

# Q2 2020 Quarterly Results

TRESU Investment Holding A/S

20 August 2020



BRINGING FLEXOGRAPHIC TECHNOLOGY TO A HIGHER LEVEL

# General information

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- 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

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## 1 Progress on turnaround plan

- Good progress on top 5 strategic initiatives, but growth slowed by Covid-19

## 2 Q2 '20 results in line with expectations

- Q2 '20 revenue and adj. EBITDA of DKK 74.6m and DKK 14.5m (19.4% margin)
- Margin driven higher by business mix, supply savings and solid execution on backlog projects
- Solid order intake YTD taking into account current Covid-19 situation, but difficult to close new capital sales projects. Also upgrades effected by the travelling limitations
- Solid cash flow generation in Q2

## 3 COVID-19 impact and mitigating actions






- Continued strong focus on employee safety and business continuity
- Production site and sales offices remained operational throughout Q2
- Focus short-term on managing capacity and costs

## 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 reinstated

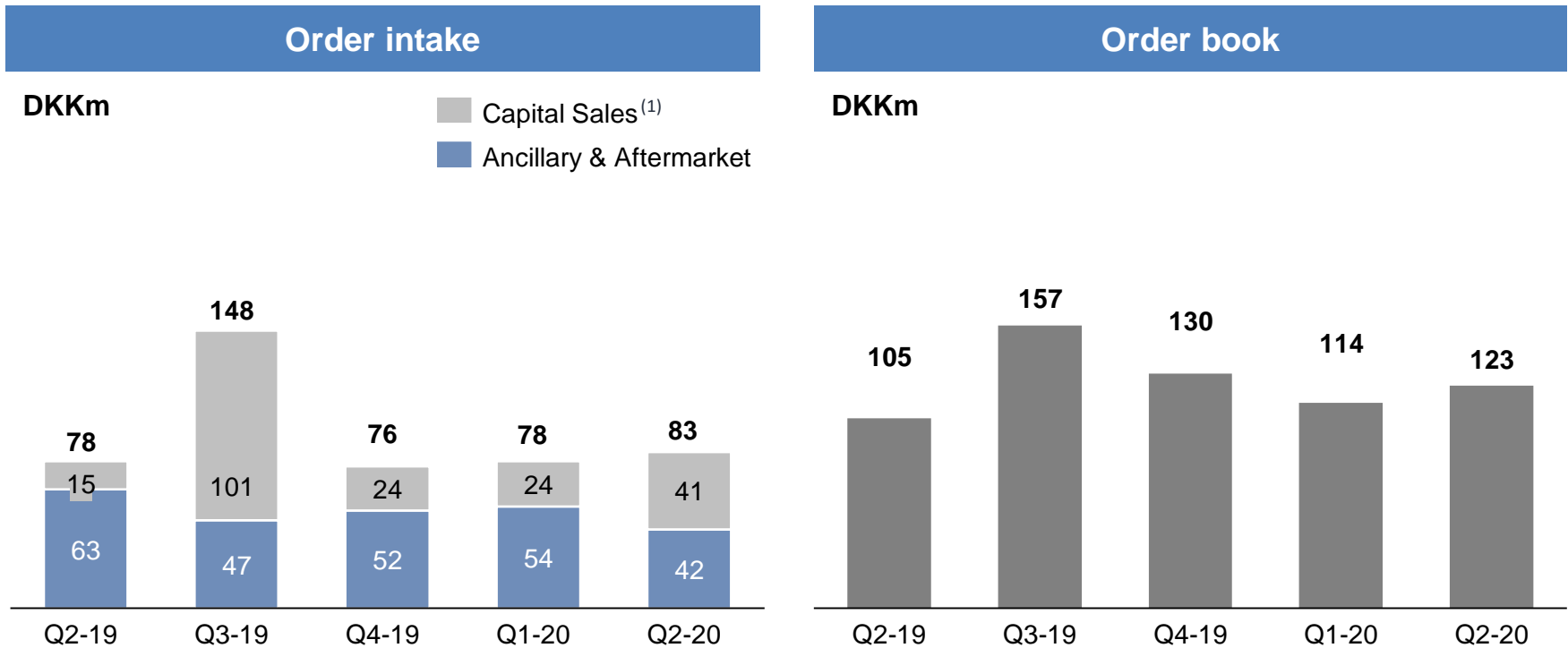
# Latest status: 5 strategic priorities for turnaround agenda

