

# Q1 2020 Quarterly Results

TRESU Investment Holding A/S

28 May 2020



BRINGING FLEXOGRAPHIC TECHNOLOGY TO A HIGHER LEVEL

# General information

---

- The interim financial report appended to this presentation is prepared in accordance with IAS 34 'Interim Financial Reporting' as adopted by the EU and additional Danish disclosure requirements for interim financial reports of listed companies
- IFRS 16 Leases standard are implemented as of January 2019.
- The interim financial report has neither been audited nor reviewed
- The statement of profit or loss in this presentation is complemented with a bridge to Adjusted EBITDA for comparability with prior periods
- Please refer to the interim financial report, including the notes to the financial statements, for full details
- This presentation and report will be available at [www.tresu.dk/investor-relations](http://www.tresu.dk/investor-relations)
- The total nominal amount of bonds held by Altor TG AB, a fully-owned subsidiary of Altor Fund IV, as at the publication date of this report is EUR 12,122,500

**Questions can be directed by phone +45 23 41 50 85 to:**

Heidi Thousgaard Jørgensen

Chief Executive Officer

# Executive summary

---

## 1 Progress on turnaround plan

- Good progress on top 5 strategic initiatives

## 2 Q1 '20 results in line with expectations

- Q1 '20 revenue and adj. EBITDA of DKK 95.1m and DKK 8.3m (8.7% margin)

## 3 COVID-19 impact and mitigating actions






- Strong focus on employee safety and business continuity
- Production site and sales offices remained operational throughout Q1
- No P&L impact from COVID-19 in Q1 '20
- Focus short-term on managing capacity and costs (workforce reduction of 30 FTEs)

## 4 Focus mid-term on post-COVID-19 opportunities

- Tresu's strong value proposition remains unchanged
- Continued commitment to turnaround plan
- Liquidity remains healthy and supportive of the turnaround plan

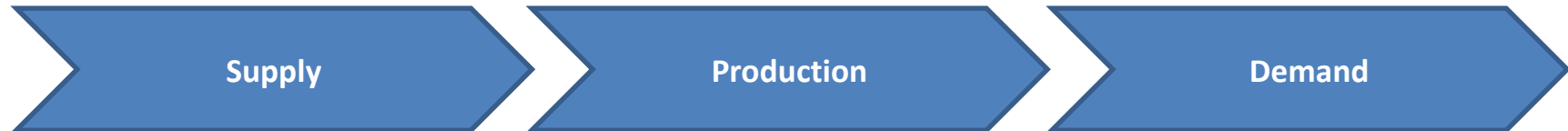
## 5 Financial guidance remains suspended

# Latest status: 5 strategic priorities for turnaround agenda

| Strategic priorities  | Latest status   | Current Status  |
|---|---|-----------------|
|  <p><b>Profitable growth</b></p>                         | <ul style="list-style-type: none"> <li>• Cap sales: Pipeline rebuild ongoing and key account plans being established</li> <li>• Work continues on full Ancillary and Aftermarket strategy for proactive lifecycle management of the installed base and servicing OEMs more extensively</li> </ul> | <b>Ongoing</b>  |
|  <p><b>Project Management</b><br/>secure margins</p>     | <ul style="list-style-type: none"> <li>• Old projects under control and nearing completion</li> <li>• Contract and Project Review Boards running</li> </ul>   | <b>On Track</b> |
|  <p><b>Digital</b><br/>improve profitably</p>            | <ul style="list-style-type: none"> <li>• Good momentum on development work for next generation model with existing key account</li> </ul>   | <b>On Track</b> |
|  <p><b>Supply Chain</b><br/>transform and improve</p>   | <ul style="list-style-type: none"> <li>• New HQ / production facility operational since Aug '19</li> <li>• Transformation agenda now set in motion, with continued focus on ensuring partnership with the right suppliers to ensure high quality and cost savings</li> </ul>                      | <b>On Track</b> |
|  <p><b>Right-Sizing</b><br/>lower break-even point</p> | <ul style="list-style-type: none"> <li>• Right-sizing in Tresu Denmark in Nov '19</li> <li>• Adjustment to current Covid-19 situation in Apr '20</li> </ul>   | <b>On Track</b> |

# COVID-19 impact and mitigating actions

---



- No material impact
- Contingency plans in place

- Employee safety measures in place
- Production site fully operational
- Focus on managing capacity and costs

- Sales offices fully operational
- Capital sales demand impacted across markets and segments
- Focus on Ancillary and aftermarket opportunities
- Focus on servicing our customers using various technological tools

