

# Q4 2020 Quarterly Results

TRESU Investment Holding A/S  
26 February 2021

# 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

## **Q4 '20 results in line with expectations**

- Q4 '20 revenue and adj. EBITDA of DKK 68.9m and DKK 3.4m
- Solid order intake of DKK 88m, of which DKK 39m is capital sales
- Liquidity remains healthy at DKK 85m and supportive of the turnaround plan

## **Full year '20 in line with updated expectations**

- Revenue and adj. EBITDA of DKK 302m and DKK 31.5m (EBITDA margin 10,4%)
- Order intake of DKK 309m, of which DKK 108m is capital sales, is acceptable in a year affected by covid-19

## **Outlook 2021**

- Healthy order book and pipeline
- Continued focus on profitable growth and cost structure
- 2021 guidance revenue growth in the area of 15-25% and 11,5-13% adj. EBITDA margin

## **COVID-19 mitigating actions**

- Continued strong focus on employee safety and business continuity
- Production site and sales offices remained operational throughout Q4
- Focus short-term on managing capacity and costs

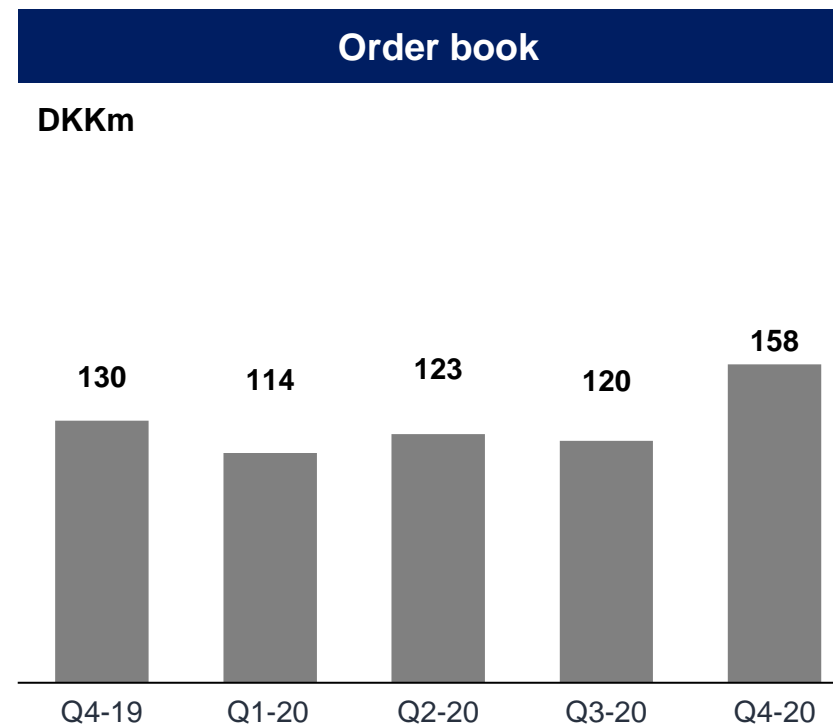
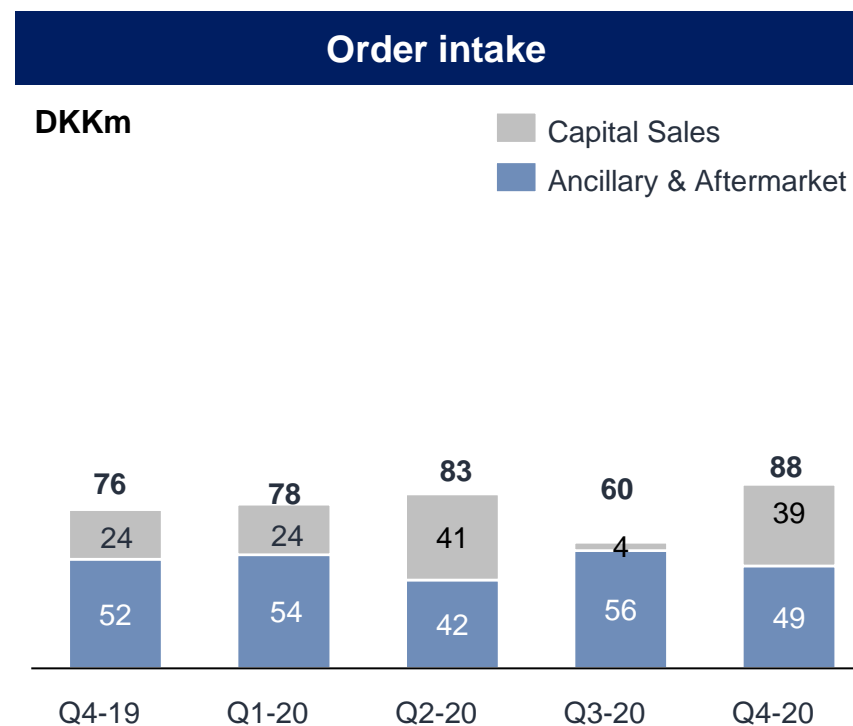
## Q4 '20 result