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> 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> improve profitably</p>	<ul style="list-style-type: none"> <li>• Good momentum on development work for next generation model with existing key account</li> <li>• Launch impacted by Covid-19</li> </ul>	<b>On Track</b>
 <p><b>Supply Chain</b> transform and improve</p>	<ul style="list-style-type: none"> <li>• Transformation agenda now set in motion, with continued focus on ensuring partnership with the right suppliers to ensure high quality and cost savings, and we have started to see the effect in the results</li> </ul>	<b>On Track</b>
 <p><b>Right-Sizing</b> lower break-even point</p>	<ul style="list-style-type: none"> <li>• Adjustment to current Covid-19 situation in Apr '20 and Jun '20</li> </ul>	<b>On Track</b>

## Q2 '20 reconfirms turnaround effort

DKKm	Q2 2020	Q1 2020	Comments
<b>Revenue</b>	<b>74,6</b>	<b>95,1</b>	• Q2 '20 revenue and adj. EBITDA of DKK 74.6m and DKK 14.5m (19.4% margin)
Production costs	(59,1)	(83,1)	
<b>Gross profit/(loss)</b>	<b>15,5</b>	<b>12,0</b>	• Net debt of DKK 566.4m by end of Q2' 20 (DKK 582.6m by end of Q1 '20); healthy positive cash flow from operating activities in Q2 '20
Research and development costs	(2,1)	(1,6)	
Distribution costs	(8,8)	(11,2)	
Administrative costs	(16,8)	(11,2)	
Other operating income	3,6	0,0	
Other operating expenses	0,0	0,0	
<b>Operating profit/(loss)</b>	<b>(8,6)</b>	<b>(12,0)</b>	
<b>Adjustments</b>			• Liquidity remains healthy and supportive of turnaround plan
D&A	3,9	4,0	
NRI	5,2	1,4	
PPA depreciations	11,6	12,6	
Impairment losses	0,0	0,0	
IFRS 16 depreciations on leases	2,4	2,3	
<b>Adjusted EBITDA (non IFRS)</b>	<b>14,5</b>	<b>8,3</b>	
NWC	14,6	29,4	
Net debt	566,4	582,6	
Available liquidity	50,5	37,2	

# Order intake and order book development



(1) Includes order intake from Digital segment.

# Updated financial outlook 2020

## 2020 Key metrics

Revenue

● — **Approx. -15 to -25%** — ●

Adj.  
EBITDA  
margin

● — **9,5 to 12,5%** — ●  
(2019: 5,5%)

Available  
liquidity

Liquidity remains healthy and supportive  
of turnaround plan

## Drivers

- Solid order intake YTD taking into account current Covid-19 situation, but difficult to close new capital sales projects. Also upgrades effected by the travelling limitations
- No margin leakage on old projects
- Business mix
- Supply chain efficiencies
- Cost base right sizing
- EBITDA growth
- Working capital release
- Decreasing extraordinary costs
- Sale of real estate in both Denmark and North America

# Capital Markets Day in 2020

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- Given the continued 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 Q4 2020. Once a date is set, a notice with agenda will be published



## Appendix

# Statement of profit or loss

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DKKm	Q2 2020	Q1 2020
<b>Revenue</b>	<b>74,6</b>	<b>95,1</b>
Production costs	(59,1)	(83,1)
<b>Gross profit/(loss)</b>	<b>15,5</b>	<b>12,0</b>
Research and development costs	(2,1)	(1,6)
Distribution costs	(8,8)	(11,2)
Administrative costs	(16,8)	(11,2)
Other operating income	3,6	0,0
Other operating expenses	0,0	0,0
<b>Operating profit/(loss)</b>	<b>(8,6)</b>	<b>(12,0)</b>
Financial income	(0,2)	1,7
Financial expenses	(8,7)	(7,9)
<b>Profit/(loss) before tax</b>	<b>(17,5)</b>	<b>(18,2)</b>
Tax on profit/(loss) for the period	3,5	3,5
<b>Profit/(loss) for the period</b>	<b>(14,0)</b>	<b>(14,7)</b>