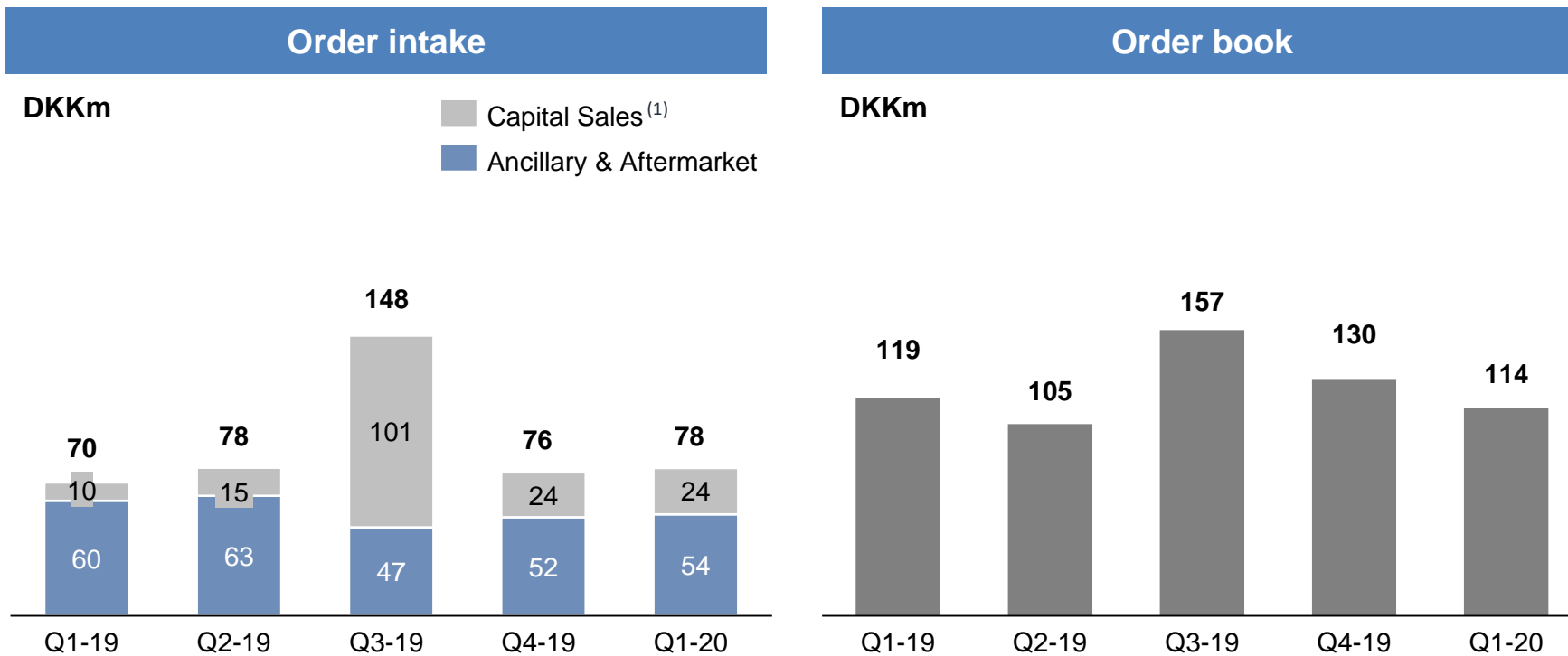
# Q1 '20 reconfirms turnaround effort

| DKKm                              | Q1<br>2020    | Q4<br>2019    |
|-----------------------------------|---------------|---------------|
| <b>Revenue</b>                    | <b>95,1</b>   | <b>98,7</b>   |
| Production costs                  | (83,1)        | (85,7)        |
| <b>Gross profit/(loss)</b>        | <b>12,0</b>   | <b>13,1</b>   |
| Research and development costs    | (1,6)         | (3,0)         |
| Distribution costs                | (11,2)        | (10,9)        |
| Administrative costs              | (11,2)        | (16,0)        |
| Other operating income            | 0,0           | 0,0           |
| Other operating expenses          | 0,0           | (7,5)         |
| <b>Operating profit/(loss)</b>    | <b>(12,0)</b> | <b>(24,2)</b> |
| <b>Adjustments</b>                |               |               |
| D&A                               | 4,0           | 7,1           |
| NRI                               | 1,4           | 9,3           |
| PPA depreciations                 | 12,6          | 10,7          |
| Impairment losses                 | 0,0           | 5,0           |
| IFRS 16 depreciations on leases   | 2,3           | 2,3           |
| <b>Adjusted EBITDA (non IFRS)</b> | <b>8,3</b>    | <b>10,2</b>   |
| NWC                               | 29,4          | 31,3          |
| Net debt                          | 582,6         | 580,7         |
| Available liquidity               | 37,2          | 46,2          |

## Comments

- Q1 '20 revenue and adj. EBITDA of DKK 95.1m and DKK 8.3m (8.7% margin)
- Net debt of DKK 582.6m by end of Q1' 20 (DKK 580.7m by end of Q4 '19); however, positive cash flow from operating activities in Q1 '20
- Liquidity remains healthy and supportive of turnaround plan

# Order intake and order book development



(1) Includes order intake from Digital segment.

# Capital Markets Day in 2020

---

- It has been decided to postpone the company's Capital Markets Day at Tresu's new facility in Kolding scheduled for June 3, 2020
- The decision is made out of respect for bondholder and employee safety, and due to the COVID-19 guidelines regarding events communicated by the Danish authorities
- Given the current uncertainty related to the course of the COVID-19 pandemic a new date for the Capital Markets Day is still to be determined. However, it will expectedly be held in Q3 2020. Once a date is set, a notice with agenda will be published



## Appendix

# Statement of profit or loss

---

| DKKm                                | Q1<br>2020    | Q4<br>2019    |
|-------------------------------------|---------------|---------------|
| <b>Revenue</b>                      | <b>95,1</b>   | <b>98,7</b>   |
| Production costs                    | (83,1)        | (85,7)        |
| <b>Gross profit/(loss)</b>          | <b>12,0</b>   | <b>13,1</b>   |
| Research and development costs      | (1,6)         | (3,0)         |
| Distribution costs                  | (11,2)        | (10,9)        |
| Administrative costs                | (11,2)        | (16,0)        |
| Other operating income              | 0,0           | 0,0           |
| Other operating expenses            | 0,0           | (7,5)         |
| <b>Operating profit/(loss)</b>      | <b>(12,0)</b> | <b>(24,2)</b> |
| Financial income                    | 1,7           | 0,2           |
| Financial expenses                  | (7,9)         | (8,9)         |
| <b>Profit/(loss) before tax</b>     | <b>(18,2)</b> | <b>(33,0)</b> |
| Tax on profit/(loss) for the period | 3,5           | 11,2          |
| <b>Profit/(loss) for the period</b> | <b>(14,7)</b> | <b>(21,8)</b> |