DKKm	Q4 2020	Q3 2020	YTD 2020
<b>Revenue</b>	<b>68,9</b>	<b>63,5</b>	<b>302,1</b>
Production costs	(73,8)	(63,0)	(279,1)
<b>Gross profit/(loss)</b>	<b>(5,0)</b>	<b>0,5</b>	<b>23,0</b>
Research and development costs	(1,1)	(1,5)	(6,2)
Distribution costs	(8,8)	(8,9)	(37,7)
Administrative costs	(7,0)	(11,9)	(46,9)
Other operating income	0,2	0,0	3,8
Other operating expenses	0,0	0,0	0,0
<b>Operating profit/(loss)</b>	<b>(21,7)</b>	<b>(21,8)</b>	<b>(64,0)</b>
<b>Adjustments</b>			
D&A	2,3	3,6	13,5
NRI	3,3	8,7	18,6
PPA depreciations	16,8	12,7	53,7
IFRS 16 depreciations on leases	2,7	2,3	9,7
<b>Adjusted EBITDA (non IFRS)</b>	<b>3,4</b>	<b>5,5</b>	<b>31,5</b>
NWC	0,1	(8,5)	0,1
Net debt	543,4	537,1	543,4
Available liquidity	85,0	93,9	85,0

### Comments

- Q4 '20 revenue and adj. EBITDA of DKK 68.9m and DKK 3.4m (4.9% margin)
- Net debt of DKK 543.4m by end of Q4' 20 (DKK 537.1m by end of Q3 '20); negative cash flow of DKK 7.8 from operating activities in Q4 '20
- Liquidity remains healthy and supportive of turnaround plan

# Order intake and order book development



# Financial Outlook for 2021

2021 Key metrics	Drivers
<p><b>Revenue growth</b></p>	<ul style="list-style-type: none"> <li>• Healthy backlog and cap sales pipeline</li> <li>• Ancillary</li> <li>• Aftermarket &amp; Service</li> </ul>
<p><b>Adj. EBITDA margin</b></p>	<ul style="list-style-type: none"> <li>• Revenue growth</li> <li>• Continued Supply chain efficiencies</li> </ul>
<p><b>Available liquidity</b></p>	<ul style="list-style-type: none"> <li>• EBITDA growth</li> <li>• Decreasing extraordinary costs</li> <li>• Sale of real estate in Denmark</li> </ul>

● — **Approx. 15 to 25%** — ●  
(2020: DKK 302)

● — **11,5 to 13,0%** — ●  
(2020: 10,4%)

