

**Tresu Investment Holding A/S**

**Venusvej 44**

**6000 Kolding**

**Company Reg. No. 37553727**

**Interim financial report**

**Q3 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 July 2020 to 30 September 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 September 2020 and the results of their operations and cash flows for the period from 1 January 2020 to 30 September 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 November 2020

### Executive Board




Heidi Thousgaard-Jørgensen  
CEO

### Board of Directors




Jean-Marc Lechêne

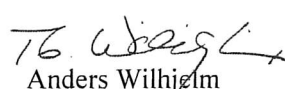
Chairman



Ola Harald Eriç



Thomas Stegeager Kvorning



Anders Wilhjelm



Søren Dan Johansen

**Management commentary**

	<b>Q3 2020</b>	<b>Q3 2019</b>	<b>1/1-30/9 2020</b>	<b>01/1-30/9 2019</b>	<b>2019</b>
<b>Key figures (DKK'000)</b>					
Revenue	63.507	97.134	233.234	289.964	388.701
Gross profit/loss	515	8.092	27.956	19.924	32.996
Operating profit/loss	(21.733)	(17.452)	(42.304)	(58.509)	(82.683)
Net financials	(8.419)	(9.177)	(23.533)	(23.985)	(32.762)
Profit/loss for the period	(27.126)	(22.124)	(55.854)	(69.483)	(91.239)
Total assets	816.228	957.596	816.228	957.596	900.045
Investments in property, plant and equipment	431	2.908	6.147	9.190	20.912
Equity	(26.224)	53.695	(26.224)	53.695	32.253
<b>Ratios</b>					
Gross margin (%)	0,8	8,3	12,0	6,9	8,5
Net margin (%)	(42,7)	(22,8)	(23,9)	(24,0)	(23,5)
Return on equity (%)			(406,6)	(52,1)	(177,4)
Equity ratio (%)			(3,2)	5,6	3,6
Return of assets			(5,2)	(6,1)	(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

### **Q3 2020**

The consolidated revenue for Q3 2020 is DKK 63,5m and Operating loss (EBIT) for Q3 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 Q3 was DKK 12,7m.

The consolidated revenue for YTD 2020 is DKK 233,2m and Operating loss (EBIT) for YTD 2020 is DKK -42,3m. 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 37,0m.

At the end of Q3 2020 total assets was DKK 816,2 and total equity amounted to DKK -26,2m.

The financial results of Q3 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).

The outlook for 2020 for the Group remains 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	<b>Q3 2020</b>	<b>Q3 2019</b>	<b>1/1-30/9 2020</b>	<b>1/1-30/9 2019</b>	<b>2019</b>
<b>Revenue</b>	4	63.507	97.134	233.234	289.964	388.701
Production costs <sup>A</sup>		(62.992)	(89.042)	(205.278)	(270.040)	(355.705)
<b>Gross profit/(loss)</b>		<b>515</b>	<b>8.092</b>	<b>27.956</b>	<b>19.924</b>	<b>32.996</b>
Research and development costs		(1.497)	(1.508)	(5.106)	(3.345)	(6.311)
Distribution costs		(8.881)	(10.413)	(28.824)	(30.782)	(41.640)
Administrative costs <sup>B</sup>		(11.915)	(13.532)	(39.945)	(44.327)	(60.287)
Other operating income		45	1.418	3.615	3.109	3.131
Other operating expenses		0	(1.509)	0	(3.088)	(10.572)
<b>Operating profit/(loss)</b>		<b>(21.733)</b>	<b>(17.452)</b>	<b>(42.304)</b>	<b>(58.509)</b>	<b>(82.683)</b>
Financial income		93	0	1.654	0	154
Financial expenses <sup>C</sup>		(8.512)	(9.177)	(25.187)	(23.985)	(32.916)
<b>Profit/(loss) before tax <sup>D</sup></b>		<b>(30.152)</b>	<b>(26.629)</b>	<b>(65.837)</b>	<b>(82.494)</b>	<b>(115.445)</b>
Tax on profit/(loss) for the period		3.026	4.505	9.983	13.011	24.206
<b>Profit/(loss) for the period</b>		<b>(27.126)</b>	<b>(22.124)</b>	<b>(55.854)</b>	<b>(69.483)</b>	<b>(91.239)</b>
Exchange rate adjustments, foreign companies*		(1.176)	237	(4)	2.595	2.909
Revaluation of property, plant and equipment*		-	-	-	-	-
Tax on other comprehensive income		-	-	-	-	-
Other comprehensive income, net of tax		(1.176)	237	(4)	2.595	2.909
<b>Total comprehensive income/(loss) for the period</b>		<b>(28.302)</b>	<b>(21.887)</b>	<b>(55.858)</b>	<b>(66.888)</b>	<b>(88.330)</b>
Profit/(loss) for the period attributable to:						
Owners of the Company		(27.126)	(22.124)	(55.854)	(69.483)	(91.239)
Total comprehensive income/(loss) for the period attributable to:						
Owners of the Company		(28.302)	(21.887)	(55.858)	(66.888)	(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	Q3 2020	Q3 2019	1/1-30/9 2020	1/1-30/9 2019	1/1-31/12 2019
<sup>A</sup> Depreciation on assets acquired (PPA)	12.701	12.197	36.957	36.572	47.280
<sup>A</sup> Impairment of Machines and buildings (PPA)	-	-	-	-	5.000
<sup>B</sup> Other expenses 1)	8.724	6.681	15.344	18.281	27.690
<sup>B</sup> Impairment of goodwill (PPA)	-	-	-	-	-
<sup>C</sup> Interest corporate bonds	6.660	6.823	19.865	20.032	26.644
<sup>D</sup> Tax regarding other expenses, borrowing costs and corporate bonds	-	(2.971)	-	(8.429)	(11.953)
<sup>D</sup> Adjustments deferred tax related to PPA	<u>(3.026)</u>	<u>(2.682)</u>	<u>(9.981)</u>	<u>(8.045)</u>	<u>(13.911)</u>
	25.059	20.048	62.185	58.411	80.750

