

Annual Report

2025/26

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 28 May 2026.

Meeting Chair: Mette Roenborg Lawaetz

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Content

3 Letter from CEO and Chair

4 In Brief

- Terma at a Glance
- Financial Highlights
- Outlook

8 About Terma.

- Board of Directors
- Executive Board & Leadership Team
- People and Purpose
- Our Business
- Our Global Presence
- Risk Management

17 Sustainability

- Sustainability Approach
- Double Materiality Assessment
- Environment
- Social
- Governance
- List of Material IROs

37 Financial Statements

- Income Statement
- Balance Sheet
- Statement of Changes in Equity
- Cash Flow Statement

43 Notes

63 Statement & Report.

- Statement by the Board of Directors and Executive Board
- Independent Auditor's Report



Letter from CEO and Chair



2025 has been defined by geopolitical volatility, complex supply dynamics, and sustained pressure on European and allied security. Across NATO and the EU, governments continue to accelerate defense investments to strengthen collective resilience.

In this challenging environment, our purpose - *Securing People through Advanced Technology* - remains clear and increasingly relevant.

Based on same, 2025/26 marked another step forward for Terma, building on the strong momentum of recent years.

The results demonstrate robust operational performance and rising global demand for our products and solutions.

Order intake reached 5.6 BDKK, up 43% year on year. Revenue grew to 3.4 BDKK, an organic increase of 16%, and operating profit before special items and tax was 396 MDKK, up 22% versus last year and above our initial outlook.

Overall, performance for the year developed in line with, or above, the expectations communicated in last year's Outlook, supported by strong demand across our core markets and continued operational improvements.

We closed the year with a record-high order backlog of 6.9 BDKK, of which approximately 80% is allocated to 2026/27. Operating cash flow improved to 730 MDKK, with our solvency ratio at 41.2%, underscoring a resilient balance sheet and our capacity to invest in growth and technology.

We see a continued shift towards strengthening of Europe's defense capabilities and industrial base. Increased collaboration across the EU, and industrial partnerships, is becoming a path to ensure resilience, interoperability, and technological sovereignty.

In Denmark, the evolving security landscape also calls for closer cooperation between industry, authorities, and the armed forces. Terma is committed to playing an active role in this development.

Against this backdrop, we are strengthening our presence in Europe. Specifically, in Ukraine, where we in 2025 established a wholly-owned subsidiary in Kyiv, enabling closer engagement with customers and partners and supporting in-country testing and deployment of our technologies under operational conditions. These insights directly inform how we develop and refine capabilities in rapidly evolving threat environments.

In November 2025, we completed the acquisition of OSL Technology, adding complementary counter-UAS (unmanned aircraft system) capabilities and accelerating the integration of sensors, effectors, and command-and-control into proven, cohesive, deployable solutions.

During the year, we also advanced our counter-UAS roadmap with SCANTER Sphera, our next-generation 3D radar for drone detection and classification.

The growing exposure of airports, energy assets, ports, and subsea infrastructure to increasingly complex, multi-domain threats has elevated Critical Infrastructure Protection (CIP) to a strategic priority for governments and operators worldwide.

With the acquisition of OSL, our operational presence, strengthened technology platform, and integrated organizational setup position Terma as a strong and increasingly relevant partner in counter-UAS and critical infrastructure protection.

Across Terma, we continued to invest in capacity and talent, welcoming just under 600 new colleagues to support growth, innovation, and dependable delivery. Our success rests on the dedication and professionalism of our employees. With a global workforce of 2,422, their expertise and collaborative spirit remain essential to our performance and to the safety and security of societies worldwide. On behalf of the Board of Directors and Executive Board, we extend our sincere gratitude for their contribution.

With a strong foundation, clear direction, and continued focus on technology and partnerships, Terma is well positioned to navigate uncertainty, deliver on growing demand, and strengthen its role in supporting security - at home and abroad.

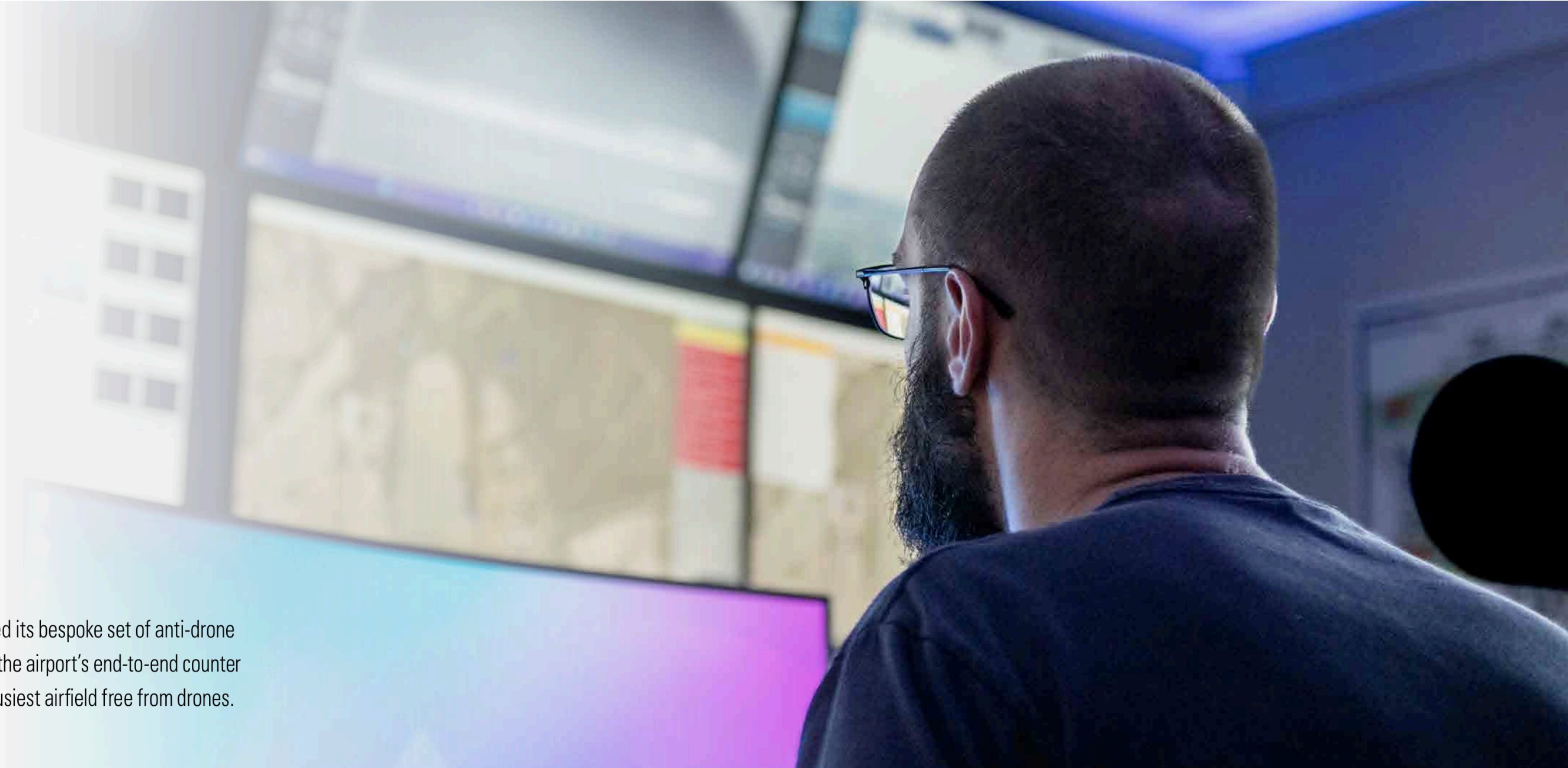
Henriette Hallberg Thygesen
Chief Executive Officer, Terma A/S

Carsten Dilling
Chair of the Board

In Brief

- 5 Terma at a Glance
- 6 Financial Highlights
- 7 Outlook

Since 2022, OSL Technology has provided its bespoke set of anti-drone systems to Heathrow Airport as part of the airport's end-to-end counter drone measures to help keep the UK's busiest airfield free from drones.



Terma at a Glance

2025/26 was another strong year for Terma, with a financial performance that was better than anticipated in last year’s Outlook due to high demand for our solutions and products. We reached new all-time high levels for order intake, order backlog, revenue, operating profit, and cash flow from operations.

Order intake was 5.6 BDKK, a 43% improvement over last year, leading to an order backlog of 6.9 BDKK, providing a solid base for further growth. Revenue grew 17% over last year, of which 16% was organic, and operating profit improved to 396 MDKK or 11.7%. Cash flow from operations grew 40% to 730 MDKK, with a robust cash conversion ratio of 1.3.

Good business conduct is vital for Terma, and we therefore aim to always have above 90% training completion for all job functions and their mandatory training. This year, we achieved 93%.

Carbon Intensity is our way to monitor CO₂ emissions in our own operations relative to growth. A steady or decreasing Carbon Intensity means that we are experiencing a more balanced growth, where emissions increase at a lower rate than revenue. We set an internal target to not exceed 2.7, and we ended the year on 2.3.

For more information on ESG targets and metrics, see the Sustainability section.

ORDER INTAKE: 5,601 MDKK



+43%
VS. LAST YEAR

ORDER BACKLOG: 6,891 MDKK



+55%
VS. LAST YEAR

REVENUE: 3,381 MDKK



+17%
VS. LAST YEAR

EBITDA: 623 MDKK (before special items)



+19%
VS. LAST YEAR

OPERATING PROFIT: 396 MDKK (before special items)



+22%
VS. LAST YEAR

CASH FLOW FROM OPERATIONS: 730 MDKK



+40%
VS. LAST YEAR

BUSINESS CONDUCT TRAINING
COMPLETION: 93%



3%^{pt}
BETTER THAN TARGET

CARBON INTENSITY RATIO: 2.3



14%
BETTER THAN TARGET



Financial Highlights



MDKK	CONSOLIDATED				
	2025/26	2024/25	2023/24	2022/23	2021/22
KEY FIGURES					
Order intake	5,601	3,919	2,623	2,398	2,314
Order backlog, year-end	6,891	4,456	3,420	3,430	3,290
INCOME STATEMENT					
Revenue	3,381	2,883	2,633	2,258	2,195
EBITDA before special items	623	524	448	375	357
EBITDA after special items	573	503	427	375	357
Depreciation, amortization, and write-downs	(228)	(198)	(194)	(183)	(170)
Operating profit before special items	396	325	255	192	187
Special items before tax*	(50)	(20)	(22)	-	-
Operating profit after special items	345	305	233	192	187
Financial income and costs	(37)	(11)	(25)	(21)	(32)
Earnings before special items and tax	359	313	228	171	155
Earnings before tax (EBT)	309	293	206	171	155
Profit for the year	238	222	155	139	127
BALANCE SHEET					
Non-current assets	2,361	1,444	1,362	1,262	1,242
Current assets	2,987	2,658	1,644	1,406	1,269
Total assets	5,348	4,103	3,006	2,668	2,512
Total equity	1,949	1,889	1,046	898	744
Subordinated loans	255	255	255	255	255
Capital base	2,204	2,144	1,301	1,153	999
NIBD (excl. subordinated loans)	(360)	(824)	54	139	277
CASH FLOWS					
Cash flows from operations before tax	730	521	360	370	361
Cash flows from investing activities	(868)	(268)	(236)	(189)	(217)
hereof investments in software, property, plant & equipment	(260)	(164)	(152)	(90)	(149)
FINANCIAL RATIOS					
EBITDA margin before special items	18.4	18.2	17.0	16.6	16.2
EBITDA margin after special items	17.0	17.5	16.2	16.6	16.2
EBT margin before special items	10.6	10.9	8.7	7.6	7.1
EBT margin after special items	9.1	10.2	7.8	7.6	7.1
Return on investments before special items	7.9	9.2	8.4	7.4	7.4
Liquidity ratio	115.9	173.2	128.8	129.3	124.4
Cash conversion ratio	1.3	1.0	0.8	1.0	1.0
Solvency ratio (capital base)	41.2	52.3	43.3	43.2	39.8
Return on equity	12.4	15.1	15.9	16.9	17.2
Leverage ratio	(0.6)	(1.6)	0.1	0.4	0.8
Average number of full-time employees	2,099	1,818	1,704	1,599	1,648

* Special items in 2025/26, see note 3.

In November 2025, the Group acquired OSL Group Ltd. and its subsidiaries. The operating results of the acquired companies have been included from the date of acquisition. Accordingly, the Group's financial and key figures for 2025/26 reflect the impact of the acquisition of OSL Group Ltd. and its subsidiaries.

Outlook



Terma enters the new financial year with a record-high order backlog of 6.9 BDKK, up ~55% compared to last year. This reflects the continued demand across our core markets.

We maintain a solid balance sheet and a commercial pipeline that supports activity across defense, space, and critical infrastructure.

Our focus is on execution and delivery at scale. We will convert backlog into deliveries, strengthen supply chain stability, and maintain flexibility where demand is highest. Activity in our radar business is expected to double from past year’s level, reflecting both demand and increased delivery capacity.

We will continue our investment program, with total investments planned of around 530 MDKK. This includes expansion of production capacity, additional shifts on selected lines, targeted automation, and increased warehousing and logistics capacity to support delivery and reduce lead times.

We will reinvest around 260 MDKK in research and development across core product areas, with a focus on sustaining technological competitiveness and accelerating time to deployment.

Within counter-UAS and critical infrastructure protection, we are combining detection, command-and-control, and lifecycle services into integrated solutions.

The acquisition of OSL Technology has expanded capabilities across sensing, decision support, and system integration. The focus is on scaling delivery and standardizing solutions across markets.

Financial Expectations

We expect organic revenue growth of 20-25%, operating profit of around 450 MDKK, and continued growth of our order backlog.

These expectations are subject to uncertainty related to geopolitical developments, export-control regimes, supply-chain stability, and macroeconomic conditions, which may affect both cost levels and the timing of revenue.

Risk management remains focused on program execution, supply chains, regulatory developments, and financial exposure. Mitigation measures include diversification across customers and regions, strengthened project governance, supplier management, and ongoing scenario planning.

We will continue to invest in our organization, maintaining existing capabilities and adding capacity where required.

About Terma

9 Board of Directors

10 Executive Board & Leadership Team

11 People and Purpose

13 Our Business

15 Our Global Presence

16 Risk Management

Terma has partnered with the Royal Danish Air Force for more than 30 years. Most recently, Terma upgraded the self-protection systems on the C-130J Super Hercules fleet, improving threat awareness, protection, and crew safety.



Board of Directors

Terma’s Board of Directors provides strategic direction and oversight of the Group, ensuring that the company is managed in a responsible and sustainable manner in line with its long-term objectives. The Board also oversees the implementation of strategy, ensuring alignment between strategic priorities, execution, and performance across the organization.

Through active engagement with the Executive Leadership Team, the Board of Directors monitors performance, oversees key risks, and supports the continued development of Terma as a trusted partner within defense and critical infrastructure.



Jens Thorsen Poulsen
Representative of the employees

Lars Gert Lose
Non Executive Director

Carsten Dilling
Chair

Klaus Holse
Vice Chair

Steen Tersted
Representative of the employees

Gitte Holm
Representative of the employees

Natalie Shaverdian Riise-Knudsen
Non Executive Director

Anders Christian Schelde
Non Executive Director (ATP appointed)

Executive Board & Leadership Team

The Executive Board of Terma A/S comprises the Chief Executive Officer, Henriette Hallberg Thygesen, and the Executive Vice President & CFOO, Per Thiesen.

The Executive Leadership Team (ELT) is responsible for executing Terma's strategy and managing the Group's operations. The team brings together accountability across technology, sales, operations, people, finance, and partnerships, ensuring consistent performance, compliance, and risk management across the organization.



Per Thiesen
Executive Vice President & CFOO
and Member of Executive Board

Steen Hommel
Executive Vice President, Public Affairs,
Communication and Partnerships

Henriette Hallberg Thygesen
CEO & President
and Member of Executive Board

Thomas Flarup
Executive Vice President,
Global Sales & Portfolio Management

Jesper Böhnke
Executive Vice President,
Integrated Product Development

Mette Roenborg Lawaetz
Senior Vice President,
General Counsel

Rikke F. Rønnau
Senior Vice President,
Global People

People and Purpose

Security is fundamental to stable and functioning societies. Terma contributes to protecting people, institutions, and critical infrastructure in a changing and increasingly complex environment. Our purpose, *Securing People through Advanced Technology*, guides how we prioritize, invest, and deliver.

Our people make that purpose real. Across countries, Business Areas, and disciplines, Terma combines advanced technologies with operational expertise to protect airspace, sea lanes, borders, and critical infrastructure. Working closely with customers, allies, and partners, we operate in demanding environments and strengthen resilience against evolving threats.

As a defense and critical-infrastructure provider, we carry responsibilities that go beyond delivery performance. We are committed to acting responsibly, operating with strict compliance, and embedding security, resilience, and safety considerations in the decisions we take.

Refreshing our Values
As Terma grows in scale and international reach, and as the external environment evolves, we need to ensure we have a solid foundation for how we work together, make decisions, and deliver. During the year, we conducted a company-wide process to reassess and reaffirm our values, ensuring they remain relevant and remain actively reflected in how we work.

The process has been extensive and inclusive, combining workshops, interviews, and dialogue with employees across Business Areas, functions, and all countries where Terma operates. This work strengthens alignment between purpose, values, and execution, and provides clearer guidance for collaboration, leadership, and decision-making across the organization.

Our Values
Guided by our purpose, our values define how we work together across countries, cultures, and disciplines:

WE ARE ALL TERMA
Diversified in skills, equal in value

WE DEVELOP PEOPLE AND TECHNOLOGY
Rooted in purpose, driven by curiosity

WE EVOLVE TO KEEP DELIVERING
Real-world solutions that matter

WE CARE
For each other, for our customers, and for societies

Together, these values define the kind of company Terma is. We bring diverse expertise together with a shared sense of responsibility, developing people and technology in parallel to meet evolving security needs. Curiosity and continuous improvement shape how we approach both innovation and execution, ensuring solutions remain relevant in real-world operational environments.

A strong sense of care for colleagues, customers, and the societies we serve underpins how we collaborate, make decisions, and deliver. This enables Terma to adapt, execute with discipline, and deliver dependable solutions in a complex and rapidly changing world.

Our people give meaning to our purpose. By investing in a strong, shared culture and ensuring our values are clear and actively lived, we strengthen Terma’s ability to deliver reliably, responsibly, and at the pace required in a changing world.

Employee Spotlight:

Turning Complexity into Clarity



Jette’s journey reflects Terma’s value: *We develop people and technology.* As the company has grown, so have the expectations placed on its people - and the opportunity to take on greater responsibility.

“If we spend ten years developing a new product, we are on the losing end,” she notes. *“Things are moving faster, and that means we need to be both efficient and disciplined.”*

Behind the numbers lies the foundation for stability and trust. Financial reporting, compliance, and control are not just administrative functions - they are essential to ensuring that Terma can continue to grow, invest, and deliver.

At the same time, growth is also about people. As the organization expands, integrating new colleagues and maintaining a strong culture becomes increasingly important. For Jette, this balance between professionalism and purpose defines Terma.

“When everything moves faster, you need the basics to be rock solid. That’s how you protect trust.”

Through her work, Jette helps ensure that Terma’s growth is supported by a strong and reliable foundation - enabling the company to operate with confidence in an increasingly complex environment.

“When everything moves faster, the fundamentals have to be rock solid. That is how you protect trust.”

When Jette joined Terma 25 years ago as a financial controller in Germany, the company was significantly smaller and less complex. Today, she serves as Vice President for Reporting and Compliance, working at the center of a global organization with increasing scale, pace, and regulatory demands.

Over the years, both Terma and the role of finance have evolved. Growth now comes from a combination of organic expansion and acquisitions, and financial processes have become more complex, requiring strong governance, transparency, and control.

Employee Spotlight:

Engineering the Future through Experience



central to national and allied security, with rapidly increasing demand and accelerating technological development. This is clearly reflected in Surveillance & Mission Systems, where delivery volumes are growing significantly and the organization continues to expand.

Thomas’ journey reflects one of Terma’s core values: *We evolve to keep delivering.* The ability to continuously adapt, develop new capabilities, and respond to changing operational needs is essential - not only for the company, but for the people within it.

“We are proud of how good we are at detecting small targets over water,” he says. *“It plays a role in search and rescue missions, in combating smuggling, and in national security. Not everyone sees it, but it requires a level of technical expertise we take great pride in.”*

This expertise is built over time but never stands still. Across Surveillance & Mission Systems, new technologies, including advanced radar and counter-UAS capabilities, are continuously developed and deployed. Growth is not only about scale, but about maintaining relevance in real-world operations.

For Thomas, the motivation remains the same: contributing to meaningful solutions while helping shape the company’s future. As Terma continues to evolve, his experience represents both continuity and progress - ensuring that new capabilities are built on a strong and proven foundation.

“We are proud of how good we are at detecting small targets over water. It plays a role in search and rescue missions, in combating smuggling, and in national security.”

When Thomas joined Terma more than 30 years ago as a software programmer, the company operated on a very different scale. Today, as Senior Vice President in Surveillance & Mission Systems (SMS), he has been part of Terma’s transformation into a global defense and technology company.