Positive cash flow generation after interest costs

# Appendix

# Statement of profit or loss

DKKm	Q4 2020	Q3 2020	YTD 2020
<b>Revenue</b>	<b>68,9</b>	<b>63,5</b>	<b>302,1</b>
Production costs	(73,8)	(63,0)	(279,1)
<b>Gross profit/(loss)</b>	<b>(5,0)</b>	<b>0,5</b>	<b>23,0</b>
Research and development costs	(1,1)	(1,5)	(6,2)
Distribution costs	(8,8)	(8,9)	(37,7)
Administrative costs	(7,0)	(11,9)	(46,9)
Other operating income	0,2	0,0	3,8
Other operating expenses	0,0	0,0	0,0
<b>Operating profit/(loss)</b>	<b>(21,7)</b>	<b>(21,8)</b>	<b>(64,0)</b>
Financial income	2,1	0,1	3,7
Financial expenses	(8,1)	(8,5)	(33,3)
<b>Profit/(loss) before tax</b>	<b>(27,7)</b>	<b>(30,2)</b>	<b>(93,6)</b>
Tax on profit/(loss) for the period	8,2	3,0	18,2
<b>Profit/(loss) for the period</b>	<b>(19,5)</b>	<b>(27,2)</b>	<b>(75,3)</b>



# Statement of financial position

DKKkm	Dec-20	Sep-20
Goodwill	174,0	174,0
Completed development projects	27,1	29,7
Patents and licenses*	168,8	173,4
Brand	37,9	37,9
Customer relationship*	111,6	118,8
<b>Intangible assets</b>	<b>519,3</b>	<b>533,8</b>
Land and buildings	0,0	0,0
Plant and machinery	35,8	35,6
Other fixtures and fittings, tools and equipment	4,4	4,8
Leasehold improvements	3,6	3,7
Finance lease - NC	100,9	95,3
<b>Property, plant and equipment</b>	<b>144,6</b>	<b>139,4</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>674,0</b>	<b>683,3</b>
Inventories**	68,1	61,4
Trade receivables	29,1	21,6
Contract work in progress**	3,5	9,0
Tax receivables	5,5	1,5
Other short-term receivables	7,9	10,0
Prepayments	3,6	4,4
<b>Receivables</b>	<b>117,7</b>	<b>107,9</b>
Cash	16,5	17,1
Assets as held for sale	8,0	8,0
Finance lease - C	0,0	0,0
<b>Current assets</b>	<b>142,1</b>	<b>132,9</b>
<b>Assets</b>	<b>816,2</b>	<b>816,2</b>

DKKkm	Dec-20	Sep-20
Contributed capital	2,9	2,9
Other reserves	3,1	5,0
Retained earnings	(49,0)	(34,2)
<b>Equity</b>	<b>(43,0)</b>	<b>(26,2)</b>
Provisions for deferred tax	76,6	68,0
Other provisions	3,1	4,6
Corporate bonds	518,3	520,1
Finance lease liabilities	90,9	86,1
Other payables	6,9	6,9
<b>Non-current liabilities</b>	<b>695,8</b>	<b>685,6</b>
Current portion of long-term lease liabilities	11,3	10,3
Current portion of long-term other payables	0,0	0,0
Bank debt	41,5	34,0
Payable group company	8,0	8,0
Contract liabilities*	40,5	20,3
Trade payables**	20,2	36,1
Other payables	41,8	48,0
<b>Current liabilities</b>	<b>163,3</b>	<b>156,8</b>
<b>Total liabilities</b>	<b>859,2</b>	<b>842,5</b>
<b>Equity and liabilities</b>	<b>816,2</b>	<b>816,2</b>