# Statement of financial position

| DKKk   | Mar-20       | Dec-19       |
|--|--------------|--------------|
| Goodwill   | 174,0        | 174,0        |
| Completed development projects                   | 31,4         | 32,2         |
| Patents and licenses*                            | 182,8        | 185,3        |
| Brand  | 37,9         | 37,9         |
| Customer relationship*                           | 132,6        | 139,9        |
| <b>Intangible assets</b>                         | <b>558,7</b> | <b>569,3</b> |
| Land and buildings                               | 0,0          | 0,0          |
| Plant and machinery                              | 38,9         | 43,1         |
| Other fixtures and fittings, tools and equipment | 5,7          | 6,0          |
| Leasehold improvements                           | 3,9          | 4,5          |
| Finance lease - NC                               | 98,1         | 98,0         |
| <b>Property, plant and equipment</b>             | <b>146,5</b> | <b>151,6</b> |
| Deferred tax assets                              | 0,0          | 0,0          |
| Deposits   | 10,1         | 10,1         |
| <b>Other non-current assets</b>                  | <b>10,1</b>  | <b>10,1</b>  |
| <b>Non-current assets</b>                        | <b>715,4</b> | <b>731,1</b> |
| Inventories**                                    | 76,1         | 60,3         |
| Trade receivables                                | 37,4         | 35,3         |
| Contract work in progress**                      | 19,3         | 40,8         |
| Tax receivables                                  | 4,0          | 3,7          |
| Other short-term receivables                     | 7,0          | 6,9          |
| Prepayments                                      | 1,5          | 1,2          |
| <b>Receivables</b>                               | <b>145,2</b> | <b>148,3</b> |
| Cash   | 11,4         | 9,1          |
| Assets as held for sale                          | 11,5         | 11,5         |
| Finance lease - C                                | 0,0          | 0,0          |
| <b>Current assets</b>                            | <b>168,1</b> | <b>168,9</b> |
| <b>Assets</b>                                    | <b>883,5</b> | <b>900,0</b> |

| DKKk   | Mar-20       | Dec-19       |
|--|--------------|--------------|
| Contributed capital                            | 2,9          | 2,9          |
| Other reserves                                 | 3,9          | 5,0          |
| Retained earnings                              | 9,6          | 24,3         |
| <b>Equity</b>                                  | <b>16,4</b>  | <b>32,3</b>  |
| Provisions for deferred tax                    | 51,8         | 55,3         |
| Other provisions                               | 5,2          | 4,7          |
| Corporate bonds                                | 519,4        | 519,1        |
| Finance lease liabilities                      | 88,6         | 88,8         |
| Other payables                                 | 6,9          | 6,0          |
| <b>Non-current liabilities</b>                 | <b>671,8</b> | <b>673,8</b> |
| Current portion of long-term lease liabilities | 10,4         | 9,9          |
| Current portion of long-term other payables    | 0,0          | 0,9          |
| Bank debt                                      | 74,6         | 70,8         |
| Payable group company                          | 8,0          | 8,0          |
| Contract liabilities*                          | 6,6          | 6,8          |
| Trade payables**                               | 62,4         | 64,6         |
| Other payables C                               | 33,3         | 33,0         |
| <b>Current liabilities</b>                     | <b>195,3</b> | <b>194,0</b> |
| <b>Total liabilities</b>                       | <b>867,1</b> | <b>867,8</b> |
| <b>Equity and liabilities</b>                  | <b>883,5</b> | <b>900,0</b> |

# Statement of cash flows

| DKKm   | Q1<br>2020   | Q4<br>2019    |
|--|--------------|---------------|
| Operating profit/loss                                    | (12,0)       | (24,2)        |
| Amortisation, depreciation                               | 16,6         | 20,1          |
| Impairment losses  | 0,0          | 5,0           |
| Other provisions   | 0,4          | (1,4)         |
| Working capital changes                                  | 1,9          | 21,2          |
| <b>Cash flows from ordinary operating activities</b>     | <b>6,9</b>   | <b>20,7</b>   |
| Financial income received                                | 0,2          | 0,1           |
| Financial expenses paid                                  | (5,5)        | (4,5)         |
| Income taxes refunded/paid                               | 0,0          | 0,0           |
| <b>Cash flows from operating activities</b>              | <b>1,5</b>   | <b>16,2</b>   |
| Acquisition etc. of intangible assets                    | (2,5)        | (4,2)         |
| Acquisition etc. of property, plant and equipment        | (0,2)        | (11,7)        |
| Acquisition etc. of financial fixed assets               | 0,0          | 0,0           |
| Proceeds from disposal of financial fixed assets         | 0,0          | 0,1           |
| Disposal of property, plant and equipment                | 0,0          | 5,1           |
| <b>Cash flows from investing activities</b>              | <b>(2,7)</b> | <b>(10,7)</b> |
| Proceeds from (repayments of) related party borrowings   | 0,0          | (0,3)         |
| Leasing  | (0,3)        | (6,5)         |
| Repayment of bank debt                                   | 3,8          | 3,7           |
| Tax exempt contribution received from parent             | 0,0          | 0,0           |
| Corporate bonds  | 0,0          | 0,0           |
| <b>Cash flows from financing activities</b>              | <b>3,5</b>   | <b>(3,1)</b>  |
| <b>Increase/decrease in cash and cash equivalents</b>    | <b>2,3</b>   | <b>2,4</b>    |
| Cash and cash equivalents at the beginning of the period | 9,1          | 6,7           |
| <b>Cash and cash equivalents end of the period</b>       | <b>11,4</b>  | <b>9,1</b>    |
| Cash and cash equivalents at period end are composed of: |              |               |
| Cash   | 11,4         | 9,1           |
| <b>Cash and cash equivalents end of the period</b>       | <b>11,4</b>  | <b>9,1</b>    |

