

Q1 2024 Quarterly Results

TRESU Investment Holding A/S

22 May 2024

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

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Executive summary

Q1 '24 results and order intake

- Q1 '24 revenue and adj. EBITDA of DKK 85.3m and DKK 3.8m which were according to plan for Q1
- The order intake in Q1 was DKK 68.1m and was below budget.
We have planned for one big machine that have not materialized yet.
- Liquidity available is on the level of DKK 23.7m.
The available liquidity is supportive for the plans for 2024.
- We starts to see more normal lead times in our supply chain, and we expect a normal flow in 2024.

Outlook 2024

- Order book of DKK 190.2m and focus at the pipeline
- Continued focus on profitable growth, project execution and cost structure
- 2024 guidance revenue growth in the area of 15-25% and adj. EBITDA margin in the area of 5-9%

Q1 '24 result

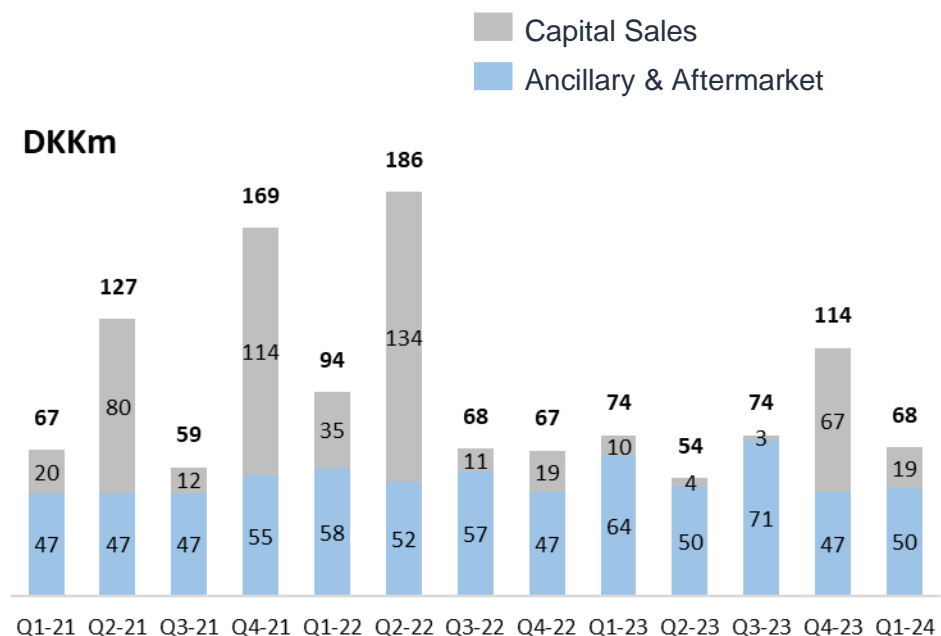
DKKm	Q1 2024	Q1 2023
Revenue	85,3	91,5
Production costs	(76,5)	(85,3)
Gross profit/(loss)	8,8	6,2
Distribution costs	(10,0)	(10,4)
Administrative costs	(8,9)	(8,5)
Other operating income	0,1	0,0
Other operating expenses	0,0	0,0
Operating profit/(loss)	(10,0)	(12,7)
Adjustments		
D&A	1,9	1,8
NRI	0,0	0,1
PPA depreciations	9,5	9,6
Impairment losses	0,0	0,0
IFRS 16 depreciations on leases	2,4	2,1
Adjusted EBITDA	3,8	0,9