# Statement of cash flows

DKKm	Q4 2020	Q1-Q3 2020	YTD 2020
Operating profit/loss	(21,7)	(42,3)	(64,0)
Amortisation, depreciation	20,5	46,7	67,2
Impairment losses	0,0	0,0	0,0
Other provisions	(1,5)	(0,1)	(1,6)
Working capital changes	(8,4)	39,7	31,2
<b>Cash flows from ordinary operating activities</b>	<b>(11,1)</b>	<b>44,0</b>	<b>32,8</b>
Financial income received	1,0	0,1	1,0
Financial expenses paid	(9,9)	(23,4)	(33,3)
Income taxes refunded/paid	12,3	22,8	35,1
<b>Cash flows from operating activities</b>	<b>(7,8)</b>	<b>43,6</b>	<b>35,7</b>
Acquisition etc. of intangible assets	(5,3)	(0,2)	(5,6)
Acquisition etc. of property, plant and equipment	5,2	(6,1)	(1,0)
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	0,0	8,1	8,1
<b>Cash flows from investing activities</b>	<b>(0,2)</b>	<b>1,8</b>	<b>1,6</b>
Proceeds from (repayments of) related party borrowings	0,0	0,0	0,0
Leasing	0,0	(0,6)	(0,6)
Repayment of bank debt	7,5	(36,7)	(29,2)
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>7,5</b>	<b>(37,3)</b>	<b>(29,8)</b>
<b>Increase/decrease in cash and cash equivalents</b>	<b>(0,5)</b>	<b>8,0</b>	<b>7,5</b>
Cash and cash equivalents at the beginning of the period	17,1	9,1	9,1
<b>Cash and cash equivalents end of the period</b>	<b>16,6</b>	<b>17,1</b>	<b>16,6</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>16,6</b>	<b>17,1</b>	<b>16,6</b>

# Changes in method for estimate of WIP

- Total cost used for calculation of Percentage of Completion (POC) instead of hours
- Minor effect on 2020 result
  - Revenue of DKK 16m and CM of DKK 3m transferred into 2021
  - Transfer of DKK 22m in revenue and DKK 0 in CM from 2019
  - Total net effect on 2020 result is DKK 6m in additional revenue and DKK 3m less in CM

**Tresu Investment Holding A/S**

**Venusvej 44**

**6000 Kolding**

**Company Reg. No. 37553727**

**Interim financial report**

**Q4 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 October 2020 to 31 December 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 December 2020 and the results of their operations and cash flows for the period from 1 January 2020 to 31 December 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, 26 February 2021

### Executive Board



Heidi Thousgaard Jørgensen  
CEO

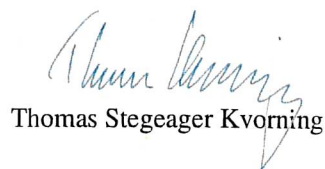
### Board of Directors



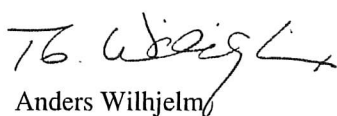
Jean-Marc Lechêne  
Chairman



Ola Harald Erici



Thomas Stegeager Kvorning



Anders Wilhjelms



Søren Dan Johansen

**Management commentary**

	<b>Q4 2020</b>	<b>Q4 2019</b>	<b>2020</b>	<b>2019</b>
<b>Key figures (DKK'000)</b>				
Revenue	68.855	98.737	302.089	388.701
Gross profit/loss	(4.950)	13.072	23.006	32.996
Operating profit/loss	(21.708)	(24.174)	(64.012)	(82.683)
Net financials	(6.006)	(8.777)	(29.539)	(32.762)
Profit/loss for the period	(19.492)	(21.756)	(75.346)	(91.239)
Total assets	816.197	883.851	816.197	883.851
Investments in property, plant and equipment	121	2.908	990	20.912
Equity	(42.990)	32.253	(42.990)	32.253
<b>Ratios</b>				
Gross margin (%)	(7,2)	13,2	7,6	8,5
Net margin (%)	(28,3)	(22,0)	(24,9)	(23,5)
Return on equity (%)			-	(177,4)
Equity ratio (%)			(5,3)	3,6
Return of assets			(7,8)	(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

## **Q4 2020**

The consolidated revenue for Q4 2020 is DKK 68,9m and Operating loss (EBIT) for Q4 2020 is DKK -21,7m. 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 Q4 was DKK 16,8m.