Over three decades, both the company and the industry have changed significantly. What was once a relatively stable sector has become

Employee Spotlight:

Collaboration across Borders



Based in Germany, Christina is part of a team that remains closely connected across borders, combining professional collaboration with local initiatives that strengthen relationships and trust. Her experience reflects one of Terma’s core values: *We are all Terma - diversified in skills, equal in value.* Regardless of role or location, each contribution is essential to ensuring that teams perform and deliver.

“Even when the pace is high, there is always room for collaboration and a sense of humor,” she says. *“That balance makes it easier to work together and deliver our best.”*

When Christina joined Terma six years ago, the recruitment process took place entirely online during the COVID-19 lockdown. A brief moment during her first meeting - when her future manager spotted pajama pants below an otherwise professional video-call appearance – became a memorable reminder that even in demanding environments, authenticity and understanding matter.

As Terma continues to grow internationally, employees like Christina help ensure that collaboration, mutual respect, and operational discipline remain at the core of how the company works - turning diversity of skills and perspectives into shared performance.

“Even when the pace is high, there is always room for collaboration and a sense of humor.”

Christina began her career at Terma as an Administrative Assistant and has since grown into the role of Business Operations Specialist. Along the way, she has experienced a company evolving in both scale and structure, with increasing international collaboration and organizational development.

Today, she supports the coordination and operational processes that enable teams across the business to deliver effectively. As Terma has expanded globally, strong operational support and collaboration across locations have become increasingly important.

Our Business

Group overview

Terma develops, produces, and sustains mission-critical technology for defense and security customers worldwide. Guided by our purpose, *Securing People through Advanced Technology*, we combine advanced radars and sensors, self-protection and electronic warfare, command-and-control, space electronics, and lifecycle services to protect people, platforms, and critical infrastructure. We operate through a number of Business Areas - Surveillance & Mission Systems, Critical Infrastructure Protection, Self-Protection Systems, Aerostructures, Space, Cyber & Quantum, and Terma Support & Services - supported by integrated engineering and manufacturing in Lystrup and Grenaa.

In 2025/26, we expanded capacity, sharpened software-defined roadmaps, and advanced end-to-end offerings in counter-UAS and protection of critical infrastructure, while continuing to deliver dependable capability across our broader portfolio.



Surveillance & Mission Systems (SMS)

SMS delivers advanced radars and command-and-control (C2) on scalable platforms with high reuse, ensuring strong price/performance. The SCANTER family remains core for air and maritime surveillance, and in 2025/26, we launched SCANTER Sphera, our first 3D radar for counter-UAS, combining proven small-target detection with 3D coverage and AI-enabled classification. C2 activity accelerated with export wins for C-Flex, a major BMD-Flex order to a NATO customer, and development secured for the NATO AGS program; in Denmark, we delivered new C-Flex capabilities to the Navy, advanced Arctic ship design work, progressed BMD-Flex for the Army’s VSHORAD program, and continued JiMAPS Joint C4ISR. SMS is supported by Terma Lifecare for high availability, and integration of OSL Technology adds complementary ISR and decision-support that strengthen end-to-end offerings in counter-UAS and protection of critical infrastructure.

Critical Infrastructure Protection (CIP)

In 2025, CIP was established as a standalone Business Area focused on the protection of critical infrastructure assets such as offshore wind parks, energy grids, airports, seaports, borders, and military installations. The portfolio combines advanced command-and-control capabilities, multi-sensor data fusion, effectors, and lifecycle services.

In its first year, CIP secured a major contract to deliver a first-of-its-kind offshore security management solution for a large-scale wind farm project in Europe, supporting the monitoring and protection of critical energy infrastructure supplying power to millions of people.

The acquisition of OSL Technology significantly strengthens this position, adding advanced counter-UAS and decision-support capabilities and enabling more integrated, end-to-end solutions across detection, protection, and response. Together, this expands Terma's offering and positions CIP for continued growth.

Self-Protection Systems (SPS)

SPS provides mission equipment solutions that help aircrews complete the mission and return home safely. The portfolio includes integrated electronic-warfare solutions based on the ALQ-213 integration suite, our operationally proven 3D-Audio situational-awareness capability, and weapons-release solutions for legacy aircraft. 2025/26 saw record demand and significant growth in Europe, reflecting continued fleet upgrades across fighters, helicopters, and mobility aircraft.

Aerostructures

Aerostructures is a key contributor to the global F-35 program, supplying more than 80 mission-critical components across all aircraft variants. While 2025 brought reduced short-term volumes, order intake strengthened again in Q4 2025. Terma remains a stable, long-term partner with a strong quality record. The Business Area also contributes to the Evolved Sea Sparrow Missile (ESSM) program, which experienced significant growth. Looking ahead, expansion opportunities include missile structures, additional F-35 deliveries, and unmanned systems.

Space

The Space Business Area designs and delivers advanced electronics, software, and support services for satellites, control centres, and test systems. Building on a strong heritage in European institutional programs, the Space business is successfully executing its strategy and has achieved solid growth across all applications, market segments, and geographies. In parallel, the business is expanding into global New Space markets with an increasing focus on defence applications.

Terma Space continues to develop, release, and enhance advanced mission-critical satellite products and technologies. Ongoing investments in new developments and upgrades are strengthening competitiveness and positioning the business for continued growth in the years ahead. Terma Space serves customers across Europe, North America, Asia Pacific, and the Middle East.

Cyber & Quantum

This Business Area designs cyber resilience into Terma systems from the start and prepares customers for the transition to quantum-safe security. The portfolio spans secure-by-design software, hardened interfaces, continuous monitoring, and managed lifecycle services that preserve availability across radar, C2, and mission systems. In 2025/26, demand increased alongside SMS and the emerging CIP Business Area for cyber-hardened stacks and service models that keep platforms mission-ready while meeting allied standards.

Work on quantum readiness focuses on practical migration paths: post-quantum cryptography, hybrid schemes, key management, and upgrade frameworks so changes can be validated and fielded without operational disruption. By aligning architectures, data integrity, and certification with partner guidance, the Business Area enables customers to adopt quantum-safe measures at the right time and cost – safeguarding critical communications, data links, and decision systems in contested environments.

Terma Support & Services (TSS)

TSS ensures high availability and lifecycle support for Terma solutions across civil and defense applications. With scalable maintenance offerings and the Terma Lifecare portfolio, TSS enables all Business Areas to deliver from unit-level service to country-wide solutions. In 2025/26, TSS secured several large long-term service agreements under Lifecare, including cyber-subscription agreements and digital solutions such as Terma Connect. These

contributed to an all-time-high Lifecare order intake, confirming customer trust in our commitment to dependable operations. TSS also advanced support and contracted services for third-party systems, meeting growing demand for sovereign and integrated capabilities across Denmark, the Nordics, and wider Europe.

Operations

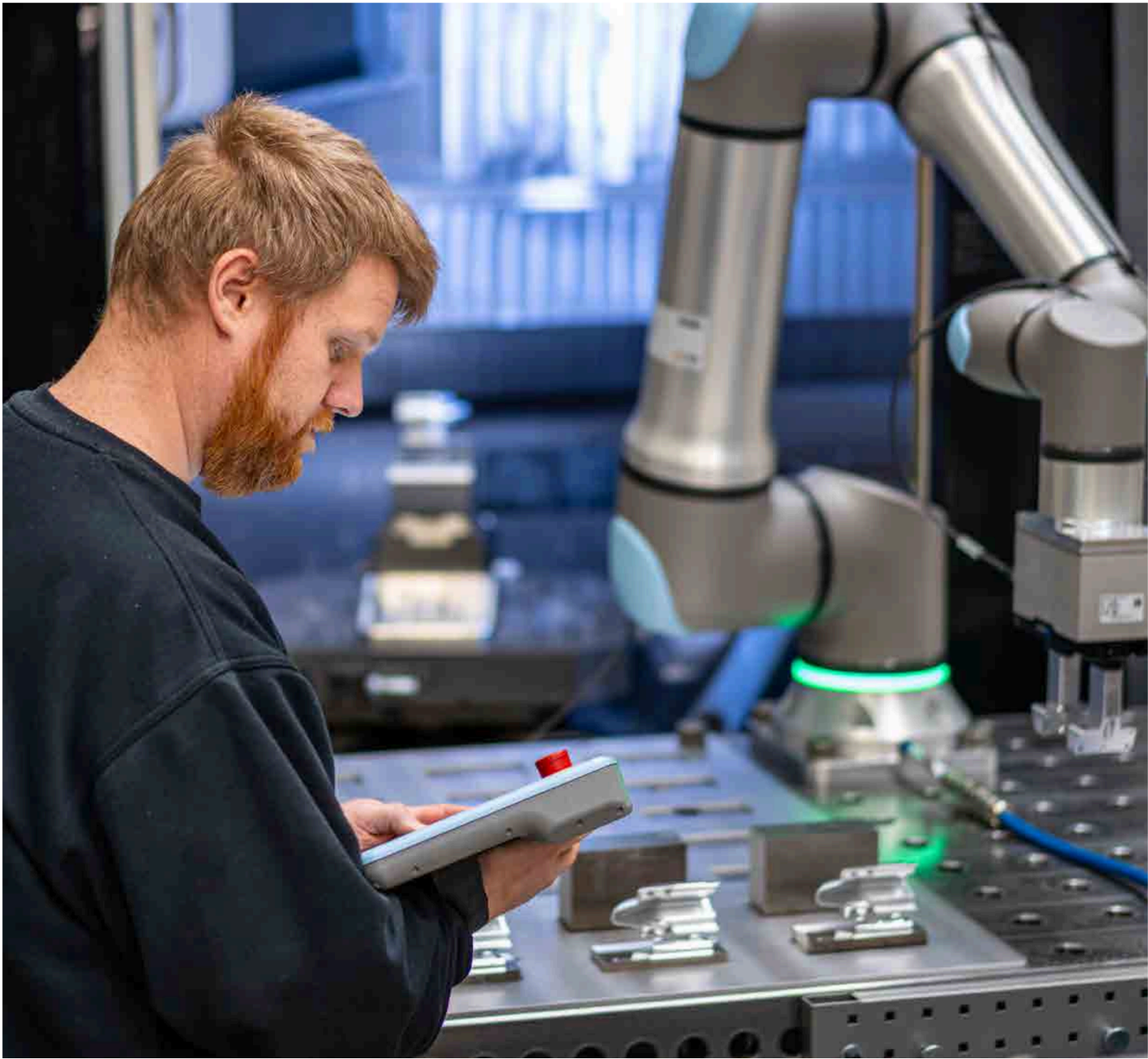
Our production facilities in Grenaa and Lystrup are central to delivery. Grenaa specializes in advanced aerostructures in metal, aluminum, and composites; Lystrup focuses on manufacturing mission-critical electronic systems and components. Throughout 2025/26, both sites maintained high production efficiency and strong quality performance. In December 2025, Terma obtained ISO 14001 (Environmental Management) and ISO 45001 (Occupational Health and Safety) certifications for Danish locations, reaffirming our commitment to EHS excellence. With established capacity and a proven track record, Terma is well positioned to support Danish and allied defense requirements through expanded industrial cooperation and offset commitments.

INNOVATION AND RESEARCH & DEVELOPMENT

Terma is, at its core, a technology company. Our products, competitiveness, and long-term relevance depend on continuous innovation and the ability to translate advanced engineering into dependable operational capability. The trust our customers place in us is inseparable from our ability to remain a future-proof partner: one that can anticipate emerging requirements, build for evolving threats, and deliver verified upgrades throughout a system’s lifecycle. In practice, this means engineering for the future while delivering reliably today.

Scalable, Software-defined Architectures
A key pillar of Terma’s R&D is the continued development of shared, software-defined platforms that can be reused across solutions and modernized over time. In command-and-control, this includes a common software backbone across the C2 portfolio. The underlying platform approach improves scalability, reduces duplication, and strengthens upgradeability across system generations.

At the core is advanced multi-sensor data fusion, designed to correlate large volumes of tracks in real time while accounting for sensor uncertainty and variation. On this foundation, solutions such as *BMD-Flex* have matured further into advanced air-defense C2 systems that combine automation with operator control. As operational intensity increases, more routine tasks can be delegated to the system, helping operators maintain situational awareness while focusing on critical decisions.



IA-enabled Sensing and Classification
Terma continues to strengthen sensing performance through advanced radar technology combined with AI-enabled classification. These investments build on broader work in intelligent sensor integration and AI-based data analysis, allowing improvements in one domain to scale across multiple products and solutions.

Faster Development Cycles through Virtualization
Remaining future-proof also requires speed: the ability to shorten time-to-field without compromising assurance and certification readiness. Terma is therefore reshaping how complex systems are developed and verified. Accelerated Product Development practices emphasize earlier architectural decisions, technology frontloading, and rapid prototyping, addressing integration challenges sooner and enabling faster iteration.

A key enabler is the increased use of *virtualized test environments*. By deploying fully virtual system setups with simulated sensors and effectors, R&D can expand automated testing and validation beyond physical test sites, improving speed, repeatability, and coverage. In parallel, clearer interface definitions and modular architectures reduce integration effort and support faster deployment across platforms, including simplified integration approaches where applicable.

Terma measures innovation by effect in use: shorter time-to-field, higher availability, and upgrades that can be introduced without disrupting operations. Through reusable platforms, AI-enabled capability, and accelerated verification, we continue to strengthen performance across radar, C2, self-protection, CIP, counter-UAS, space, and services, delivering dependable capability at pace and maintaining the trust our customers depend on.

Our Global Presence

Where We Operate

We support defense and critical infrastructure customers in key regions. From these locations, Terma supports airspace surveillance, coastal security, defense platforms, and critical infrastructure protection across Europe, North America, the Middle East, India, and Southeast Asia

North & Central America

North America remains a strategically important market, anchored in long-term industrial partnerships and advanced defense programs. Terma supports next-generation aircraft platforms, missile systems, space programs, and electromagnetic warfare solutions, reinforcing our position as a trusted and reliable supplier.

Middle East & Africa

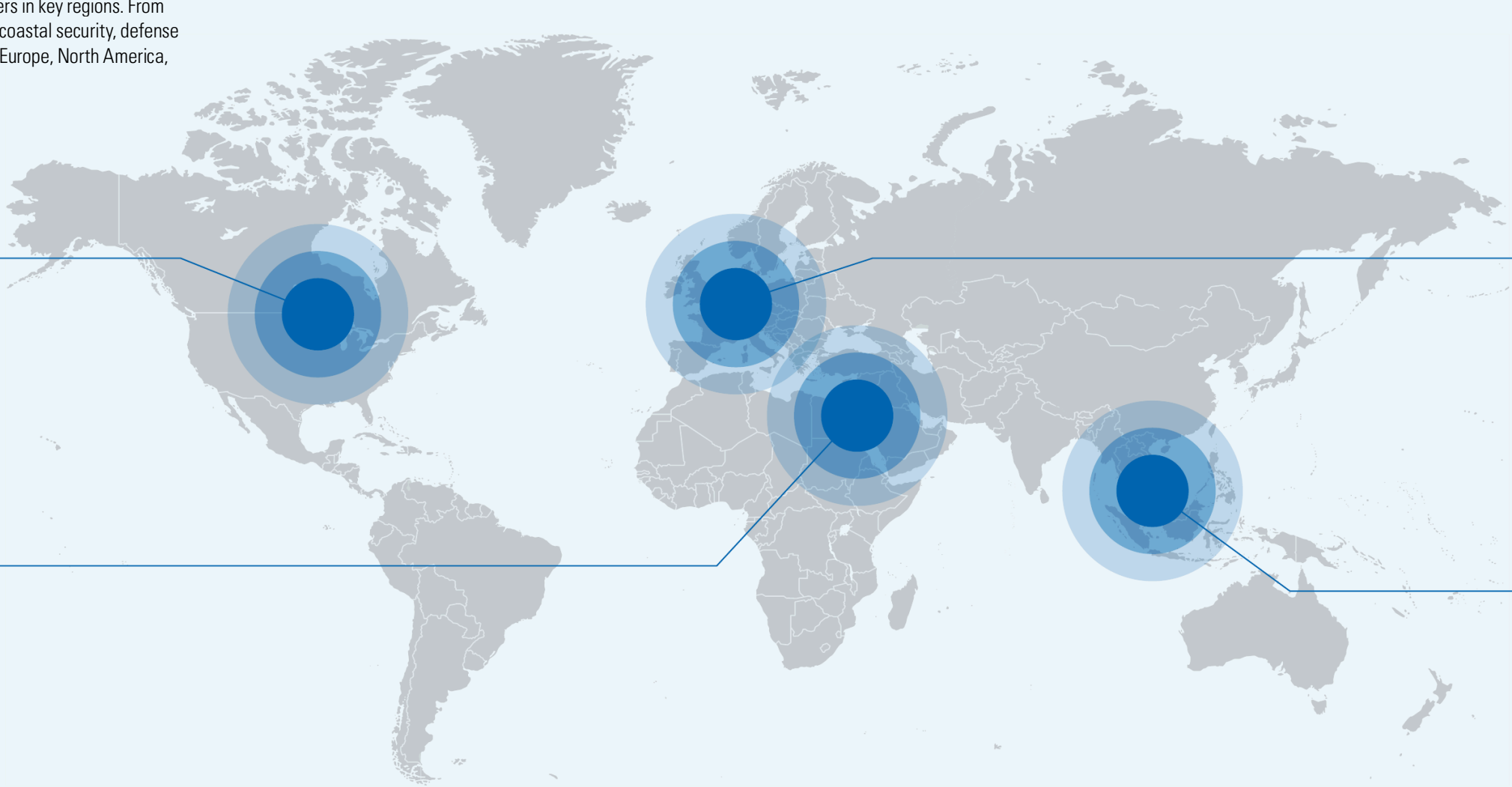
MEA remains a stable and strategically significant region for surveillance, radar, and protection systems. Terma supports coastal surveillance, airspace management, and critical infrastructure protection, combining advanced technology with long-term local partnerships.

Europe

Europe is a core priority region. As European nations strengthen defense capabilities and industrial capacity, Terma continues to expand its presence and partnerships. We support naval and air-defense programs, aircraft self-protection, and critical infrastructure protection initiatives across the region, including a strengthened local footprint in Ukraine

Asia-Pacific

Asia-Pacific continues to show strong momentum, particularly within surveillance and mission systems. Growth is driven by naval modernization, coastal security, and infrastructure protection. Terma is strengthening local service capabilities to support long-term reliability and customer proximity.



Risk Management

Terma’s risk management approach supports the mitigation of strategic and operational risks and strengthens the Group’s long-term resilience. The risk management framework provides a structured and consistent process for identifying and managing internal and external risks, while enabling Terma to operate as a trusted and compliant partner to customers and authorities.

GOVERNANCE AND APPROACH

Terma’s Executive Leadership Team are responsible for maintaining an effective risk management framework and overseeing key strategic risks. The framework defines governance, roles, responsibilities, and processes across Terma, embedding risk awareness into daily operations and decision-making.

Business Areas and functions identify and assess risks, while the Risk Management function consolidates assessments, ensures consistency, and supports escalation, where required. Risk reporting, in line with the defined Terma’s risk areas, provides transparency on key risks and mitigation measures and ensures that material issues are escalated to the Executive Leadership Team as needed.

TERMA RISKS

The risks that currently define our operational environment are outlined below. The overview reflects Terma’s primary risks as assessed by the Executive Leadership Team.

Strategic

Hybrid threats such as cyberattacks, industrial espionage, and sabotage are increasing and pose a growing risk for Terma. Disinformation and any compromise of sensitive data or customer-related information would represent significant operational and reputational risks.

Terma continues to strengthen its physical, cyber, and information security posture through ongoing control testing, technological audits, breach simulations, employee awareness and training initiatives.

Political and Market

Rising geopolitical uncertainty and shifting defense priorities are increasing volatility in defense and security markets, affecting demand, supply chains, and programs. At the same time, stronger EU coordination and strategic autonomy heighten the need for a solid position in Europe’s growing rearmament. Terma addresses this through close monitoring, scenario planning, and collaboration with authorities and partners.

Financial

Terma’s main transaction currencies are DKK, EUR, and USD, exposing the Group to currency risk. The Group hedges foreign exchange risk from commercial contracts by using FX forward contracts, targeting full (100%) hedging of exposures, thereby reducing volatility in cash flow risk. EUR cash flows risk is not hedged due to Denmark’s fixed exchange rate policy, and net investments in foreign subsidiaries are also left unhedged. Credit risk is controlled through careful customer assessment and monitoring, while

liquidity risk is managed via forecasting, working capital discipline, and financing facilities.

The Group is exposed to emerging tariffs and inflation risk, as changes in trade conditions, including potential tariffs, and inflationary pressures may increase cost levels, impact supply chains, and affect margins.

The Group monitors developments continuously and applies mitigating measures such as supplier diversification, cost management, and pricing mechanisms where feasible and contractually permitted.

Operational

Terma is exposed to risk related to attracting, recruiting, and retaining qualified personnel, as growth in defense and critical infrastructure markets increases demand for specialized competencies. Challenges in securing and retaining such employees may adversely affect delivery capability and limit future growth. Terma continues to strengthen its employer positioning, supports education and initiatives that broaden the future talent pipeline, and maintains focus on continuous competence development and retention.

As Terma assumes larger roles in complex deliveries, including as prime integrator, execution risks increase across schedules, cost, quality, suppliers, and contracts. Terma mitigates this by strengthening project governance, contract management, and financial control, with early risk identification and active mitigation throughout execution.

Compliance and Regulations

Terma operates in a highly regulated environment with increasing regulatory and customer-driven requirements.