# Statement of financial position

DKKm	Jun-20	Mar-20
Goodwill	174,0	174,0
Completed development projects	30,8	31,4
Patents and licenses*	178,1	182,8
Brand	37,9	37,9
Customer relationship*	126,0	132,6
<b>Intangible assets</b>	<b>546,8</b>	<b>558,7</b>
Land and buildings	0,0	0,0
Plant and machinery	37,4	38,9
Other fixtures and fittings, tools and equipment	5,0	5,7
Leasehold improvements	3,8	3,9
Finance lease - NC	97,0	98,1
<b>Property, plant and equipment</b>	<b>143,2</b>	<b>146,5</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>700,1</b>	<b>715,4</b>
Inventories**	59,9	76,1
Trade receivables	26,0	37,4
Contract work in progress**	35,4	19,3
Tax receivables	4,0	4,0
Other short-term receivables	8,3	7,0
Prepayments	4,5	1,5
<b>Receivables</b>	<b>138,2</b>	<b>145,2</b>
Cash	21,5	11,4
Assets as held for sale	8,0	11,5
Finance lease - C	0,0	0,0
<b>Current assets</b>	<b>167,7</b>	<b>168,1</b>
<b>Assets</b>	<b>867,8</b>	<b>883,5</b>

DKKm	Jun-20	Mar-20
Contributed capital	2,9	2,9
Other reserves	6,2	3,9
Retained earnings	(4,4)	9,6
<b>Equity</b>	<b>4,7</b>	<b>16,4</b>
Provisions for deferred tax	48,3	51,8
Other provisions	4,9	5,2
Corporate bonds	519,8	519,4
Finance lease liabilities	87,6	88,6
Other payables	6,9	6,9
<b>Non-current liabilities</b>	<b>667,5</b>	<b>671,8</b>
Current portion of long-term lease liabilities	10,3	10,4
Current portion of long-term other payables	0,0	0,0
Bank debt	68,2	74,6
Payable group company	8,0	8,0
Contract liabilities*	12,7	6,6
Trade payables**	53,2	62,4
Other payables C	43,1	33,3
<b>Current liabilities</b>	<b>195,6</b>	<b>195,3</b>
<b>Total liabilities</b>	<b>863,1</b>	<b>867,1</b>
<b>Equity and liabilities</b>	<b>867,8</b>	<b>883,5</b>

# Statement of cash flows

DKKm	Q2 2020	Q1 2020	YTD 2020
Operating profit/loss	(8,6)	(12,0)	(20,6)
Amortisation, depreciation	15,8	16,6	32,4
Impairment losses	0,0	0,0	0,0
Other provisions	(0,3)	0,4	0,1
Working capital changes	14,8	1,9	16,7
<b>Cash flows from ordinary operating activities</b>	<b>21,7</b>	<b>6,9</b>	<b>28,7</b>
Financial income received	(0,2)	0,2	(0,0)
Financial expenses paid	(9,9)	(5,5)	(15,5)
Income taxes refunded/paid	0,0	0,0	0,0
<b>Cash flows from operating activities</b>	<b>11,6</b>	<b>1,5</b>	<b>13,2</b>
Acquisition etc. of intangible assets	2,2	(2,5)	(0,2)
Acquisition etc. of property, plant and equipment	(5,5)	(0,2)	(5,7)
Acquisition etc. of financial fixed assets	0,0	0,0	0,0
Proceeds from disposal of financial fixed assets	0,0	0,0	0,0
Disposal of property, plant and equipment	8,1	0,0	8,1
<b>Cash flows from investing activities</b>	<b>4,9</b>	<b>(2,7)</b>	<b>2,2</b>
Proceeds from (repayments of) related party borrowings	0,0	0,0	0,0
Leasing	(0,1)	(0,3)	(0,4)
Repayment of bank debt	(6,4)	3,8	(2,6)
Tax exempt contribution received from parent	0,0	0,0	0,0
Corporate bonds	0,0	0,0	0,0
<b>Cash flows from financing activities</b>	<b>(6,4)</b>	<b>3,5</b>	<b>(3,0)</b>
<b>Increase/decrease in cash and cash equivalents</b>	<b>10,1</b>	<b>2,3</b>	<b>12,4</b>
Cash and cash equivalents at the beginning of the period	11,4	9,1	9,1
<b>Cash and cash equivalents end of the period</b>	<b>21,5</b>	<b>11,4</b>	<b>21,5</b>
Cash and cash equivalents at period end are composed of:			
Cash	21,5	11,4	11,4
<b>Cash and cash equivalents end of the period</b>	<b>21,5</b>	<b>11,4</b>	<b>21,5</b>

