising upon translation of foreign subsidiaries' equity at the beginning of the year to the exchange rates at the Balance Sheet date and upon translation of Income Statements from the average rates of exchange to the exchange rates at the Balance Sheet date are recognized directly in the equity.

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

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

Derivative Financial Instruments

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

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

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

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

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

INCOME STATEMENT

Revenue

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

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

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

Revenue from the sale of goods is recognized in the income statement when delivery is made to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value.

Revenue from service contracts are recognized over the contract period.

Production Costs

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

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

Production costs also comprise provisions for losses on construction contracts.

Distribution Costs

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

Administrative Costs

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

Leases

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

Other Operating Income and Costs

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

Profit in Subsidiaries after Tax

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

Profit in Equity Interests after Tax

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

Financial Income and Costs

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

Tax on Profit for the Year

The Parent Company is subject to the compulsory Danish joint taxation method for the Thrige Holding Group's Danish subsidiaries. Subsidiaries are part of the joint taxation from the time of the consolidation in the Group's Financial Statements and until the time when they are left out of the consolidation.

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

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

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

BALANCE SHEET

INTANGIBLES

Goodwill

Goodwill is amortized on a straightline basis over the estimated economic useful life, which is determined on the basis of the management's decision experiences within the individual business areas. The depreciation period is between 5-20 years and is the longest strategically acquired companies with a strong market position and long earnings profile.

Goodwill is written off over the estimated lifetime of the investment in the subsidiary based on the business case that was determined at the time of purchase.

Development Projects, Patents, and Software Licenses

Development projects comprise costs, salaries, and amortization directly attributable to the development activities.

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

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

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

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

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

01 Accounting Policies, Continued

TANGIBLES

Property, Plant, and Equipment

Land and buildings, plant and machinery, and fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses. Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use. The cost of self-constructed assets comprises direct and indirect costs of materials, components, subcontractors, and wages and salaries. No interest is included.

The cost of a total asset is divided into separate elements which are depreciated separately if the useful life of the individual elements varies.

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

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

The basis of depreciation is based on cost reduced by the residual value of the asset at the end of its useful life and impairment losses, if any. The depreciation period and the residual value are determined at the time of acquisition and are reassessed every year. Where the residual value exceeds the carrying amount of the asset, no further depreciation charges are recognized.

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

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

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

Investments in Subsidiaries, Associates and Joint Ventures

Investments in subsidiaries, associates and joint ventures are measured according to the equity method.

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

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

Impairment of Non-Current Assets

The carrying amount of intangibles and property, plant, and equipment as well as equity interests in subsidiaries is subject to an annual test for indications of impairment other than the decrease in value reflected by depreciation or amortization.

Impairment tests are conducted of individual assets or groups of assets when there is an indication that they may be impaired. Write-down is made to the recoverable amount if this is lower than the carrying amount.

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

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

INVENTORIES

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

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

Finished goods and work in process are measured at cost, comprising the cost of raw materials, consumables, direct wages and salaries, and indirect production overheads.

Indirect production overheads comprise indirect materials and wages and salaries as well as maintenance and depreciation of production machinery, buildings, and equipment as well as factory administration and management. Borrowing costs are not included in the cost.

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

RECEIVABLES

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

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

The stages determine how impairment losses are measured and the effective interest is applied. For trade receivables, the Group applies the simplified approach, which permits the use of lifetime ECL.

Provision rates are determined based on grouping of trade receivables sharing the same credit risk characteristics and days past due.

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

Construction Contracts

Construction contracts are measured at the selling price of the work performed. The impairment assessment is based on the ECL model, cf. above.

The selling price is measured on the basis of the stage of completion at the Balance Sheet date and total expected income from the individual contract work. When the selling price of a contract cannot be measured reliably, the selling price is measured at the costs incurred or at net realizable value, if this is lower.

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

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

Prepayments

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

EQUITY

Reserve for Net Revaluation according to the Equity Method (Parent Company)

Net revaluation of investments in subsidiaries is recognized at cost in the reserve for net revaluation according to the equity method. The reserve cannot be recognized at a negative amount.

Reserve for Exchange Rate Adjustment and Hedging Instruments

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

The tax effect on these transactions has also been included.

Reserve for Development Costs (Parent Company)

The reserve for development costs comprises recognized development costs reduced by amortizations and taxes. The reserve cannot be used to distribute dividend or cover losses. The reserve will be reduced or dissolved if the recognized development costs are no longer part of the Company's operations by a transfer directly to the distributable reserves under equity.

Proposed Dividend

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

Current Tax and Deferred Tax

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

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

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

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

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

PROVISIONS

Provisions comprise anticipated costs related to warranties and losses related to construction contracts in process. Provisions are recognized when, as a result of past events, the Group has a legal or a constructive obligation, and it is probable that settlement of the obligation will result in an outflow of financial resources.

Warranties comprise obligations to make good any defects within the warranty period. Provisions for warranties are measured at net realizable value and recognized based on past experience.

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

Other provisions cover expected costs in relation to settlements.

LIABILITIES OTHER THAN PROVISIONS

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

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

FAIR VALUE

Fair value measurements are based on the principal market. If no principal market exists, the measurement is based on the most advantageous market, i.e. the market that maximizes the price of the asset or liability less transaction and/or transport costs.

All assets and liabilities which are measured at fair value, or whose fair value is disclosed, are classified based on the fair value hierarchy, see below:

Level 1: Value in an active market for similar assets/liabilities

Level 2: Value based on recognized valuation methods on the basis of observable market information

Level 3: Value based on recognized valuation methods and reasonable estimates (non-observable market information).

01 Accounting Policies, Continued

CASH FLOW STATEMENT

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

Cash Flows from Operating Activities

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

Cash Flows for Investing Activities

Cash flows for investing activities comprise payments in connection with capitalized development costs (cash

effect) and acquisitions and disposals of other intangibles, property, plant, and equipment, and investments.

Cash Flows from Financing Activities

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

Current Cash

Current cash includes cash in hand and bank deposits.