Non-compliance with applicable laws, regulations, product standards, or contractual obligations may result in financial consequences, regulatory sanctions, and potential liabilities for Terma and its Executive Leadership Team. Terma’s compliance framework is supported by core controls and proactive mitigation measures.

A cross-functional compliance board identifies relevant requirements, allocates ownership, and monitors implementation and adherence.

ESG

As a global company, Terma has a variety of impacts, risks, and opportunities related to Environment, Social and Governance. These are elaborated and addressed in the Sustainability section of this Annual Report.

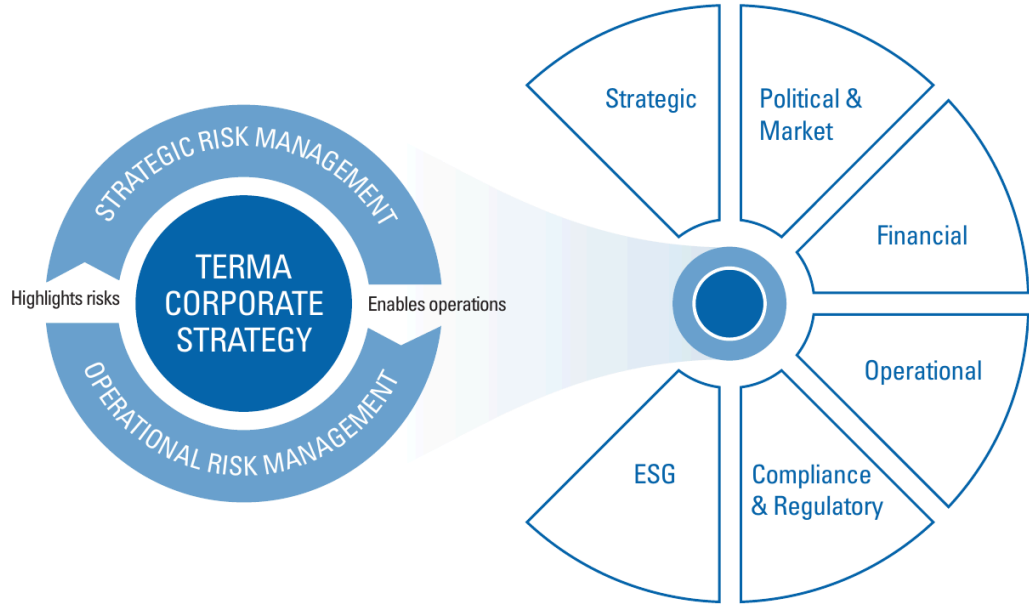
DATA ETHICS POLICY

Terma’s policy on data is integrated into the IT policy and GDPR setup. 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.

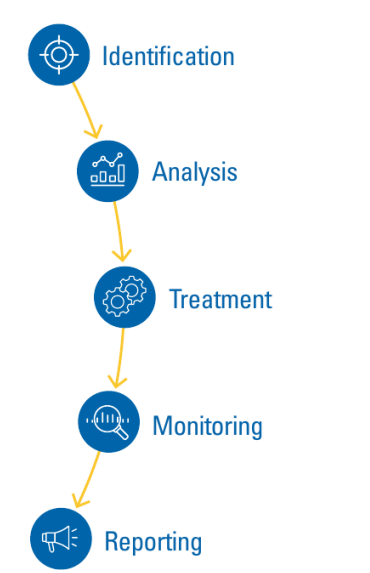
Terma’s GDPR setup supports the legislation’s requirements for GDPR, including data collection and processing, data subjects’ rights, and requirements for subcontractors’ use of data processing agreements.

Terma continuously educated 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.

ENTERPRISE RISK MANAGEMENT AND TERMA'S RISK AREAS



RISK MANAGEMENT PROCESS



Sustainability

18 Sustainability Approach

19 Double Materiality Assessment

22 Environment

27 Social

32 Governance

36 List of Material IROs

At Bollenhagen, Germany and at other locations across the globe, our Aircraft Detection Lighting System (ADLS) monitors the space above and round windfarms, both on- and offshore, to ensure air traffic safety.

The structure of this Sustainability section is inspired by the European Sustainability Reporting Standards (draft amended ESRS standards of 28 November 2025) but does not constitute compliance with the EU Corporate Sustainability Directive (CSRD), and is excluded from Terma's annual report assurance process. For improved readability, sections are labeled according to ESRS IRO numbering. In accordance with sections §99a (2018) of the Danish Financial Statements Act, this section represents our statements on sustainability in Terma A/S and Terma Aerostructures A/S. This report also serves as a supplement to our UN Global Compact Communication on Progress.

Sustainability Approach

Basis for Preparation

This Sustainability Report is prepared in accordance with the Financial Statements Act §99a (2018). Furthermore, the structure of our Sustainability Report is prepared with inspiration from the draft amended European Sustainability Reporting Standards (ESRS, 28 November 2025), with the purpose of preparing Terma for ESRS compliance from FY27/28.

This report is not ESRS compliant. The Sustainability Report uses Terma’s Double Materiality Assessment (2025) and references to ESRS disclosure requirements as way to structure the report and prepare the reader for ESRS compliant reporting from FY27/28. The use of these references does not infer that all disclosure requirements are fulfilled.

In Terma, we are engaged in a variety of sustainability matters and activities, including building a strong compliance and business ethics culture, supporting and empowering our workforce, and meeting sustainability requirements from customers, employees, and society.

Allies in Responsibility has been Terma’s Sustainability Strategy and approach from 2020 to 2026. We are now pivoting towards an ESG reporting structure and a new ESG Roadmap.

Last year of *Allies in Responsibility*

Allies in Responsibility has now been through two phases, 2020/23, and 2023/26. Each phase had strategic focus areas where we wished to improve, and we are proud of the progress made and lessons learned throughout.

The strategic focus areas for the past three years have been:

- Securing People While Respecting the Environment. Supporting the green agenda by implementing a series of reduction activities, increasing our recycling efforts, and improving our data.
- Shaping Tomorrow’s Workplace by Advancing Inclusion & Diversity. Shaping our company culture through capacity building, networks, and setting targets for gender diversity.
- Strengthening STEM and Securing Our Future. Promoting and creating awareness about STEM education and careers and taking an active role in inspiring the next generation to choose STEM subjects.

In addition, previous focus areas were included as “foundation topics”, which represent the way we work. These were: anti-corruption, human rights, responsible supply chain management, employee health and mental well-being, and employee safety.

This is the last year where we will be reporting on the targets that were set in FY22/23.



Transition to ESG

Whilst we continue to report progress on the last year of the current strategy, we also restructure the way we address sustainability in Terma.

Firstly, we are pivoting our reporting towards future compliance with the EU Corporate Sustainability Reporting Directive (CSRD), which comes into force in 2027 for Terma. In the meantime, we continue improving our data and reporting capabilities across our material topics. Therefore, this year’s Sustainability Report now sees our strategy- and foundation topics organized according to E, S, and G, alongside our reporting on impacts, risks, and opportunities identified by Terma’s Double Materiality Assessment.

Thus, ensuring that our reporting framework moves towards ESRS compliance.

Terma’s DMA will be updated in FY26/27 to ensure consistency with the implementation of the ESG Roadmap and the amended ESRS guidance. Secondly, we are proud to introduce our new ESG Roadmap that supports Terma’s business strategy and will run until 2029.

Terma’s ESG Roadmap 2026/29

In Terma, we acknowledge that working with Environment, Social and Governance is more important than ever.

Specifically in our context, we believe that Social and Governance topics are most critical to work with. Therefore, our ESG Roadmap for 2026/29 prioritizes these topics:

- *Environment:* We want to support the green transition through energy management and engage our employees in environmental efforts and initiatives.
- *Social:* People are at the heart of Terma’s success. To deliver on our purpose, we depend on strong STEM competencies. As Denmark’s largest defense company, we wish to actively shape the STEM education agenda by collaborating with universities, governments, and stakeholders to define future skills. We also promote STEM careers to inspire the next generation. To attract and retain top talent, we are committed to building an inclusive and diverse workplace. Our focus includes increasing female and international representation, as diverse teams drive innovation and strengthen our culture.
- *Governance:* Ethical business conduct is our license to operate. In our industry, it is vital that we have a robust compliance foundation and processes. It is about elevating our compliance mindset and culture, nurturing ethical leadership, minimizing third-party risks and continuing our work with human rights. This ensures we maintain the trust of our customers and partners and continue to be perceived as a company with high integrity.



STRENGTHEN THE GREEN TRANSITION AND EMPLOYEE ENGAGEMENT

- Green transition
- Engagement of employees in environmental efforts



STRENGTHEN AND EMPOWER STEM RESOURCES AND DIVERSE TALENTS

- Influencing STEM developments on Danish and European level
- Promoting and driving STEM attractiveness
- Creating an inclusive and diverse workplace through increased diversity



STRENGTHEN RESPONSIBLE BUSINESS CONDUCT

- Transparent and strong business ethics culture
- Managing third party risks
- Knowing and managing human rights

IRO-1

Double Materiality Assessment

Double Materiality Assessment (DMA) is a core principle of the Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standards (ESRS). Its purpose is to identify impacts on people or the environment and the financial risks and opportunities arising from sustainability matters. Here we present the process of identifying these impacts, risks, and opportunities (IROs) that have resulted in our first DMA, which is used for an ESRS-inspired structure in this year's sustainability report.

Stakeholder Engagement and Research

In connection with the development of *Allies in Responsibility's* two phases, we have previously conducted two materiality assessments. Each assessment was based on extensive research and stakeholder input: In 2020, we consulted 75 stakeholders, and 289 employees also provided input. In 2022, 30 key informants were interviewed and our research focused on 18 external peers and stakeholders, helping to identify global risks and trends.

These materiality assessments have formed the basis for the focus areas chosen in each phase of our strategy, as well as our most recent DMA.

Understanding our Sector and Value Chain

As a basis for the DMA and to better understand our business context, we have mapped our value chain and limited the scope of materiality to the first tier of engagement.

Moreover, Terma's due diligence process and human rights approach looking at both upstream and downstream value chain actors inform how we identify and tackle risks linked to our own operations and our business relationships.

Listing of Sustainability Topics

Existing sustainability strategy topics were mapped onto the list of IROs laid out in the ESRS (2023) 1 Appendix A. Those topics already identified as material were automatically carried forward into the DMA.

Assessment and Scoring

Using the list of IROs provided by the ESRS (2023), we assessed all sustainability topics and sub-topics. Those that were not relevant for the business model were omitted for the remainder of the process, and existing topics from our sustainability strategy were automatically included. Terma held a workshop with representatives from across the organization to further assess all topics.

We applied the following ranking categories to impacts: scale, scope, irremediability, and severity, as well as time horizon and status to show whether an impact is potential or actual, positive or negative.

For financial risks or opportunities, we considered a financial severity threshold; communication to our stakeholders; reputational risk; likelihood and a time horizon of short, medium and long term.

Validation and Decision

Terma Board of Directors and top management, as well as external auditors, have approved the methodology applied and the outcome of the DMA process last financial year.

Integration, Monitoring and Review

Terma commits to revisiting the DMA on an annual basis going forward. The DMA process is still separate from Terma's enterprise risk management, where the DMA identifies the most severe ESG risk to be presented alongside a general risk picture. In the future, the two processes will become integrated.

DMA Output

In total, 79 IROs were identified during the DMA process. 15 IROs were deemed not relevant to Terma's operations (from the ESRS Appendix 1) and were not considered for further scoring, and 44 IROs were deemed Not Material after scoring and thresholds. Ultimately, 20 IROs across 8 ESRS standards were evaluated as either Impact-, Financial, or Double Material. Detailed DMA results can be found at the start of each topical section (Environment, Social and Governance).

For comprehension and ease of reading, we indicate these IROs with ESRS codes (draft amended ESRS standards of 28 November 2025), however, this does not constitute full ESRS compliance. A list of material IROs and relevant disclosure requirements can be found on page 36.

Summary of Double Materiality Assessment Result

ESG AREA	TOPIC (ESRS REF.)	DESCRIPTION
ENVIRONMENT	 Climate Change (E1)	Climate change is material to Terma, given our dependency as a production company on electricity, heating, and raw materials, which carry an environmental footprint.
	 Pollution (E2)	The topic of "substances of concern and very high concern" is deemed material, as parts of our production rely on these chemicals, while we actively work to find reductions and substitutions.
	 Water (E3)	Terma is dependent on water in parts of our production processes, and we actively work to reduce consumption.
	 Waste (E5)	The topic of "waste management" only is material, as we generate both hazardous and non-hazardous waste in production facilities.
SOCIAL	 Own Workforce (S1)	This topic is material, as we aspire to be recognized as a company with a preeminent working environment where our employees feel safe and valued, and where their human rights are respected
	 Workers in the Value Chain (S2)	Outside our own workforce, we work to avoid causing or contributing to adverse impacts. Human rights, incl. health and safety, of workers in certain parts of our value chain is therefore deemed material.
	 Consumers and End-Users (S4)	With Terma's purpose to Secure People through Advanced Technology, we deem the topic "Personal safety of consumers and end-users" to be material, as our purpose includes users of our technology, such as pilots, technicians, and crews.
GOVERNANCE	 Business Conduct (G1)	As an international company, responsible and ethical business conduct is vital. Most topics are therefore material, including corporate culture, how we manage business relationships, security, whistleblower protection, and anti-corruption and bribery.

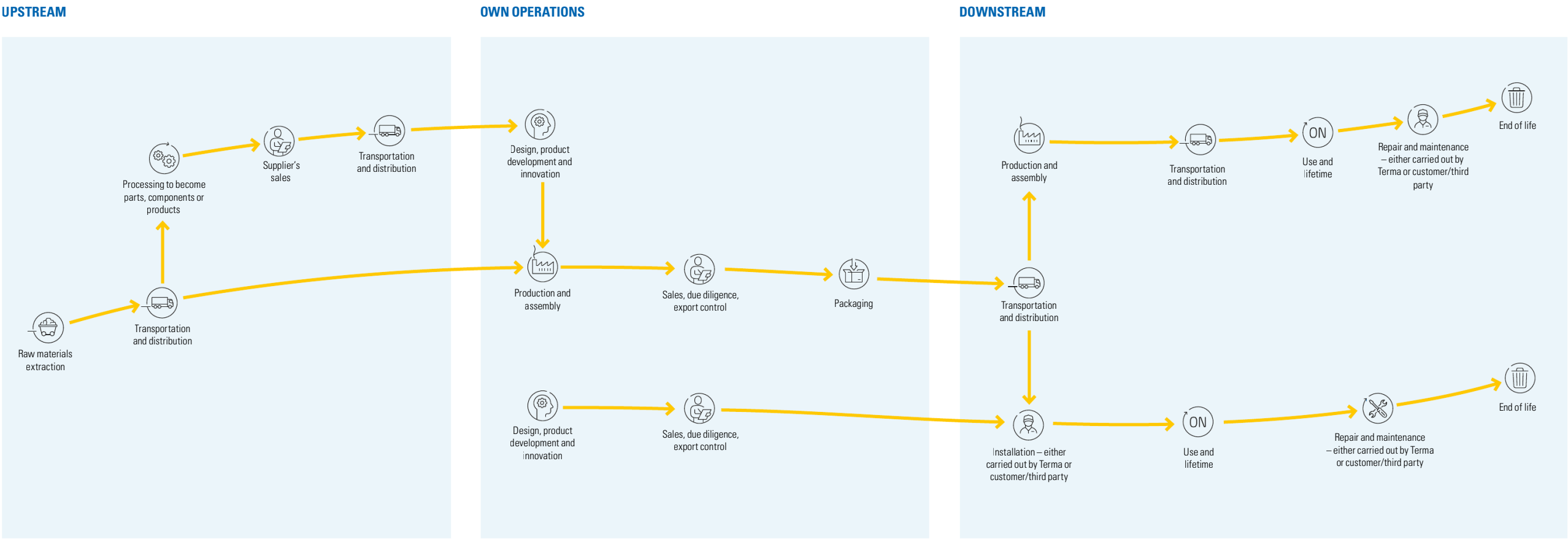
The Double Materiality Assessment (DMA) is a tool to assess the impacts, risks, and opportunities faced by Terma, both from a financial perspective – how the industry, trends, and external factors influence our business – and from an impact perspective – how we as a company impact our surrounding environment and stakeholders. Terma has conducted a DMA as part of preparation for future ESRS compliance.

SBM-1

Value Chain

To further understand our sustainability context, our value chain has been mapped and verified with input from key internal stakeholders.

Terma is in the Aerospace, Security and Defense sectors. Within Aerospace and Defense, we manufacture build-to-print components and modules as part of industrial partnerships. For these types of consortia, Terma’s direct influence ends when we deliver the components to the Prime contractor, who is responsible for assembly. Once assembled, the Prime delivers the final product to the government authorities in the countries approved to receive them. Supplier decisions are also made through industrial partnerships. Terma also manufactures products and systems based on our own IP, where decisions regarding sourcing components and raw materials, as well as sales decisions, are made by Terma alone. These two models impact our approach to management of relationships with suppliers and customers and our influence in the value chain.



Impacts, risks, and opportunities – upstream

- ① Working conditions in upstream value chain (S2).
- ② Emissions occurring in upstream value chain (E1).
- ③ Ensuring responsible supply chain management (S2, G1).

Impacts, risks, and opportunities – own operations

- ④ Energy consumption in our own operations (E1).
- ⑤ Environmental impacts of production – water consumption (E3), chemical use (E2), and waste (E5).
- ⑥ Securing the working conditions, human rights, and equal treatment of employees (S1).
- ⑦ Promoting good business conduct and corporate culture (G1).

Impacts, risks, and opportunities – downstream

- ⑧ Customer management (G1).
- ⑨ Emissions occurring in downstream value chain (E1).
- ⑩ Terma products ensure safety of consumers and end-users (S4).
- ⑪ Health and safety of workers in downstream value chain (S2).

S1-2, S2-2, S4-2, G1-1

Grievance and Remedy

It is vital that employees and third parties have access to functioning reporting and remediation mechanisms. Therefore, Terma has two reporting channels: *Ethics Line* and *Tell us your concerns*.

Engagement with Terma Business Partners
Anyone, including employees, customers, consumers/end-users, suppliers or their workers can raise concerns or needs directly with Terma using our whistleblower system, if they suspect or experience serious or illegal misconduct. This includes human rights issues, enabling us to track reporting occurrence, specific nature of the issues, and assess where procedures need to be strengthened.

Business partners, both customers and suppliers, are made aware of the existence of this channel via our Business Relationship Code of Conduct; however, we do not currently have a way to assess effectiveness among value chain workers or consumers and end-users, except if cases are raised. In this case, the Ethics Committee investigates and tracks the case until it is deemed resolved.

Customers and suppliers are asked to comply with the principles and legal requirements of Terma’s Business Relationship Code of Conduct. As part of the requirements set out by our Code, business partners are expected to provide their employees with channels for raising legal or ethical issues or concerns without fear of retaliation, and should also take action to detect, prevent, and correct any retaliatory practices. They must also provide access to remedy through effective channels (grievance mechanisms) if they have caused or contributed to adverse impacts.

Business partners must notify Terma immediately in case they become aware that they cause,

contribute or are linked to any severe adverse impacts on the environment, human rights, or corruption.

Protection of Whistleblowers
All cases are confidential, regardless of whether the cases are reported to *Ethics Line* or *Tell us your concerns*. Both reporting channels operate in strict compliance with data privacy regulation, and all reported incidents are handled in an anonymous and professional manner without fear of retaliation for reporting. If a case is received through either channel, there is a specific procedure for each in place for how to launch an investigation, promptly and independently.

No predetermined process exists with regards to providing or contributing to remedy, where we would take a case-by-case approach.

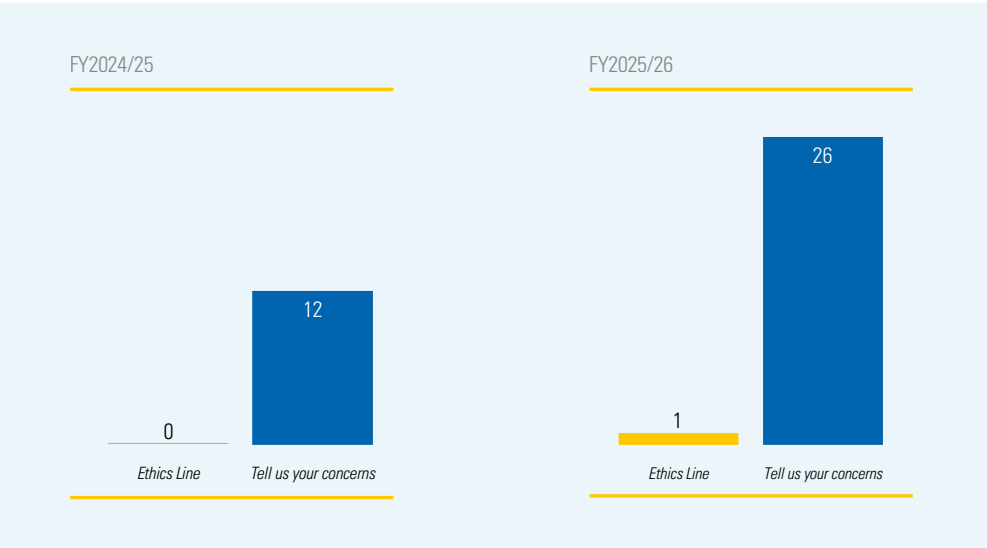
Employee Code of Conduct
Terma’s Employee Code of Conduct is applicable to all employees located around the world. It describes Terma’s commitments, what we need to comply with, and how we can help each other in our daily routines to live up to these commitments.

