

Tresu Investment Holding A/S

Venusvej 44

6000 Kolding

Company Reg. No. 37553727

Interim financial report

Second quarter 2019

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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 2019 to 30 June 2019.

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 2019 and the results of their operations and cash flows for the period from 1 January 2019 to 31 June 2019.

In our opinion, the Management's Review 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 2018.

Kolding, Denmark, 28 August 2019

Executive Board

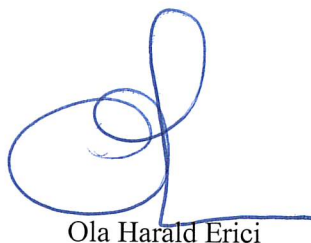
Heidi Thousgaard Jørgensen



Board of Directors



Carsten Nygaard Knudsen

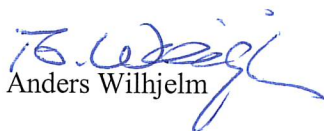


Ola Harald Eriic



Thomas Stegeager Kvorning

Chairman



Anders Wilhjelm



Søren Dan Johansen

Management commentary

	Q2 2019	Q2 2018*	1/1-30/6 2019	01/1-30/6 2018*	1/1-31/12 2018*
Key figures (DKK'000)					
Revenue	92.088	81.514	192.830	184.605	338.410
Gross profit/loss	5.956	(60.964)	11.832	(61.364)	(124.883)
Operating profit/loss	(21.307)	(115.178)	(41.057)	(137.362)	(324.235)
Net financials	(8.148)	(7.785)	(14.810)	(15.606)	(31.829)
Profit/loss for the period	(23.994)	(95.952)	(47.360)	(119.245)	(296.313)
Total assets	874.170	1.115.883	874.170	1.115.883	932.239
Investments in property, plant and equipment	3.133	3.068	4.590	3.905	1.061
Equity	75.581	171.937	75.581	171.937	70.583
Ratios					
Gross margin (%)	6,5	(74,8)	6,1	(33,2)	(36,9)
Net margin (%)	(26,1)	(117,7)	(24,6)	(64,6)	(87,6)
Return on equity (%)			(38,3)	(58,1)	(191,8)
Equity ratio (%)			8,6	15,4	7,6
Return of assets			(4,7)	(12,3)	(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

Q2 2019

Consolidated revenue for Q2 2019 is DKK 92,1m and Operating loss (EBIT) for Q2 2019 is DKK -21,3m. The result in the Group is impacted by amortization of surplus values capitalized as part of the purchase price allocation. Total amount in Q2 was DKK 12,2m.

Consolidated revenue for YTD 2019 is DKK 192,8m and Operating loss (EBIT) for 2019 is DKK -41,1m. The result in the Group is impacted by amortization of surplus values capitalized as a part of the purchase price allocation. Total amount YTD is DKK 24,4m.

Cash flow from ordinary operating activities in YTD Q2 2019 amounted to DKK 15,3m and net investments in Property, plant and equipment equalled DKK 4,6m.

In Q2 2019 the Group received DKK 50,0m from the Group's parent company, Tresu Group Holding A/S, as a tax exempt contribution.

At the end of Q2 2019 total assets was DKK 874,2m and total equity amounted to DKK 75,6m.

The financial results of Q2 2019 are in line with expectations.

Outlook

The outlook for the Group for 2019 remains revenue growth in the area of 20-30% on 2018, and an EBITDA margin of 5-10% (adjusted for potential one-off effects).