SEGMENT INFORMATION

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

DEFINITIONS TO FINANCIAL RATIOS

EBITDA margin before special items:	$\frac{\text{EBITDA before special items}}{\text{Revenue}} \times 100$	EBT margin before special items:	$\frac{\text{Earnings before special items and tax}}{\text{Revenue}} \times 100$
EBITDA margin after special items:	$\frac{\text{EBITDA after special items}}{\text{Revenue}} \times 100$	EBT margin after special items:	$\frac{\text{Earnings after special items and tax}}{\text{Revenue}} \times 100$
Return on investments before special items:	$\frac{\text{Operating profit before special items}}{\text{Average operating assets}} \times 100$	Operating assets:	Total assets less cash at bank and in hand, and other interest-bearing assets
Liquidity ratio:	$\frac{\text{Current assets}}{\text{Current liabilities other than provisions}} \times 100$	Cash conversion ratio:	$\frac{\text{Cash flows from operations before tax}}{\text{EBITDA after special items}}$
Solvency ratio:	$\frac{\text{Capital base}}{\text{Total assets at year-end}} \times 100$	Capital base:	Equity and subordinated loans
Return on equity:	$\frac{\text{Profit for the year}}{\text{Average equity}} \times 100$	Leverage ratio:	$\frac{\text{NIBD (excl. subordinated loans)}}{\text{EBITDA before special items}}$
Order backlog:	Opening order backlog + Order intake - Recognized revenue	Order intake is recognized at contract award or upon receipt of a signed PO or similar type of written commitment.	

02 Accounting Estimates and Judgements

Preparing the Group's consolidated financial statements requires management to apply accounting estimates and judgements that affect the recognition and measurement of the Group's assets, liabilities, income and expenses.

By nature, the estimates and judgements are associated with uncertainty which can have an effect on the amounts recognised in the consolidated financial statements. The most significant accounting estimates and judgements are listed below.

IMPACT OF ACCOUNTING ESTIMATES AND JUDGEMENTS

Note	Accounting estimates and judgements	Estimate/Judgement	2024/25	2023/24
Revenue	Estimates of future costs and risks impacting the project gross margin	Estimate		
Intangible assets	Assumptions used in impairment assessments and testing and estimates related to amortization periods	Estimate		
Warranty provisions	Assessments made in connection with the provision for warranty costs	Estimate		
Inventory	Assessments used in determining provisions and indirect cost allocation	Estimate		

Low

Medium

High

03 Special Items

Special items comprise significant income and costs of a special character in relation to the Group's operating activities generating income, i.e. costs in connection with comprehensive restructuring of processes and fundamental structural modifications and related gains and losses on disposals which will be of significance over a period of time.

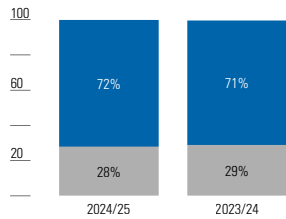
Special items also comprise other significant one-off expenses, which according to Management are not a part of the normal operating activities of the Group. The profit for 2024/25 has been impacted by circumstances which according to Management deviate from being a part of the operational activities. The main item is severance payments related to organizational restructuring.

DKK 1,000	CONSOLIDATED		PARENT COMPANY	
	2024/25	2023/24	2024/25	2023/24
Other operating income	-	8,108	-	4,195
Other operating costs	(20,376)	(29,712)	(19,005)	(29,712)
Total	(20,376)	(21,604)	(19,005)	(25,517)

04 Segment Information, Revenue

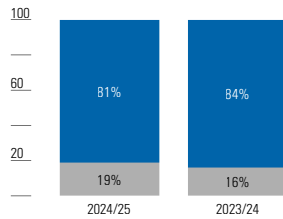
CONSOLIDATED

DEFENSE/NON-DEFENSE



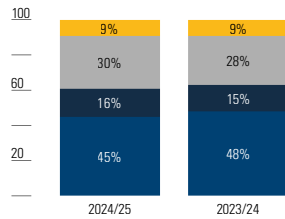
■ Defense ■ Non-Defense

DENMARK / OUTSIDE DENMARK



■ Outside Denmark ■ In Denmark

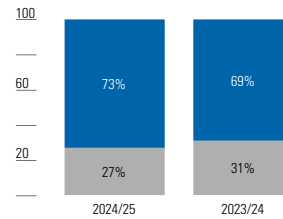
BUSINESS AREAS



■ Support & Services ■ Surveillance & Mission Systems ■ Space ■ SPS/Aerostructures

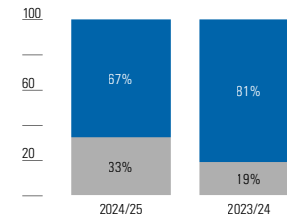
PARENT COMPANY

DEFENSE/NON-DEFENSE



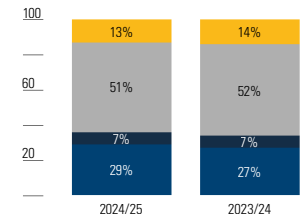
■ Defense ■ Non-Defense

DENMARK / OUTSIDE DENMARK



■ Outside Denmark ■ In Denmark

BUSINESS AREAS



■ Support & Services ■ Surveillance & Mission Systems ■ Space ■ SPS/Aerostructures

DKK 1,000	2024/25	2023/24
Defense	2,077,127	1,869,376
Non-Defense	805,810	763,548
Total	2,882,937	2,632,924

DKK 1,000	2024/25	2023/24
Outside Denmark	2,332,069	2,205,333
In Denmark	550,868	427,591
Total	2,882,937	2,632,924

DKK 1,000	2024/25	2023/24
SPS/Aerostructures	1,295,590	1,262,746
Space	457,759	402,290
Surveillance & Mission Systems	867,319	731,504
Support & Services	262,269	236,384
Total	2,882,937	2,632,924

DKK 1,000	2024/25	2023/24
Defense	1,212,500	949,631
Non-Defense	440,388	426,646
Total	1,652,888	1,376,277

DKK 1,000	2024/25	2023/24
Outside Denmark	1,102,785	1,121,505
In Denmark	550,103	254,772
Total	1,652,888	1,376,277

DKK 1,000	2024/25	2023/24
SPS/Aerostructures	474,028	375,821
Space	118,710	94,498
Surveillance & Mission Systems	847,124	713,645
Support & Services	213,026	192,313
Total	1,652,888	1,376,277

05 Staff Costs

DKK 1,000	CONSOLIDATED		PARENT COMPANY	
	2024/25	2023/24	2024/25	2023/24
Parent Company Board of Directors emoluments	2,222	1,881	2,222	1,881
Remuneration to Management registered in the Central Business Register *	41,909	38,785	41,909	38,785
Wages and salaries	1,190,313	1,045,850	643,698	534,663
Pensions	93,255	114,414	58,558	48,431
Other social security costs	68,562	29,990	13,866	8,715
	1,396,263	1,230,920	760,253	632,475
Average number of full-time employees	1,818	1,704	928	807

* Remuneration to Management registered in the Central Business Register in 2024/25 includes salary and compensation for released members of the Executive Board in the period of exemption.