The Employee Code of Conduct is divided into 5 overall topics: Anti-Corruption & Business Ethics, Human Rights, Security, Environment and Global Trade Compliance, each with individual sets of related policies, procedures, commitments, and expectations towards Terma’s employees.

Cases
As shown, *Ethics Line* received 1 case and *Tell us your concerns* received 26 cases. We regularly raise employees’ awareness of the systems, and use of the channels is an indication of a compliance culture and trust in the process.

Ethics Line is Terma’s global (multilingual) whistleblower system, which offers a confidential and safe channel where any employee or third party can report concerns if they suspect that serious illegal misconduct or other potential wrongdoing is taking place. Employees and third parties can report anonymously or by name to the system. Only Terma’s Ethics Committee and the Chair of Terma A/S Board of Directors have access to reported cases.

Tell us your concerns is our global internal case management system solely dedicated to Terma employees. It is for all concerns, incidents, and issues, which do not qualify for reporting via Terma’s *Ethics Line*. *Tell us your concerns* enables us to take our compliance temperature and assess whether there are any issues that might become serious if not addressed. It enables us to take a proactive approach and continuously improve our business operations, processes, and communication.



Environment

As a manufacturing company handling industrial processes, Terma has a consumption of resources, both in terms of energy and water use, as well as a reliance on raw materials that have a CO₂ footprint. These dependencies give rise to environmental risks related to emissions, waste generation, and compliance with evolving environmental requirements and targets.

To mitigate this and to future-proof our operations, we actively work to improve energy and water efficiency; reduce and optimize waste handling; and improve our monitoring and data foundation.

E1-4, E2-1, E3-1, E5-1

Policies and Strategy

Terma’s environmental approach is guided by our Health, Safety and Environment Policy and the sustainability strategy *Allies in Responsibility*. These commit to minimizing environmental impact by reducing emissions, hazardous waste, pollution, and water consumption, as well as exploring investments in renewable energy sources and encouraging active employee engagement.

IRO-2

IMPACTS, RISKS AND OPPORTUNITIES LINKED TO ENVIRONMENTAL TOPICS

ESRS	DESCRIPTION	IMPACT MATERIALITY	FINANCIAL MATERIALITY	VALUE CHAIN	TIME HORIZON
 Climate Change (E1)	Energy consumption in own operations High electricity consumption in production has associated CO ₂ emissions and potential price fluctuations.	☹ Actual negative impact	☹ Risk	Own operations	Short-long term
	GHG emissions in own operations Production and office facilities are dependent on electricity, heating, and materials, all of which are associated with CO ₂ emissions, which may increase due to company growth. Increasing environmental requirements represent a risk, if these are not met. There is potential to contribute positively by investing in renewable energy and implementing meaningful reductions.	☹ Actual negative impact ➕ Potential positive impact	☹ Risk	Own operations	Short-long term
	GHG emissions in value chain >90% of Terma’s emissions are indirect Scope 3 emissions.	☹ Actual negative impact	● N/A	Upstream/Downstream	Short-long term
 Pollution (E2)	Use of chemicals in production Parts of Terma’s production processes use substances of concern and very high concern.	☹ Actual negative impact	● N/A	Own operations	Short-long term
 Water (E3)	Water consumption in production Water is a vital part of specific production processes, and reducing water use in general is part of our environmental targets.	☹ Potential negative impact	● N/A	Own operations	Short-long term
 Resource Use and Circular Economy (E5)	Waste management High amounts of waste are generated as part of production, both hazardous and non-hazardous, and we have a focus on reduction and recycling.	☹ Actual negative impact	● N/A	Own operations	Short-long term

CLIMATE CHANGE (E1)

As a manufacturer of electronics and composite-based structures, we belong to a high-impact climate sector.

IRO-2, SBM-3
Climate-Related Impacts

Terma’s Double Materiality Assessment identified the following climate-related impacts:

Energy consumption: Terma has a high level of electricity consumption, most significantly in production.

GHG emissions in our own operations: Terma's production and office facilities are dependent on electricity, heating, and materials, all of which are associated with emissions.

GHG emissions in our value chain: A substantial share of Terma’s emissions lie within indirect Scope 3 emissions. This is primarily driven by the categories Purchased Goods and Services and Use of Sold Products. Terma’s production depends on raw materials with an inherently high CO₂ footprint, such as aluminum, which contributes to value chain emissions.

E1-5, E1-6

Actions and Targets

Due to the technical specifications for Terma’s products, opportunities to directly alter material-related emissions are limited. The primary focus is therefore to improve energy efficiency in our production and shift to more renewable energy.

Environmental Management System

Following extensive preparation, this year, Terma was certified in ISO 14001 Environmental Management System for our Danish sites.

The implementation of ISO 14001 represents a significant shift in how Terma approaches environmental management. Building a strong environmental management culture will take time, but certification marks an important step towards being able to make structured improvements and increase environmental awareness and accountability. The next milestone is to extend ISO 14001 certification to our European sites.

Energy management

Terma has set a target to reduce CO₂ in own operations by 15% based on carbon intensity, i.e. the amount of CO₂ emissions per unit of revenue. Based on our baseline value of 3.07 in FY22/23 (amended from 3.5 due to a calculation error),

we have achieved a 24.4% reduction overall as we end the strategy period with a carbon intensity of 2.32.

The high reduction level is primarily due to increased revenue, however as Terma grows, a steady or decreasing carbon intensity is a positive outcome.

Terma is expanding on-site renewable energy production through the installation of additional solar panels at the Aerostructures Manufacturing site in Grenaa The expansion will increase installed capacity from 966,600 kWh to 1,126,800 kWh. To improve monitoring and action planning we are now measuring energy use directly at both Danish and international sites through a combination of automated and manual meter readings, as well as implementing a global energy management system in FY26/27.

E1-7

Energy Consumption and Mix

In 2025/26, Terma’s total energy consumption was 26,055.27 mWh. This is not disaggregated by energy source as energy declarations for Danish sites are only available after the end of the financial year. Renewable energy production from solar panels was 1,146.45 mWh in total.



The capacity of our solar panels at Aerostructures Manufacturing will be expanded next year.

E1-8

GHG Emissions

Scope 3 emissions

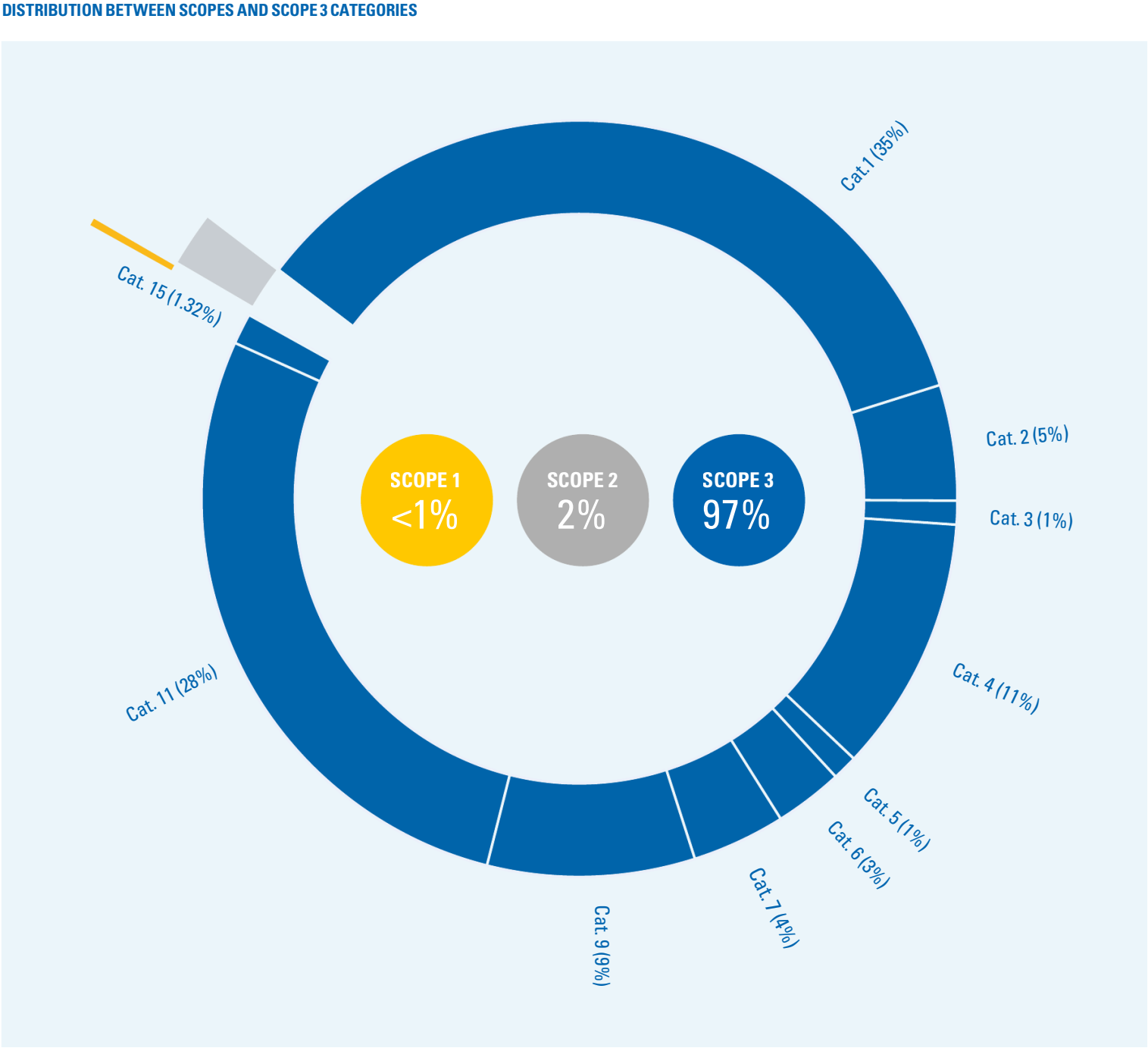
This year, we have developed a full GHG accounting methodology and baseline and are therefore able to report on all relevant Scope 3 categories, compared to previous years where coverage was not complete. Emissions reports from FY23/24 and FY24/25 have therefore been adjusted for all scopes.

As shown, Scope 3 accounts for 97% of emissions, with Cat. 1 (Purchased Goods and Services) and Cat. 11 (Use of Sold Products) accounting for 35% and 28% respectively.

Looking ahead, we will focus on improving data quality and accuracy through procurement of new systems for energy management and climate accounting. Data availability continues to be a challenge, and proxy data and spend-based calculations have been necessary for some categories. However, spend-based methods limit the ability to make meaningful reductions. Expanding the use of activity-based data will strengthen decision-making and is therefore a priority going forward.

Categories 10 (Processing of sold products) and 12 (End-of-life treatment of sold products) have been omitted this year, as the current data foundation is not considered sufficiently robust or representative. These categories will be included in the future, when data integrity can be ensured.

CATEGORY	2023/24 (Baseline)		2024/25		2025/26	
	tCO ₂ e	% of total	tCO ₂ e	% of total	tCO ₂ e	% of total
Scope 1. Direct GHG emissions from Operations	385	0.40	302	0.28	244	0.25
Scope 2. Purchased electricity, heating, steam or cooling	3,121	3	2,361	2	2,090	2
Scope 3. Indirect emissions						
Cat. 1: Purchased goods & services	39,165	41	28,442	26	34,001	35
Cat. 2: Capital goods	3,449	4	2,213	2	4,859	5
Cat. 3: Fuel & energy related activities	1,136	1	42	1	954	1
Cat. 4: Upstream transportation and distribution	8,466	9	5,910	5	10,882	11
Cat. 5: Waste generated in operations	268	0	732	1	967	1
Cat. 6: Business travel	2,964	3	3,037	3	2,661	3
Cat. 7: Employee commuting	2,670	3	2,958	3	3,507	4
Cat. 9: Downstream transportation & distribution	5,276	5	6,285	6	8,989	9
Cat. 11: Use of sold products	29,324	30	55,171	51	27,920	28
Cat. 15: Investments	299	0.31	791	0.72	1,294	1.32
Total Scope 3	93,017	96.37	106,581	97.56	96,034	97.63
Total Scope 1, 2, 3 GHG emissions	96,523		109,244		98,368	



POLLUTION (E2)

For Terma, “pollution” relates to the use of substances of concern and substances of very high concern in our production processes.

IRO-2, SBM-3

Impacts

Chemicals are used in the production of metal and composite parts, most notably at Terma Aerostructures, and some substances used in production are hazardous to health and the environment.

E2-2, E2-3, E2-5

Actions, Targets, and Metrics

Terma prioritizes the improvement and monitoring of substances of concern and substances of very high concern, ensuring regulatory compliance and risk reduction.

We have a target to reduce hazardous waste by 10% through substitution or improved usability. This target has not been achieved during the strategic period, as we end on an increase of 45% compared to FY22/23 levels. We attribute this primarily to Terma's overall growth increasing the production levels, changes waste handling, as well as improved monitoring since FY23/24.

Terma complies with regulations governing hazardous substances, including REACH (Registration, Evaluation, Authorization and Restriction of Chemicals), CLP (Classification, Labelling and Packaging), and RoHS (Restriction of Hazardous Substances in Electrical and Electronic Equipment).

All substances used in production are logged and systematically monitored to ensure full traceability, including quantities used and product applications.

As part of surface treatment of metal elements, the manufacturing process requires the use of hexavalent chromium, which is subject to REACH legislation due to its carcinogenic nature. A project has therefore been ongoing this year to substantially reduce use of this substance in collaboration with our customers and external chemical handling company, and which we hope to finalize in the coming year. We also continue to monitor chemical emissions to safeguard employees' working conditions and the environment.

Actions to prevent pollution extend across the value chain. Upstream, we require all relevant suppliers to provide documentation of compliance with REACH and RoHS as part of our Responsible Supply Chain Management Program, under which suppliers are assessed every two years. Downstream, Terma provides equivalent compliance information to customers. In addition, we collaborate with customers to identify substitution solutions – a process that involves extensive testing and approval to ensure quality requirements are maintained.

WATER MANAGEMENT (E3)

Whilst our targets for reducing water consumption were initially met, we continue to work to improve water management.

IRO-2, SBM-3

Impacts

Water management is relevant for Terma’s Danish locations, due to the concentration of employees and where certain production processes are water intensive, accounting for 85% of total water consumption. While we do not operate in areas of water stress, we acknowledge that our water consumption could potentially have an impact on the local supply, for example in the municipality where our Aerostructures facility is situated.

E3-2, E3-3, E3-4

Actions, Targets, and Metrics

Reducing water consumption has been part of our sustainability strategy, which has a 5% reduction target for the strategic period. This was achieved in year 1 of the strategy, however, water consumption increased in FY24/25 due to general expansion and therefore continues to be area for improvement. This year, a key focus was to improve measurements and include more sites, and the measured water consumption increased as a result. At the end of the strategy period, we have increased water consumption by 26.5% compared to FY22/23 levels.

Previously, water use measurements were limited to Denmark, Germany and Romania. This year, it has been extended to all locations, either through direct water meter measurements or through proxy data. Alongside the implementation of an energy management solution, which also accounts for water use, next step in FY26/27 is to install more local water meters, so we can obtain activity-based data.

METRIC	UNIT	TOTAL
Water consumption, Global	m³	24,151.5
Water consumption, Denmark	m³	20,617.9

WASTE MANAGEMENT (E5)

Good waste management practices are of high priority, particularly waste generated in production.

IRO-2, SBM-3

Impacts

Terma generates both hazardous and non-hazardous waste, which has an environmental footprint. As production waste is the most significant category, activities and data are limited to operations in Denmark, where we also have the highest concentration of employees.

E5-2, E5-3, E5-5

Actions, Targets, and Metrics

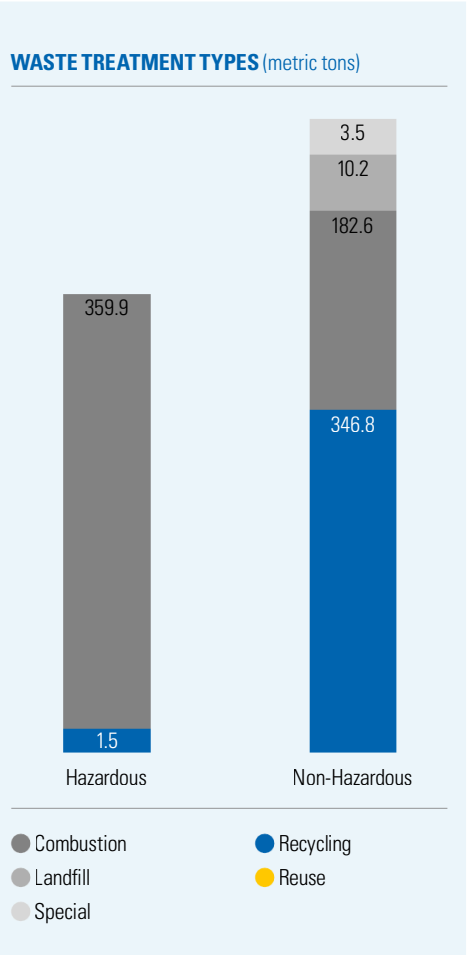
We focus on reducing waste, increasing recycling rates and improving waste management practices.

The sustainability strategy set targets to increase share of recycled waste out of total waste volume by 5%. However, during the strategy period (FY23/24), a new online waste management platform was implemented, which has resulted in deviations from previous reporting periods, and a system error in FY24/25 led to an overestimated waste volume, affecting the reported target. Compared to FY22/23, the share of recycled waste has instead decreased by 51%.

Through updated risk assessments of chemical products, Terma has enhanced control of hazardous waste streams and reclassified certain materials from disposable to recyclable.

For further information on ongoing and future substitution initiatives, please refer to the section on Pollution. There are as yet no specific activities regarding waste planned for next financial year.

METRIC	UNIT	TOTAL
Total waste generated	Metric tons	904.6
Non-recycled waste	Metric tons (% of total)	557 (61.6)
Hazardous waste (incl. radioactive waste)	Metric tons	363



Accounting Principles – Environment



CO₂ emissions are calculated in accordance with the Greenhouse Gas (GHG) protocol, using relevant emissions factors. Sources for these are described under each significant category.

Terma uses an external system that retrieves emission factors from recognized and publicly available databases. The system continuously updates the emission factors as new versions or improved data sources become available. Since the emission factors are provided by an external system, variations in data sources and versions may occur between reporting years. Terma does not perform post-reporting adjustments to previously submitted calculations unless a material error is identified.

Throughout the reporting period from FY23/24 to FY25/26, the system provider changed its primary database for spend-based emission factors, which has led to variations in reported emissions across financial years. As we continue to improve our methodology and data, future restatements are possible.

Climate accounting covers all sites except OSL Technology. Where site-specific data was not available, appropriate proxies have been applied to ensure completeness of the reporting.

For Scope 3 indirect emissions, the operational control approach is applied, in accordance with the GHG protocol.