Consolidated statement of profit or loss and other comprehensive income

DKK'000	Note	Q2 2019	Q2 2018*	1/1-30/6 2019	1/1-30/6 2018*	1/1-31/12 2018*
Revenue	4	92.088	81.514	192.830	184.605	338.410
Production costs ^A		(86.132)	(142.478)	(180.998)	(245.969)	(463.293)
Gross profit/(loss)		5.956	(60.964)	11.832	(61.364)	(124.883)
Research and development costs		(1.360)	(13.305)	(1.837)	(15.480)	(20.046)
Distribution costs		(8.878)	(14.834)	(20.369)	(24.290)	(50.484)
Administrative costs ^B		(17.037)	(26.075)	(30.795)	(36.228)	(126.749)
Other operating income		460	0	1.691	0	383
Other operating expenses		(448)	0	(1.579)	0	(2.456)
Operating profit/(loss)		(21.307)	(115.178)	(41.057)	(137.362)	(324.235)
Financial income		0	12	302	44	70
Financial expenses ^C		(8.148)	(7.797)	(15.112)	(15.650)	(31.899)
Profit/(loss) before tax ^D		(29.454)	(122.963)	(55.866)	(152.968)	(356.064)
Tax on profit/(loss) for the period		5.460	27.011	8.506	33.723	59.751
Profit/(loss) for the period		(23.994)	(95.952)	(47.360)	(119.245)	(296.313)
Exchange rate adjustments, foreign companies		1.162	3.374	2.359	4.026	3.427
Tax on other comprehensive income		-	-	-	-	-
Other comprehensive income, net of tax		1.162	3.374	2.359	4.026	3.427
Total comprehensive income/(loss) for the period		(22.833)	(92.578)	(45.002)	(115.219)	(292.886)
Profit/(loss) for the period attributable to:						
Owners of the Company		(23.994)	(95.952)	(47.360)	(119.245)	(296.313)
Total comprehensive income/(loss) for the period attributable to:						
Owners of the Company		(22.833)	(92.578)	(45.002)	(115.219)	(292.886)

*) 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	Q2 2019	Q2 2018	1/1-30/6 2019	1/1-30/6 2018	1/1-31/12 2018
^A Depreciation on assets acquired (PPA)	12.187	20.105	24.375	38.414	60.156
^A Impairment of Machines and buildings (PPA)	-	17.853	-	17.853	21.550
^B Other expenses 1)	4.555	2.263	11.700	4.978	14.950
^B Impairment of goodwill (PPA)	-	-	-	-	75.000
^C Interest corporate bonds	6.608	6.745	13.209	13.192	26.391
^D Tax regarding other expenses, borrowing costs and corporate bonds	(2.456)	(1.981)	(5.480)	(3.997)	(9.095)
^D Adjustments deferred tax related to PPA	<u>(2.682)</u>	<u>(8.351)</u>	<u>(5.363)</u>	<u>(12.551)</u>	<u>(18.722)</u>
	18.211	36.634	38.440	57.889	170.230

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 2019	30 June 2018***	31 December 2018***
Goodwill		174.000	249.000	174.000
Completed development projects		28.805	58.609	33.344
Patents and licenses*		194.191	208.314	202.544
Brand		37.900	37.900	37.900
Customer relationship*		154.476	183.588	169.032
Intangible assets		589.372	737.411	616.820
Land and buildings		4.910	16.753	3.675
Plant and machinery		39.484	22.803	40.172
Other fixtures and fittings, tools and equipment		2.690	7.725	4.032
Leasehold improvements		5.989	701	635
Finance lease	2	2.851	0	0
Property, plant and equipment		55.925	47.982	48.514
Deferred tax assets		0	17.730	0
Deposits		10.347	452	10.454
Other non-current assets		10.347	18.182	10.454
Non-current assets		655.644	803.575	675.788
Inventories**		97.753	121.680	87.245
Trade receivables		40.865	56.929	58.047
Contract work in progress**		42.993	107.255	77.659
Tax receivables		3.253	1.878	2.672
Other short-term receivables		9.392	13.715	6.717
Prepayments		2.637	3.946	1.950
Receivables		196.892	305.403	234.290
Cash		7.938	6.905	6.073
Assets as held for sale		13.000	0	16.088
Finance lease	2	695	0	0
Current assets		215.285	312.308	256.451
Assets		874.170	1.115.883	932.239

*) Decrease due to recurring amortization

**) Increase/Decrease due to normal operation

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

Consolidated statement of financial position– Equity and Liabilities

DKK'000	Notes	30 June 2019	30 June 2018***	31 December 2018
Contributed capital		2.922	2.922	2.922
Other reserves		4.470	(2.710)	2.111
Retained earnings		68.190	166.305	65.550
Equity		75.581	171.937	70.583
Provisions for deferred tax		68.564	126.105	78.344
Other provisions		5.827	4.847	6.671
Corporate bonds		518.010	516.070	517.505
Finance lease liabilities	2	2.471	149	123
Other payables		7.046	6.859	6.631
Non-current liabilities		601.918	654.030	609.274
Current portion of long-term lease liabilities	2	1.256	40	45
Current portion of long-term other payables		0	1.071	896
Bank debt		57.232	90.899	100.581
Payable group company		0	334	325
Contract liabilities*		15.155	10.094	15.210
Trade payables**		64.221	144.885	90.377
Income tax payable		0	0	39
Other payables		58.807	42.593	44.909
Current liabilities		196.671	289.916	252.382
Total liabilities		798.588	943.946	861.656
Equity and liabilities		874.170	1.115.883	932.239