The Group continued the long-term incentive programs which are established for the Executive Leadership Team as well as incentive programs for employees in managerial positions. The programs have been established to ensure continuity and delivering the strategic ambitions of the Group.

The programs comprise of settlement in cash depending on achievement of specific targets focused on growth, profitability and cash generation for the Group. The programs are assessed on an annual basis.

Incentive programs are adjusted for local employment practices. Members of the board do not participate in the incentive program.

06 Fees Paid to Auditors

DKK 1,000	CONSOLIDATED	
	2024/25	2023/24
TOTAL FEES CAN BE SPECIFIED AS FOLLOWS		
Statutory audit	1,521	1,400
Other assurance engagements	48	-
Tax and VAT	434	116
Other non-audit services	928	485
Total	2,931	2,001

07 Other Operating Income and Costs

DKK 1,000	CONSOLIDATED		PARENT COMPANY	
	2024/25	2023/24	2024/25	2023/24
Management fees	3,244	1,503	76,912	79,449
Other operating income	1,507	839	1,259	581
Insurance claims	-	2,970	-	2,970
Profit on disposal of non-current assets	-	99	-	-
Badwill	-	8,108	-	4,195
Reimbursements	12,559	5,171	9,389	5,171
Rental income	1,365	-	10,394	9,674
Other operating income	18,675	18,690	97,954	102,040
Loss on disposal of non-current assets	200	544	200	544
Special Items	20,376	29,712	19,005	29,712
Other operating costs	656	574	305	130
Other operating costs	21,232	30,830	19,510	30,386

08 Financial Income and Costs

DKK 1,000	CONSOLIDATED		PARENT COMPANY	
	2024/25	2023/24	2024/25	2023/24
Intra-group interest, current assets	-	-	11,686	5,888
Bank & other interest	12,099	12,443	5,224	711
Exchange rate variations and hedging income regarding hedging instruments	21,134	9,451	20,030	5,991
Financial income	33,233	21,894	36,940	12,590
Intra-group interest, current liabilities	4,369	2,178	5,881	2,178
Interest on subordinated loans	11,475	11,475	11,475	11,475
Interest to credit institutions, non-current liabilities	5,118	3,948	5,118	3,948
Interest to credit institutions, current liabilities	-	6,829	-	6,829
Bank & other interest	2,404	3,926	356	1,913
Guarantee expenses and bank charges	5,577	3,141	4,888	3,017
Exchange rate variations and hedging costs regarding hedging instruments	15,016	15,588	6,283	4,756
Financial costs	43,959	47,085	34,001	34,116

09 Tax

DKK 1,000	CONSOLIDATED		PARENT COMPANY	
	2024/25	2023/24	2024/25	2023/24
Joint tax contribution/current tax	70,888	33,714	41,293	3,671
Adjustment concerning previous years	4,072	-	4,072	-
Deferred tax	(9,346)	16,685	(1,917)	16,156
Total Tax	65,614	50,399	43,448	19,827
SPECIFIED AS FOLLOWS				
Tax on profit	70,679	51,480	46,925	20,205
Tax on changes in equity	(5,065)	(1,081)	(3,477)	(378)
	65,614	50,399	43,448	19,827

10 Proposed Profit Appropriation

DKK 1,000	CONSOLIDATED		PARENT COMPANY	
	2024/25	2023/24	2024/25	2023/24
Reserve for net revaluation according to the equity method	-	-	95,330	102,007
Proposed dividends	200,000	150,000	200,000	150,000
Reserve for development costs	-	-	90,646	543
Retained earnings	22,258	4,946	(163,718)	(97,604)
	222,258	154,946	222,258	154,946

11 Intangibles

	CONSOLIDATED					
	IP-rights	Software	Software in process	Development projects, completed	Development projects, in process	Total
DKK 1,000						
Cost at 1 March 2024	31,937	183,747	28,003	923,389	267,909	1,434,985
Foreign exchange rate	-	(22)	-	537	4,476	4,991
Transfers	-	5,111	(5,111)	66,337	(66,337)	-
Additions	-	28,240	39,679	-	137,495	205,414
Disposals	-	(38)	-	(8,229)	-	(8,267)
Cost at 28 February 2025	31,937	217,038	62,571	982,034	343,543	1,637,123
Amortizations and impairments at 1 March 2024	1,490	84,388	-	558,352	-	644,230
Foreign exchange rate adjustments	-	12	-	466	-	478
Transfers	-	-	-	-	-	-
Amortizations and impairments	1,490	28,840	-	96,270	-	126,600
Funding	-	-	-	-	-	-
Disposals	-	(38)	-	(1,915)	-	(1,953)
Amortizations and impairments at 28 February 2025	2,980	113,202	-	653,173	-	769,355
Carrying value at 28 February 2025	28,957	103,836	62,571	328,861	343,543	867,768
Amortized over	20 years	3-10 years		5-15 years		

	PARENT COMPANY					
	IP-rights	Software	Software in process	Development projects, completed	Development projects, in process	Total
DKK 1,000						
Cost at 1 March 2024	31,937	178,778	26,321	825,894	157,740	1,220,670
Additions	-	27,711	39,136	-	127,521	194,368
Transfers	-	4,330	(4,330)	62,457	(62,457)	-
Disposals	-	(38)	-	-	-	(38)
Cost at 28 February 2025	31,937	210,781	61,127	888,351	222,804	1,415,000
Amortizations and impairments at 1 March 2024	1,490	80,133	-	497,133	-	578,756
Amortizations and impairments	1,490	28,437	-	86,829	-	116,756
Disposals	-	(38)	-	-	-	(38)
Amortizations and impairments	2,980	108,532	-	583,962	-	695,474
Carrying value at 28 February 2025	28,957	102,249	61,127	304,389	222,804	719,526
Amortized over	20 years	3-10 years		5-15 years		

GOODWILL	CONSOLIDATED	
	2024/25	2023/24
DKK 1,000		
Cost at 1 March 2024	3,930	-
Additions	-	3,930
Cost at 28 February	3,930	3,930
Net revaluations at 1 March 2024	935	935
Amortizations and impairments	760	-
Net revaluations at 28 February 2025	1,695	935
Carrying amount at 28 February 2025	2,235	2,995

Development Projects

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

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

A development project is initiated based on an assessment of the business potential described in a business case.