ESRS DR	PAGE	METRIC	ACCOUNTING POLICY / DEFINITION
E1-6	23	Carbon intensity	Emissions included for Carbon Intensity are scope 1 (propane gas), scope 2 (electricity, water, heating), and Scope 3 (category 5: waste) for Danish sites only. Input sources remain the same as FY22/23 to ensure comparability, and for waste, it is a fixed value. Carbon Intensity Ratio is monitored on a monthly basis and calculated as: (GHG emission in metric tons in CO ₂ equivalent) / (total revenue for the financial year (MDKK)).
E1-8	24	Scope 1 emissions	Scope 1 emissions are Terma’s direct emissions from own energy use, including stationary combustion, refrigerants in air conditioning and heating (liquid propane and natural gas), mobile combustion from company vehicles (diesel and petrol), as well as process and fugitive emissions from production. Data comes from supplier invoices and internal ERP systems, and vehicle emissions are based on data from the leasing provider. Emissions are calculated using factors from IPCC (2025) DEFRA (2025)
E1-8	24	Scope 2 emissions	Scope 2 emissions are Terma’s indirect emissions from purchased electricity and heating. Emissions are calculated using location-based grid factors and market-based residual mix factors for all sites. Data is taken from invoices, supplier information and proxy estimates for locations where energy use is included in the rent. Emissions factor sources: IEA (2025), Energinet (2025), Defra (2025)
E1-8	24	Scope 3 emissions	Terma’s GHG accounting for indirect value chain emissions encompasses ten Scope 3 categories out of fifteen defined by the GHG Protocol. Most significant of those are categories 1, 4, 9 and 11, for which we show detailed accounting policies. For the remaining categories 2, 3, 5, 6, 7, 8 (Cat. 8 accounted under Scopes 1 and 2) and 15 our calculations are in line with the GHG Protocol, and the following methods have been applied: spend-based method, activity-based method, distance-based method, averages and proxy estimations, and hybrid methods that apply multiple approaches. Up-to-date emissions factors are provided by climate accounting software and includes the following databases: IEA, DEFRA, Cornerstone, Supply Chain GHG factors for US Commodities, Ecoinvent, and other relevant industry databases.
E1-8	24	Category 1: Purchased goods and services	Estimated emissions from goods and services purchased by Terma across all locations, calculated using a spend-based method applied to financial data from Terma’s ERP systems and invoices. Emissions factors sources: Cornerstone (2025), Supply Chain GHG Emission Factors by U.S. Commodities (v. 1.4.0).
E1-8	24	Category 4: Upstream transportation and distribution	Estimated emissions from the transportation for which Terma is financially responsible. Data from 1) external supplier reports using a distance-based method, where emissions were calculated by multiplying transport distance by supplier-provided emission factors, and 2) data from Terma’s ERP finance records using a spend-based method, which estimates transport emissions based on the share of transportation costs relative to product costs. Emission factor sources: Cornerstone (2025), Supply Chain GHG Emission Factors by U.S. Commodities (v. 1.4.0) and a general transportation EF to report kgCO ₂ e/tCO ₂ e data from transportation well-to-wheel directly from transporters.
E1-8	24	Category 9: Downstream transportation and distribution	Emissions from transporting sold products in vehicles and facilities not owned or paid for by Terma. Distribution activities controlled by Terma are reported under Category 4. Data was sourced from customer invoices, and using a spend-based method and proxy estimations. Emission factors: Cornerstone (2025). Supply Chain GHG Emission Factors for U.S. Commodities (v1.4.0).
E1-8	24	Category 11. Use of sold products	Estimated emissions from electricity consumed during the operational lifetime of Terma products. Calculations follow the GHG Protocol use-phase approach, using product specifications, estimated operational hours, and assumed lifetimes. Upstream electricity is included in the estimated calculations and results. Emission factors for applications used in aviation and naval operations have used calculated emission factors based on IPCC. (1999) (aviation) and Sustainable Ships (2022) (naval). For electricity in the United States, the emission factor is based on three sources: (1) IEA (2025); (2) Green-e (2024), unweighted average across all 27 eGrid subregions calculated by the system provider; and (3) IEA (2025), Energy Statistics Data Browser. For electricity in the Middle East, Asia (average), and South America, the following applies: (1) IEA (2025); (2) as no residual mix emission factor is available, the location-based factor from (1) is applied in the market-based calculation; and (3) renewable energy percentage (RE%) is not available. Electricity Europe (average) is sourced from IEA (2024). Upstream electricity emission factors are sourced from IEA (2024), IEA (2025), IEA (2022), and DEFRA (2022).
E5-5, E2-5	25	Waste	Waste, incl. hazardous waste, is measured in metric tons. The data is provided by waste management system, which extracts waste data from relevant invoices by treatment type. Treatment type data is disaggregated by hazardous/non-hazardous waste for FY24/25 and FY25/26. Radioactive waste is included as part of hazardous waste. The data is for Denmark only, and covers the whole reporting period
E3-4	25	Water	Total water consumption is measured in cubic meters. Data is obtained from direct measurement from waterworks and water meters at sites in Denmark, Germany and Romania, with proxy data for the remaining sites. Water meter data is extracted on a monthly basis. The data covers the whole reporting period.
E1-7	23	Total energy consumption and energy mix	Total energy consumption includes electricity, district heating and propane and natural gas. The total is not disaggregated by energy type. 95% of data is based on information from supplier invoices or direct measurements, and the rest is based on proxies. The data is reported in MWh and covers the whole reporting period for all Terma sites, except OSL Technology. Energy consumption from renewable sources refers to the solar panels at Terma Aerostructures in Grenaa only and is listed in MWh. Terma does not produce energy from non-renewable resources.

Social

Terma must be an attractive place to work, and we continue to strive to create a positive work life for all our employees.

OCCUPATIONAL HEALTH, SAFETY AND WELLBEING (S1)

A safe and healthy work environment is essential. We ensure this by continuously monitoring performance, implementing improvements, and fostering a strong preventive culture to eliminate work-related incidents and occupational diseases.

Our vision is to build a proactive safety culture that prevents injuries and promotes well-being across the organization.

IRO-2, SBM-3
Impacts
Terma’s heavy industrial processes involve inherent risks, particularly in production and installation. While our incident rate is low, individual cases still occur and can cause physical or emotional harm.

S1-1
Policies and Approach
Our global Health, Safety & Environment Policy covers both physical and psychological aspects of the work environment. In Denmark, this is supported by a dedicated Safety Portal with an Incident Management and Reporting System that defines incidents, actions, and responsibilities from occurrence to closure.

IRO-2
IMPACTS, RISKS AND OPPORTUNITIES LINKED TO SOCIAL TOPICS

ESRS	DESCRIPTION	IMPACT MATERIALITY	FINANCIAL MATERIALITY	VALUE CHAIN	TIME HORIZON
 Own Workforce (S1)	Occupational health, safety and well-being Though instances are rare, there are health and safety risks associated with heavy industrial processes, and services such as repairs and installations.	☹️ Actual negative impact	☹️ Risk	Own operations	Short-long term
	Human and labor rights Human and labor rights of employees must be respected but can potentially be impacted, e.g. in case of overtime or privacy issues. Collective agreements and negotiations represent a risk in case of disagreements.	☹️ Potential negative impact	☹️ Risk ⚡ Opportunity	Own operations	Short-long term
	Diversity and Inclusion Terma has potential to improve gender diversity and an opportunity to create positive impact through the benefits of a diverse workforce. We wish Terma to continue to be an attractive place to work, where everyone feels valued, protecting our employees’ right to non-discrimination.	⚡ Potential positive impact ☹️ Potential negative impact	☹️ Risk ⚡ Opportunity	Own operations	Short-long term
	Dependency on a skilled workforce Terma depends on a highly skilled workforce and has an opportunity to create positive impact through engagement with STEM educations, both for Terma, students, and wider society.	⚡ Potential positive impact	⚡ Opportunity	Own operations	Medium-long term
 Workers in the Value Chain (S2)	Human and labor rights, incl. health and safety Outside of Terma’s operational control, there can be human rights impacts, incl. health and safety incidents, of value chain workers in both upstream and downstream value chain, as well as the risk of conflict minerals in raw materials extraction.	☹️ Potential negative impact	☹️ Risk	Upstream	Short-long term
	Personal safety of consumers and/or end-users Our purpose is to secure people through advanced technology and thereby protect the personal safety of users of our products, such as pilots or crews.	⚡ Actual positive impact	🕒 N/A	Downstream	Short-long term

S1-3, S1-4

Actions and Targets

This year, Terma achieved ISO 45001 Occupational Health and Safety certification, and as part of the management system, work tasks and functions have been risk assessed. Moreover, psychological work environment will be surveyed on an annual basis, rather than every three years, which is the norm for the Danish workplace survey (APV). Starting with Germany, ISO 45001 will be rolled out to all international locations.

S1-13

Health and Safety Metrics

Total number of recordable work-related accidents	11
Lost Time Incident Rate (LTIR)	2.56
Total Recordable Incident Rate (TRIR)	3.5
Number of fatalities in own workforce as result of work-related injuries and work-related ill health	0
Number of fatalities as result of work-related injuries and work-related ill health of other workers working on undertaking's sites	0

Terma's ISO 45001 certification covers all employees in Denmark, equivalent to 79% of all employees.

HUMAN AND LABOR RIGHTS (S1)

We aspire to be recognized as a company with a preeminent working environment where our employees feel safe and valued and where their human rights are respected.

IRO-2, SBM-3

Impacts

Human and labor rights impacts are relevant to all our workforce in own operations, as this can be impacted through the employer-employee relationship. Incidents have in the past included work-related accidents, overtime and stress, discrimination, and information and privacy issues. These are considered individual incidents that each are handled via Terma's policies and procedures.

S1-1

Policies and Approach

For our global workforce, Terma's Human Rights Policy is the policy published in our Employee Code of Conduct. The policy is aligned with the UN Guiding Principles on Business and Human rights and the OECD Guidelines for Multinational Enterprises, and commits Terma to conduct impact assessments and due diligence, provide access to grievance mechanisms and raise awareness among employees and business partners.

S1-2, S1-3, S1-4

Actions, Targets, and Engagement

Terma aims to conduct annual human rights impact assessments, which provide an overview of positive and adverse human rights impacts on our employees covering all 48 human rights, and which actions and processes we have in place to prevent or mitigate these. Where there are actual impacts, a description of the process we have undertaken to mitigate the impact, as well as how we have interacted with the affected stakeholders, is described in the impact assessment which is published on our website. This year, we updated the human rights impact assessments for Denmark and Germany. These are available on the Terma website. Next year, a key initiative is to consolidate our local human rights impact assessments, and update training material to include a specific focus on modern slavery.

Terma engages with employees in a variety of ways, including collective agreements, annual employee survey and workplace assessment, and through the Collaboration Committee and Working Environment and Environment Committees. See section on Grievance and Remedy for details on channels for employees to raise concerns.

INVESTING IN A SKILLED WORKFORCE (S1)

The educational field of Science, Technology, Engineering, and Mathematics (STEM) is important for Terma, as both society and our sector relies on new talent to continuously evolve.



IRO-2, SBM-3

Impacts

Terma relies on a highly qualified workforce, particularly from the STEM fields. This provides an opportunity to create positive impacts by engaging with educational institutions and organizations at various stages and age groups, to promote the field and career path, as well as profile Terma as a desirable employer.

S1-1

Policies and Approach

Terma does not currently have specific policies that address recruitment from and support to STEM, as much is addressed under Diversity & Inclusion. STEM engagement is anchored across our business areas with employees engaged in initiatives focusing on inspiring young people to take up careers withing STEM.

S1-3, S1-4

Actions and Targets

We continuously participate in or organize activities that promote and support STEM fields, such as science days, coding classes, company visits, and external lectures and engagements, thereby meeting our engagement targets during the current strategy. Employees are also able to engage with STEM through the storytelling inbox, which collects leads on employee-led activities. Our target to establish a new strategic STEM partnership has been adjusted, as we have instead mapped our existing collaborations, and next year, a key initiative is to develop a new STEM program for Terma as part of our ESG Roadmap 26/29.

DIVERSITY AND INCLUSION (S1)

At Terma, we aim to create a workplace where everyone feels valued, respected and empowered to contribute. Non-discrimination and equal opportunities are fundamental rights – and central to our sustainability strategy, which prioritizes inclusion, diversity, and a strong company culture.

IRO-2, SBM-3

Impacts

The Aerospace and Defense industry, including Terma, has historically lagged in gender diversity. While this is improving, it still poses a risk of a work environment with limited perspectives and reduced inclusivity. We recognize these challenges and therefore make it a strategic focus, as improving diversity can positively impact employee engagement, retention, and our ability to innovate and deliver.

S1-1
Policies and Approach
Our global Discrimination and Harassment Policy and Diversity and Inclusion Policy guide our efforts to foster belonging and integrate inclusion into company culture. These policies are supported by e-learning and manager training. If detected, discrimination cases are investigated and finally reported via our reporting channels.

Recruitment and promotion processes are designed to ensure equal opportunities, and all managers receive diversity and inclusion training upon starting leadership roles.

S1-3, S1-4
Actions and Targets
This year, we held the inaugural Team Impact Awards to celebrate and recognize the teams that embody a “One Terma” spirit by collaborating across disciplines and geographies. These success stories are meant to inspire others in how diversity of thought and mutual respect can help us deliver results. We continue to support initiatives that create social cohesion, which for some sites mean more formal employee associations and activities.

The annual employee survey showed a satisfaction level of 77%, which is a 2% increase. In addition, the questions related to Diversity and Inclusion achieved an overall score of 85% (up 3%). For the first time, the survey included questions on Psychosocial Wellbeing, which scored 79%.

S1-4, S1-8
OWN WORKFORCE METRICS

In line with creating a more gender balanced workplace, we have three strategic targets: By 2025/26, we aim for 25% of all managers to be women, for global gender distribution among Terma employees to be 33%, and to have 40% women on Terma A/S Board of Directors among the members elected by the General Assembly.

Employees
The gender distribution among Terma’s employees globally is 26%.

Boards of Directors
Terma A/S Board of Directors gender distribution is 20% (excl. employee representatives). Terma Aerostructures A/S’ Board of Directors consists of 3 members of Terma A/S Executive Leadership Team, with a gender distribution of 66%.

Gender Distribution across all Leadership Levels
Overall gender distribution in management across Terma is 18% (19% for Terma A/S and 22% for Terma Aerostructures).

Alongside reporting gender distribution at executive level, we include employees at all leadership levels that have people-management responsibilities. Gender distribution and targets do not include data from Terma's subsidiary OSL Technology.

GENDER DISTRIBUTION ACROSS TERMA A/S TOP MANAGEMENT

Leadership level		Total			Percentage of underrepresented gender (women)			Target
		2023/24	2024/25	2025/26	2023/24	2024/25	2025/26	FY2025/26
Terma A/S Board	General assembly elected board members	5	6	5	20%	16%	20%	40%
	Elected employee representatives	3	3	3	66%	66%	33%	-
Executive Board, and direct reports (people managers)		27	13	15	15%	30%	27%	20%

GENDER DISTRIBUTION ACROSS ALL TERMA EMPLOYEES, WITH PEOPLE-MANAGEMENT RESPONSIBILITIES

Leadership level		Total			Percentage of underrepresented gender (women)			Target
		2023/24	2024/25	2025/26	2023/24	2024/25	2025/26	FY2025/26
Senior Vice Presidents, Executive Vice Presidents		10	8	12	20%	25%	17%	25%
Vice-President, Chief Specialist, Chief Project Manager, Chief Commercial Manager		31	34	32	13%	18%	16%	
Senior Director, Director, Senior Specialist, Senior Project Manager, Senior Commercial Manager		65	69	71	20%	13%	8%	
Senior Manager, Manager, Specialist, Project Manager, Commercial Manage		72	75	90	19%	23%	26%	
All Terma Employees		1,801	1,948	2,299	26%	26%	26%	33%

WORKERS IN THE VALUE CHAIN (S2)

We continue to work with human rights in our value chain, by managing our third-party risks and strengthening compliance.

IRO-2,SBM-3

Impacts

Human rights are relevant for workers in our upstream and downstream value chain, for instance with regards to working conditions and health and safety risks or risk of conflict minerals.

S2-1

Policies and Approach

Full descriptions of due diligence processes and management of relationships with customers and suppliers can be found in the section on Governance.

Terma’s Responsible Supply Chain Management Program describes our engagement with suppliers, the requirements we set, and our due diligence process. This also includes how we conduct risk assessments, as well as ensuring the responsible sourcing of minerals. Where we have contracted a third party to carry out installation or repairs, they may be treated as a high-risk supplier, and attention is given to understanding their health and safety management.

In accordance with Terma’s Due Diligence Policy, we conduct regular due diligence on our business relationships where we assess adverse impacts on environment, human rights, and corruption, and due diligence has been integrated into various company policies and procedures.

We expect all our business relationships to comply with the principles of our Business Relationship Code of Conduct, and to establish and maintain systems to manage risks of adverse impacts of its operations on human rights, the environment and corruption, as well as posing similar requirements to their business relationships (commitments also reiterated in Terma’s general conditions of sale-and purchase).

S2-2, S2-3, S2-4

Actions, Targets, and Engagement

Terma considers actual and potential impacts on value chain workers as part of ESG supplier approval. We do not have a general process for engaging value chain workers, except through suppliers. Value chain workers can raise concerns directly through our reporting channels (see section on Grievance and Remedy).

All active direct suppliers must undergo our supplier due diligence process every 2 years, and suppliers from whom we purchase products or components where conflict minerals may be present must fill out a CMRT or show documentation of a due diligence process that includes conflict minerals. Aside from this ongoing program of activities and monitoring, no specific initiaitves took place in the financial year. However, in FY26/27, we will look to strengthen the ESG supplier screening process.

Where needed, we can identify areas of risk and take appropriate action, such as agreeing a timeline for suppliers to implement the necessary policies or systems.



CONSUMERS AND END-USERS (S4)

Terma’s purpose is to secure people through advanced technology. This drives our business strategy and ensures we protect those who rely on our products and services.

IRO-2, SBM-3

Impacts

Many of Terma’s products are meant to be used during high-pressure situations, where the safety of the users is vital. Our solutions—such as self-protection systems, situational awareness tools, and automation—help safeguard users’ health and working conditions by reducing threats and improving operational environments and therefore assessed to have a positive impact.

Conversely, installations and repairs of systems like radars can pose working environment risks, such as injuries and noise.

S4-1

Policies and Approach

Our robust compliance processes, such as quality assurance, safety protocols, test systems, user manuals and training sessions, ensure the high quality and safety of our products and that the users of our products have the appropriate knowledge and skills to use our products correctly. Terma does not have a dedicated policy for consumers and end-users.

S4-2, S4-3, S4-4

Actions, Targets, and Engagement

Our customers are proxies for engagement with end-users, as they will have insight into user needs and provide us with relevant feedback. We conduct annual customer surveys to understand needs and results help define activities. The primary KPI is overall customer satisfaction. All external stakeholders can also make use of our reporting channels if they have complaints (see section on Grievance and Remedy).

Accounting Principles – Social



All data relating to employee characteristics comes from Global People data in IFS or Payroll. All data relating to health and safety is stored and managed in Terma’s HSE Incident Management System. Terma’s subsidiary OSL Technology is not part of employee sustainability data. Terma Inc. in the US is not covered by Terma A/S’ diversity and inclusion targets and initiatives.

All data relating to human rights incidents relating to own workforce, is stored and managed in Terma’s two Reporting Channels (See accounting principles under Governance).

ESRS DR	PAGE	METRIC	ACCOUNTING POLICY / DEFINITION
S1-13	28	Recordable work-related accidents	Work-related injury either causing absence from work, the need to be put on restricted duties, or the need for medical treatment from a professional health care provider. The data covers the full reporting period and all Terma sites.
S1-13	28	Total Recordable Incident Rate (TRIR)	Terma measures Total Recordable Incident Rate (TRIR) as work-related incidents per 1 million working hours, resulting in work-related injury either causing absence from work, the need to be put on restricted duties, or the need for medical treatment from a professional health care provider. The data covers the full reporting period and all Terma sites.
S1-13	28	Lost Time Incident Rate (LTIR)	Work-related incident that causes death to one or more persons, either because of a direct work-related injury/illness or indirect factors occurring within the working environment. Fatalities involving Contractors working directly for, on behalf of or under the control of Terma shall be recorded within Terma. If a person later dies because of an incident, the incident is classified as a fatality, and the amount of time that passes between the incident and the moment of death is irrelevant. The data covers the full reporting period and all Terma sites.
S1-13	28	Fatality	Work-related incident that causes death to one or more persons, either because of a direct work-related injury/illness or indirect factors occurring within the working environment. Fatalities involving Contractors working directly for, on behalf of or under the control of Terma shall be recorded within Terma. If a person later dies because of an incident, the incident is classified as a fatality, and the amount of time that passes between the incident and the moment of death is irrelevant. The data covers the full reporting period and all Terma sites.
S1-13	28	Employees covered by HSE Management System	Terma’s HSE management system (ISO 45001) covers all employees in Denmark. Coverage is based on headcount and stated in percentage of all Terma employees as of 28 February 2026.
S1-5	29	Total number of employees	Headcount numbers include all salaried and hourly paid employees, trainees, apprentices and students (excluding consultants and contractors). It does not include expired/non-active contracts. All employee numbers are based on headcount. The data is stated per 28 February 2026
S1-8	29	Gender diversity among top management	Top management is defined as Executive Board (CEO and CFOO) and the next leadership level as their direct reports with people-management responsibility. The data is stated per 28 February 2026.

Governance

Terma is a supplier to many major projects and works with a wide array of partners and jurisdictions, which exposes us to a series of risks related to Business Conduct.

BUSINESS CONDUCT (G1)

Being a positively rated company impacts the ability to win business opportunities and makes us a trusted business partner. Conversely, adverse media or poor ratings can impact our reputation and stakeholder requirements. This can be impacted through our relationship with suppliers and customers, political engagement, risk of corruption and bribery, security, and more broadly; how our corporate culture is shaped and viewed.

To manage these risks, Terma has zero tolerance towards all forms of corruption and corrupt practices, and we ensure that employees are trained properly and aware of the types of risks they might face. We maintain a robust Anti-Corruption Compliance Program, where on a yearly basis, we update and run training sessions, raise awareness of our reporting channels and procedures, conduct investigations, as well as continuously monitor and report to highest management levels. Risks through business relationships are managed and mitigated through due diligence and responsible supply chain management processes.

IRO-2

IMPACTS, RISKS AND OPPORTUNITIES LINKED TO GOVERNANCE TOPICS

ESRS	DESCRIPTION	IMPACT MATERIALITY	FINANCIAL MATERIALITY	VALUE CHAIN	TIME HORIZON
 Business Conduct (G1)	Corporate culture, incl. protection of whistleblowers A company’s corporate culture can affect its business relationships with various stakeholders. Good business conduct can help win business opportunities, but if Terma receives poor ratings or adverse media, it is a reputational risk. It is vital to create a culture where internal and external stakeholders can speak up, as whistleblowers may be impacted if their rights are not protected.	⚡ Potential negative impact	⚡ Risk ⚡ Opportunity	Own operations	Short-long term
	Management of relationships with suppliers and customers There are general supply chain risks and opportunities associated with how we manage relationships with suppliers and customers, which can influence our business opportunities. These must be managed to ensure we source responsibly, prevent potential adverse impacts both upstream and downstream, and prevent any potential unsanctioned reuse or reselling.	⚡ Potential negative impact	⚡ Risk ⚡ Opportunity	Upstream/Downstream	Short-long term
	Corruption & bribery There are general risks of corruption and bribery that must be managed, and good business conduct ensures positive ratings and cements Terma’s reputation as a trusted business partner.	⚪ N/A	⚡ Risk ⚡ Opportunity	Own operations	Short-long term
	Political engagement We engage in discussions with political stakeholders in relation to sector-specific issues. If not managed responsibly, it represents a reputational risk to Terma.	⚪ N/A	⚡ Risk	Own operations	Short-long term
	Security By operating in defense and security, Terma is at risk of both cyberattacks and attacks on our physical sites, requiring increased investment in security measures.	⚪ N/A	⚡ Risk	Own operations	Short-medium term

G1-1
Policies and Approach
Working with integrity and responsibility is part of Terma’s core values and embedded throughout the organization and supported by a series of policies and procedures – all of which are part of Terma’s Employee Code of Conduct – and reporting channels.