Comments

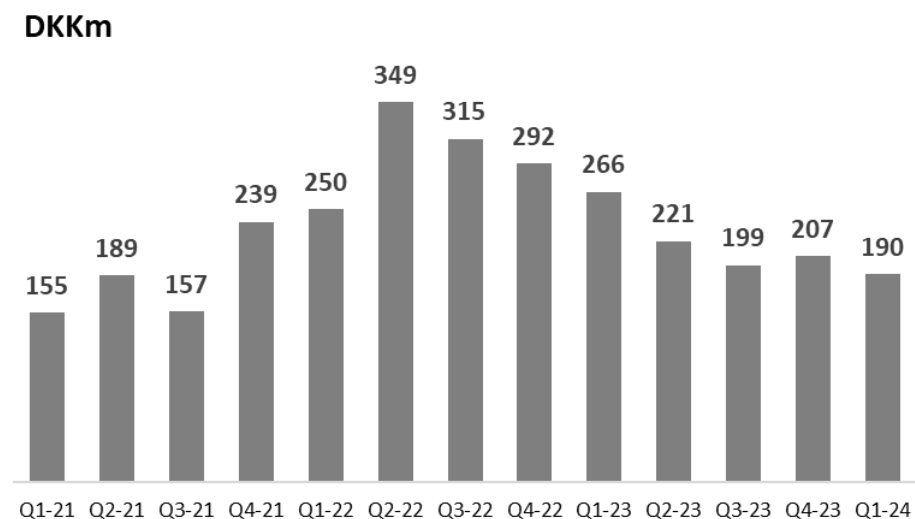
- Q1 '24 revenue and adj. EBITDA of DKK 85.3m and DKK 3.8m (4,5% margin)
- Liquidity is available for DKK 23.7m in Q1 '24 (DKK 75m in Q4 '23). Focus is continuously on projects execution, supplier payments, warehouse management and collection of customer payments.

Order intake and order book development

Order intake

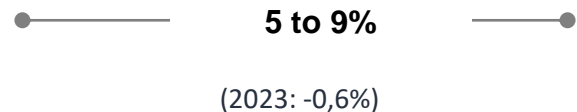
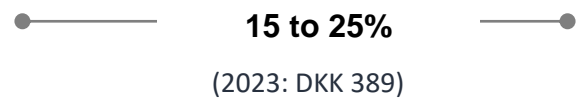


Order book



Financial Outlook for 2024

2024 Key metrics	Drivers
<p>Revenue growth</p>	<ul style="list-style-type: none"> • Develop pipeline on capital sales • Ancillary Systems to OEM customers • Aftermarket & Service growth
<p>Adj. EBITDA margin</p>	<ul style="list-style-type: none"> • Revenue growth • Project execution • Cost consciousness, scalability • Supply chain efficiencies
<p>Available liquidity</p>	<ul style="list-style-type: none"> • EBITDA growth • NWC focus



Negative cash flow generation from ordinary operating activities

Appendix

Statement of profit or loss

DKKm	Q1 2024	Q4 2023	YTD 2024
Revenue	85,3	101,6	85,3
Production costs	(76,5)	(231,4)	(76,5)
Gross profit/(loss)	8,8	(129,8)	8,8
Distribution costs	(10,0)	(10,6)	(10,0)
Administrative costs	(8,9)	(12,3)	(8,9)
Other operating income	0,1	(0,1)	0,1
Other operating expenses	0,0	0,0	0,0
Operating profit/(loss)	(10,0)	(152,8)	(10,0)
Financial income	0,1	3,4	0,1
Financial expenses	(14,1)	(16,4)	(14,1)
Profit/(loss) before tax	(23,9)	(165,9)	(23,9)
Tax on profit/(loss) for the period	2,0	17,9	2,0
Profit/(loss) for the period	(21,9)	(147,9)	(21,9)

Statement of financial position

Assets, DKKm	Mar-24	Dec-23
Completed development projects	21,8	21,3
Patents and licenses	98,8	102,6
Brand	37,9	37,9
Customer relationship	22,8	27,4
Intangible assets	181,3	189,3
Plant and machinery	21,2	22,1
Other fixtures and fittings, tools and equipment	5,2	5,4
Leasehold improvements	2,0	2,2
Finance lease	80,2	79,3
Property, plant and equipment	108,7	109,0
Deposits	10,2	10,2
Other non-current assets	10,2	10,2
Non-current assets	300,1	308,4
Inventories	82,0	79,8
Trade receivables	53,6	47,8
Contract work in progress	16,2	6,4
Receivables group company	0,5	0,5
Tax receivables	16,8	17,8
Other short-term receivables	3,8	3,5
Prepayments	2,1	2,8
Receivables	175,0	158,5
Cash	4,1	4,0
Current assets	179,1	162,5
Assets	479,3	470,9