Terma uses a gateway model ensuring ongoing follow-up of the development projects.

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

Sensitivity Analysis

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

12 Property, Plant and Equipment

CONSOLIDATED

DKK 1,000	Land and buildings	Plant and machinery	Fixtures and fittings, tools and equipment	Property, plant and equipment under construction	Total
Cost at 1 March 2024	547,737	615,374	148,484	61,370	1,372,965
Foreign exchange rate adjustment	-	1	1,587	-	1,588
Transfers	15,656	23,634	10,333	(49,623)	-
Additions	14,967	9,760	18,704	25,709	69,140
Disposals	-	(4,949)	(1,896)	-	(6,845)
Cost at 28 February 2025	578,360	643,820	177,212	37,456	1,436,848
Depreciation and impairments at 1 March 2024	280,911	415,687	113,825	-	810,423
Foreign exchange rate adjustment	-	-	1,388	-	1,388
Transfers	-	-	-	-	-
Depreciations	17,669	39,430	14,011	-	71,110
Disposals	-	(4,677)	(1,887)	-	(6,564)
Depreciations and impairments at 28 February 2025	298,580	450,440	127,337	-	876,357
Carrying amount at 28 February 2025	279,780	193,380	49,875	37,456	560,491
Depreciated over	10-50 years	3-20 years	3-7 years		

PARENT COMPANY

DKK 1,000	Land and buildings	Plant and machinery	Fixtures and fittings, tools and equipment	Leasehold improvements	Property, plant and equipment under construction	Total
Cost at 1 March 2024	469,438	181,826	80,984	-	46,023	778,271
Transfers	15,656	12,821	1,806	8,491	(38,774)	-
Additions	14,967	7,358	4,429	30	17,182	43,966
Disposals	-	(3,401)	(438)	-	-	(3,839)
Cost at 28 February 2025	500,061	198,604	86,781	8,521	24,431	818,398
Depreciation and impairments at 1 March 2024	202,612	145,983	64,685	-	-	413,280
Depreciations	17,669	13,057	6,604	213	-	37,543
Disposals	-	(3,199)	(438)	-	-	(3,637)
Depreciations and impairments at 28 February 2025	220,281	155,841	70,851	213	-	447,186
Carrying amount at 28 February 2025	279,780	42,763	15,930	8,308	24,431	371,212
Depreciated over	10-50 years	3-10 years	3-7 years	10 years		

13 Investments

DKK 1,000	PARENT COMPANY	
	Investments in subsidiaries	Loan to subsidiary
Cost at 1 March 2024	271,155	95,600
Additions	-	-
Cost at 28 February 2025	271,155	95,600
Net revaluations at 1 March 2024	341,537	794
Exchange rate adjustment	3,190	3,931
Dividends paid	(164,900)	-
Changes in value of hedging instruments (after tax)	(5,629)	-
Adjustments in internal profits	(960)	-
Other adjustments	3,162	-
Results for the year	93,138	-
Net revaluations at 28 February 2025	269,538	4,725
Carrying amount at 28 February 2025	540,693	100,325
Write downs of negativ investments over receivables	-	-
Herof the accounting value of non-depreciated surplus values	-	-

NAME	REGISTERED OFFICE	OWNERSHIP	CAPITAL STOCK
Terma Aerostructures A/S	Grenaa, Denmark	100%	5,000 tDKK
Terma GmbH	Darmstadt, Germany	100%	51 tEUR
Terma B.V.	Leiden, The Netherlands	100%	750 tEUR
Terma Inc.	Delaware, USA	100%	150 tUSD
Terma Singapore Pte. Ltd.	Singapore, Singapore	100%	100 tSGD
Terma Technologies GmbH	Vienna, Austria	100%	35 tEUR
Terma Space Romania S.R.L	Brasov, Romania	100%	0 tEUR
Terma Technologies Czech Republic S.R.O	Praha, Czech Republic	100%	1 tEUR
PT Terma Technologies Indonesia	Jakarta, Indonesia	99.6%	10,000 tIDR
Terma (UK) Ltd.	London, United Kingdom	100%	10 tEUR
Terma (India) Pvt. Ltd.	Delhi, India	99.9%	1,000 tINR
Terma France SAS	Paris, France	100%	10 tEUR
Terma Trading - Sole Proprietorship LLC	Abu Dhabi, United Arab Emirates	100%	300 tAED

All information regarding investment in subsidiaries including but not limited to percentage ownership, country of incorporation, and countries of operation, is current and updated on at least an annual basis, and is complete at the time of the publication of the Annual Report.