**Tresu Investment Holding A/S**

**Venusvej 44**

**6000 Kolding**

**Company Reg. No. 37553727**

**Interim financial report**

**Q1 2020**

## **Contents**

|   |    |
|---|----|
| Statement by the Board of Directors and the Executive Board on the interim financial report ..... | 3  |
| Management commentary .....   | 4  |
| Consolidated statement of profit or loss and other comprehensive income .....                     | 6  |
| Consolidated statement of financial position - Assets.....  | 8  |
| Consolidated statement of financial position– Equity and Liabilities .....                        | 9  |
| Consolidated statement of changes in equity .....   | 10 |
| Consolidated statement of cash flows .....  | 11 |
| Notes to consolidated interim financial statements .....  | 12 |

## Statement by the Board of Directors and the Executive Board on the interim financial report

The Board of Directors and the Executive Board have today considered and approved the interim financial report of Tresu Investment Holding A/S for the period from 1 January 2020 to 31 March 2020.

The interim financial report is prepared in accordance with IAS 34 'Interim Financial Reporting' as adopted by the EU and additional Danish disclosure requirements for interim financial reports of listed companies. The interim financial report has neither been audited nor reviewed.

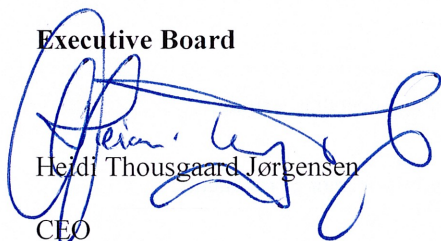
In our opinion, the interim financial report gives a true and fair view of the Group's financial position as at 31 March 2020 and the results of their operations and cash flows for the period from 1 January 2020 to 31 March 2020.

In our opinion, the management commentary includes a fair representation of the development in the Group's business and financial matters, the results for the quarter and of the Group's financial position and the financial position as a whole for the entities included in the consolidated financial statements.

In addition to the disclosures in the interim financial report, no changes in the Group's most significant risks and uncertainties have occurred relative to what was disclosed in the Annual report 2019.

Copenhagen, Denmark, 28 May 2020

### Executive Board



Heidi Thousgaard Jørgensen  
CEO

### Board of Directors



Carsten Nygaard Knudsen

Chairman



Ola Harald Erici



Thomas Stegeager Kvorning



Anders Wilhjelm



Søren Dan Johansen

**Management commentary**

|  | <b>Q1<br/>2020</b> | <b>Q1<br/>2019</b> | <b>2019</b> | <b>2018*</b> |
|--|--------------------|--------------------|-------------|--------------|
| <b>Key figures (DKK'000)</b>                 |                    |                    |             |              |
| Revenue                                      | 95.125             | 100.742            | 388.701     | 338.410      |
| Gross profit/loss                            | 11.976             | 5.876              | 32.996      | (124.883)    |
| Operating profit/loss                        | (11.969)           | (19.750)           | (82.683)    | (324.235)    |
| Net financials                               | (6.199)            | (6.662)            | (32.762)    | (31.829)     |
| Profit/loss for the period                   | (14.690)           | (23.366)           | (91.239)    | (296.313)    |
| Total assets                                 | 883.533            | 897.103            | 900.045     | 932.239      |
| Investments in property, plant and equipment | 227                | 1.457              | 20.912      | 1.061        |
| Equity                                       | 16.397             | 48.414             | 32.253      | 70.583       |
| <b>Ratios</b>                                |                    |                    |             |              |
| Gross margin (%)                             | 12,6               | 5,8                | 8,5         | (36,9)       |
| Net margin (%)                               | (15,4)             | (23,2)             | (23,5)      | (87,6)       |
| Return on equity (%)                         |                    |                    | (177,4)     | (191,8)      |
| Equity ratio (%)                             |                    |                    | 3,6         | 7,6          |
| Return of assets                             |                    |                    | (9,2)       | (34,8)       |

**Ratios****Calculation formula**

|                      |   |  |
|----------------------|---|--|
| Gross margin (%)     | $\frac{\text{Gross profit} \times 100}{\text{Revenue}}$                                     | The entity's operating gearing.                                      |
| Net margin (%)       | $\frac{\text{Profit/loss for the year} \times 100}{\text{Revenue}}$                         | The entity's operating profitability.                                |
| Return on equity (%) | $\frac{\text{Profit/loss for the year} \times 100}{\text{Average equity}}$                  | The entity's return on capital invested in the entity by the owners. |
| Equity ratio (%)     | $\frac{\text{Equity} \times 100}{\text{Total assets}}$                                      | The financial strength of the entity.                                |
| Return of assets (%) | $\frac{\text{Profit before financial income and expenses} \times 100}{\text{Total assets}}$ | Profit from invested capital   |

\*) Financial figures for 2018 are not restated to reflect IFRS 16



## **Q1 2020**

The consolidated revenue for Q1 2020 is DKK 95,1m and Operating loss (EBIT) for Q1 2020 is DKK -12,0m. The result in the Group is impacted by amortization of surplus values capitalized as part of the purchase price allocation. The total amount amortized in Q1 was DKK 12,6m.