**Tresu Investment Holding A/S**

**Venusvej 44**

**6000 Kolding**

**Company Reg. No. 37553727**

**Interim financial report**

**Q2 2020**

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## 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 April 2020 to 30 June 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.

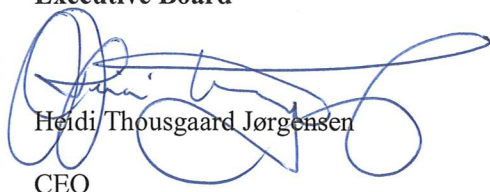
In our opinion, the interim financial report gives a true and fair view of the Group's financial position as at 30 June 2020 and the results of their operations and cash flows for the period from 1 January 2020 to 30 June 2020.

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.

Kolding, Denmark, 20 August 2020

### Executive Board

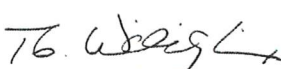


Heidi Thousgaard Jørgensen  
CEO

### Board of Directors



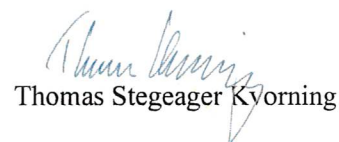
Jean-Marc Lechêne  
Chairman



Anders Wilhøj



Ola Harald Erici



Thomas Stegeager Kyorning



Søren Dan Johansen

**Management commentary**

	<b>Q2 2020</b>	<b>Q2 2019</b>	<b>1/1-30/6 2020</b>	<b>01/1-30/6 2019</b>	<b>2019</b>
<b>Key figures (DKK'000)</b>					
Revenue	74.601	92.088	169.727	192.830	388.701
Gross profit/loss	15.464	5.956	27.441	11.832	32.996
Operating profit/loss	(8.601)	(21.307)	(20.571)	(41.057)	(82.683)
Net financials	(8.915)	(8.147)	(15.114)	(14.809)	(32.762)
Profit/loss for the period	(14.039)	(23.994)	(28.729)	(47.360)	(91.239)
Total assets	867.772	874.170	867.772	874.170	900.045
Investments in property, plant and equipment	5.716	3.133	5.716	4.590	20.912
Equity	4.697	75.581	4.697	75.581	32.253
<b>Ratios</b>					
Gross margin (%)	20,7	6,5	16,2	6,1	8,5
Net margin (%)	(18,8)	(26,7)	(16,9)	(24,6)	(23,5)
Return on equity (%)			(71,6)	(38,3)	(177,4)
Equity ratio (%)			0,5	8,6	3,6
Return of assets			(2,4)	(4,7)	(9,2)

**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



## **Q2 2020**

The consolidated revenue for Q2 2020 is DKK 74,6m and Operating loss (EBIT) for Q2 2020 is DKK -8,6m. 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 Q2 was DKK 11,7m.

The consolidated revenue for YTD 2020 is DKK 169,7m and Operating loss (EBIT) for YTD 2020 is DKK -20,6m. 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 YTD 2020 was DKK 24,3m.

At the end of Q2 2020 total assets was DKK 867,8 and total equity amounted to DKK 4,7m.

The financial results of Q2 2020 are in line with expectations.

## **Outlook**

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

While the future impact of the COVID-19 outbreak remains uncertain, increased visibility with regards to the outlook for the second half of 2020 has now been established. Tresu Investment Holding A/S therefore reinstates a financial outlook for the financial year 2020 with expected revenue decline of approximately 15-25% and an EBITDA margin of 9,5-12,5% (adjusted for potential one-off effects).