DKK 1,000	CONSOLIDATED		PARENT COMPANY	
	Investments in associated companies	Receivables from associated companies	Investments in associated companies	Receivables from associated companies
Cost at 1 March 2024	7,140	2,833	7,140	2,833
Additions	-	6,533	-	6,533
Cost at 28 February 2025	7,140	9,366	7,140	9,366
Net revaluations at 1 March 2024	(1,442)	-	(1,442)	-
Results for the year	(1,133)	-	(1,133)	-
Net revaluations at 28 February 2025	(2,575)	-	(2,575)	-
Carrying amount at 28 February 2025	4,565	9,366	4,565	9,366

NAME	REGISTERED OFFICE	OWNERSHIP	CAPITAL STOCK
Komplementarselskabet Danske Flådeskibe A/S	Lystrup, Denmark	33%	420 tDKK
Danske Flådeskibe K/S	Lystrup, Denmark	33%	15,000 tDKK

14 Construction Contracts

DKK 1,000	CONSOLIDATED		PARENT COMPANY	
	2024/25	2023/24	2024/25	2023/24
Selling price of construction contracts	5,208,287	3,583,876	2,442,730	1,422,982
Invoiced on account	(5,294,662)	(3,724,817)	(2,534,299)	(1,490,537)
Construction contracts at 28 February	(86,375)	(140,941)	(91,569)	(67,555)
RECOGNIZED AS FOLLOWS				
Construction contracts (assets)	245,619	108,057	130,933	48,244
Construction contracts (liabilities)	(331,994)	(248,998)	(222,502)	(115,799)
	(86,375)	(140,941)	(91,569)	(67,555)

15 Corporate Tax Receivables and Payable

DKK 1,000	CONSOLIDATED		PARENT COMPANY	
	2024/25	2023/24	2024/25	2023/24
Corporate tax payable at 1 March	4,191	3,324	-	-
Tax for the year/joint tax contribution	70,888	34,092	38,694	2,161
Adjustment concerning previous years	4,072	-	4,072	-
Corporate tax paid during the year	(12,891)	(10,899)	-	-
Transferred to intra-group balances	(60,336)	(22,326)	(42,766)	(2,161)
Corporate tax payable at 28 February	5,924	4,191	-	-
RECOGNIZED AS FOLLOWS				
Corporate tax receivable	(3,199)	(1,708)	-	-
Corporate tax payable	9,123	5,899	-	-
	5,924	4,191	-	-

16 Deferred Tax

DKK 1,000	CONSOLIDATED		PARENT COMPANY	
	2024/25	2023/24	2024/25	2023/24
Deferred tax at 1 March	160,542	143,857	147,188	131,032
Foreign currency adjustment	399	-	-	-
Adjustment for the year	(9,346)	16,685	(1,917)	16,156
Deferred tax at 28 February	151,595	160,542	145,271	147,188
RECOGNIZED AS FOLLOWS				
Deferred tax (assets)	(12,927)	(10,190)	-	-
Deferred tax (liabilities)	164,522	170,732	145,271	147,188
	151,595	160,542	145,271	147,188
DEFERRED TAX RELATES TO				
Intangibles	161,037	140,297	153,433	135,308
Property, plant, and equipment	38,568	39,685	19,150	20,285
Current assets	(17,273)	3,219	-	13,410
Provisions	(585)	(349)	(585)	(348)
Liabilities other than provisions	(30,152)	(22,310)	(26,727)	(21,467)
	151,595	160,542	145,271	147,188

17 Prepayments

DKK 1,000	CONSOLIDATED		PARENT COMPANY	
	2024/25	2023/24	2024/25	2023/24
Insurance premiums	520	2,489	520	2,489
Rent	-	119	-	119
Tax on real property	960	897	960	897
IT licenses, short term	14,017	10,109	14,017	10,109
Other prepayments	8,821	4,552	2,995	1,679
Prepayments at 28 February	24,318	18,166	18,492	15,293

18 Equity

The capital stock consists of 20,002,222 stock with nominal value each of 1 DKK. None of the stock have special rights.

19 Warranty Provisions

DKK 1,000	CONSOLIDATED		PARENT COMPANY	
	2024/25	2023/24	2024/25	2023/24
Warranty provisions at 1 March	21,714	21,293	21,714	21,293
Used during the year	(8,154)	(5,930)	(8,154)	(5,930)
Unused warranty provisions, reversed	(1,517)	(4,547)	(1,517)	(4,547)
Provisions for the year	11,757	10,898	11,757	10,898
Warranty provisions at 28 February	23,800	21,714	23,800	21,714
EXPECTED MATURITY FOR WARRANTY PROVISIONS				
0-1 year	14,905	10,857	14,905	10,857
>1 years	8,895	10,857	8,895	10,857
	23,800	21,714	23,800	21,714

20 Subordinated Loans

Terma A/S has obtained a subordinated convertible loan from the ultimate Parent Company, the Thomas B. Thrige Foundation, with a total nominal value of 125 MDKK. The interest rate is fixed at 4.5%. The loan expires 1 June 2027 without further notice. Once a year in February, the loan can be fully or partly converted into shares in Terma A/S based on current value. However, not less than a share price of 100 per share amounting to 100.

Terma A/S has obtained a subordinated convertible loan from the Parent Company, Thrige Holding A/S, with a total nominal value of 130 MDKK. The interest rate is fixed at 4.5%. The loan expires 1 July 2031 without further notice. Once a year in February, the loan can be fully or partly converted into shares in Terma A/S based on current value. However, not less than a share price of 100 per share amounting to 100.

21 Liabilities other than Provisions

	CONSOLIDATED					
	Liabilities	Fair value	Nominal value	Long-term liabilities	Short-term liabilities	Loans outstanding after five years
DKK 1,000						
Subordinated loans	255,000	255,000	255,000	255,000	-	130,000
Mortgage credit institutions	131,707	122,141	132,214	120,300	11,407	73,389
Other debt	112,838	112,838	112,838	112,838	-	86,428
28 February 2025	499,545	489,979	500,052	488,138	11,407	289,817

	PARENT COMPANY					
	Liabilities	Fair value	Nominal value	Long-term liabilities	Short-term liabilities	Loans outstanding after five years
DKK 1,000						
Subordinated loans	255,000	255,000	255,000	255,000	-	130,000
Mortgage credit institutions	131,707	122,141	132,214	120,300	11,407	73,389
Other debt	84,377	84,377	84,377	84,377	-	60,278
28 February 2025	471,084	461,518	471,591	459,677	11,407	263,667

	CONSOLIDATED					
	Liabilities	Fair value	Nominal value	Long-term liabilities	Short-term liabilities	Loans outstanding after five years
DKK 1,000						
Subordinated loans	255,000	255,000	255,000	255,000	-	130,000
Credit institutions	17,393	17,393	17,393	-	17,393	-
Mortgage credit institutions	142,685	128,713	143,248	131,671	11,014	85,767
Other debt	101,766	101,766	101,766	101,766	-	89,925
29 February 2024	516,844	502,872	517,407	488,437	28,407	305,694