*) Increase due to normal operation

***) Decrease due to normal operation

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

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

DKK'000	Contributed capital	Other reserves*	Retained earnings	Total
Equity at 1 January 2018	2.922	(1.316)	236.865	238.471
Other adjustments***	-	-	(1.315)	(1.315)
Profit for the period	-	-	(119.245)	(119.245)
Other comprehensive income	-	4.026	-	4.026
Tax exempt contribution	-	-	50.000	50.000
Equity at 30 June 2018	2.922	2.710	166.305	171.937

Consolidated statement of changes in equity

DKK'000	Contributed capital	Other reserves*	Retained earnings	Total
Equity at 1 January 2019	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
Equity at 30 June 2019	2.922	4.470	68.190	75.581

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

***) In Q2 2019 the Group has received DKK 50.000 thousand from the Group's parent company, Tresu Group Holding A/S, as a tax exempt contribution.

****) Adjustment related to 2017 exchange rate adjustment foreign companies

Consolidated statement of cash flows

DKK'000	YTD June 2019	YTD June 2018
Operating profit/loss	(41.057)	(137.362)
Amortisation, depreciation	33.340	62.196
Other provisions	(837)	3.417
Working capital changes	23.838	20.435
Cash flows from ordinary operating activities	15.285	(51.314)
Financial income received	302	44
Financial expenses paid	(15.112)	(15.650)
Income taxes refunded/paid	0	0
Cash flows from operating activities	475	(66.920)
Acquisition etc. of intangible assets	(678)	(8.255)
Acquisition etc. of property, plant and equipment	(6.282)	(3.905)
Acquisition etc. of financial fixed assets	7	(128)
Disposal of property, plant and equipment	1.692	0
Cash flows from investing activities	(5.261)	(12.288)
Loans raised	0	0
Instalments loan	0	(292)
Overdraft facility	(43.349)	25.303
Capital increase	50.000	50.000
Corporate bonds	0	552
Cash flows from financing activities	6.651	75.563
Increase/decrease in cash and cash equivalents	(1.865)	(3.645)
Cash and cash equivalents at the beginning of the period	6.073	10.550
Cash and cash equivalents end of the period	7.938	6.905
Cash and cash equivalents at period end are composed of:		
Cash	7.938	6.905
Cash and cash equivalents end of the period	7.938	6.905

Notes to the consolidated interim financial statements

Overview notes

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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 2019 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 2018 ('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

The Group has adopted all new or changed standards, interpretations and amendments to IFRS that are applicable with effect from 1 January 2019, among other:

- IFRS 16 Leases

The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

IFRS 16, Leases

Tresu Group has implemented IFRS 16 in the consolidated financial statements for the financial year beginning on 1 January 2019. Tresu Group has applied IFRS 16 using the modified retrospective approach, under which the cumulative effect of initial application is recognised in retained earnings at 1 January 2019.

IFRS 16 replaces IAS 17 and changes the accounting treatment of lease contracts that were previously treated as operating lease contracts. The change in lease accounting requires capitalisation of operating lease contracts as right-of-use assets under property, plant and equipment with a related lease liability in liabilities.

Tresu Group assesses whether a contract is or contains a lease at inception of the contract. Tresu Group recognises a right-of-use assets and corresponding lease liabilities at the lease commencement date.

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liabilities adjusted for any lease payments made at or before the commencement date, plus any initial costs incurred.

The right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses. The right-of-use assets are from the commencement date depreciated over the shorter period of lease term and useful life of the underlying asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use assets are periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liabilities, e.g. revised discount rate, change in the lease term or change in future lease payments resulting from a change in an index.

The lease liabilities are initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, Tresu Group's incremental borrowing rate. Generally, Tresu Group uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liabilities comprise the following:

- fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- the exercise price of a purchase option if Tresu Group is reasonably certain to exercise the options; and
- amounts expected to be payable lease under residual value guarantees.

The lease liabilities are subsequently measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the estimate of the amount expected to be payable under a residual value guarantee, or if Tresu Group changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liabilities are remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use assets, or is recorded in profit or loss if the carrying amount of the right-of-use assets has been reduced to zero.

IFRS 16 impact to financial statements

On transition to IFRS 16, Tresu Group recognised DKK 5m of right-of-use assets and lease liabilities. The lease liabilities were measured at the present value of the remaining lease payments, discounted using Tresu Group's incremental borrowing rate as at 1 January 2019. The weighted average incremental borrowing rate applied to these lease liabilities was 3.10 percent on 1 January 2019. Right-of-use assets are calculated at transition date and equal to the lease liabilities, adjusted by the amount of any prepaid or accrued lease payments.