Terma’s Anti-Corruption Compliance Program is aligned with among others the requirements of the U.S. Foreign Corrupt Practices Act and the UK Bribery Act.

Policies: Terma’s Anti-Corruption policy is part of the Employee Code of Conduct, under the heading of Business Ethics, which is updated every two years. It is supported by several policies and procedures, including Terma’s Gift & Hospitality Policy and Procedure, Due Diligence Policy, Conflict of Interest and Nepotism Policy, and Charitable and Political Contributions Policy.

Our work within anti-corruption is authorized, endorsed, and supported by our Board of Directors and the CEO & President, which helps to ensure dedication, focus, and compliance. Management is anchored with Sustainability, ESG, and Business Ethics.

Risk assessment: Terma conducts country risk assessments job function risk assessments to pinpoint the main corruption risks to which Terma is exposed. All top management positions are characterized as high-risk functions.

Other high-risk functions include field personnel, sales, employees with responsibility for contracts with suppliers or customers, as well as functions in Global Finance and Procurement.

Protection of whistleblowers: Terma’s policy on Reporting Channels strictly prohibits retaliation against whistleblowers and ensures protection and support.

G1-2
Actions Related to Business Conduct
Initiatives during the financial year include continuous running of our anti-corruption compliance program, as well as our global Business Ethics Week, where we focus on a host of topics related to business ethics. These are also the main activities for next financial year.

Anti-corruption compliance program
Terma’s anti-corruption program has the following tools to prevent, detect, investigate and respond to allegations or incidents related to corruption or bribery:

Anti-Corruption training: Employees are trained according to their job function risk profile. Employees deemed to have a “low risk” profile are required to take the Employee Code of Conduct e-learning every two years. Employees with “medium risk” must also take an additional Anti-Corruption focused e-learning every year.

“High risk” employees must do all the above as well as participate in an annual in-person workshop, which focuses on dilemmas and cases related to anti-corruption and bribery.

All identified job functions at risk receive training, however this only applies to employees and not Terma Board of Directors.

External marketing consultants are also classified as high-risk and must complete the anti-corruption e-learning before entering a business relationship with Terma.

Communication and awareness: Employees are reminded of policies and procedures in place regarding anti-corruption and bribery as part of their training as well as through Terma’s global Business Ethics Week and internal communications channels.

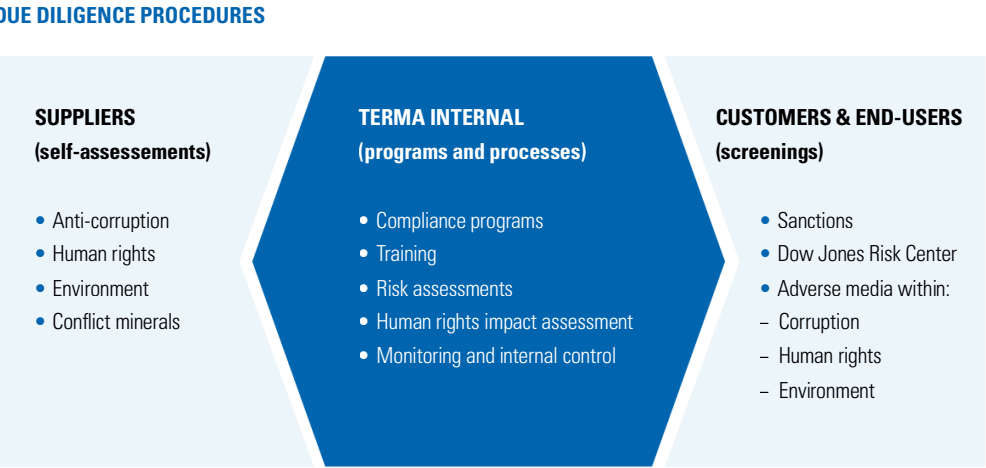
Reporting: To detect potential incidents, Terma has a culture of transparency. All gifts and hospitality, both given and received, must be registered in a bespoke portal, and we encourage employees to reach out to the Sustainability, ESG and Business Ethics department in case they have doubts. Employees can also use the reporting channels (see section of Grievance and Remedy). The Head of Sustainability, ESG and Business Ethics is the primary investigator on business conduct and anti-corruption matters.

Monitoring and internal control: The Executive Leadership Team receives a monthly compliance report, which comprises an overview of anti-corruption training statistics; a summary of due diligence numbers; gifts and hospitality numbers; and the number of cases reported via the two reporting channels.

The Board of Directors receives this information quarterly. At the end of each financial year, the number of reported cases and their categories are communicated to the whole organization.

Supplier risk assessment and due diligence
Terma’s Responsible Supply Chain Management Program drives our efforts to ensure compliance and robust processes through risk assessments, due diligence processes, and ethics codes. To determine the supplier risk level, all sourcing categories are assessed based on the sectors’ risks and potential impacts on the environment, human rights, and corruption, as well as the risk of conflict minerals, which are associated with human rights impacts. Moreover, to supplement these risk assessments, Transparency International’s Anti-Corruption Perception Index, as well as the World Bank’s list of Fragile and Conflict Affected Situations, are used.

Together, these variables create a risk score, which determines the level of due diligence. The various due diligence steps are illustrated here.



Due diligence steps	Supplier Risk Level	Supplier Risk Level	Supplier Risk Level
	LOW	MEDIUM	HIGH
Terma General Conditions of Purchase	✓	✓	✓
Business Relationship Code of Conduct	✓	✓	✓
Self-assessment		✓	✓
(Includes conflict minerals)		Yes	Yes No
Conflict Mineral Reporting template		✓	✓
Audit/Audit report			✓

Suppliers to Terma must undergo our due diligence process and be re-approved every two years, subject to our ESG criteria, which focus on the environment, human rights, and anti-corruption.

We expect all business relationships to ensure compliance with all legal and regulatory requirements in addition to. In addition, we expect all our business relationships to comply with the principles of our Business Relationship Code of Conduct. Our Business Relationship Code of Conduct is aligned with global standards such as the UN Guiding Principles on Business and Human rights and the OECD Guidelines for Multinational Enterprises.

Customer and end-user due diligence and sanctions compliance
Terma conducts customer and end-user due diligence and sanctions screenings in order to identify, prevent or mitigate business risks or adverse impacts which may arise from our business operations. This is part of our Due Diligence Policy in our Employee Code of Conduct, and supported by internal procedures aimed at identifying ESG risks.

G1-3
Targets Related to Business Conduct
We aim to always have above 90% training completion for all job functions and their respective mandatory training.

ANTI-CORRUPTION TRAINING STATUS END FY2025/26



Type of Mandatory Training	LOW Risk profile	MEDIUM Risk profile	HIGH Risk profile	Frequency
Employee Code of Coduct e-learning	✓	✓	✓	Every 2 years
Anti-Corruption e-learning		✓	✓	Every year
In-person workshop			✓	Every year

The level of anti-corruption training corresponds to each employee's job function risk profile.

G1-4, G1-5
Metrics Related to Business Conduct

Corruption or bribery
Terma did not receive any convictions, sanctions, or fines for violation of anti-corruption or anti-bribery laws, nor has it been the subject of any legal actions relating to corruption or bribery.

Political influence, incl. lobbying activities
Operating in the Aerospace, Security, and Defense sectors, Terma’s business framework and conditions are shaped and regulated bypolicy makers, governments, and other authorities in our external business environment. Consequently, it is a prerequisite for our business operations to maintain an ongoing dialogue with political stakeholders.

Terma refrains from making political contributions, in accordance with Terma’s Charitable and Political Contributions Policy, and does not provide any financial or in-kind contributions to political parties, elected representatives or persons seeking political office. While Terma makes no direct political contributions, we are a member of a number of trade associations, organizations, and industrial partnerships.

When engaging with political representatives and public institutions, Terma follows the key principles outlined in our Responsible Lobbying Policy, which are legitimacy, transparency, consistency and accountability. As an example of transparency and accountability, Terma is registered both in the Danish and the EU Transparency Register.



Accounting Principles – Governance



ESRS DR	PAGE	METRIC	ACCOUNTING POLICY / DEFINITION
G1-1	33	Protection of whistleblowers	Cases reported to the whistleblower channel are confidential, and both reporting channels operate in strict compliance with data privacy regulation, and all reported incidents are handled in an anonymous and professional manner without fear of retaliation for reporting. Only Terma’s Ethics Committee and the Chair of Terma A/S Board of Directors have access to reported cases.
G1-1	33	Functions at risk covered by anti-corruption training	Job functions at risk are identified through a risk assessment with all departments, with consideration of a range of criteria, including customer- and supplier contact, contract- and sales responsibilities, and more. Top management is included as high risk. All high-risk employees and external marketing consultants are covered by Terma’s anti-corruption training program. Training does not apply to Terma Board of Directors. Job function risk assessments for FY25/26 do not include employees at OSL Technology.
Grievance and Remedy, S1-2, S2-2, S4-2, G1-1	21	Incidents reported, incl. tracking and investigations, via Reporting Channels	Total number of cases filed through either Terma’s internal reporting channel (<i>Tell us your concerns</i>) or whistleblower channel (<i>Ethics Line</i>). If a complainant is clearly not a Terma employee, this is excluded from the total, however, due to anonymity in whistleblower reporting, anonymous cases will also count towards total complaints filed by people in own workforce. All incidents related to own workforce are logged using the reporting channel " <i>Tell us your concerns</i> ", even if they were not reported there in the first instance. Terma’s two reporting channels are hosted by an external provider, EQS Group AG. They do not have access to any of the data. The Group Head of Sustainability, ESG & Business Ethics is the only Terma employee with access to the data in both systems. Tracking of cases is handled in EQS. The data covers the full reporting period.
G1-3	34	Anti-Corruption training completion	Percentage of employees by headcount who have valid (completed and not expired) training, according to their risk profile. The data is stated per 28 February 2026. The data is collected via Terma’s LMS system as well as ERP system. The data for FY25/26 does not include employees at OSL Technology.
G1-4	34	Convictions, sanctions and fines for violation of anti-corruption and anti-bribery laws	Defined according to ESRS G1-4 AR 6 as final decisions issued by a criminal court or administrative/regulatory authorities against an individual or undertaking. Fines refer to mandatory monetary penalties paid to a public treasury and recognized in financial statements in the reporting period.
G1-5	34	Political contributions (financial and in-kind)	Political contributions is defined as contributions to political parties or persons seeking political office, both financial and in-kind. Making such contributions is contrary to Terma’s Employee Code of Conduct.

List of material IROs

The following material ESRS disclosure requirements* are included in Terma’s Sustainability Statement. The use of the ESRS IRO numbering does not constitute compliance with ESRS.

MATERIAL DR	Incl.	Page
BP-1 – Basis for preparation of the sustainability statement	Partly	18
BP-2 – Specific information if the undertaking uses phasing-in options	-	-
GOV-1 – the role of the administrative, management and supervisory bodies	-	-
GOV-2 – Integration of sustainability related performance in incentive schemes	-	-
GOV-3 – Statement of due diligence	-	-
GOV-4 – Risk management and internal controls over sustainability reporting	-	-
SBM-1 – Strategy, business model and value chain	Partly	20
SBM-2 – Interest and views of stakeholders	-	-
SBM-3 – interaction of material impacts, risks, and opportunities with strategy and business model, and financial effects	Partly	23, 25, 27, 28, 30, 32
IRO-1 – Description of the process to identify and assess material impacts, risks, and opportunities included in the sustainability statement	✓	19
IRO-2 – Material impacts, risks, and opportunities and disclosure requirements included in the sustainability statement	✓	22, 27, 32

MATERIAL DR	Incl.	Page
Climate Change		
E1-1 – Transition plan for climate change mitigation	-	-
E1-2 – Identification of climate-related risks and scenario analysis	-	-
E1-3 – Resilience in relation to climate change	-	-
E1-4 – Policies related to climate change mitigation and adaptation	✓	22
E1-5 – Actions and resources in relation to climate change mitigation and adaptation	✓	23
E1-6 – Targets related to climate change	✓	23
E1-7 – Energy consumption and mix	✓	23
E1-8 – Gross Scopes 1, 2, 3 and Total GHG emissions	✓	24
E1-11 – Anticipated financial effects from material physical and transition risks and potential climate-related opportunities	-	-
Pollution		
E2-1 – Policies related to pollution	✓	22
E2-2 – Actions and resources related to pollution	✓	25
E2-3 – Targets related to pollution	✓	25
E2-4 – Pollution of air, water and soil	-	-
E2-5 – Substances of concern and substances of very high concern	✓	25

MATERIAL DR	Incl.	Page
Water		
E3-1 – Policies related to water	✓	22
E3-2 – Actions and resources related to water	✓	25
E3-3 – Targets related to water	✓	25
E3-4 – Water metrics	✓	25
Waste		
E5-1 – Policies related to resource use and circular economy	✓	22
E5-2 – Actions and resources related to resource use and circular economy	✓	25
E5-3 – Targets related to resource use and circular economy	✓	25
E5-4 – Resource inflows	-	-
E5-5 – Resource outflows	✓	25

MATERIAL DR	Incl.	Page
Own Workforce		
S1-1 – Policies related to own workforce	✓	27, 28, 29
S1-2 – Engagement with own workforce and workers’ representatives, existence of channels for own workforce to raise concerns or needs and approaches to remedy	✓	21, 28
S1-3 – Actions and resources related to own workforce	✓	28, 29
S1-4 – Targets related to own workforce	✓	28, 29
S1-5 – Characteristics of the undertaking’s employees	-	-
S1-7 – Collective bargaining coverage and social dialogue	-	-
S1-8 – Diversity metrics	✓	29
S1-9 – Adequate wages	-	-
S1-10 – Social protection	-	-
S1-11 – Persons with disabilities	-	-
S1-12 – Training and skills development metrics	-	-
S1-13 – Health and safety metrics	✓	28
S1-14 – Work-life balance metrics	-	-
S1-15 – Remuneration metrics	-	-
S1-16 – Incidents, complaints and severe human rights impacts	-	-

MATERIAL DR	Incl.	Page
Workers in the Value Chain		
S2-1 – Policies related to workers in the value chain	✓	30
S2-2 – Engagement with workers in the value chain, existence of channels to raise concerns or needs and approaches to remedy	✓	21, 30
S2-3 – Actions and resources related to workers in the value chain	✓	30
S2-4 – Targets related to workers in the value chain	✓	30
Consumers and end-users		
S4-1 – Policies related to consumers and end-users	✓	30
S4-2 – Engagement with consumers and end-users, existence of channels to raise concerns or needs and approaches to remedy	✓	21, 30
S4-3 – Actions and resources related to consumers and end-users	✓	30
S4-4 – Targets related to consumers and end-users	✓	30

MATERIAL DR	Incl.	Page
Business Conduct		
G1-1 – Policies related to business conduct	✓	21, 33
G1-2 – Actions related to business conduct	✓	33
G1-3 – Targets related to business conduct	✓	34
G1-4 – Metrics related to corruption or bribery	✓	34
G1-5 – Metrics related to political influence, including lobbying activities	✓	34
G1-6 – Metrics related to payment practices	-	-

*Numbering and titles based on the draft amended ESRS standards of 28 November 2025.

Financial Statements

38 Income Statement

39 Balance Sheet

41 Statement of Changes in Equity

42 Cash Flow Statement

In 2025, Terma secured its largest space contract to date from OHB System AG to supply critical hardware for the European Space Agency's Laser Interferometer Space Antenna (LISA) mission, planned for launch in 2035.



Income Statement

1 March - 28 February

		CONSOLIDATED		PARENT COMPANY	
		2025/26	2024/25	2025/26	2024/25
DKK 1,000					
	Note				
Revenue	4	3,380,851	2,882,937	2,125,440	1,652,888
Production costs	5,6	(2,516,699)	(2,142,641)	(1,602,757)	(1,251,268)
Gross Profit		864,152	740,296	522,683	401,620
Distribution costs	5,6	(272,087)	(240,701)	(201,068)	(181,939)
Administrative costs	5,6	(221,313)	(192,242)	(140,143)	(126,088)
Other operating income	7	18,317	18,675	91,635	97,954
Other operating costs	7	(43,573)	(21,232)	(42,781)	(19,510)
Operating profit		345,496	304,796	230,326	172,037
Result in subsidiaries after tax	13	-	-	74,670	95,340
Results in affiliated companies after tax		374	(1,133)	374	(1,133)
Financial income	8	24,615	33,233	32,090	36,940
Financial costs	8	(61,379)	(43,959)	(46,615)	(34,001)
Earnings before tax (EBT)		309,106	292,937	290,845	269,183
Tax on profit	9	(70,892)	(70,679)	(52,631)	(46,925)
Result for the year		238,214	222,258	238,214	222,258
THE GROUP RESULT IS SPLIT AS FOLLOWS					
Stockholder in Terma A/S		238,214	222,258		
Minority interest		-	-		
		238,214	222,258		
Proposed profit appropriation	10				



Balance Sheet

28 February



DKK 1,000		CONSOLIDATED		PARENT COMPANY	
		2025/26	2024/25	2025/26	2024/25
	Note				
ASSETS					
NON-CURRENT ASSETS					
INTANGIBLES					
Customer trademark		142,513	-	-	-
Sowftware		93,426	103,836	92,107	102,249
Software in process		75,654	62,571	73,959	61,127
Development projects completed		336,044	328,861	272,978	304,389
Development projects in process		479,405	343,543	354,242	222,804
IP-rights		26,323	28,957	26,323	28,957
Goodwill		517,849	2,235	-	-
	11	1,671,214	870,003	819,609	719,526
PROPERTY, PLANT, AND EQUIPMENT					
Land and buildings		344,374	279,780	331,482	279,780
Plant and machinery		176,934	193,380	39,022	42,763
Fixtures and fittings, tools and equipment		67,823	49,875	31,250	15,930
Leasehold improvements		-	-	7,456	8,308
Property, plant, and equipment under construction		95,036	37,456	51,913	24,431
		684,167	560,491	461,123	371,212
INVESTMENTS					
Investments in subsidiaries		-	-	1,094,798	540,693
Investments in associates and joint ventures		5,612	4,565	5,580	4,565
Receivables from associated companies		-	9,366	-	9,366
Loan to subsidiary		-	-	99,815	100,325
	13	5,612	13,931	1,200,193	654,949
Total non-current assets		2,360,993	1,444,425	2,480,925	1,745,687
CURRENT ASSETS					
INVENTORIES					
Raw materials and consumables		741,489	539,519	525,645	356,159
Work in process		218,702	166,432	132,416	100,366
Prepayments to suppliers		25,805	27,544	25,015	26,387
		985,996	733,495	683,076	482,912
RECEIVABLES					
Trade receivables		771,475	499,201	474,367	287,494
Construction contracts	14	388,660	245,619	334,632	130,933
Receivables from associated companies		11,531	4,752	11,403	4,752
Amounts owed by subsidiaries		-	-	109,175	67,444
Loan to subsidiary		-	-	50,650	-
Corporate tax receivables	15	3,756	3,199	-	-
Other receivables		85,381	40,186	12,396	18,189
Deferred tax	16	4,490	12,927	-	-
Prepayments	17	41,573	24,318	23,855	18,492
		1,306,866	830,202	1,016,479	527,304
Cash at bank and in hand		694,506	1,094,636	600,713	1,055,655
Total current assets		2,987,368	2,658,333	2,300,268	2,065,871
Total assets		5,348,361	4,102,758	4,781,193	3,811,558



		CONSOLIDATED		PARENT COMPANY	
DKK 1,000		2025/26	2024/25	2025/26	2024/25
	Note				
EQUITY AND LIABILITIES					
EQUITY					
Capital stock	18	20,002	20,002	20,002	20,002
Net revaluation according to the equity method		-	-	194,796	269,538
Reserve for development costs		-	-	489,232	411,211
Exchange rate adjustment and hedging instruments		9,146	(12,603)	1,156	(10,135)
Retained earnings		1,670,280	1,681,425	994,242	998,208
Proposed dividends		250,000	200,000	250,000	200,000
Terma A/S' stockholder part of equity		1,949,428	1,888,824	1,949,428	1,888,824
Minority interest		-	-	-	-
Total equity		1,949,428	1,888,824	1,949,428	1,888,824
PROVISIONS					
Warranty provisions	19	20,841	23,800	20,840	23,800
Provisions regarding construction contracts		3,114	2,913	2,642	2,661
Deferred tax	16	234,686	164,522	197,766	145,271
Total provisions		258,641	191,235	221,248	171,732
LIABILITIES OTHER THAN PROVISIONS					
NON-CURRENT LIABILITIES OTHER THAN PROVISIONS					
Subordinated loans	20	255,000	255,000	255,000	255,000
Mortgage credit institutions		113,155	120,300	108,857	120,300
Lease liabilities		3,875	-	-	-
Other non-current liabilities		190,823	109,442	163,830	81,592
		562,853	484,742	527,687	456,892
CURRENT LIABILITIES OTHER THAN PROVISIONS					
Current portion of non-current liabilities	21	22,508	14,803	20,872	14,192
Construction contracts	14	627,652	331,994	415,899	222,502
Prepayments received from customers		931,371	572,471	790,345	454,751
Trade payables		280,148	86,228	168,386	45,733
Amounts owed to Parent Company		121,118	53,822	123,253	53,822
Amounts owed to subsidiaries		-	-	167,507	196,086
Corporate tax payables	15	56,985	65,387	34,578	38,694
Other payables	22	537,657	413,252	361,990	268,330
		2,577,439	1,537,957	2,082,830	1,294,110
Total liabilities other than provisions		3,140,292	2,022,699	2,610,517	1,751,002
Total equity and liabilities		5,348,361	4,102,758	4,781,193	3,811,558
Accounting policies	1				
Accounting estimates and judgements	2				
Special items	3				
Contingent liabilities and security	24				
Related parties	25				
Group relations	26				
Financial instruments and financial risks	27				