	PARENT COMPANY					
	Liabilities	Fair value	Nominal value	Long-term liabilities	Short-term liabilities	Loans outstanding after five years
DKK 1,000						
Subordinated loans	255,000	255,000	255,000	255,000	-	130,000
Credit institutions	17,393	17,393	17,393	-	17,393	-
Mortgage credit institutions	142,685	128,714	143,248	131,671	11,014	85,767
Other debt	71,478	71,477	71,478	71,478	-	59,643
29 February 2024	486,556	472,584	487,119	458,149	28,407	275,410

2024/25

DKK 1,000

Non-current liabilities other than provisions

Current liabilities other than provisions

Liabilities other than provisions from financing activities

	CONSOLIDATED			
	29 February 2024	Cash flow	Non-monetary changes	28 February 2025
Non-current liabilities other than provisions	386,671	(11,426)	55	375,300
Current liabilities other than provisions	107,036	14,457	-	121,493
Liabilities other than provisions from financing activities	493,707	3,031	55	496,793

DEBT TO FINANCIAL INSTITUTIONS

DKK 1,000

MORTGAGE LOANS

Variable rate loans

Fixed rate loans

Mortgage loans total

LOANS FROM BANKS

Fixed interest rate loans

Loans from banks total**Financial institutions total at 28 February 2025**

	2024/25				
	Average nominal interest rate	Average effective interest rate	Currency	Fixed interest rate	Carrying amount
Variable rate loans	3.07	3.88	DKK	6 months	18,743
Fixed rate loans	1.20	1.95	DKK	11-15 years	112,964
Mortgage loans total	1.50	2.26			131,707
Fixed interest rate loans	-	-	EUR		-
Loans from banks total	-	-			-
Financial institutions total at 28 February 2025					131,707

DEBT TO FINANCIAL INSTITUTIONS

DKK 1,000

MORTGAGE LOANS

Variable rate loans

Fixed rate loans

Mortgage loans total

LOANS FROM BANKS

Fixed interest rate loans

Loans from banks total**Credit institutions total at 29 February 2024**

	2023/24				
	Average nominal interest rate	Average effective interest rate	Currency	Fixed interest rate	Carrying amount
Variable rate loans	3.47	4.40	DKK	6 months	21,543
Fixed rate loans	1.27	2.15	DKK	12-17 years	121,705
Mortgage loans total	1.60	2.49			143,248
Fixed interest rate loans	1.16	1.15	EUR		17,393
Loans from banks total	1.16	1.15			17,393
Credit institutions total at 29 February 2024					160,641

22 Other Payables

DKK 1,000	CONSOLIDATED		PARENT COMPANY	
	2024/25	2023/24	2024/25	2023/24
VAT payable	3,887	1,595	-	-
Accrued salary items	129,136	102,627	60,261	45,059
Miscellaneous other payables	280,229	248,864	208,069	188,369
Other payables at 28 February	413,252	353,086	268,330	233,428

23 Changes in Working Capital and Investments

DKK 1,000	CONSOLIDATED	
	2024/25	2023/24
Inventories	(31,408)	(149,363)
Receivables	283,398	(43,811)
Construction contracts and prepayments from customers	(54,566)	(59,648)
Trade payables and other payables	(164,612)	212,973
Changes in working capital and investments at 28 February	32,812	(39,849)

24 Contingent Liabilities and Security

CONTINGENT LIABILITIES DKK 1,000	CONSOLIDATED		PARENT COMPANY	
	2024/25	2023/24	2024/25	2023/24
Operational lease until maturity in total	52,692	57,646	11,435	11,075
Terma A/S including Danish subsidiaries is jointly taxed with Thrige Holding A/S. Within the taxation group, the Company is jointly and severally liable in line with the other Group members for payment of corporate income tax and withholding tax in Denmark. As of 2013/14, the net obligations of the jointly taxed companies towards the Danish Central Tax Administration (SKAT) appear from the Thrige Holding A/S (CVR No. 26 31 16 83) annual accounts. Any corrections to the joint taxation income and withholding tax appearing at a later time may result in the Company being liable for a larger amount.	-	-	-	-
Terma A/S is jointly and severally liable for joint registration concerning VAT with the Parent Company Thrige Holding A/S, the ultimate Parent Company the Thomas B. Thrige Foundation, and the Group Company Thrige-Titan A/S.	-	-	-	-
On behalf of the Terma Group, third parties have issued Bank Guarantees at total of	321,990	75,701	321,990	75,701
Included in the amount are customer advances reflected in the balance sheet	268,856	35,453	268,856	35,453
Through customer projects in various countries, Terma A/S is contractually committed to certain offset obligations	6,143	6,143	6,143	6,143
SECURITY THE FOLLOWING ASSETS HAVE BEEN PROVIDED AS SECURITY FOR MORTGAGE LOANS				
Carrying amount of land and buildings	279,780	266,826	279,780	266,826
Other property, plant, and equipment estimated to be comprised by the collateral, cf. the provisions of the Danish Registration of Property Act	280,711	295,716	91,432	98,165
Terma A/S has issued a letter of intent to third parties in connection with the establishment of credit facilities for its subsidiaries at a total amount of	-	-	28,656	24,099

25 Related Parties

Terma A/S is a subsidiary owned 90% by Thrige Holding A/S (CVR No. 26 31 16 83), which is wholly owned by the Thomas B. Thrige Foundation (CVR No. 10 15 62 11), jointly referred to as the Owners.

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

The company has chosen to disclose only transactions that have not been made on market terms in accordance with section 98(c7) of the Danish Financial Statements Act. All transactions have been conducted on normal market terms.

26 Group Relations

Name and registered office of the Parent preparing consolidated financial statements for the smallest and largest group:

Thrige Holding A/S
Hovmarken 4
Lystrup
CVR-no. 26 31 16 83

27 Financial Instruments and Financial Risks

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

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

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

Sensitivity analyses and stress tests are performed. Sensitivity information reported is calculated at Balance Sheet date and comprises only sensitivity relating to

financial instruments, so the amounts disclosed do not necessarily give a complete picture of the Group's risk relating to changes in currency rates and interest rates.

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

LIQUIDITY RISK

RELATED BUSINESS ACTIVITY

The Group is exposed to liquidity risk due to ongoing normal business activities, significant investments, and to a lesser extent to repayment of mortgage loans.