Tresu Group's leases properties, vehicles and equipment. Lease contracts are typically made for fixed periods but may have extension options included in the lease term. Lease terms are negotiated on an individual basis and contain different terms and conditions including payment terms, terminations rights, maintenance, deposits and guarantees etc.

Right-of-use assets amounts to DKK 3,5m as at 30 June 2019. Lease liabilities are included in Financial debts and amount to DKK 3,6m.

Interest related to the lease liabilities and depreciation related to the right-of-use assets are recognised in income statement and amounts to DKK 1,8m

Tresu Group has not applied any practical expedients in the transition to IFRS 16.

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 2019	Q2 2018	1/1-30/6 2019	1/1-30/6 2018
Sale of goods	51.951	41.912	114.614	82.040
Sale of service	2.818	9.263	4.852	14.911
Income from contract work in progress (turnkey projects)	37.319	30.338	73.634	87.654
Revenue	92.088	81.514	192.830	184.605

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 2019	Q2 2018	1/1-30/6 2019	1/1-30/6 2018
Primary geographical markets				
Denmark	883	1.689	2.732	3.563
Europe	47.114	41.485	99.201	83.175
USA	17.630	22.044	45.486	43.392
Middle East and Africa	9.636	11.237	17.842	29.738
Other markets	16.825	5.059	27.569	24.737
	92.088	81.514	192.830	184.605
Major products/service lines				
In-line flexo printing machines	63.559	46.253	129.186	114.679
Ancillary products	28.529	35.261	63.644	69.926
	92.088	81.514	192.830	184.605

Timing of revenue recognition

Products and services transferred at a point in time	54.769	51.176	119.466	96.951
Products transferred over time	37.319	30.338	73.364	87.654
	<u>92.088</u>	<u>81.514</u>	<u>192.830</u>	<u>184.605</u>

5. Asset held for sale

In June 2018, the Company decided to sell the corporate building, as the Company will vacate the current building and move into a new domicile in 2019. Accordingly, the corporate building is presented as asset held for sale. Efforts to sell these assets have started.

6. Financial instruments – Fair values and risk management

DKK'000	30 June 2019	30 June 2018
Categories of financial instruments		
Deposits	10.347	452
Trade receivables	40.865	56.929
Other short-term receivables	9.392	13.715
Prepayments	2.637	3.946
Cash	7.938	6.905
Assets at amortized costs	71.179	81.947
Corporate bonds	518.010	516.070
Finance lease liabilities	3.727	189
Non-current other payables	0	1.071
Bank debt	57.232	90.899
Trade payables	64.221	144.885
Other payables	58.807	42.593
Financial liabilities measured at amortized cost	701.997	795.707

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 2018.

7. Commitments and contingencies

The Group has entered into an agreement to lease a new company facility site at Venusvej in Kolding. The new company site was constructed by a property developer and subsequently leased to Tresu Group as of August 2019.

The lease commencement is August 2019 and the Group is providing a payment guarantee of DKK 8.350 thousand that will be written down in lockstep with quarterly lease payments made in July 2019, October 2019, January 2020 and March 2020. The Group has paid an initial amount of DKK 10.000 thousand in deposit.

The lease contract includes a non-termination period of 14,3 years and the future minimum payments according to the contract is DKK 119m 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 2018.

Q2 2019 Quarterly Results

TRESU Investment Holding A/S

28 August 2019



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. Figures from 2018 are not restated to reflect changes from standard
- 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
- 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 76 32 36 36 to:

Heidi Thousgaard Jørgensen
CEO & Interim CFO, Tresu Group

Carsten Knudsen
Chairman, Tresu Group

Executive summary

1 Continued turnaround with breakeven adj. EBITDA in Q2

- Overall quotation activity remains at expected level despite macro uncertainty
- Recent large order intake wins to translate into increased revenues in H2 '19
- Old projects under control – focus on installation and commissioning
- Tight control on fixed costs in continuation of FTE reductions in H2 '18
- 2019 revenue and adj. EBITDA guidance maintained

2 Progress on turnaround plan

- Top 5 strategic initiatives continue to progress according to plan
- New HQ / production facility operational with all functions relocated

3 Liquidity and shareholder support

- Net debt has reduced from DKK 605m in Q1 '19 to DKK 572m in Q2 '19 driven mainly by the DKK 50m capital raising completed earlier in April
- Liquidity remains healthy and supportive of the turnaround plan