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

**Consolidated statement of financial position - Assets**

DKK'000	Note	30 September 2020	30 September 2019	31 December 2019
Goodwill		174.000	174.000	174.000
Completed development projects		29.701	27.942	32.213
Patents and licenses*		173.416	189.507	185.300
Brand		37.900	37.900	37.900
Customer relationship*		118.796	147.198	139.920
<b>Intangible assets</b>		<b>533.813</b>	<b>576.547</b>	<b>569.333</b>
Land and buildings		-	5.666	-
Plant and machinery		35.630	39.103	43.130
Other fixtures and fittings, tools and equipment		4.762	5.149	6.027
Leasehold improvements		3.682	8.683	4.505
Finance lease		95.293	99.172	97.980
<b>Property, plant and equipment</b>		<b>139.367</b>	<b>157.773</b>	<b>151.642</b>
Deferred tax assets		-	-	-
Deposits		10.084	10.250	10.134
<b>Other non-current assets</b>		<b>10.084</b>	<b>10.250</b>	<b>10.134</b>
<b>Non-current assets</b>		<b>683.264</b>	<b>744.570</b>	<b>731.109</b>
Inventories**		61.362	83.144	60.329
Trade receivables		21.622	50.466	35.284
Contract work in progress**		9.034	39.105	40.755
Tax receivables		1.519	5.176	3.739
Other short-term receivables		9.960	10.337	6.948
Prepayments		4.410	4.879	1.248
<b>Receivables</b>		<b>107.907</b>	<b>193.107</b>	<b>148.303</b>
<b>Cash</b>		<b>17.057</b>	<b>6.684</b>	<b>9.115</b>
Assets as held for sale		8.000	13.000	11.518
Finance lease		-	235	-
<b>Current assets</b>		<b>132.964</b>	<b>213.026</b>	<b>168.936</b>
<b>Assets</b>		<b>816.228</b>	<b>957.596</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 September 2020	30 September 2019	31 December 2019
Contributed capital		2.922	2.922	2.922
Other reserves		5.016	4.706	5.020
Retained earnings		(34.162)	46.067	24.311
<b>Equity</b>		<b>(26.224)</b>	<b>53.695</b>	<b>32.253</b>
Provisions for deferred tax		67.983	70.239	55.272
Other provisions		4.633	5.523	4.742
Corporate bonds		520.103	518.470	519.062
Finance lease liabilities		86.053	99.336	88.772
Other payables		6.874	6.926	5.978
<b>Non-current liabilities</b>		<b>685.646</b>	<b>700.494</b>	<b>673.826</b>
Current portion of long-term lease liabilities		10.333	479	9.930
Current portion of long-term other payables		-	-	896
Bank debt		34.041	67.044	70.753
Payable group company		8.000	263	8.000
Contract liabilities**		20.287	15.858	6.798
Trade payables**		36.099	73.385	64.568
Income tax payable		-	-	-
Other payables		48.046	46.378	33.021
<b>Current liabilities</b>		<b>156.806</b>	<b>203.407</b>	<b>193.966</b>
<b>Total liabilities</b>		<b>842.452</b>	<b>903.901</b>	<b>867.792</b>
<b>Equity and liabilities</b>		<b>816.228</b>	<b>957.596</b>	<b>900.045</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	-	-	(69.483)	(69.483)
Other comprehensive income	-	2.595	-	2.595
Tax exempt contribution	-	-	50.000	50.000
<b>Equity at 30 September 2019</b>	<b>2.922</b>	<b>4.706</b>	<b>46.067</b>	<b>53.695</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**	-	-	(2.619)	(2.619)
<b>Restated total equity at the beginning of the financial year</b>	<b>2.922</b>	<b>5.020</b>	<b>21.692</b>	<b>29.634</b>
Profit for the period	-	-	(55.854)	(55.854)
Other comprehensive income	-	(4)	-	(4)
Tax exempt contribution	-	-	-	-
<b>Equity at 30 September 2020</b>	<b>2.922</b>	<b>5.016</b>	<b>(34.162)</b>	<b>(26.224)</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 September 2020</b>	<b>YTD September 2019</b>	<b>Year 2019</b>
Operating profit/loss	(42.304)	(58.509)	(82.683)