Liabilities, DKKm	Mar-24	Dec-23
Contributed capital	2,9	2,9
Other reserves	2,4	2,4
Retained earnings	(371,6)	(350,1)
Equity	(366,3)	(344,8)
Provisions for deferred tax	35,6	37,7
Corporate bonds	454,9	444,7
Finance lease liabilities	73,0	72,3
Payable to group enterprises	66,5	65,0
Other payables	8,9	8,8
Non-current liabilities	638,7	628,5
Current portion of long-term lease liabilities	10,9	10,6
Bank debt	92,4	40,9
Payable group company	0,2	0,2
Contract liabilities	32,1	47,5
Other provisions	4,8	4,8
Prepayment customers	10,2	9,9
Trade payables	33,2	43,8
Income tax payable	0,3	1,4
Other payables	22,8	28,0
Current liabilities	206,9	187,1
Total liabilities	845,6	815,7
Equity and liabilities	479,3	470,9

Statement of cash flows

DKKm	Q1 2024	Q4 2023	YTD 2024
Operating profit/loss	(10,1)	(152,8)	(10,1)
Amortisation, depreciation	11,4	22,6	11,4
Impairment losses	0,0	125,0	0,0
Other provisions	10,2	(20,2)	10,2
Working capital changes	(56,6)	60,0	(56,6)
Cash flows from ordinary operating activities	(45,1)	34,6	(45,1)
Financial income received	0,1	0,0	0,1
Financial expenses paid	(1,8)	(13,0)	(1,8)
Income taxes refunded/paid	0,0	(1,9)	0,0
Cash flows from operating activities	(46,8)	19,7	(46,8)
Acquisition etc. of intangible assets	(2,0)	(0,4)	(2,0)
Acquisition etc. of property, plant and equipment	(0,2)	(1,1)	(0,2)
Cash flows from investing activities	(2,2)	(1,5)	(2,2)
Proceeds from (repayments of) related party borrowings	0,0	65,0	0,0
Leasing	(2,5)	(2,4)	(2,5)
Repayment of bank debt	51,6	(82,7)	51,6
Capital increase	0,0	0,0	0,0
Cash flows from financing activities	49,1	(20,1)	49,1
Increase/decrease in cash and cash equivalents	0,1	(1,9)	0,1
Cash and cash equivalents at the beginning of the period	4,0	5,9	4,0
Cash and cash equivalents end of the period	4,1	4,0	4,1
Cash	4,1	4,0	4,1
Cash and cash equivalents end of the period	4,1	4,0	4,1

TRESU Investment Holding A/S

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Company Reg. No. 37553727

Interim financial report

Q1 2024

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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 January to 31 March 2024.

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 2024 and the results of their operations and cash flows for the period from 1 January 2024 to 31 March 2024.

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 2023.