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

DKK'000	Note	Q2 2020	Q2 2019	1/1-30/6 2020	1/1-30/6 2019	2019
<b>Revenue</b>	4	74.601	92.088	169.727	192.830	388.701
Production costs <sup>A</sup>		(59.137)	(86.132)	(142.286)	(180.998)	(355.705)
<b>Gross profit/(loss)</b>		<b>15.464</b>	<b>5.956</b>	<b>27.441</b>	<b>11.832</b>	<b>32.996</b>
Research and development costs		(2.052)	(1.360)	(3.609)	(1.837)	(6.311)
Distribution costs		(8.771)	(8.878)	(19.943)	(20.369)	(41.640)
Administrative costs <sup>B</sup>		(16.807)	(17.037)	(28.030)	(30.795)	(60.287)
Other operating income		3.564	460	3.570	1.691	3.131
Other operating expenses		0	(448)	0	(1.579)	(10.572)
<b>Operating profit/(loss)</b>		<b>(8.602)</b>	<b>(21.307)</b>	<b>(20.571)</b>	<b>(41.057)</b>	<b>(82.683)</b>
Financial income		(167)	0	1.562	303	154
Financial expenses <sup>C</sup>		(8.748)	(8.147)	(16.676)	(15.112)	(32.916)
<b>Profit/(loss) before tax <sup>D</sup></b>		<b>(17.517)</b>	<b>(29.454)</b>	<b>(35.685)</b>	<b>(55.866)</b>	<b>(115.445)</b>
Tax on profit/(loss) for the period		3.478	5.460	6.957	8.506	24.206
<b>Profit/(loss) for the period</b>		<b>(14.039)</b>	<b>(23.994)</b>	<b>(28.728)</b>	<b>(47.360)</b>	<b>(91.239)</b>
Exchange rate adjustments, foreign companies*		-632	1.162	-135	2.358	2.909
Revaluation of property, plant and equipment*		2.970	-	1.307	-	-
Tax on other comprehensive income		-	-	-	-	-
Other comprehensive income, net of tax		2.338	1.162	1.172	2.358	2.909
<b>Total comprehensive income/(loss) for the period</b>		<b>(11.701)</b>	<b>(22.832)</b>	<b>(27.556)</b>	<b>(45.002)</b>	<b>(88.330)</b>
Profit/(loss) for the period attributable to:						
Owners of the Company		(14.039)	(23.994)	(28.728)	(47.360)	(91.239)
Total comprehensive income/(loss) for the period attributable to:						
Owners of the Company		(11.701)	(22.832)	(27.556)	(45.002)	(88.330)

\*) Financial figures for 2019 are not restated to reflect split of comprehensive income

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

DKK'000	<b>Q2 2020</b>	<b>Q2 2019</b>	<b>1/1-30/6 2020</b>	<b>1/1-30/6 2019</b>	<b>1/1-31/12 2019</b>
<sup>A</sup> Depreciation on assets acquired (PPA)	11.656	12.187	24.256	24.375	47.280
<sup>A</sup> Impairment of Machines and buildings (PPA)	-	-	-	-	5.000
<sup>B</sup> Other expenses 1)	5.244	4.555	6.620	11.700	27.690
<sup>B</sup> Impairment of goodwill (PPA)	-	-	-	-	-
<sup>C</sup> Interest corporate bonds	6.597	6.608	13.205	13.209	26.644
<sup>D</sup> Tax regarding other expenses, borrowing costs and corporate bonds	-	(2.456)	-	(5.480)	(11.953)
<sup>D</sup> Adjustments deferred tax related to PPA	<u>(3.467)</u>	<u>(2.682)</u>	<u>(6.955)</u>	<u>(5.363)</u>	<u>(13.911)</u>
	20.030	18.212	37.126	38.441	80.750