Cash management is vital in relation to fulfill requirements from financial institutions.

IMPLICATION

Effect: Medium

Threat: Low

RISK MITIGATION

Liquidity is managed at Group level.

Liquidity forecasts are produced and updated regularly based on forecasts on operational cash flows, CAPEX, and investment commitments.

Flexibility in the Group's loan portfolio is secured by engaging with different banks.

The Group's loan agreements include covenants (leverage ratio). The agreements do not include clauses where cash security has to be pledged.

IMPACT

The Group's liquidity reserve consists of two unsecured overdraft facilities for multi-currency short-term financing needs.

Similar to 2023/24, there has been no breach of covenants in 2024/25.

It is the Management's opinion that the Group has sufficient financial resources to settle obligations as they become due.

27 Financial Instruments and Financial Risks, Continued

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

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

The Group's loan portfolio consists of traditional mortgage loans and a loan from the Parent Company (intra-group balance).

In addition, the Company has subordinated loans of 255 MDKK (2023/24: 255 MDKK).

At year-end February 2025, cash and bank deposits amounted to 1,095 MDKK (2023/24: 270 MDK). In addition to cash and bank deposits, two 1-year committed overdraft facilities for multi-currency short-term financing needs.

Below is a maturity analysis of the financial liabilities at year-end, 28 February 2025 and 29 February 2024

DKK 1,000	2024/25				2023/24			
	Carrying amount/ contractual cashflow	0-1 year	1-5 years	>5 years	Carrying amount/ contractual cashflow	0-1 year	1-5 years	>5 years
NON-DERIVATIVES								
Subordinated loans	255,000	-	125,000	130,000	255,000	-	125,000	130,000
Credit institutions	-	-	-	-	17,393	17,393	-	-
Mortgage credit institutions	131,707	11,407	46,911	73,389	142,685	11,014	45,903	85,766
Other debt	112,838	-	26,410	86,428	101,766	-	11,840	89,926
Current liabilities other than provisions	1,530,346	1,530,346	-	-	1,247,709	1,247,709	-	-
DERIVATIVES								
Forward contracts	30,166	8,968	21,198	-	193,770	154,501	39,269	-
	2,060,057	1,550,721	219,519	289,817	1,958,323	1,430,617	222,012	305,694

27 Financial Instruments and Financial Risks, Continued

CREDIT RISK

RELATED BUSINESS ACTIVITY	IMPLICATION	RISK MITIGATION	IMPACT
The Group is exposed to credit risk from receivables and from balances with banks.	Effect: Medium	The Group conducts credit assessments of new customers and partners.	In general, there is no significant credit risk relative to individual customers at the Group.
Risk related to receivables occurs when customers do not pay as agreed.	Threat: Low	Customers outside Europe and North America are assessed on individual basis and due to the assessment, the trade is handled on letter of credit or with upfront payments.	Given the type of business and the customer structure, provisions for bad debt rarely occurs and instead there are only delays in payment. Because of the customer structure, the risk does not significantly increase even when the receivables are a long time past due.
Credit risk with balances in banks occurs when it is uncertain if the bank is capable of settling its obligations as they become due.		The Group minimizes risk from banks by using banks with proper ratings.	In 2023/24, the Group made a provision for bad debt of 3,3 MDKK. There are no further provisions in 2024/25.
			The Group does not expect any loss on trade receivables, construction contracts, or amounts owed by subsidiaries. Therefore, there has not been recognized any ECL loss.

In 2024/25, 1% of the receivables exceeded payment terms with more than 1 month.

Trade receivables are specified as follows:

DKK 1,000	2024/25	2023/24
Europe	257,699	240,469
North America	151,985	159,777
Asia Pacific	25,679	56,113
Middle East and North Africa	57,785	34,115
Rest of world	6,053	9,211
Trade receivable at 28 February	499,201	499,685

Overdue Trade Receivable:

DKK 1,000	2024/25	2023/24
Up to 1 month	49,121	26,551
Between 1 and 2 months	25,280	5,296
More than 2 months	5,733	28,252
Overdue trade receivable at 28 February	80,134	60,099

27 Financial Instruments and Financial Risks, Continued

INTEREST RATE RISK

RELATED BUSINESS ACTIVITY

Due to financing of investments and normal business operations, the Group is exposed to risk concerning fluctuations in the interest rate.

The primary risk is related to fluctuations in CIBOR.

IMPLICATION

Effect: Medium

Threat: Low

RISK MITIGATION

It is the Group's policy to have long-term borrowings to a large extent at fixed rates.

Net interest rate risks may be hedged via interest rate swaps and related instruments, if assessed as advantageous.

The Group uses cash pool arrangements to net funds on deposit with debt to minimize interest payments.

IMPACT

46% of total interest-bearing debt excluding subordinated loans is fixed rated (2023/24: 43%).

The effective interest rate of this part of the debt is 1.95% (2023/24: 2.02%).

Please refer to note 20 for information about subordinated loans.

Changes in market values on derivatives cannot cause any calls of further pledge or cash distribution. The Group has unutilized facilities including cash totalling 1.495 MDKK (2023/24: 470 MDKK).

Sensitivity of Interest Rate Risk

A 1%-point interest rate increase would result in a P&L gain of 7 MDKK (2023/24: 0.6 MDKK) and an equity gain of 5.5 MDKK (2023/24: 0.5 MDKK).

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

27 Financial Instruments and Financial Risks, Continued

CURRENCY RISK

RELATED BUSINESS ACTIVITY	IMPLICATION	RISK MITIGATION	IMPACT
The Group is exposed to currency risk due to selling in USD and EUR, buying in EUR, USD, and GBP, loan taken in EUR, and net investments in subsidiaries with functional currency in EUR, INR, and AED.	Effect: Medium Threat: Low	It is the Group's policy to use derivative instruments to hedge currency risks, and forward exchange contracts are entered into in connection with the acceptance and conclusion of contracts. EUR cash flow is not hedged due to Danish fixed exchange rate policy against EUR. Net investments in foreign subsidiaries are not hedged.	The effect from currency risk originates mainly from USD cash flows. The company has hedged the currency risk in accordance with the Group's policy. As in 2023/24, the Group has only used derivative financial instruments to hedge exchange rate risks in 2024/25.