Kolding, Denmark, 22 May 2024

Executive Board

Stephan Plenz

CEO

Torben Børsting

CFO

Board of Directors

Jean-Marc Lechêne

Chairman

Ola Harald Erics

Stephan Plenz

Søren Dan Johansen

Management commentary

	Q1 2024	Q1 2023	1/1-31/3 2024	1/1-31/3 2023	Year 2023
Key figures (DKK'000)					
Revenue	85.283	91.459	85.283	91.459	388.781
Gross profit/loss	8.829	6.197	8.829	6.197	(108.676)
Operating profit/loss	(10.061)	(12.758)	(10.061)	(12.758)	(188.939)
Net financials	(13.905)	(11.276)	(13.905)	(11.276)	(50.471)
Profit/loss for the period	(21.930)	(21.955)	(21.930)	(21.955)	(215.231)
Total assets	479.289	628.151	479.289	628.151	470.898
Investments in property, plant and equipment	(200)	(1.100)	(200)	(1.100)	(3.202)
Equity	(366.322)	(170.755)	(366.322)	(170.755)	(344.765)
Ratios					
Gross margin (%)	10,4	6,8	10,4	6,8	(28,0)
Net margin (%)	(25,7)	(24,0)	(25,7)	(24,0)	(55,4)
Return on equity (%)	-	-	-	-	-
Equity ratio (%)	-	-	-	-	-
Return of assets (%)	(2,1)	(2,0)	(2,1)	(2,0)	(40,1)

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

Q1 2024

The consolidated revenue for Q1 2024 is DKK 85.3m and Operating loss (EBIT) is DKK 10.1m. 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 9.5m.

At the end of Q1 2024 total assets was DKK 479.3 and total equity amounted to DKK -366.3m.

The financial results of Q1 2024 are according to expectations and within guidance for 2024.

Outlook

The outlook for the Group for 2024 is revenue growth in the area of 15-25% on 2023, and an EBITDA margin in the area of 5-9% (adjusted for potential one-off effects). In addition, we expect cash flow generation from ordinary operating to be negative for 2024.

Consolidated statement of profit or loss and other comprehensive income

DKK'000	Note	Q1 2024	Q1 2023	1/1-31/3 2024	1/1-31/3 2023	Year 2023
Revenue	4	85.283	91.459	85.283	91.459	388.781
Production costs ^A		(76.454)	(85.262)	(76.454)	(85.262)	(497.457)
Gross profit/(loss)		8.829	6.197	8.829	6.197	(108.676)
Distribution costs		(10.021)	(10.411)	(10.021)	(10.411)	(42.434)
Administrative costs ^B		(8.944)	(8.545)	(8.944)	(8.545)	(37.763)
Other operating income		75	0	75	0	(65)
Other operating expenses		0	0	0	0	0
Operating profit/(loss)		(10.061)	(12.758)	(10.061)	(12.758)	(188.939)
Financial income		146	201	146	201	3.719
Financial expenses ^C		(14.051)	(11.478)	(14.051)	(11.478)	(54.189)
Profit/(loss) before tax ^D		(23.966)	(24.035)	(23.966)	(24.035)	(239.410)
Tax on profit/(loss) for the period		2.036	2.080	2.036	2.080	24.178
Profit/(loss) for the period		(21.930)	(21.955)	(21.930)	(21.955)	(215.231)
Exchange rate adjustments, for- foreign companies		373	(871)	373	(871)	(924)
Tax on other comprehensive income		0	0	0	0	0
Other comprehensive income, net of tax		373	(871)	373	(871)	(924)
Total comprehensive in- come/(loss) for the period		(21.557)	(22.826)	(21.557)	(22.826)	(216.155)
Profit/(loss) for the period attributable to:						
Owners of the Company		(21.930)	(21.955)	(21.930)	(21.955)	(215.231)
Total comprehensive in- come/(loss) for the period at- tributable to:						
Owners of the Company		(21.557)	(22.826)	(21.557)	(22.826)	(216.155)

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

DKK'000	Q1 2024	Q1 2023	1/1-31/3 2024	1/1-31/3 2023	Year 2023
Depreciation on assets acquired (PPA)	9.508	9.568	9.508	9.568	38.919
Other expenses 1)	819	1.748	819	1.748	5.534
Other income 1)	0	0	0	0	(3.369)
Interest corporate bonds	9.605	7.677	9.605	7.677	35.553
Adjustments deferred tax related to PPA	(2.092)	(2.105)	(2.092)	(2.105)	(14.282)
	<u>17.840</u>	<u>16.888</u>	<u>17.840</u>	<u>16.888</u>	<u>62.355</u>

1) Other expenses-/income includes costs for redemption of bonds.