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

**Consolidated statement of financial position - Assets**

DKK'000	Note	30 June 2020	30 June 2019	31 December 2019
Goodwill		174.000	174.000	174.000
Completed development projects		30.765	28.805	32.213
Patents and licenses*		178.082	194.191	185.300
Brand		37.900	37.900	37.900
Customer relationship*		126.020	154.476	139.920
<b>Intangible assets</b>		<b>546.767</b>	<b>589.372</b>	<b>569.333</b>
Land and buildings		-	4.910	-
Plant and machinery		37.402	39.484	43.130
Other fixtures and fittings, tools and equipment		5.000	2.690	6.027
Leasehold improvements		3.789	5.989	4.505
Finance lease		96.994	2.851	97.980
<b>Property, plant and equipment</b>		<b>143.185</b>	<b>55.924</b>	<b>151.642</b>
Deferred tax assets		-	-	-
Deposits		10.134	10.347	10.134
<b>Other non-current assets</b>		<b>10.134</b>	<b>10.347</b>	<b>10.134</b>
<b>Non-current assets</b>		<b>700.086</b>	<b>655.643</b>	<b>731.109</b>
Inventories**		59.939	97.753	60.329
Trade receivables		26.011	40.865	35.284
Contract work in progress**		35.389	42.993	40.755
Tax receivables		3.993	3.253	3.739
Other short-term receivables		8.314	9.392	6.948
Prepayments		4.532	2.637	1.248
<b>Receivables</b>		<b>138.178</b>	<b>196.893</b>	<b>148.303</b>
<b>Cash</b>		<b>21.508</b>	<b>7.938</b>	<b>9.115</b>
Assets as held for sale		8.000	13.000	11.518
Finance lease		-	696	-
<b>Current assets</b>		<b>167.686</b>	<b>218.527</b>	<b>168.936</b>
<b>Assets</b>		<b>867.772</b>	<b>874.170</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	30 June 2020	30 June 2019	31 December 2019
Contributed capital		2.922	2.922	2.922
Other reserves		6.192	4.470	5.020
Retained earnings		(4.417)	68.190	24.311
<b>Equity</b>		<b>4.697</b>	<b>75.582</b>	<b>32.253</b>
Provisions for deferred tax		48.313	68.564	55.272
Other provisions		4.886	5.827	4.742
Corporate bonds		519.756	518.010	519.062
Finance lease liabilities		87.626	2.471	88.772
Other payables		6.874	7.046	5.978
<b>Non-current liabilities</b>		<b>667.455</b>	<b>601.918</b>	<b>673.826</b>
Current portion of long-term lease liabilities		10.333	1.256	9.930
Current portion of long-term other payables		-	-	896
Bank debt		68.187	57.232	70.753
Payable group company		8.000	-	8.000
Contract liabilities**		12.715	15.155	6.798
Trade payables**		53.235	64.221	64.568
Income tax payable		-	-	-
Other payables		43.150	58.806	33.021
<b>Current liabilities</b>		<b>195.620</b>	<b>196.671</b>	<b>193.966</b>
<b>Total liabilities</b>		<b>863.075</b>	<b>798.588</b>	<b>867.792</b>
<b>Equity and liabilities</b>		<b>867.772</b>	<b>874.170</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	-	-	(47.360)	(47.360)
Other comprehensive income	-	2.359	-	2.359
Tax exempt contribution	-	-	50.000	50.000
<b>Equity at 30 June 2019</b>	<b>2.922</b>	<b>4.470</b>	<b>68.190</b>	<b>75.582</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	-	-	(28.728)	(28.729)
Other comprehensive income	-	1.172	-	1.172
Tax exempt contribution	-	-	-	-
<b>Equity at 30 June 2020</b>	<b>2.922</b>	<b>6.192</b>	<b>(4.417)</b>	<b>4.697</b>