The consolidated revenue for 2020 is DKK 302,1m and Operating loss (EBIT) for 2020 is DKK -64m. 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 2020 was DKK 53,8m.

At the end of Q4 2020 total assets was DKK 816,2 and total equity amounted to DKK -43m.

The financial results of Q4 2020 are in line with expectations.

## **Outlook**

The outlook for the Group for 2021 is revenue growth in the area of 15-25% on 2020, and an EBITDA margin of 11,5-13,0% (adjusted for potential one-off effects)



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

DKK'000	Note	<b>Q4 2020</b>	<b>Q4 2019</b>	<b>2020</b>	<b>2019</b>
<b>Revenue</b>	4	68.855	98.737	302.089	388.701
Production costs <sup>A</sup>		(73.805)	(85.665)	(279.083)	(355.705)
<b>Gross profit/(loss)</b>		<b>(4.950)</b>	<b>13.072</b>	<b>23.006</b>	<b>32.996</b>
Research and development costs		(1.140)	(2.966)	(6.246)	(6.311)
Distribution costs		(8.828)	(10.858)	(37.651)	(41.640)
Administrative costs <sup>B</sup>		(6.962)	(15.960)	(46.907)	(60.287)
Other operating income		172	22	3.786	3.131
Other operating expenses		0	(7.484)	0	(10.572)
<b>Operating profit/(loss)</b>		<b>(21.708)</b>	<b>(24.174)</b>	<b>(64.012)</b>	<b>(82.683)</b>
Financial income		2.062	154	3.716	154
Financial expenses <sup>C</sup>		(8.068)	(8.931)	(33.255)	(32.916)
<b>Profit/(loss) before tax <sup>D</sup></b>		<b>(27.714)</b>	<b>(32.951)</b>	<b>(93.551)</b>	<b>(115.445)</b>
Tax on profit/(loss) for the period		8.222	11.195	18.205	24.206
<b>Profit/(loss) for the period</b>		<b>(19.492)</b>	<b>(21.756)</b>	<b>(75.346)</b>	<b>(91.239)</b>
Exchange rate adjustments, foreign companies*		(1.892)	1.554	(1.896)	2.909
Revaluation of property, plant and equipment*		-	-	-	-
Tax on other comprehensive income		-	-	-	-
Other comprehensive income, net of tax		(1.892)	1.554	(1.896)	2.909
<b>Total comprehensive income/(loss) for the period</b>		<b>(21.384)</b>	<b>(20.202)</b>	<b>(77.242)</b>	<b>(88.330)</b>
Profit/(loss) for the period attributable to:					
Owners of the Company		(19.492)	(21.756)	(75.346)	(91.239)
Total comprehensive income/(loss) for the period attributable to:					
Owners of the Company		(21.384)	(20.202)	(77.242)	(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	Q4 2020	Q4 2019	2020	2019
<sup>A</sup> Depreciation on assets acquired (PPA)	16.782	9.093	53.739	47.280
<sup>A</sup> Impairment of Machines and buildings (PPA)	-	5.000	-	5.000
<sup>B</sup> Other expenses 1)	3.304	12.409	18.648	27.690
<sup>B</sup> Impairment of goodwill (PPA)	-	-	-	-
<sup>C</sup> Interest corporate bonds	6.592	8.501	26.457	26.644
<sup>D</sup> Tax regarding other expenses, borrowing costs and corporate bonds	(9.923)	(4.600)	(9.923)	(11.953)
<sup>D</sup> Adjustments deferred tax related to PPA	<u>(3.692)</u>	<u>(5.866)</u>	<u>(13.673)</u>	<u>(13.911)</u>
	13.063	24.537	75.248	80.750

1) Other expenses include costs for restructuring and relocation to new facility.