Consolidated statement of financial position - Assets

DKK'000	31 Mar 2024	31 Mar 2023	31 Dec 2023
Goodwill	0	99.000	0
Completed development projects	21.819	23.245	21.336
Patents and licenses	98.754	127.168	102.607
Brand	37.900	37.900	37.900
Customer relationship	22.780	54.316	27.414
Intangible assets	181.253	341.629	189.257
Plant and machinery	21.249	26.208	22.075
Other fixtures and fittings, tools and equipment	5.229	5.273	5.372
Leasehold improvements	2.043	2.642	2.192
Finance lease	80.180	84.160	79.324
Property, plant and equipment	108.701	118.283	108.963
Deposits	10.192	10.108	10.191
Other non-current assets	10.192	10.108	10.191
Non-current assets	300.146	470.019	308.411
Inventories	81.951	74.898	79.839
Trade receivables	53.640	40.679	47.786
Contract work in progress	16.233	24.862	6.387
Payable group company	482	39	482
Tax receivables	16.774	3.301	17.752
Other short-term receivables	3.773	5.041	3.469
Prepayments	2.148	1.876	2.797
Receivables	175.001	150.697	158.512
Cash	4.142	7.434	3.975
Current assets	179.143	158.131	162.487
Assets	479.289	628.151	470.898

Consolidated statement of financial position– Equity and Liabilities

DKK'000	31 Mar 2024	31 Mar 2023	31 Dec 2023
Contributed capital	2.925	2.923	2.925
Other reserves	2.390	2.443	2.390
Retained earnings	<u>(371.638)</u>	<u>(176.122)</u>	<u>(350.080)</u>
Equity	(366.322)	(170.755)	(344.765)
Provisions for deferred tax	35.595	49.669	37.687
Corporate bonds	454.854	436.059	444.750
Intercompany liabilities	66.467	0	64.974
Finance lease liabilities	72.974	76.809	72.332
Other payables	8.853	8.532	8.781
Non-current liabilities	<u>638.743</u>	<u>571.070</u>	<u>628.524</u>
Current portion of long-term lease liabilities	10.940	10.351	10.593
Bank debt	92.387	64.867	40.926
Payable group company	248	248	248
Contract work, liabilities	32.069	51.920	47.453
Other provisions	4.797	19.882	4.805
Prepayment customers	10.189	12.748	9.876
Trade payables	33.202	40.940	43.776
Income tax payable	278	0	1.431
Other payables	22.758	26.880	28.030
Current liabilities	<u>206.868</u>	<u>227.837</u>	<u>187.139</u>
Total liabilities	<u>845.611</u>	<u>798.907</u>	<u>815.663</u>
Equity and liabilities	<u><u>479.289</u></u>	<u><u>628.151</u></u>	<u><u>470.898</u></u>

Consolidated statement of changes in equity

Consolidated statement of changes equity

DKK'000	Contributed capital	Other reserves*	Retained earnings	Total
Equity at 1 January 2024	2.925	2.390	(350.080)	(344.765)
Profit for the period	0	0	(21.930)	(21.930)
Other comprehensive income	0	373	0	373
Capital increase	0	0	0	0
Equity at 31 March 2024	<u>2.925</u>	<u>2.763</u>	<u>(372.010)</u>	<u>(366.322)</u>

DKK'000	Contributed capital	Other reserves*	Retained earnings	Total
Equity at 1 January 2023	2.923	3.314	(154.167)	(147.930)
Profit for the period	0	0	(215.231)	(215.231)
Other comprehensive income	0	(924)	(1)	(925)
Capital increase	2	0	19.319	19.321
Equity at 31 December 2023	<u>2.925</u>	<u>2.390</u>	<u>(350.080)</u>	<u>(344.765)</u>