Amortisation, depreciation	46.687	51.165	71.246
Impairment losses	-	-	5.000
Other provisions	(109)	(1.148)	(2.582)
Working capital changes	39.734	27.742	48.945
<b>Cash flows from ordinary operating activities</b>	<b>44.008</b>	<b>19.250</b>	<b>39.926</b>
Financial income received	59	-	69
Financial expenses paid	(23.355)	(23.986)	(28.533)
Income taxes refunded/paid	22.747	-	-
<b>Cash flows from operating activities</b>	<b>43.459</b>	<b>(4.736)</b>	<b>11.462</b>
Acquisition etc. of intangible assets	(227)	(2.150)	(6.369)
Acquisition etc. of property, plant and equipment	(6.147)	(9.190)	(20.912)
Acquisition etc. of financial fixed assets	-	203	-
Proceeds from disposals of financial fixed assets	-	-	320
Proceeds from disposals of plant and equipment	8.133	21	5.168
<b>Cash flows from investing activities</b>	<b>1.759</b>	<b>(11.116)</b>	<b>(21.793)</b>
Proceeds from (repayment of) related party borrowings	-	-	(325)
Leasing	(564)	-	(6.474)
Repayment of bank debt	(36.712)	(33.537)	(29.828)
Tax exempt contribution received from parent	-	50.000	50.000
Corporate bonds	-	-	-
<b>Cash flows from financing activities</b>	<b>(37.276)</b>	<b>16.463</b>	<b>13.373</b>
<b>Increase/decrease in cash and cash equivalents</b>	<b>7.942</b>	<b>611</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>17.057</b>	<b>6.684</b>	<b>9.115</b>
Cash and cash equivalents at period end are composed of:			
Cash	17.057	6.684	9.115
<b>Cash and cash equivalents end of the period</b>	<b>17.057</b>	<b>6.684</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 Q3 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	Q3 2020	Q3 2019	1/1-30/9 2020	1/1-30/9 2019
Sale of goods	43.150	53.283	129.382	167.901
Sale of service	1.841	2.660	5.531	7.512
Income from contract work in progress (turnkey projects)	18.516	41.191	98.321	114.551
<b>Revenue</b>	<b>63.507</b>	<b>97.134</b>	<b>233.234</b>	<b>289.964</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			
	Q3 2020	Q3 2019	1/1-30/9 2020	1/1-30/9 2019
<b>Primary geographical markets</b>				
Denmark	2.684	1.983	5.119	4.714
Europe	35.489	64.938	143.504	164.126
Americas	13.917	13.669	42.982	59.154
Asia	5.945	11.500	29.763	39.084
Middle East and Africa	5.431	5.044	11.740	22.886
Other markets	41	0	126	0
	<b>63.507</b>	<b>97.134</b>	<b>233.234</b>	<b>289.964</b>
<b>Major products/service lines</b>				
In-line flexo printing machines	38.904	66.367	150.673	195.552
Ancillary products	24.603	30.767	82.561	94.412
	<b>63.507</b>	<b>97.134</b>	<b>233.234</b>	<b>289.964</b>
<b>Timing of revenue recognition</b>				
Products and services transferred at a point in time	45.114	55.943	135.036	175.413
Products transferred over time	18.393	41.191	98.198	114.551
	<b>63.507</b>	<b>97.134</b>	<b>233.234</b>	<b>289.964</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	30 September 2020	30 September 2019
<b>Categories of financial instruments</b>		
Deposits	10.084	10.250
Trade receivables	21.622	50.466
Other short-term receivables	9.960	10.337
Prepayments	4.410	4.879
Cash	17.057	6.684
<b>Assets at amortized costs</b>	<b>63.133</b>	<b>82.616</b>
Corporate bonds	520.103	518.470
Finance lease liabilities	96.386	99.815
Non-current other payables	0	-
Bank debt	34.041	67.044
Trade payables	36.099	73.385
Other payables	48.046	46.378
<b>Financial liabilities measured at amortized cost</b>	<b>734.675</b>	<b>805.092</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.