**Consolidated statement of financial position - Assets**

DKK'000	Note	31 December 2020	31 December 2019
Goodwill		174.000	174.000
Completed development projects		27.067	32.213
Patents and licenses*		168.787	185.300
Brand		37.900	37.900
Customer relationship*		111.573	139.920
<b>Intangible assets</b>		<b>519.327</b>	<b>569.333</b>
Land and buildings		-	-
Plant and machinery		35.777	43.130
Other fixtures and fittings, tools and equipment		4.351	6.027
Leasehold improvements		3.624	4.505
Finance lease		100.869	97.980
<b>Property, plant and equipment</b>		<b>144.621</b>	<b>151.642</b>
Deferred tax assets		-	-
Deposits		10.080	10.134
<b>Other non-current assets</b>		<b>10.080</b>	<b>10.134</b>
<b>Non-current assets</b>		<b>674.028</b>	<b>731.109</b>
Inventories**		68.133	60.329
Trade receivables		29.050	35.284
Contract work in progress**		3.547	24.561
Tax receivables		5.488	3.739
Other short-term receivables		7.878	6.948
Prepayments		3.583	1.248
<b>Receivables</b>		<b>117.679</b>	<b>132.109</b>
<b>Cash</b>		<b>16.490</b>	<b>9.115</b>
Assets as held for sale		8.000	11.518
Finance lease		-	-
<b>Current assets</b>		<b>142.169</b>	<b>152.742</b>
<b>Assets</b>		<b>816.197</b>	<b>883.851</b>

\*) Decrease due to recurring amortization

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

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

DKK'000	Notes	<b>31 December 2020</b>	<b>31 December 2019</b>
Contributed capital		2.922	2.922
Other reserves		3.124	5.020
Retained earnings		(49.036)	24.311
<b>Equity</b>		<b>(42.990)</b>	<b>32.253</b>
Provisions for deferred tax		76.624	55.272
Other provisions		3.110	4.742
Corporate bonds		518.322	519.062
Finance lease liabilities		90.915	88.772
Other payables		6.874	5.978
<b>Non-current liabilities</b>		<b>695.845</b>	<b>673.826</b>
Current portion of long-term lease liabilities		11.281	9.930
Current portion of long-term other payables		-	896
Bank debt		41.530	70.753
Payable group company		8.000	8.000
Contract liabilities**		40.512	28.449
Trade payables**		20.216	26.723
Income tax payable		-	-
Other payables		41.803	33.021
<b>Current liabilities</b>		<b>163.342</b>	<b>177.772</b>
<b>Total liabilities</b>		<b>859.187</b>	<b>851.598</b>
<b>Equity and liabilities</b>		<b>816.197</b>	<b>883.851</b>

\*) Increase due to normal operation

\*\*\*) Increase/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	-	-	(91.239)	(91.239)
Other comprehensive income	-	2.909	-	2.909
Tax exempt contribution	-	-	50.000	50.000
<b>Equity at 31 December 2019</b>	<b>2.922</b>	<b>5.020</b>	<b>24.311</b>	<b>32.253</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
Correction of error**	-	-	1.999	1.999
<b>Restated total equity at the beginning of the financial year</b>	<b>2.922</b>	<b>5.020</b>	<b>26.310</b>	<b>34.252</b>
Profit for the period	-	-	(75.346)	(75.346)
Other comprehensive income	-	(1.896)	-	(1.896)
Tax exempt contribution	-	-	-	-
<b>Equity at 31 December 2020</b>	<b>2.922</b>	<b>3.124</b>	<b>(49.036)</b>	<b>(42.990)</b>