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

Consolidated statement of cash flows

DKK'000	YTD Q1 2024	YTD Q1 2023	YTD 2023
Operating profit/loss	(10.061)	(12.758)	(188.939)
Amortisation, depreciation	11.397	11.398	56.892
Impairment losses	0	0	125.000
Other provisions and payables	10.200	1.900	(14.840)
Working capital changes	(56.614)	(58.603)	(33.484)
Cash flows from ordinary operating activities	(45.078)	(58.063)	(55.371)
Financial income received	146	105	298
Financial expenses paid	(1.828)	(7.800)	(41.043)
Income taxes refunded/paid	0	(11.200)	(13.142)
Cash flows from operating activities	(46.760)	(76.958)	(109.258)
Acquisition etc. of intangible assets	(2.000)	(700)	(3.204)
Acquisition etc. of property, plant and equipment	(200)	(1.100)	(3.202)
Acquisition etc. of financial fixed assets	0	0	0
Proceeds from disposal of financial fixed assets	(82)	0	0
Proceeds from disposal of property, plant and equipment	69	0	0
Cash flows from investing activities	(2.213)	(1.800)	(6.406)
Proceeds from (repayments of) related party borrowings	0	0	64.974
Leasing	(2.470)	(2.384)	(9.577)
Repayment of bank debt	51.610	64.857	21.236
Capital increase	0	0	19.321
	0		0
Cash flows from financing activities	49.140	62.473	95.954
Increase/decrease in cash and cash equivalents	167	(16.285)	(19.710)
Cash and cash equivalents at the beginning of the period	3.975	23.685	23.685
Cash and cash equivalents end of the period	4.142	7.400	3.975
Cash and cash equivalents at period end are composed of:			
Cash	4.142	7.400	3.975
Cash and cash equivalents end of the period	4.142	7.400	3.975

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 Q1 2024 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 2023 ('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	Q1 2024	Q1 2023	YTD Q1 2024	YTD Q1 2023
Sale of goods	63.544	54.877	63.544	54.877
Sale of service	756	1.011	756	1.011
Income from contract work in progress (turnkey projects)	20.983	35.571	20.983	35.571
Revenue	85.283	91.459	85.283	91.459

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	Revenue external customer			
DKK'000	Q1 2024	Q1 2023	YTD Q1 2024	YTD Q1 2023
Primary geographical markets				
Denmark	568	822	568	822
Europe	38.685	30.371	38.685	30.371
Asia	6.589	8.980	6.589	8.980
South- & North America	34.952	47.843	34.952	47.843
Middle East and Africa	4.437	3.383	4.437	3.383
Other markets	52	59	52	59
	<u>85.283</u>	<u>91.459</u>	<u>85.283</u>	<u>91.459</u>
Major products/service lines				
In-line flexo printing machines	42.815	55.196	42.815	55.196
Ancillary products	42.468	36.263	42.468	36.263
	<u>85.283</u>	<u>91.459</u>	<u>85.283</u>	<u>91.459</u>
Timing of revenue recognition				
Products and services transferred at a point in time	64.300	55.888	64.300	55.888
Products transferred over time	20.983	35.571	20.983	35.571
	<u>85.283</u>	<u>91.459</u>	<u>85.283</u>	<u>91.459</u>

5. Financial instruments

DKK'000	31/Mar/24	31/Mar/23
Categories of financial instruments		
Deposits	10.192	10.108
Trade receivables	53.640	40.679
Other short-term receivables	5.921	6.918
Cash	4.142	7.434
Assets at amortized costs	73.895	65.139
Corporate bonds	454.854	436.059
Finance lease liabilities	83.914	87.160
Bank debt	92.387	64.867
Payable to group company	66.715	248
Trade payables	33.202	40.940
Other payables	22.758	26.880
Financial liabilities measured at amortized cost	753.830	656.154

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 2023.

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 September 2033 and the future minimum payments according to the contract is DKK 84,0m for this period.

8. Related parties

The following parties have a controlling interest:

- 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 2023.