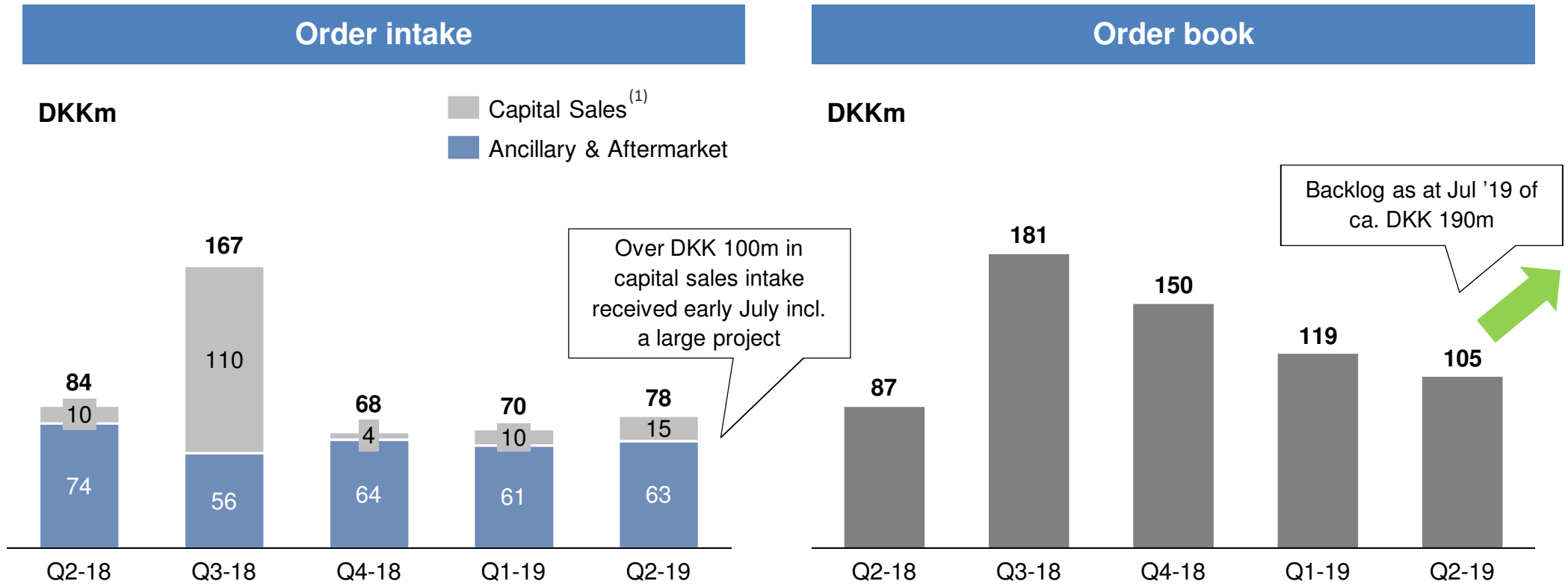
Q2 '19 Summary financials

DKKm	Q2 2019	Q1 2019
Revenue	92.1	100.7
Production costs	(86.1)	(94.9)
Gross profit/(loss)	6.0	5.9
R&D costs	(1.4)	(0.5)
Distribution costs	(8.9)	(11.5)
Administrative costs	(17.0)	(13.8)
Other net operating expenses	0.0	0.1
Operating profit / (loss)	(21.3)	(19.8)
Adjustments		
D&A	4.0	3.3
NRI	4.6	7.1
PPA depreciation	12.2	12.2
Impairment losses	-	-
IFRS 16 depreciation on leases	0.8	0.9
Adjusted EBITDA (non-IFRS)	0.2	3.8
NWC	55.5	58.8
Net debt	571.8	604.7
Available liquidity	49.9	19.8

Comments






- Q2 adj. EBITDA impacted by progression of old backlog projects and relatively low activity level in upgrades and capital sales leading to some additional cost underabsorption in the quarter
- Recent large order intake wins to translate into increased revenues in H2 '19
- Net debt has reduced from DKK 605m in Q1 '19 to DKK 572m in Q2 '19 driven mainly by the DKK 50m capital raising completed earlier in April
- Liquidity continues to develop in line with expectations

Order intake and order book development



(1) Includes order intake from Digital segment.