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

\*\*\*) Correction of provision of tax from 2018

**Consolidated statement of cash flows**

DKK'000

	<b>YTD 2020</b>	<b>YTD 2019</b>
Operating profit/loss	(64.012)	(82.683)
Amortisation, depreciation	67.218	71.246
Impairment losses	-	5.000
Other provisions	(1.632)	(2.582)
Working capital changes	31.204	48.945
<b>Cash flows from ordinary operating activities</b>	<b>32.778</b>	<b>39.926</b>
Financial income received	1.020	69
Financial expenses paid	(33.255)	(28.533)
Income taxes refunded/paid	35.048	-
<b>Cash flows from operating activities</b>	<b>35.591</b>	<b>11.462</b>
Acquisition etc. of intangible assets	(5.571)	(6.369)
Acquisition etc. of property, plant and equipment	(990)	(20.912)
Proceeds from disposals of financial fixed assets	-	320
Proceeds from disposals of plant and equipment	8.133	5.168
<b>Cash flows from investing activities</b>	<b>1.572</b>	<b>(21.793)</b>
Proceeds from (repayment of) related party borrowings	-	(325)
Leasing	(564)	(6.474)
Repayment of bank debt	(29.224)	(29.828)
Tax exempt contribution received from parent	-	50.000
Corporate bonds	-	-
<b>Cash flows from financing activities</b>	<b>(29.788)</b>	<b>13.373</b>
<b>Increase/decrease in cash and cash equivalents</b>	<b>7.375</b>	<b>3.042</b>
Cash and cash equivalents at the beginning of the period	9.115	6.073
<b>Cash and cash equivalents end of the period</b>	<b>16.490</b>	<b>9.115</b>
Cash and cash equivalents at period end are composed of:		
Cash	16.490	9.115
<b>Cash and cash equivalents end of the period</b>	<b>16.490</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 Q4 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	Q4 2020	Q4 2019	2020	2019
Sale of goods	49.696	56.647	179.078	224.578
Sale of service	1.723	2.175	7.254	9.685
Income from contract work in progress (turnkey projects)	17.436	39.915	115.757	154.438
<b>Revenue</b>	<b>68.855</b>	<b>98.737</b>	<b>302.089</b>	<b>388.701</b>

#### Disaggregation of revenue

In the following table, revenue is disaggregated by major products and service lines, geographical market and timing of revenue recognition.

Reportable segment DKK'000	Revenue external customer			
	Q4 2020	Q4 2019	2020	2019
<b>Primary geographical markets</b>				
Denmark	1.724	2.298	6.843	7.011
Europe	45.929	63.706	189.433	227.862
Americas	13.294	16.897	56.276	76.037
Asia	6.094	12.480	35.857	51.555
Middle East and Africa	1.753	3.356	13.493	26.236
Other markets	61	0	187	0
	<b>68.855</b>	<b>98.737</b>	<b>302.089</b>	<b>388.701</b>
<b>Major products/service lines</b>				
In-line flexo printing machines	41.944	66.204	192.617	261.779
Ancillary products	26.911	33.533	109.472	126.922
	<b>68.855</b>	<b>98.737</b>	<b>302.089</b>	<b>388.701</b>
<b>Timing of revenue recognition</b>				
Products and services transferred at a point in time	51.419	58.822	186.454	234.263
Products transferred over time	17.436	39.915	115.635	154.438
	<b>68.855</b>	<b>98.737</b>	<b>302.089</b>	<b>388.701</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.

## 6. Financial instruments

DKK'000	<b>31 December 2020</b>	<b>31 December 2019</b>
<b>Categories of financial instruments</b>		
Deposits	10.080	10.134
Trade receivables	29.050	35.284
Other short-term receivables	7.878	6.948
Prepayments	3.583	1.248
Cash	16.490	9.115
<b>Assets at amortized costs</b>	<b>67.081</b>	<b>62.729</b>
Corporate bonds	518.322	519.062
Finance lease liabilities	102.196	98.702
Non-current other payables	0	6.874
Bank debt	41.530	70.753
Trade payables	20.216	64.568
Other payables	41.804	33.021
<b>Financial liabilities measured at amortized cost</b>	<b>724.068</b>	<b>792.980</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**

No subsequent events.

## **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.