At the end of Q1 2020 total assets was DKK 883,5 and total equity amounted to DKK 16,4m.

The financial results of Q1 2020 are in line with expectations.

## **Outlook**

COVID-19 is in the preliminary stage in Europe and the United States and Government Authorities are implementing initiatives to secure the health and wellbeing of the population.

Due to the outbreak of COVID-19 and the financial consequences hereof, Tresu Investment Holding A/S suspends the previous announced financial outlook for the financial year 2020. The previous announced outlook for the Group for 2020 was revenue growth in the area of 5-15%, and an EBITDA margin of 11-15% (adjusted for potential one-off effects).

However, the fundamentals of the primary end-markets we operate in being supplier to the consumer staples sector has historically been relatively resilient against a material change in demand.

**Consolidated statement of profit or loss and other comprehensive income**

| DKK'000   | Note | Q1<br>2020      | Q1<br>2019      | 2019             | 2018             |
|---|------|-----------------|-----------------|------------------|------------------|
| <b>Revenue</b>  | 4    | 95.125          | 100.742         | 388.701          | 338.410          |
| Production costs <sup>A</sup>                                     |      | (83.149)        | (94.866)        | (355.705)        | (463.293)        |
| <b>Gross profit/(loss)</b>  |      | <b>11.976</b>   | <b>5.876</b>    | <b>32.996</b>    | <b>(124.883)</b> |
| Research and development costs                                    |      | (1.556)         | (477)           | (6.311)          | (20.046)         |
| Distribution costs  |      | (11.172)        | (11.491)        | (41.640)         | (50.484)         |
| Administrative costs <sup>B</sup>                                 |      | (11.224)        | (13.758)        | (60.287)         | (126.749)        |
| Other operating income  |      | 6               | 1.231           | 3.131            | 383              |
| Other operating expenses  |      | 0               | (1.131)         | (10.572)         | (2.456)          |
| <b>Operating profit/(loss)</b>                                    |      | <b>(11.969)</b> | <b>(19.750)</b> | <b>(82.683)</b>  | <b>(324.235)</b> |
| Financial income  |      | 1.729           | 946             | 154              | 70               |
| Financial expenses <sup>C</sup>                                   |      | (7.928)         | (7.608)         | (32.916)         | (31.899)         |
| <b>Profit/(loss) before tax <sup>D</sup></b>                      |      | <b>(18.168)</b> | <b>(26.412)</b> | <b>(115.445)</b> | <b>(356.064)</b> |
| Tax on profit/(loss) for the period                               |      | 3.478           | 3.046           | 24.206           | 59.751           |
| <b>Profit/(loss) for the period</b>                               |      | <b>(14.690)</b> | <b>(23.366)</b> | <b>(91.239)</b>  | <b>(296.313)</b> |
| Exchange rate adjustments, foreign companies                      |      | (1.166)         | 1.197           | 2.909            | 3.417            |
| Tax on other comprehensive income                                 |      | -               | -               | -                | -                |
| Other comprehensive income, net of tax                            |      | (1.166)         | 1.197           | 2.909            | 3.417            |
| <b>Total comprehensive income/(loss) for the period</b>           |      | <b>(15.856)</b> | <b>(22.169)</b> | <b>(88.330)</b>  | <b>(292.896)</b> |
| Profit/(loss) for the period attributable to:                     |      |                 |                 |                  |                  |
| Owners of the Company   |      | (14.690)        | (23.366)        | (91.239)         | (296.313)        |
| Total comprehensive income/(loss) for the period attributable to: |      |                 |                 |                  |                  |
| Owners of the Company   |      | (15.856)        | (22.169)        | (88.330)         | (292.896)        |

\*) Financial figures for 2018 are not restated to reflect IFRS 16

Amounts related to the acquisition of Tresu Investment A/S and other non-recurring items:

| DKK'000  | Q1<br>2020    | Q1<br>2019    | Year<br>2019  | Year<br>2018   |
|--|---------------|---------------|---------------|----------------|
| <sup>A</sup> Depreciation on assets acquired (PPA)                             | 12.600        | 12.188        | 47.280        | 60.156         |
| <sup>A</sup> Impairment of Machines and buildings (PPA)                        | -             | -             | 5.000         | 21.550         |
| <sup>B</sup> Other expenses 1)   | 1.376         | 7.145         | 27.690        | 14.950         |
| <sup>B</sup> Impairment of goodwill (PPA)                                      | -             | -             | -             | 75.000         |
| <sup>C</sup> Interest corporate bonds  | 6.608         | 6.601         | 26.644        | 26.391         |
| <sup>D</sup> Tax regarding other expenses, borrowing costs and corporate bonds | -             | -             | (11.953)      | (9.095)        |
| <sup>D</sup> Adjustments deferred tax related to PPA                           | (3.488)       | (2.681)       | (13.911)      | (18.722)       |
|  | <u>17.096</u> | <u>23.253</u> | <u>80.750</u> | <u>170.230</u> |

1) Other expenses include costs for restructuring, listing of the bonds, relocation to new facility.