Latest status: 5 strategic priorities for turnaround agenda

Strategic priorities	Latest status	Current Status
 Right-Sizing lower break-even point	<ul style="list-style-type: none"> Constant monitoring of utilisation vs capacity to ensure fixed cost base in line with expected order intake 	On Track
 Digital improve profitably	<ul style="list-style-type: none"> Good momentum on development work for next generation model with existing key account 	On Track
 Large Project Management secure margins	<ul style="list-style-type: none"> New bids subject to stringent process via Bid Review Board Good activity within quotations with new and existing customers – with several projects where Tresu has preferred supplier / incumbent status 	On Track
 Supply Chain transform and improve	<ul style="list-style-type: none"> New HQ / production facility operational as of Aug '19 Transformation agenda now set in motion, with continued focus on cost savings 	On Track
 Aftermarket grow installed base potential	<ul style="list-style-type: none"> Work continues on full Ancillary and Aftermarket strategy for proactive lifecycle management of the installed base and servicing OEMs more extensively Recruitment of additional aftermarket resources in progress to further improve customer experience 	Ongoing

Appendix

Statement of profit or loss

DKKm	Q2 2019	Q1 2019
Revenue	92.1	100.7
Production costs	(86.1)	(94.9)
Gross profit/(loss)	6.0	5.9
R&D costs	(1.4)	(0.5)
Distribution costs	(8.9)	(11.5)
Administrative costs	(17.0)	(13.8)
Other net operating expenses	0.0	0.1
Operating profit/(loss)	(21.3)	(19.8)
Net financial expenses	(8.1)	(6.7)
Profit/(loss) before tax	(29.5)	(26.4)
Tax on profit/(loss) for the period	5.5	3.0
Profit/(loss) for the period	(24.0)	(23.4)

Statement of financial position

DKKm	Jun-19	Mar-19
Intangible assets	589.4	602.8
Property, plant and equipment	55.9	55.3
Other non-current assets	10.3	10.4
Non-current assets	655.6	668.6
Inventories	97.8	76.6
Trade receivables	40.9	58.9
Contract work in progress	43.0	64.2
Tax receivables	3.3	0.0
Other short-term receivables	9.4	8.2
Prepayments	2.6	1.6
Receivables	196.9	209.5
Cash	7.9	5.0
Assets as held for sale	13.0	13.0
Financial lease	0.7	1.1
Current assets	218.5	228.5
Assets	874.2	897.1
Contributed capital	2.9	2.9
Other reserves	4.5	3.3
Retained earnings	68.2	42.2
Equity	75.6	48.4
Provisions for deferred tax	68.6	75.5
Other provisions	5.8	6.3
Corporate bonds ⁽¹⁾	518.0	517.1
Finance lease liabilities	2.5	2.7
Other payables	7.0	7.3
Non-current liabilities	601.9	609.1
Current portion of long-term lease liabilities	1.3	1.6
Current portion of long-term other payables	-	-
Bank debt	57.2	87.7
Payable group company	-	-
Contract liabilities	15.2	11.4
Trade payables	64.2	93.2
Income tax payable	-	(0.4)
Other payables	58.8	46.1
Current liabilities	196.7	239.6
Total liabilities	798.6	848.7
Equity and liabilities	874.2	897.1

(1) Gross corporate bonds of DKK 522.5m excluding capitalised financing fees.

Statement of cash flows

DKKm	YTD Q2 2019	Q1 2019
Operating profit/loss	(41.1)	(19.8)
Amortisation, depreciation and impairment losses	33.3	15.5
Impairment losses		-
Other provisions	(0.8)	(0.4)
Working capital changes	23.8	23.6
Cash flows from ordinary operating activities	15.3	18.9
Financial income received	0.3	0.0
Financial expenses paid	(15.1)	(6.7)
Income taxes refunded/(paid)	-	-
Cash flows from operating activities	0.5	12.3
Acquisition etc. of intangible assets	(0.7)	(0.2)
Acquisition etc. of property, plant and equipment	(6.3)	(0.2)
Acquisition etc. of financial fixed assets	0.0	0.0
Acquisition etc. of companies	1.7	-
Cash flows from investing activities	(5.3)	(0.5)
Loans raised	-	-
Instalments loan	-	-
Overdraft facility	(43.3)	(12.9)
Capital increase	50.0	-
Corporate bonds	-	-
Cash flows from financing activities	6.7	(12.9)
Increase/decrease in cash and cash equivalents	1.9	(1.0)
Cash and cash equivalents BoP	6.1	6.1
Cash and cash equivalents EoP	7.9	5.0