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

**Consolidated statement of cash flows**

DKK'000	YTD June 2020	YTD June 2019	Year 2019
Operating profit/loss	(20.571)	(41.057)	(82.683)
Amortisation, depreciation	32.354	33.340	71.246
Impairment losses	-	-	5.000
Other provisions	145	(837)	(2.582)
Working capital changes	16.728	23.839	48.945
<b>Cash flows from ordinary operating activities</b>	<b>28.656</b>	<b>15.285</b>	<b>39.926</b>
Financial income received	(34)	302	69
Financial expenses paid	(15.451)	(15.112)	(28.533)
Income taxes refunded/paid	-	-	-
<b>Cash flows from operating activities</b>	<b>13.171</b>	<b>475</b>	<b>11.462</b>
Acquisition etc. of intangible assets	(227)	(678)	(6.369)
Acquisition etc. of property, plant and equipment	(5.716)	(6.282)	(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	8.133	1.692	5.168
<b>Cash flows from investing activities</b>	<b>2.190</b>	<b>(5.261)</b>	<b>(21.793)</b>
Proceeds from (repayment of) related party borrowings	-	-	(325)
Leasing	(402)	-	(6.474)
Repayment of bank debt	(2.566)	(43.349)	(29.828)
Tax exempt contribution received from parent	-	50.000	50.000
Corporate bonds	-	-	-
<b>Cash flows from financing activities</b>	<b>(2.968)</b>	<b>6.651</b>	<b>13.373</b>
<b>Increase/decrease in cash and cash equivalents</b>	<b>12.393</b>	<b>1.865</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>21.508</b>	<b>7.938</b>	<b>9.115</b>
Cash and cash equivalents at period end are composed of:			
Cash	21.508	7.938	9.115
<b>Cash and cash equivalents end of the period</b>	<b>21.508</b>	<b>7.938</b>	<b>9.115</b>

## Notes to the consolidated interim financial statements

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## 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 Q2 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	Q2 2020	Q2 2019	1/1-30/6 2020	1/1-30/6 2019
Sale of goods	44.552	51.951	86.232	114.614
Sale of service	612	2.818	3.690	4.852
Income from contract work in progress (turnkey projects)	29.437	37.319	79.805	73.364
<b>Revenue</b>	<b>74.601</b>	<b>92.088</b>	<b>169.727</b>	<b>192.830</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 DKK'000	Revenue external customer			
	Q2 2020	Q2 2019	1/1-30/6 2020	1/1-30/6 2019
<b>Primary geographical markets</b>				
Denmark	1.031	883	2.436	2.732
Europe	42.554	47.114	108.015	99.201
Americas	16.216	17.630	29.065	45.486
Asia	12.183	16.825	23.817	27.569
Middle East and Africa	2.607	9.636	6.309	17.842
Other markets	10	0	85	0
	<b>74.601</b>	<b>92.088</b>	<b>169.727</b>	<b>192.830</b>
<b>Major products/service lines</b>				
In-line flexo printing machines	46.109	63.559	111.769	129.186
Ancillary products	28.492	28.529	57.958	63.644
	<b>74.601</b>	<b>92.088</b>	<b>169.727</b>	<b>192.830</b>
<b>Timing of revenue recognition</b>				
Products and services transferred at a point in time	45.164	54.769	89.921	119.466
Products transferred over time	29.437	37.319	79.806	73.364
	<b>74.601</b>	<b>92.088</b>	<b>169.727</b>	<b>192.830</b>

## 5. Asset held for sale

In 2018, the Company decided to sell the corporate building, as the Company vacated the current building and move into a new domicile in 2019. Accordingly, the corporate building is presented as asset held for sale.

In Q2, the US property was sold and have been removed from asset held for sale.

## 6. Financial instruments

DKK'000	30 June 2020	30 June 2019
<b>Categories of financial instruments</b>		
Deposits	10.134	10.347
Trade receivables	26.011	40.865
Other short-term receivables	8.314	9.392
Prepayments	4.532	2.637
Cash	21.508	7.938
<b>Assets at amortized costs</b>	<b>70.499</b>	<b>71.179</b>
Corporate bonds	519.756	518.010
Finance lease liabilities	97.959	3.727
Non-current other payables	-	-
Bank debt	68.187	57.232
Trade payables	53.235	64.221
Other payables	43.149	58.807
<b>Financial liabilities measured at amortized cost</b>	<b>782.286</b>	<b>701.997</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**

Effective July 23, 2020, Jean-Marc Lechêne was elected as chairman of the board of directors.

Also, effective July 23, 2020, PwC was elected as new accountant for the group.

## **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.