**Consolidated statement of financial position - Assets**

| DKK'000  | Note | 31 March<br>2020 | 31 March<br>2019 | 31 December<br>2019 |
|--|------|------------------|------------------|---------------------|
| Goodwill   |      | 174.000          | 174.000          | 174.000             |
| Completed development projects                   |      | 31.402           | 30.795           | 32.213              |
| Patents and licenses*                            |      | 182.756          | 198.338          | 185.300             |
| Brand  |      | 37.900           | 37.900           | 37.900              |
| Customer relationship*                           |      | 132.642          | 161.754          | 139.920             |
| <b>Intangible assets</b>                         |      | <b>558.700</b>   | <b>602.787</b>   | <b>569.333</b>      |
| Land and buildings                               |      | 0                | 3.636            | -                   |
| Plant and machinery                              |      | 38.870           | 44.151           | 43.130              |
| Other fixtures and fittings, tools and equipment |      | 5.658            | 2.457            | 6.027               |
| Leasehold improvements                           |      | 3.930            | 2.029            | 4.505               |
| Finance lease                                    |      | 98.076           | 3.051            | 97.980              |
| <b>Property, plant and equipment</b>             |      | <b>146.534</b>   | <b>55.324</b>    | <b>151.642</b>      |
| Deferred tax assets                              |      | -                | -                | -                   |
| Deposits   |      | 10.137           | 10.443           | 10.134              |
| <b>Other non-current assets</b>                  |      | <b>10.137</b>    | <b>10.443</b>    | <b>10.134</b>       |
| <b>Non-current assets</b>                        |      | <b>715.371</b>   | <b>668.554</b>   | <b>731.110</b>      |
| Inventories**                                    |      | 76.133           | 76.559           | 60.329              |
| Trade receivables                                |      | 37.362           | 58.867           | 35.284              |
| Contract work in progress**                      |      | 19.264           | 64.222           | 40.755              |
| Tax receivables                                  |      | 3.993            | 13               | 3.739               |
| Other short-term receivables                     |      | 6.975            | 8.203            | 6.948               |
| Prepayments                                      |      | 1.520            | 1.589            | 1.248               |
| <b>Receivables</b>                               |      | <b>145.247</b>   | <b>209.453</b>   | <b>148.303</b>      |
| <b>Cash</b>                                      |      | <b>11.397</b>    | <b>5.040</b>     | <b>9.115</b>        |
| Assets as held for sale                          |      | 11.518           | 13.000           | 11.518              |
| Finance lease                                    |      | -                | 1.056            | -                   |
| <b>Current assets</b>                            |      | <b>168.162</b>   | <b>228.549</b>   | <b>168.936</b>      |
| <b>Assets</b>                                    |      | <b>883.533</b>   | <b>897.103</b>   | <b>900.045</b>      |

\*) Decrease due to recurring amortization

\*\*) Increase/Decrease due to normal operation

**Consolidated statement of financial position– Equity and Liabilities**

| DKK'000   | Notes | 31 March<br>2020 | 31 March<br>2019 | 31 December<br>2019 |
|---|-------|------------------|------------------|---------------------|
| Contributed capital                               |       | 2.922            | 2.922            | 2.922               |
| Other reserves                                    |       | 3.854            | 3.308            | 5.020               |
| Retained earnings                                 |       | 9.621            | 42.184           | 24.311              |
| <b>Equity</b>                                     |       | <b>16.397</b>    | <b>48.414</b>    | <b>32.253</b>       |
| Provisions for deferred tax                       |       | 51.793           | 75.546           | 55.272              |
| Other provisions                                  |       | 5.159            | 6.315            | 4.742               |
| Corporate bonds                                   |       | 519.409          | 517.131          | 519.062             |
| Finance lease liabilities                         |       | 88.557           | 2.717            | 88.772              |
| Other payables                                    |       | 6.874            | 7.348            | 5.978               |
| <b>Non-current liabilities</b>                    |       | <b>671.792</b>   | <b>609.057</b>   | <b>673.826</b>      |
| Current portion of long-term<br>lease liabilities |       | 10.450           | 1.612            | 9.930               |
| Current portion of long-term<br>other payables    |       | -                | -                | 896                 |
| Bank debt   |       | 74.555           | 87.726           | 70.753              |
| Payable group company                             |       | 8.000            | -                | 8.000               |
| Contract liabilities**                            |       | 6.577            | 11.370           | 6.798               |
| Trade payables**                                  |       | 62.446           | 93.168           | 64.568              |
| Income tax payable                                |       | -                | (377)            | -                   |
| Other payables                                    |       | 33.316           | 46.133           | 33.021              |
| <b>Current liabilities</b>                        |       | <b>195.344</b>   | <b>239.632</b>   | <b>193.966</b>      |
| <b>Total liabilities</b>                          |       | <b>867.136</b>   | <b>848.689</b>   | <b>867.792</b>      |
| <b>Equity and liabilities</b>                     |       | <b>883.533</b>   | <b>897.103</b>   | <b>900.045</b>      |

\*) Increase due to normal operation

\*\*\*) Decrease due to normal operation

**Consolidated statement of changes in equity****Consolidated statement of changes in equity**

| DKK'000                         | <b>Contributed capital</b> | <b>Other reserves*</b> | <b>Retained earnings</b> | <b>Total</b>  |
|---------------------------------|----------------------------|------------------------|--------------------------|---------------|
| <b>Equity at 1 January 2019</b> | 2.922                      | 2.111                  | 65.550                   | 70.583        |
| Profit for the period           | -                          | -                      | (23.366)                 | (23.366)      |
| Other comprehensive income      | -                          | 1.197                  | -                        | 1.197         |
| Tax exempt contribution         | -                          | -                      | -                        | -             |
| <b>Equity at 31 March 2019</b>  | <b>2.922</b>               | <b>3.308</b>           | <b>42.184</b>            | <b>48.414</b> |