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	Minority Interest	Total equity
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 1 March 2025	20,002	(12,603)	1,681,425	200,000	1,888,824	-	1,888,824
Results for the year	-	-	(11,786)	250,000	238,214	-	238,214
Effect of divestments of entities etc.	-	-	641	-	641	-	641
Paid dividend	-	-	-	(200,000)	(200,000)	-	(200,000)
Exchange rate adjustment relating to foreign entity (before tax)	-	(27,578)	-	-	(27,578)	-	(27,578)
Tax on exchange rate adjustment relating to foreign entity	-	2,686	-	-	2,686	-	2,686
Changes in value of hedging instruments, etc. (before tax)	-	59,798	-	-	59,798	-	59,798
Tax on changes in value of hedging instruments	-	(13,157)	-	-	(13,157)	-	(13,157)
Equity at 28 February 2026	20,002	9,146	1,670,280	250,000	1,949,428	-	1,949,428

Statement of Changes in Equity

1 March - 28 February

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 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 rate adjustment relating to foreign entity (before tax)	-	3,190	-	3,931	-	-	7,121
Paid dividend	-	-	-	-	-	(150,000)	(150,000)
Tax on exchange rate adjustment relating to foreign entity	-	-	-	(865)	-	-	(865)
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 1 March 2025	20,002	269,538	411,211	(10,135)	998,208	200,000	1,888,824
Dividends received from subsidiaries	-	(159,288)	-	-	159,288	-	-
Results for the year	-	74,088	78,021	-	(163,895)	250,000	238,214
Effect of divestments of entities etc.	-	-	-	-	641	-	641
Exchange adjustment relating to foreign entity (before tax)	-	(15,368)	-	(12,210)	-	-	(27,578)
Tax on exchange rate adjustment relating to foreign entity	-	-	-	2,686	-	-	2,686
Paid dividend	-	-	-	-	-	(200,000)	(200,000)
Changes in value of hedging instruments, etc. (before tax)	-	33,111	-	26,687	-	-	59,798
Tax on changes in value of hedging instruments	-	(7,285)	-	(5,872)	-	-	(13,157)
Equity at 28 February 2026	20,002	194,796	489,232	1,156	994,242	250,000	1,949,428

Cash Flow Statement

1 March - 28 February

DKK 1,000	Note	CONSOLIDATED	
		2025/26	2024/25
Earnings before tax		309,106	292,937
ADJUSTMENTS			
Depreciation, amortization, and write-downs, etc.		227,601	198,469
Other non-cash transactions		(39,085)	2,937
Net financial income and costs		36,764	10,726
		225,280	212,132
Changes in working capital	23	214,573	32,812
Cash flows generated from operations before financial items		748,959	537,881
Financial income, received		15,111	12,099
Financial costs, paid		(33,677)	(28,888)
Cash flows from operations before tax		730,393	521,092
Corporate tax paid		(12,120)	(35,217)
Cash flows from operating activities		718,273	485,875
Acquisitions of intangible assets		(255,443)	(205,414)
Disposal of intangible assets		-	6,314
Aquisitions of tangible assets		(186,967)	(69,140)
Sale of tangible assets		4	281
Investments in subsidiaries		(425,751)	-
Cash flows from investing activities		(868,157)	(267,959)
Paid dividend		(200,000)	(150,000)
Repayments, non-current liabilities		(94,559)	(28,426)
Incurring, non-current liabilities		4,595	-
Loan from Parent Company		67,296	(6,553)
Capital increase		-	784,840
Cash flows from financing activities		(222,668)	599,861
Net cash flows from operating, investing, and financing activities		(372,552)	817,777
Current cash at 1 March		1,094,636	269,738
Exchange rate variations on current cash		(27,578)	7,121
Current cash at 28 February		694,506	1,094,636



Notes

Terma and the Royal Danish Navy have had a close partnership for decades – and continues to do so. Among the highlights of Terma deliveries are our C2 system C-Flex, radar systems, and our self-protection solution for naval platforms, C-Guard MK II.



01 Accounting Policies

The Annual Report of Terma A/S for 2025/26 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 with some reclassifications.

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.

Business Combinations

Acquired companies are consolidated from the date of acquisition. Costs related to the acquisition are recognized in the income statement as incurred. On the acquisition of subsidiaries and associates, the acquisition method is applied where acquired assets, liabilities and contingent liabilities, including restructuring provisions, are measured at fair value at the acquisition date.

Identifiable intangible assets are recognized if they can be separated, the fair value can be reliably measured and the impact on the financial statements is significant. The acquisition cost is stated at the fair value of shares, debt instruments, and cash and cash equivalents. Any positive differences between the acquisition cost and the fair value of the assets, liabilities and contingent liabilities acquired are recognized as goodwill under intangible assets and amortized on a straight-line basis over the expected economic life. Any negative differences are recognized in the income statement at the date of acquisition.

Goodwill from acquired entities may subsequently be adjusted for changes in the fair value of the consideration transferred and/or changes in the fair value of the identifiable net assets acquired until 12 months after the acquisition date, to the extent such changes relate to facts and circumstances present at the acquisition date.

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

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.

Lease Liabilities

Lease liabilities relating to assets held under finance leases are recognised in the balance sheet as liabilities and measured at the time the contract is entered into at the present value of the future lease payments. Following the initial recognition, the lease liabilities are measured at amortised cost. The difference between the present value and the nominal value of the lease payments is recognised in the income statement over the term of the contracts as a finance cost.

Operating 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 "Goodwill represents the excess of the cost of an acquisition over the fair value of the identifiable net assets of the acquired company. Goodwill is amortized over the estimated useful life, determined on the basis of the management's experience, including an assessment of the market position and strength of the brand or operation and thus the estimated expected earnings profile:

- Acquired entities in both a new market and new service/segment with a strong market position and an expected long earnings profile have an estimated economic life of 20 years and are thus amortized over a period of 20 years.
- Acquired entities in both an existing market and existing service/segment that holds a strong market position are estimated to have an economic life of 15 years and are thus amortized over a period of 15 years.

01 Accounting Policies, Continued

- Acquired entities in both an existing market and existing service/segment that do not hold a strong differentiating market position are estimated to have an economic life of 10 years and are thus amortized over a period of 10 years.
- Minor acquired entities with limited strategic impact or short economic lifecycle are estimated to have an economic life of 5 years and are thus amortized over a period of 5 years.

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, software licenses and customer trademarks are measured at cost less accumulated depreciation and impairment loss. Patents and customer trademarks are depreciated on a straight-line basis over af period of up to 20 years, 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, software licenses and customer trademarks 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.

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. For assets held under finance leases, the cost is the lower of the fair value of the asset and the present value of the future lease payments.

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

For leasehold improvements and assets covered by finance leases, the depreciation period do not exceed the term of the lease.

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.

Cash
Cash comprises bank deposits.

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.

01 Accounting Policies, Continued

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 hierachy, see below:

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

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

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

CASH FLOW STATEMENT

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

Cash Flows from Operating Activities

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

Cash Flows for Investing Activities

Cash flows for investing activities comprise payments in connection with capitalized development costs (cash effect) and acquisitions and disposals of other intangibles, property, plant, and equipment, and investments.

Cash Flows from Financing Activities

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

Current Cash

Current cash includes cash in hand and bank deposits.

SEGMENT INFORMATION

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

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.

Note	Accounting estimates and judgements	Estimate/Judgement	IMPACT OF ACCOUNTING ESTIMATES AND JUDGEMENTS	
			2025/26	2024/25
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 and allocation of purchase price	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

DEFINITIONS TO FINANCIAL RATIOS

EBITDA margin before special items:	$\frac{\text{EBITDA before special items} \times 100}{\text{Revenue}}$
EBITDA margin after special items:	$\frac{\text{EBITDA after special items} \times 100}{\text{Revenue}}$
Return on investments before special items:	$\frac{\text{Operating profit before special items} \times 100}{\text{Average operating assets}}$
Liquidity ratio:	$\frac{\text{Current assets} \times 100}{\text{Current liabilities other than provisions}}$
Solvency ratio:	$\frac{\text{Capital base} \times 100}{\text{Total assets at year-end}}$
Return on equity:	$\frac{\text{Profit for the year} \times 100}{\text{Average equity}}$
Order backlog:	Order backlog primo + Order intake - Recognized revenue

EBT margin before special items:	$\frac{\text{Earnings before special items and tax} \times 100}{\text{Revenue}}$
EBT margin after special items:	$\frac{\text{Earnings after special items and tax} \times 100}{\text{Revenue}}$
Operating assets:	Total assets less cash at bank and in hand, and other interest-bearing assets
Cash conversion ratio:	$\frac{\text{Cash flows from operations before tax}}{\text{EBITDA after special items}}$
Capital base:	Equity and subordinated loans
Leverage ratio:	$\frac{\text{NIBD (excl. subordinated loans)}}{\text{EBITDA before special items}}$
Order intake is recognized at contract award or upon receipt of a signed PO or similar type of written commitment.	

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.

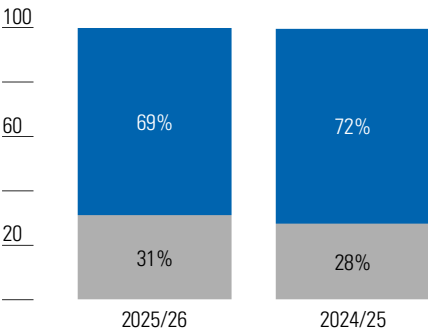
The profit for 2025/26 has been impacted by circumstances which according to the Management deviate from being a part of the operational activities. The main item is severance payments related to organizational restructuring and strategic aquisitions.

DKK 1,000	CONSOLIDATED		PARENT COMPANY	
	2025/26	2024/25	2025/26	2024/25
Other operating income	-	-	-	-
Other operating costs	(50,097)	(20,376)	(50,097)	(19,005)
Total	(50,097)	(20,376)	(50,097)	(19,005)

04 Segment Information, Revenue

CONSOLIDATED

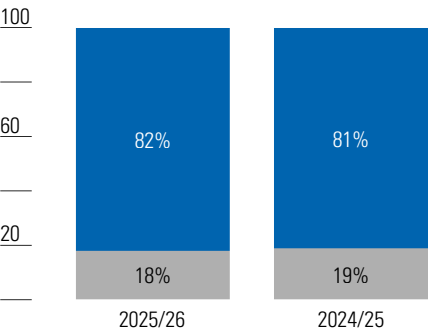
DEFENSE/NON-DEFENSE



■ Total Non-Defense ■ Defense

DKK 1,000	2025/26	2024/25
Defense	2,321,529	2,077,127
Non-Defense	1,059,322	805,810
Total	3,380,851	2,882,937

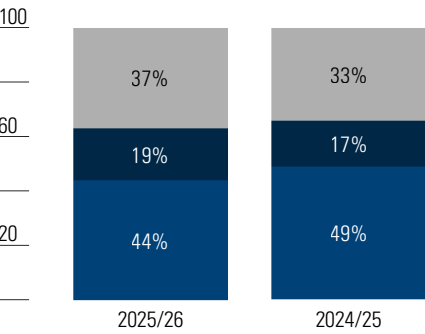
DENMARK / OUTSIDE DENMARK



■ Outside Denmark ■ In Denmark

DKK 1,000	2025/26	2024/25
Outside Denmark	2,757,690	2,332,069
In Denmark	623,161	550,868
Total	3,380,851	2,882,937

BUSINESS AREAS

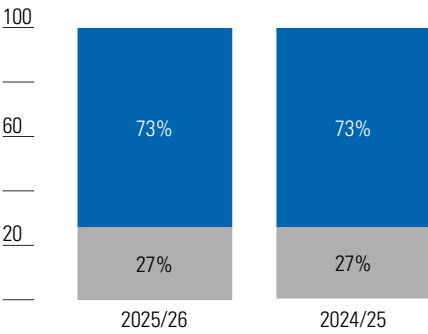


■ Surveillance & Mission Systems ■ Space ■ SPS/Aerosnautics

DKK 1,000	2025/26	2024/25
SPS/Aeronautics	1,477,636	1,425,249
Space	644,928	503,570
Surveillance & Mission Systems	1,258,287	954,118
Total	3,380,851	2,882,937

PARENT COMPANY

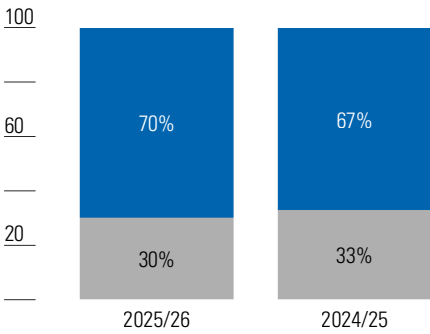
DEFENSE/NON-DEFENSE



■ Total Non-Defense ■ Defense

DKK 1,000	2025/26	2024/25
Defense	1,547,641	1,212,500
Non-Defense	577,799	440,388
Total	2,125,440	1,652,888

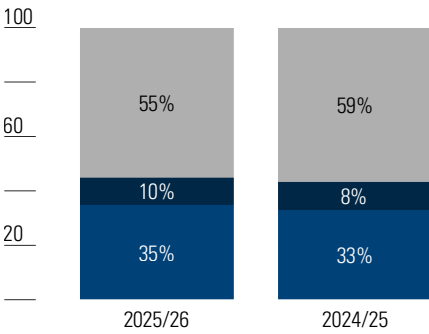
DENMARK / OUTSIDE DENMARK



■ Outside Denmark ■ In Denmark

DKK 1,000	2025/26	2024/25
Outside Denmark	1,494,526	1,102,785
In Denmark	630,914	550,103
Total	2,125,440	1,652,888

BUSINESS AREAS



■ Surveillance & Mission Systems ■ Space ■ SPS/Aerosnautics

DKK 1,000	2025/26	2024/25
SPS/Aeronautics	752,733	544,160
Space	207,739	136,273
Surveillance & Mission Systems	1,164,968	972,455
Total	2,125,440	1,652,888

05 Staff Costs

DKK 1,000	CONSOLIDATED		PARENT COMPANY	
	2025/26	2024/25	2025/26	2024/25
Parent Company Board of Directors emoluments	2,300	2,222	2,300	2,222
Remuneration to Management registered in the Central Business Register*	33,543	41,909	33,543	41,909
Wages and salaries	1,417,242	1,190,313	833,204	643,698
Pensions	111,395	93,255	73,994	58,558
Other social security costs	73,307	68,563	13,013	13,866
	1,637,787	1,396,262	956,054	760,253
Average number of full-time employees	2,099	1,818	1,032	928

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

The Group continued the long-term incentive programs which are established for Executive Board 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 programs.

06 Fees Paid to Auditors

DKK 1,000	CONSOLIDATED	
	2025/26	2024/25
TOTAL FEES CAN BE SPECIFIED AS FOLLOWS		
Statutory audit	1,635	1,521
Other assurance engagements	80	48
Tax and VAT	1,088	434
Other non-audit services	50	928
Total	2,853	2,931

07 Other Operating Income and Costs

DKK 1,000	CONSOLIDATED		PARENT COMPANY	
	2025/26	2024/25	2025/26	2024/25
Management fees	6,328	3,244	72,662	76,912
Other operating income	2,353	1,507	136	1,259
Reimbursements	8,467	12,559	8,467	9,389
Rental income	1,169	1,365	10,370	10,394
Other operating income	18,317	18,675	91,635	97,954
Loss on disposal of non-current assets	3,540	200	3,540	200
Special Items	39,203	20,376	39,203	19,005
Other operating costs	830	656	38	305
Other operating costs	43,573	21,232	42,781	19,510

08 Financial Income and Costs

	CONSOLIDATED		PARENT COMPANY	
	2025/26	2024/25	2025/26	2024/25
DKK 1,000				
Intra-group interest, current assets	-	-	15,856	11,686
Bank & other interest	15,111	12,099	10,108	5,224
Exchange rate variations and hedging income regarding hedging instruments	9,504	21,134	6,126	20,030
Financial income	24,615	33,233	32,090	36,940
Intra-group interest, current liabilities	4,933	4,369	6,863	5,881
Interest on subordinated loans	11,475	11,475	11,475	11,475
Interest to credit institutions, non-current liabilities	3,038	5,118	3,038	5,118
Interest to credit institutions, current liabilities	-	-	-	-
Bank & other interest	1,726	2,404	298	356
Guarantee expenses and bank charges	12,560	5,577	11,800	4,888
Exchange rate variations and hedging costs regarding hedging instruments	27,647	15,016	13,141	6,283
Financial costs	61,379	43,959	46,615	34,001

09 Tax

	CONSOLIDATED		PARENT COMPANY	
	2025/26	2024/25	2025/26	2024/25
DKK 1,000				
Joint tax contribution/current tax	34,418	70,888	34,579	41,293
Adjustment concerning previous years	(3,318)	4,072	(3,318)	4,072
Deferred tax	78,202	(9,346)	52,495	(1,917)
Total tax	109,302	65,614	83,756	43,448
SPECIFIED AS FOLLOWS				
Tax on profit	70,892	70,679	52,631	46,925
Deferred tax on aquisition of subsidiaries	27,939	-	27,939	-
Tax on changes in equity	11,884	(5,065)	4,599	(3,477)
	109,302	65,614	83,756	43,448

10 Proposed Profit Appropriation

	CONSOLIDATED		PARENT COMPANY	
	2025/26	2024/25	2025/26	2024/25
DKK 1,000				
Reserve for net revaluation according to the equity method	-	-	74,088	95,330
Proposed dividends	250,000	200,000	250,000	200,000
Reserve for development costs	-	-	78,021	90,646
Retained earnings	(11,786)	22,258	(163,895)	(163,718)
	238,214	222,258	238,214	222,258

11 Intangibles

CONSOLIDATED							
DKK 1,000	Customer Trademark	IP-rights	Software	Software in process	Development projects, completed	Development projects, in process	Total
Cost at 1 March 2025	-	31,937	217,038	62,571	982,034	343,543	1,637,123
Foreign exchange rate adjustments	(1,249)	-	-	-	(2,629)	(14,234)	(18,112)
Addition through business combinations	146,110	-	215	-	42,005	-	188,330
Transfers	-	-	19,089	(19,089)	64,189	(64,189)	-
Additions	-	-	1,568	32,172	7,418	214,285	255,443
Cost at 28 February 2026	144,861	31,937	237,910	75,654	1,093,017	343,543	2,062,784
Amortizations and impairments at 1 March 2025	-	2,980	113,202	-	653,173	-	769,355
Foreign exchange rate adjustments	(36)	-	-	-	(1,932)	-	(1,968)
Amortizations and impairments	2,384	2,634	31,282	-	105,732	-	142,032
Amortizations and impairments at 28 February 2025	2,348	5,614	144,484	-	756,973	-	909,419
Carrying value at 28 February 2026	142,513	26,323	93,426	75,654	336,044	479,405	1,153,365
Amortized over	10-20 years	20 years	3-10 years		3-15 years		

PARENT COMPANY							
DKK 1,000		IP-rights	Software	Software in process	Development projects, completed	Development projects, in process	Total
Cost at 1 March 2025		31,937	210,781	61,127	888,351	222,804	1,415,000
Additions		-	1,460	31,695	-	196,930	230,085
Transfers		-	18,863	(18,863)	65,492	(65,492)	-
Cost at 28 February 2026		31,937	231,104	73,959	953,843	354,242	1,645,085
Amortizations and impairments at 1 March 2025		2,980	108,532	-	583,962	-	695,474
Amortizations and impairments		2,634	30,465	-	96,903	-	130,002
Amortizations and impairments at 28 February 2026		5,614	138,997	-	680,865	-	825,476
Carrying value at 28 February 2026		26,323	92,107	73,959	272,978	354,242	819,609
Amortized over		20 years	3-10 years		3-15 years		

GOODWILL			CONSOLIDATED	
DKK 1,000			2025/26	2024/25
Cost at 1 March 2025			3,930	3,930
Foreign exchange rate adjustments			(4,646)	-
Addition through business combinations			528,034	-
Cost at 28 February 2026			527,398	3,930
Net revaluations at 1 March 2025			1,695	935
Foreign exchange rate adjustments			(122)	-
Amortizations and impairments			7,976	760
Net revaluations at 28 February 2026			9,549	1,695
Carrying amount at 28 February 2026			517,849	2,235
Amortized over			5-20 years	5-20 years

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.