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

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

DKK 1,000	Maturity	2024/25						2023/24					
		Contracted inflow	Hedged inflow	Contracted outflow	Hedged outflow	Bank	Net position	Contracted inflow	Hedged inflow	Contracted outflow	Hedged outflow	Bank	Net position
CURRENCY													
USD denominated	<1 year	310,989	372,835	160,094	135,868	(13,766)	99,838	335,881	335,705	97,728	43,893	104,665	(51,006)
	>1 year	838,014	737,191	103,327	101,114	-	(98,610)	81,006	115,735	9,993	6,471	-	38,253
		1,149,004	1,110,026	263,421	236,982	(13,766)	1,228	416,886	451,440	107,721	50,364	104,665	(12,754)

Sensitivity of Currency Risk

To measure currency risk in accordance with IFRS 7, sensitivity is calculated as the change in fair value of future cash flows from financial instruments as a result of fluctuations in exchange rates on the Balance Sheet date. Other things being equal and after tax, sensitivity to fluctuations in USD at Balance Sheet date based on a 10%

decrease in currency exchange rates against DKK would result in a net loss before tax of (5.6) MDKK (2023/24; (3.3) MDKK). The total effect on Equity after tax would be (4.4) MDKK (2023/24; (2.5) MDKK). The effect of a 10% increase in the currency exchange rates against DKK would have a corresponding inverse effect.

27 Financial Instruments and Financial Risks, Continued

Exchange rate contracts at year-end:

DKK 1,000	Maturity	CONTRACTUAL VALUE		FAIR VALUE	
		2024/25	2023/24	2024/25	2023/24
CURRENCY					
AED	<1 year	(391)	-	-	-
AUD	>1 year	(325)	(217)	(9)	(7)
AUD	<1 year	-	(318)	-	(9)
GBP	>1 year	(24,948)	(14,435)	214	(8)
GBP	<1 year	(26,539)	(555)	73	(1)
SEK	>1 year	(427)	-	(3)	-
USD	<1 year	218,102	(245,124)	(9,173)	(3,173)
USD	>1 year	551,903	(103,270)	(21,268)	(1,233)
		717,375	(332,869)	(30,166)	(4,431)

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

Categories of financial instruments:

DKK 1,000	2024/25	2023/24
FINANCIAL ASSETS		
Financial derivatives used for hedging purposes	11,977	1,962
Receivables and cash at bank and in hand	1,593,837	769,423
FINANCIAL LIABILITIES		
Financial derivatives used for hedging purposes	42,143	6,392
Financial liabilities measured at amortized costs	499,545	516,844

RAW MATERIALS PRICE RISK

RELATED BUSINESS ACTIVITY

The Group is exposed to risk concerning raw material prices due to raw material as aluminum and composite materials forming part of the products sold.

IMPLICATION

Effect: Medium

Threat: Low

RISK MITIGATION

Raw material price risk has until now not been hedged. The impact on the financial result is immaterial as major parts of raw materials are bought in accordance with customers' requirements and their "Right to buy" agreements. These agreements are firm fixed prices in USD in 3-5 years.

The development in raw material prices is followed continuously.


IMPACT

The developments in raw material prices have had an immaterial impact on the Group's financial results in 2023/24 and 2024/25.

Statements and Reports

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44 Independent Auditor's Report



Every day, Terma helps bring numerous **aircraft and their pilots** safely back home

Statement by the Board of Directors and Executive Board

EXECUTIVE BOARD



Per Thiesen
Executive Vice President & CFO

Henriette Hallberg Thygesen
CEO & President

The Board of Directors and Executive Board have today discussed and approved the Annual Report of Terma A/S for the 2024/25 fiscal year.

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

In our opinion, the Consolidated and Parent Company Financial Statements give a true and fair view of the Group's and Parent Company's financial position at 28 February 2025 and of the results of the Group's and the Parent Company's operations and the Group's cash flows for 2024/25.

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

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

Søborg, 26 May 2025

BOARD OF DIRECTORS



Klaus Hølse

Natalie Shaverdian Riise-Knudsen

Jørgen Huno Rasmussen
Vice Chairman

Connie Gitte Holm
Representative of the employees

Jens Thorsen Poulsen
Representative of the employees

Lars Gert Lose

Helle Cecilie Fabricius Nielsen
Representative of the employees

Carsten Dilling
Chairman

Anders Christian Schelde

Independent Auditor's Report



TO THE STOCKHOLDER OF TERMA A/S

Opinion

We have audited the consolidated financial statements and the parent financial statements of Terma A/S for the financial year 1 March 2024 – 28 February 2025, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for the Group as well as the Parent, and the consolidated cash flow statement. The consolidated financial statements and the parent financial statements are prepared in accordance with the Danish Financial Statements Act.

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 28 February 2025 and of the results of their operations and the consolidated cash flows for the financial year 1 March 2024 – 28 February 2025, in accordance with the Danish Financial Statements Act.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the consolidated financial statements and the parent financial statements" section of this auditor's report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's Responsibilities for the Consolidated Financial Statements and the 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 the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of consolidated financial statements and parent financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and the Parent Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and the parent financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and parent financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements and the parent financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Entity's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the consolidated financial statements and the parent financial statements, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements and the parent financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements and the parent financial statements, including the disclosures in the notes, and whether the consolidated financial statements and the parent financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the consolidated financial statements and the parent financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any

significant deficiencies in internal control that we identify during our audit.

Statement on the Management Commentary

Management is responsible for the management commentary

Our opinion on the consolidated financial statements and the parent financial statements does not cover the

management commentary, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements and the parent financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the consolidated financial statements and the parent financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required by relevant law and regulations.


Based on the work we have performed, we conclude that the management commentary is in accordance with the consolidated financial statements and the parent financial statements and has been prepared in accordance with the requirements in the relevant law and regulations. We did not identify any material misstatement of the management commentary.

Aarhus, 26 May 2025

Deloitte Statsautoriseret Revisionspartnerselskab,
CVR no. 33 96 35 56

Nikolaj Thomsen
State-Authorized Public Accountant
mne33276

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