**Consolidated statement of changes in equity**

| DKK'000                         | <b>Contributed capital</b> | <b>Other reserves*</b> | <b>Retained earnings</b> | <b>Total</b>  |
|---------------------------------|----------------------------|------------------------|--------------------------|---------------|
| <b>Equity at 1 January 2020</b> | 2.922                      | 5.020                  | 24.311                   | 32.253        |
| Profit for the period           | -                          | -                      | (14.690)                 | (14.690)      |
| Other comprehensive income      | -                          | (1.166)                | -                        | (1.166)       |
| Tax exempt contribution         | -                          | -                      | -                        | -             |
| <b>Equity at 31 March 2020</b>  | <b>2.922</b>               | <b>3.854</b>           | <b>9.621</b>             | <b>16.397</b> |

\*) Other reserves consist of exchange differences on translating foreign companies.

**Consolidated statement of cash flows**

| DKK'000  | <b>Q1<br/>2020</b> | <b>Q1<br/>2019</b> | <b>Year<br/>2019</b> |
|--|--------------------|--------------------|----------------------|
| Operating profit/loss                                    | (11.969)           | (19.750)           | (82.683)             |
| Amortisation, depreciation                               | 16.580             | 15.460             | 71.246               |
| Impairment losses  | -                  | -                  | 5.000                |
| Other provisions   | 417                | (361)              | (2.582)              |
| Working capital changes                                  | 1.886              | 23.591             | 48.945               |
| <b>Cash flows from ordinary operating activities</b>     | <b>6.914</b>       | <b>18.940</b>      | <b>39.926</b>        |
| Financial income received                                | 133                | 47                 | 69                   |
| Financial expenses paid                                  | (5.531)            | (6.708)            | (28.533)             |
| Income taxes refunded/paid                               | -                  | -                  | -                    |
| <b>Cash flows from operating activities</b>              | <b>1.516</b>       | <b>12.279</b>      | <b>11.462</b>        |
| Acquisition etc. of intangible assets                    | (2.467)            | (238)              | (6.369)              |
| Acquisition etc. of property, plant and equipment        | (227)              | (226)              | (20.912)             |
| Acquisition etc. of financial fixed assets               | -                  | 7                  | -                    |
| Proceeds from disposals of financial fixed assets        | -                  | 0                  | 320                  |
| Proceeds from disposals of plant and equipment           | -                  | 0                  | 5.168                |
| <b>Cash flows from investing activities</b>              | <b>(2.694)</b>     | <b>(457)</b>       | <b>(21.793)</b>      |
| Proceeds from (repayment of) related party borrowings    | -                  | -                  | (325)                |
| Leasing  | (342)              | -                  | (6.474)              |
| Repayment of bank debt                                   | 3.802              | (12.855)           | (29.828)             |
| Tax exempt contribution received from parent             | -                  | -                  | 50.000               |
| Corporate bonds  | -                  | -                  | -                    |
| <b>Cash flows from financing activities</b>              | <b>3.460</b>       | <b>(12.855)</b>    | <b>13.373</b>        |
| <b>Increase/decrease in cash and cash equivalents</b>    | <b>2.282</b>       | <b>(1.033)</b>     | <b>3.042</b>         |
| Cash and cash equivalents at the beginning of the period | 9.115              | 6.073              | 6.073                |
| <b>Cash and cash equivalents end of the period</b>       | <b>11.397</b>      | <b>5.040</b>       | <b>9.115</b>         |
| Cash and cash equivalents at period end are composed of: |                    |                    |                      |
| Cash   | 11.397             | 5.040              | 9.115                |
| <b>Cash and cash equivalents end of the period</b>       | <b>11.397</b>      | <b>5.040</b>       | <b>9.115</b>         |

## Notes to the consolidated interim financial statements

### Overview notes

|   |    |
|---|----|
| 1. Basis of preparation.....                                    | 13 |
| 2. Changes in significant accounting policies .....             | 13 |
| 3. Use of estimates and judgement .....                         | 13 |
| 4. Revenue .....  | 14 |
| 5. Assets held for sale.....                                    | 15 |
| 6. Financial instruments – Fair values and risk management..... | 15 |
| 7. Commitments and contingencies.....                           | 16 |
| 8. Related parties .....  | 16 |
| 9. Subsequent events .....                                      | 16 |
| 10. Accounting policies .....                                   | 16 |



## Notes

### 1. Basis of preparation

This interim financial report comprises condensed unaudited consolidated financial statements of Tresu Investment Holding A/S and its subsidiaries.

As of 21 June 2017 Tresu Investment Holding A/S, ultimately majority-owned by the private equity fund, Altor Fund IV Holding AB, acquired Tresu Investment A/S and its subsidiaries through the purchase of the entire share capital of Tresu Investment A/S, also a Danish company.

The unaudited interim consolidated financial statements for Q1 2020 have been prepared in accordance with IAS 34 *Interim Financial Reporting*, and additional Danish disclosure requirements for interim financial reports of listed companies, and should be read in conjunction with the Group's last annual consolidated financial statements as at and for the year ended 31 December 2019 ('last annual financial statements'). They do not include all of the information required for a complete set of IFRS financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to understanding the changes in the Group's financial position and performance since the last annual financial statements.

The consolidated financial statements are presented in Danish Kroner, which is the Parent Company's functional currency.