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 2025	578,360	643,820	177,212	37,456	1,436,848
Foreign exchange rate adjustment	(111)	(547)	(13,347)	-	(14,005)
Addition through business combinations	13,081	1,573	946	-	15,600
Transfers	12,420	9,538	1,728	(23,686)	-
Additions	59,677	11,026	34,998	81,266	186,967
Disposals	-	(15,168)	(3,259)	-	(18,427)
Cost at 28 February 2026	663,427	650,242	198,278	95,036	1,606,983
Depreciation and impairments at 1 March 2025	298,580	450,440	127,337	-	876,357
Foreign exchange rate adjustment	-	(591)	(12,120)	-	(12,711)
Depreciations	20,473	38,627	18,494	-	77,594
Disposals	-	(15,168)	(3,256)	-	(18,424)
Depreciations and impairments at 28 February 2026	319,053	473,308	130,455	-	922,816
Carrying amount at 28 February 2026	344,374	176,934	67,823	95,036	684,167
Non-owned assets	-	-	-	4,473	4,473
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 2025	500,061	198,604	86,781	8,521	24,431	818,398
Transfers	12,420	4,219	1,258	-	(17,897)	-
Additions	59,677	5,729	21,588	-	45,379	132,373
Disposals	-	(29)	-	-	-	(29)
Cost at 28 February 2026	572,158	208,523	109,627	8,521	51,913	950,742
Depreciation and impairments at 1 March 2025	220,281	155,841	70,851	213	-	447,186
Depreciations	20,395	13,689	7,526	852	-	42,462
Disposals	-	(29)	-	-	-	(29)
Depreciations and impairments at 28 February 2026	240,676	169,501	78,377	1,065	-	489,619
Carrying amount at 28 February 2026	331,482	39,022	31,250	7,456	51,913	461,123
Depreciated over	10-50 years	3-10 years	3-7 years	10 years		

13 Investments

	PARENT COMPANY	
	Investments in subsidiaries	Loan to subsidiary
DKK 1,000		
Cost at 1 March 2025	271,155	95,600
Additions	628,847	62,350
Disposals	-	(54,629)
Cost at 28 February 2026	900,002	103,321
Net revaluations at 1 March 2025	269,538	4,725
Exchange rate adjustment	(15,368)	(12,210)
Dividends paid	(159,288)	-
Changes in value of hedging instruments (after tax)	25,826	-
Other adjustments	(582)	-
Results for the year	81,242	-
Amortizations of goodwill	(6,572)	-
Disposals	-	3,979
Net revaluations at 28 February 2026	194,796	(3,506)
Carrying amount at 28 February 2026	1,094,798	99,815
Goodwill recognised during the financial year	522,367	-

Contingent consideration
A contingent consideration (earn-out) has been recognized as part of the purchase price for the acquisition of OSL Group Ltd. The fair value of the contingent consideration (earn-out) has been estimated using the income approach. The estimate is based on weighted probabilities of the expected payments under the earn-out agreement, discounted at a discount rate of ≈3.7%.

	CONSOLIDATED		PARENT COMPANY	
	Investments in associated companies	Receivables from associated companies	Investments in associated companies	Receivables from associated companies
DKK 1,000				
Cost at 1 March 2025	7,140	9,366	7,140	9,366
Addition through business combinations	32	-	-	-
Disposals	-	(9,366)	-	(9,366)
Cost at 28 February 2026	7,172	-	7,140	-
Net revaluations at 1 March 2025	(2,575)	-	(2,575)	-
Results for the year	374	-	374	-
Effect of divestments of entities etc.	641	-	641	-
Net revaluations at 28 February 2026	(1,560)	-	(1,560)	-
Carrying amount at 28 February 2026	5,612	-	5,580	-

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%	35tEUR
Terma Space Romania S.R.L	Brasov, Romania	100%	0tEUR
Terma Technologies Czech Repulic S.R.O	Praha, Czech Republic	100%	1tEUR
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
OSL Group Ltd.	Reading, United Kingdom	100%	3,749 tGBP
Operational Solutions Ltd.	Reading, United Kingdom	100%	1 tGBP
R.S. Capp Ltd.	Reading, United Kingdom	100%	1 tGBP
Nexus Nine Ltd.	Reading, United Kingdom	100%	1 tGBP
Rinicom Intelligent Solutions Ltd.	Reading, United Kingdom	100%	1 tGBP
Terma Ukraine LLC	Kyiv, Ukraine	100%	10 tEUR

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.

NAME	REGISTERED OFFICE	OWNERSHIP	CAPITAL STOCK
Komplementarselskabet Danske Flådeskibe A/S	Lystrup, Denmark	25%	560 tDKK
Danske Flådeskibe K/S	Lystrup, Denmark	25%	60,000 tDKK
ISSOS Technology Ltd.	Berkshire, United Kingdom	30%	1 tGBP

14 Construction Contracts

	CONSOLIDATED		PARENT COMPANY	
	2025/26	2024/25	2025/26	2024/25
DKK 1,000				
Selling price of construction contracts	5,424,872	5,208,287	2,892,097	2,442,730
Invoiced on account	(5,663,864)	(5,294,662)	(2,973,364)	(2,534,299)
Construction contracts at 28 February	(238,992)	(86,375)	(81,267)	(91,569)
RECOGNIZED AS FOLLOWS				
Construction contracts (assets)	388,660	245,619	334,632	130,933
Construction contracts (liabilities)	(627,652)	(331,994)	(415,899)	(222,502)
	(238,992)	(86,375)	(81,267)	(91,569)

15 Corporate Tax Receivables and Payable

	CONSOLIDATED		PARENT COMPANY	
	2025/26	2024/25	2025/26	2024/25
DKK 1,000				
Corporate tax payable at 1 March 2025	62,188	4,191	38,694	-
Tax for the year/joint tax contribution	34,418	70,888	34,578	38,694
Corporate tax paid during the year	(43,377)	(12,891)	(38,694)	-
Corporate tax payable at 28 February	53,229	62,188	34,578	38,694
RECOGNIZED AS FOLLOWS				
Corporate tax receivable	(3,756)	(3,199)	-	-
Corporate tax payable	56,985	65,387	34,578	38,694
	53,229	62,188	34,578	38,694

16 Deferred Tax

	CONSOLIDATED		PARENT COMPANY	
	2025/26	2024/25	2025/26	2024/25
DKK 1,000				
Deferred tax at 1 March 2025	151,595	160,542	145,271	147,188
Foreign currency adjustment	399	399	-	-
Adjustment for the year	50,263	(9,346)	24,556	(1,917)
Deferred tax on aquisition of subsidiaries	27,939	-	27,939	-
Deferred tax at 28 February 2026	230,196	151,595	197,766	145,271
RECOGNIZED AS FOLLOWS				
Deferred tax (assets)	(4,490)	(12,927)	-	-
Deferrrred tax (liabilities)	234,686	164,522	197,766	145,271
	230,196	151,595	197,766	145,271
DEFERRED TAX RELATES TO				
Intangibles	214,502	161,037	198,892	153,433
Property, plant, and equipment	56,209	38,568	19,547	19,150
Current assets	(16,405)	(17,273)	-	-
Provisions	(581)	(585)	(581)	(585)
Liabilities other than provisions	(23,529)	(30,152)	(20,092)	(26,727)
	230,196	151,595	197,766	145,271

17 Prepayments

	CONSOLIDATED		PARENT COMPANY	
	2025/26	2024/25	2025/26	2024/25
DKK 1,000				
Insurance premiums	536	520	536	520
Tax on real property	584	960	584	960
IT licenses, short term	21,185	14,017	21,185	14,017
Other prepayments	19,268	8,821	1,550	2,995
Prepayments at 28 February	41,573	24,318	23,855	18,492

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

	CONSOLIDATED		PARENT COMPANY	
	2025/26	2024/25	2025/26	2024/25
DKK 1,000				
Warranty provisions at 1 March	23,800	21,714	23,800	21,714
Used during the year	(4,958)	(8,154)	(4,958)	(8,154)
Unused warranty provisions, reversed	(1,041)	(1,517)	(1,041)	(1,517)
Provisions for the year	3,040	11,757	3,040	11,757
Warranty provisions at 28 February	20,841	23,800	20,841	23,800
EXPECTED MATURITY FOR WARRANTY PROVISIONS				
0-1 year	8,686	14,905	8,686	14,905
>1 years	12,155	8,895	12,155	8,895
	20,841	23,800	20,841	23,800

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 outs tanding after five years
DKK 1,000						
Subordinated loans	255,000	255,000	255,000	255,000	-	130,000
Mortgage credit institutions	125,123	116,967	125,524	113,155	11,968	63,091
Lease liabilities	4,326	4,326	4,326	3,875	451	1,932
Other non-current liabilities	200,912	200,912	200,912	190,823	10,089	76,279
28 February 2026	585,361	577,256	585,813	562,853	22,508	271,302

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	120,390	112,285	120,842	108,857	11,533	60,968
Other non-current liabilities	173,169	173,169	173,169	163,830	9,339	52,850
28 February 2026	548,559	540,454	549,011	527,687	20,872	243,818

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	109,442	3,396	83,032
29 February 2025	499,545	489,979	500,052	484,742	14,803	286,421

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	81,592	2,785	57,493
29 February 2025	471,084	461,518	471,591	456,892	14,192	260,882

2025/26
DKK 1,000
Non-current liabilities other than provisions
Current liabilities other than provisions
Liabilities other than provisions from financing activities

DEBT TO FINANCIAL INSTITUTIONS

DKK 1,000
MORTGAGE LOANS
Variable rate loans
Fixed rate loans
Mortgage loans total
Financial institutions total at 28 February 2026

DEBT TO FINANCIAL INSTITUTIONS

DKK 1,000
MORTGAGE LOANS
Variable rate loans
Fixed rate loans
Mortgage loans total
Credit institutions total at 29 February 2025

CONSOLIDATED			
29 February 2024	Cash flow	Non-monetary changes	28 February 2025
484,742	85,507	55	570,304
68,625	67,551	-	136,176
553,367	153,058	55	706,480

2025/26				
Average nominal interest rate	Average effective interest rate	Currency	Fixed interest rate	Carrying amount
3.44	3.60	DKK	6 months	18,743
2.21	2.25	DKK	11-15 years	106,380
2.38	2.43			125,123
				125,123

2024/25				
Average nominal interest rate	Average effective interest rate	Currency	Fixed interest rate	Carrying amount
3.07	3.88	DKK	6 months	18,743
1.20	1.95	DKK	12-17 years	112,964
1.50	2.26			131,707
				131,707

22 Other Payables

	CONSOLIDATED		PARENT COMPANY	
	2025/26	2024/25	2025/26	2024/25
DKK 1,000				
VAT payable	6,899	3,887	-	-
Accrued salary items	150,164	129,136	68,403	60,261
Miscellaneous other payables	300,778	280,229	213,507	208,069
Other payables	79,816	-	80,080	-
Other payables at 28 February	537,657	413,252	361,990	268,330

23 Changes in working capital and investments

	CONSOLIDATED	
	2025/26	2024/25
DKK 1,000		
Inventories	(248,999)	(31,408)
Receivables	40,987	283,398
Construction contracts and prepayments from customers	152,617	(54,566)
Trade payables and other payables	269,968	(164,612)
Changes in working capital and investments at 28 February	214,573	32,812

24 Contingent Liabilities and Security

CONTINGENT LILABILITIES	CONSOLIDATED		PARENT COMPANY	
	2025/26	2024/25	2025/26	2024/25
DKK 1,000				
Operational lease until maturity in total	60,680	52,692	17,561	11,435
Other recurrent obligations	57,273	-	33,947	-
Other non-recurrent obligations	38,944	-	34,471	-
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 a total of	793,876	321,990	749,039	321,990
Included in the amount are customer advances reflected in the balance sheet	693,243	268,856	683,405	268,856
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	344,374	279,780	331,482	279,780
Other property, plant, and equipment estimated to be comprised by the collateral, cf. the provisions of the Danish Registration of Property Act	339,793	280,711	129,641	91,432
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	28,656

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 98c(7) 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	IMPLICATION	RISK MITIGATION	IMPACT
The Group is exposed to liquidity risk due to ongoing normal business activities, significant investments, and to a lesser extent to repayment of mortgage loans.	Effect: Medium	Liquidity is managed at Group level.	The Group's liquidity reserve consists of two unsecured overdraft facilities for multi-currency short-term financing needs.
Cash management is vital in relation to fulfill requirements from financial institutions.	Threat: Low	Liquidity forecasts are produced and updated regularly based on forecasts on operational cash flows, CAPEX, and investment commitments.	Similar to 2024/25, there has been no breach of covenants in 2025/26 .
		Flexibility in the Group's loan portfolio is secured by engaging with different banks.	It is the Management's opinion that the Group has sufficient financial resources to settle obligations as they become due.
		The Group's loan agreements include covenants (leverage ratio). The agreements do not include clauses where cash security has to be pledged.	

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 (2024/25: 255 MDKK).

At year-end February 2026, cash and bank deposits amounted to 695 MDKK (2024/25: 1,095 MDK). In addition to cash and bank deposits, two 1-year committed overdraft facilities are in place for multi-currency short-term financing needs.

Below is a maturity analysis of the financial liabilities at year-end, 28 February 2026 and 28 February 2025.

DKK 1,000	2025/26				2024/25			
	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
Mortgage credit institutions	125,123	11,968	50,064	63,091	131,707	11,407	46,911	73,389
Lease liabilities	4,326	451	1,943	1,932	-	-	-	-
Other debt	200,912	10,089	114,544	76,279	112,838	3,396	35,903	73,539
Current liabilities other than provisions	2,564,361	2,564,361	-	-	1,523,154	1,523,154	-	-
DERIVATIVES								
Forward contracts	(29,632)	(13,987)	(15,645)	-	30,166	8,968	21,198	-
	3,120,090	2,563,452	275,906	271,302	2,052,865	1,546,925	229,012	276,928

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. 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. 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.
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.	
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 2025/26, 3% of the receivables exceeded payment terms with more than 2 month.

Trade receivables are specified as follows:

DKK 1,000	2025/26	2024/25
Europe	452,168	257,699
North America	200,403	151,985
Asia Pacific	43,428	25,679
Middle East and North Africa	56,161	57,785
Rest of world	19,315	6,053
Trade receivable at 28 February	771,475	499,201

Overdue Trade Receivable:

DKK 1,000	2025/26	2024/25
Up to 1 month	115,756	49,121
Between 1 and 2 months	20,441	25,280
More than 2 months	20,515	5,733
Overdue trade receivable at 28 February	156,712	80,134

27 Financial Instruments and Financial Risks, Continued

INTEREST RATE RISK			
RELATED BUSINESS ACTIVITY	IMPLICATION	RISK MITIGATION	IMPACT
Due to financing of investments and normal business operations, the Group is exposed to risk concerning fluctuations in the interest rate.	Effect: Medium	It is the Group’s policy to determine the interest rate fixing period for long-term borrowings at the time of debt issuance, based on prevailing market conditions, with the objective of achieving an appropriate balance between financial risk and borrowing costs.	50% of total interest-bearing debt excluding subordinated loans is fixed rated (2024/25: 46%).
The primary risk is related to fluctuations in CIBOR.	Threat: Low	Interest rate swaps and related instruments may be used where considered advantageous, including when market rates are assessed as attractive.	The effective interest rate of this part of the debt is 2.25% (2024/25: 1.95%).
		The Group uses cash pool arrangements to offset funds on deposit against outstanding debt in order to minimise net interest costs.	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 1,095 MDKK (2024/25: 1,495 MDKK).

Sensitivity of interest rate risk
A 1%-point interest rate increase would result in a P&L gain of 2.2 MDKK (2024/25: 7 MDKK) and an equity gain of 1.7 MDKK (2024/25: 5.5 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	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.	The effect from currency risk originates mainly from USD cash flows.
	Threat: Low	EUR cash flow is not hedged due to Danish fixed exchange rate policy against EUR.	The company has hedged the currency risk in accordance with the Group's policy.
		Net investments in foreign subsidiaries are not hedged.	As in 2024/25, the Group has only used derivative financial instruments to hedge exchange rate risks in 2025/26.

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 in USD:

DKK 1,000	Maturity	2025/26						2024/25					
		Contracted inflow	Hedged inflow	Contracted outflow	Hedged outflow	Bank	Net position	Contracted inflow	Hedged inflow	Contracted outflow	Hedged outflow	Bank	Net position
CURRENCY	<1 year	500,686	470,773	169,983	165,106	27,316	(52,352)	310,989	372,835	160,094	135,868	(13,766)	99,838
	>1 year	642,644	605,598	97,389	87,406	-	(27,064)	838,014	737,191	103,327	101,114	-	(98,610)
		1,143,330	1,076,371	267,372	252,512	27,316	(79,416)	1,149,003	1,110,026	263,421	236,982	(13,766)	1,228

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 (16) MDKK (2024/25: (5.6) MDKK). The total effect on Equity after tax would be (12.5) MDKK (2024/25: (4.4) 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	Marturity	CONTRACTUAL VALUE		FAIR VALUE	
		2025/26	2024/25	2025/26	2024/25
CURRENCY					
AED	<1 year	-	(391)	-	-
AUD	<1 year	-	(325)	-	(9)
AUD	>1 year	-	-	-	-
CAD	<1 year	17,644	-	(182)	-
CAD	>1 year	21,394	-	(294)	-
GBP	<1 year	(63,809)	(24,948)	199	214
GBP	>1 year	(20,413)	(26,539)	(403)	73
SEK	<1 year	(439)	-	5	-
SEK	>1 year	(256)	(427)	12	(3)
USD	<1 year	358,615	218,102	13,965	(9,173)
USD	>1 year	518,054	551,903	16,330	(21,268)
		830,790	717,375	29,632	(30,166)

Categories of financial instruments:

DKK 1,000	2025/26	2024/25
FINANCIAL ASSETS		
Financial derivatives used for hedging purposes	40,690	11,977
Receivables and cash at bank and in hand	1,408,690	1,593,837
FINANCIAL LIABILITIES		
Financial derivatives used for hedging purposes	11,058	42,143
Financial liabilities measured at amortized costs	585,361	499,545

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

RAW MATERIALS PRICE RISK			
RELATED BUSINESS ACTIVITY	IMPLICATION	RISK MITIGATION	IMPACT
The Group is exposed to risk concerning raw material prices due to raw material as aluminum and composite materials forming part of the products sold.	Effect: Medium	Raw material price risk has until now not been hedged. The impact on the financial result is immaterial as major parts of raw materials are bought in accordance with customers' requirements and their "Right to buy" agreements. These agreements are firm fixed prices in USD in 3-5 years.	The developments in raw material prices have had an immaterial impact on the Group's financial results in 2024/25 and 2025/26.
	Threat: Low		
		The development in raw material prices is followed continuously.	

Statement & Report

64 Statement by the Board of Directors and Executive Board

65 Independent Auditor's Report

Terma is proud to have supported the Ukrainian fight for freedom since the beginning of the invasion. In 2025, we established an office in Kyiv which shows our long-term commitment to the valuable partnerships, we have entered into.



Statement by the Board of Directors and Executive Board

The Board of Directors and Executive Board have today discussed and approved the Annual Report of Terma A/S for the 2025/26 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 2026 and of the results of the Group's and the Parent Company's operations and the Group's cash flows for 2025/26.

Further, we consider the Management's commentary 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 is approved at the annual general meeting.

Søborg, 28 May 2026

BOARD OF DIRECTORS

Carsten Dilling
Chair

Lars Gert Lose
Non Executive Director

Anders Christian Schelde
Non Executive Director (ATP appointed)

Gitte Holm
Representative of the employees

Klaus Holse
Vice Chair

Natalie Shaverdian Riise-Knudsen
Non Executive Director

Jens Thorsen Poulsen
Representative of the employees

Steen Tersted
Representative of the employees

EXECUTIVE BOARD

Henriette Hallberg Thygesen
CEO & President

Per Thiesen
Executive Vice President & CFO



Independent Auditor’s Report

TO THE SHAREHOLDERS OF TERMA A/S

Opinion

We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of Terma A/S for the fiscal year 1 March 2025 – 28 February 2026, which comprise Income Statement, Balance Sheet, Statement of Changes in Equity, and Notes, including Accounting Policies, for the Group and the Parent Company, and a Consolidated Cash Flow Statement. The Consolidated Financial Statements and the Parent Company Financial Statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the Consolidated Financial Statements and the Parent Company Financial Statements give a true and fair view of the financial position of the Group and the Parent Company at 28 February 2026 and of the results of the Group's and the Parent Company's operations as well as the Consolidated Cash Flows for the fiscal year 1 March 2025 – 28 February 2026 in accordance with the Danish Financial Statements Act.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the Consolidated Financial Statements and the Parent Company Financial Statements" (hereinafter collectively referred to as "the Financial Statements") section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion. 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 the Financial Statements that give a true and fair view in accordance with the Danish Financial Statements Act and for such internal control as Management determines is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error.

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

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

Our objectives are to obtain reasonable assurance as to whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs and additional requirements applicable in Denmark will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Financial Statements.

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

We also:

- Identify and assess the risks of material misstatement of the 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 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 financial statements, our responsibility is to read the Management commentary and, in doing so, consider whether the Management commentary is materially inconsistent with the 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 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, 28 May 2026

Deloitte Statsautoriseret Revisionspartnerselskab,
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