### 2. Changes in significant accounting policies

#### **New standards, interpretations and amendments adopted by the Group**

No additional standards have been implemented in the period, only amendments and improvements to existing standards. These changes have no impact on the Group.

### 3. Use of estimates and judgement

Management of the Company has made a number of estimates and assumptions related to the reporting of assets and liabilities and the disclosure of contingent assets and liabilities in the preparation of these consolidated interim financial statements in conformity with IFRS. Actual results could differ from those estimates.

Impairment test includes estimated future cash flow and discounting rate.

The estimates and underlying assumptions are reviewed on an ongoing basis. Significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those described in the last annual financial statements.

#### 4. Revenue

| DKK'000  | <b>Q1<br/>2020</b> | <b>Q1<br/>2019</b> | <b>2019</b>    | <b>2018</b>    |
|--|--------------------|--------------------|----------------|----------------|
| Sale of goods  | 41.679             | 62.664             | 224.578        | 174.976        |
| Sale of service  | 3.078              | 2.033              | 9.685          | 23.152         |
| Income from contract work in progress (turnkey projects) | 50.368             | 36.045             | 154.438        | 140.282        |
| <b>Revenue</b>   | <b>95.125</b>      | <b>100.742</b>     | <b>388.701</b> | <b>338.410</b> |

#### Disaggregation of revenue

In the following table, revenue is disaggregated by major products and service lines, geographical market and timing of revenue recognition. As mentioned in Note 2 effects of IFRS 15 have been analysed and it has been concluded that the standard only has an insignificant effect on recognition and measurement concerning revenue.

| Reportable segment<br>DKK'000                        | <b>Revenue external customer</b> |                    |                |                |
|--|----------------------------------|--------------------|----------------|----------------|
|  | <b>Q1<br/>2020</b>               | <b>Q1<br/>2019</b> | <b>2019</b>    | <b>2018</b>    |
| <b>Primary geographical markets</b>                  |                                  |                    |                |                |
| Denmark  | 1.405                            | 1.850              | 7.011          | 6.605          |
| Europe   | 65.460                           | 52.169             | 227.869        | 153.163        |
| Americas   | 12.849                           | 32.957             | 99.807         | 102.895        |
| Asia   | 11.634                           | 5.654              | 28.002         | 37.984         |
| Middle East and Africa                               | 3.702                            | 8.205              | 25.875         | 37.201         |
| Other markets  | 75                               | 1                  | 137            | 562            |
|  | <b>95.125</b>                    | <b>100.836</b>     | <b>388.701</b> | <b>338.410</b> |
| <b>Major products/service lines</b>                  |                                  |                    |                |                |
| In-line flexo printing machines                      | 65.660                           | 65.724             | 261.779        | 213.281        |
| Ancillary products                                   | 29.465                           | 35.112             | 126.922        | 125.129        |
|  | <b>95.125</b>                    | <b>100.836</b>     | <b>388.701</b> | <b>338.410</b> |
| <b>Timing of revenue recognition</b>                 |                                  |                    |                |                |
| Products and services transferred at a point in time | 44.757                           | 64.783             | 234.263        | 198.128        |
| Products transferred over time                       | 50.368                           | 36.053             | 154.438        | 140.282        |
|  | <b>95.125</b>                    | <b>100.836</b>     | <b>388.701</b> | <b>338.410</b> |

## 5. Asset held for sale

In addition to the corporate building in DK, the Company listed the US property as asset held for sale in December 2019, due to relocation to more modern facilities in 2020.

## 6. Financial instruments

| DKK'000   | 31 March 2020  | 31 March 2019  |
|---|----------------|----------------|
| <b>Categories of financial instruments</b>              |                |                |
| Deposits  | 10.137         | 10.443         |
| Trade receivables                                       | 37.362         | 58.867         |
| Other short-term receivables                            | 6.974          | 8.203          |
| Prepayments   | 1.520          | 1.589          |
| Cash  | 11.397         | 5.040          |
| <b>Assets at amortized costs</b>                        | <b>67.390</b>  | <b>84.757</b>  |
| Corporate bonds   | 519.409        | 517.131        |
| Finance lease liabilities                               | 99.007         | 4.329          |
| Non-current other payables                              | -              | -              |
| Bank debt   | 74.555         | 87.726         |
| Trade payables  | 62.446         | 22.964         |
| Other payables  | 33.316         | 116.337        |
| <b>Financial liabilities measured at amortized cost</b> | <b>788.732</b> | <b>748.487</b> |

### Financial risks

Financial risks, including market, currency, interest, liquidity and credit risks are consistent with those disclosed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2019.

## **7. Commitments and contingencies**

The Group has since August 2019 leased the facilities on Venusvej in Kolding.

The Group has paid an initial amount of DKK 10m in deposit.

The lease contract includes a non-termination period until October 2033 and the future minimum payments according to the contract is DKK 109,1m for this period.

## **8. Related parties**

The following parties have a controlling interest:

- Harald Mix, Bragevägen 4, Stockholm, indirect real owner
- Altor Fund IV (No.1) AB, Stockholm, shareholder
- Altor Fund IV (No.2) AB, Stockholm, shareholder
- Altor Fund IV Holding AB, Stockholm, shareholder, ultimate owner
- Tresu Group Holding A/S, CVR-no. 37752088, Kolding, shareholder, parent

## **9. Subsequent events**

In Q2, US property has been sold.

## **10. Accounting policies**

Except as described in note 2, the accounting policies applied in these interim financial statements are the same as those applied in the Group's consolidated financial statements as at and for the year ended 31 December 2019.