

Q3 2020 Quarterly Results

TRESU Investment Holding A/S

26 November 2020

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
- 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

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Heidi Thousgaard Jørgensen

Chief Executive Officer

Executive summary

Q3 '20 results in line with expectations

- Q3 '20 revenue and adj. EBITDA of DKK 63.5m and DKK 5.6m
- Solid order intake YTD taking into account current Covid-19 situation, but difficult to close new capital sales projects. High activity in aftermarket compared to last quarter
- Solid cash flow generation in Q3

COVID-19 impact and mitigating actions

- Continued strong focus on employee safety and business continuity
- Production site and sales offices remained operational throughout Q3
- Focus short-term on managing capacity and costs

Focus mid-term on post-COVID-19 opportunities

- TRESU's strong value proposition remains unchanged
- Continued commitment to turnaround plan
- Liquidity remains healthy and supportive of the turnaround plan

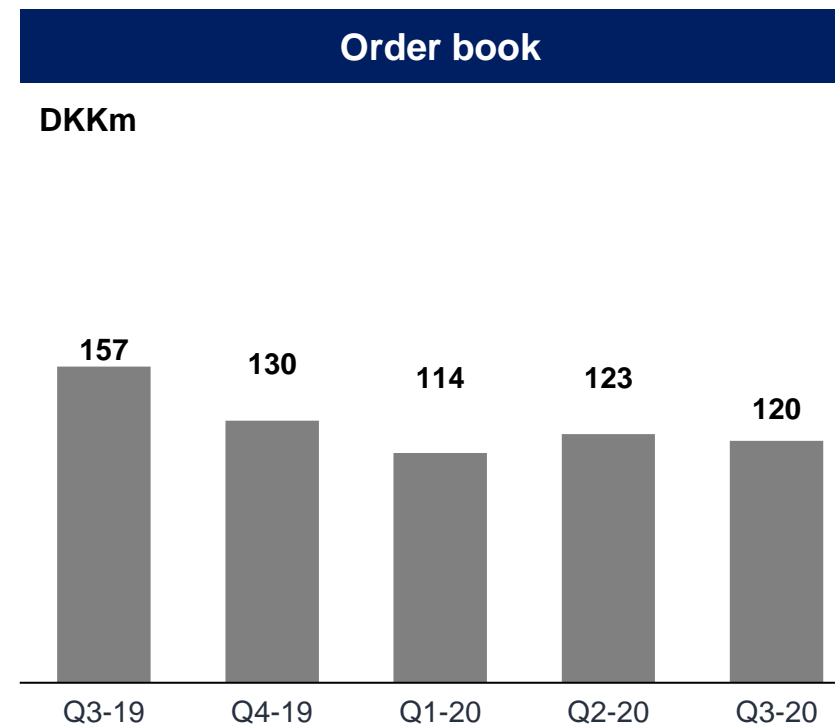
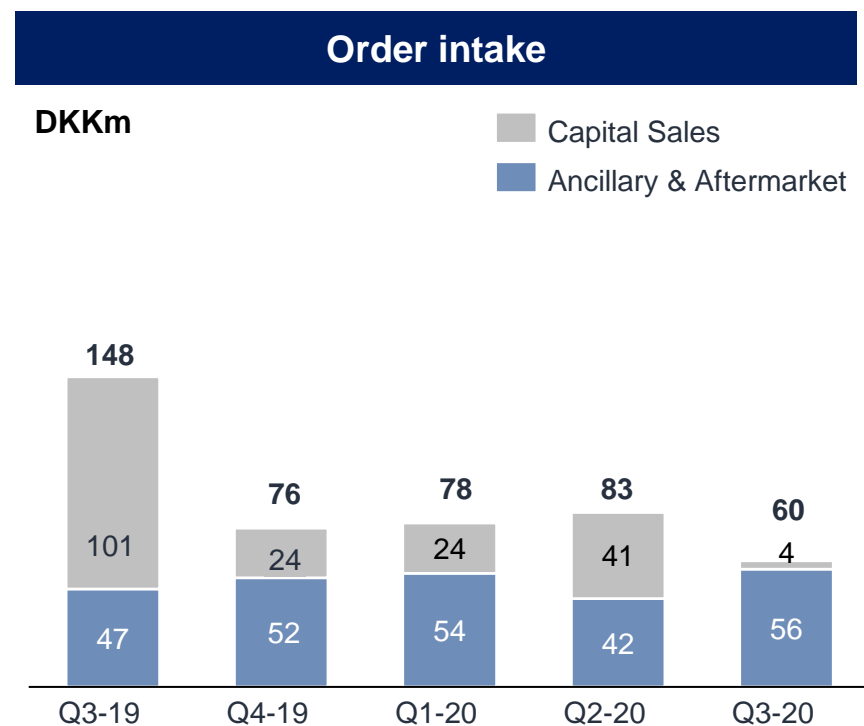
Q3 '20 result

DKKm	Q3 2020	Q2 2020	YTD 2020
Revenue	63,5	74,6	233,2
Production costs	(63,0)	(59,1)	(205,3)
Gross profit/(loss)	0,5	15,5	28,0
Research and development costs	(1,5)	(2,1)	(5,1)
Distribution costs	(8,9)	(8,8)	(28,8)
Administrative costs	(11,9)	(16,8)	(39,9)
Other operating income	0,0	3,6	3,6
Other operating expenses	0,0	0,0	0,0
Operating profit/(loss)	(21,7)	(8,6)	(42,3)
Adjustments			
D&A	3,6	3,9	11,5
NRI	8,7	5,2	15,3
PPA depreciations	12,7	11,6	36,9
Impairment losses	0,0	0,0	0,0
IFRS 16 depreciations on leases	2,3	2,4	7,0
Adjusted EBITDA (non IFRS)	5,6	14,5	28,4
NWC	(8,5)	14,6	(8,5)
Net debt	537,1	566,4	537,1
Available liquidity	93,9	50,5	93,9

Comments

- Q3 '20 revenue and adj. EBITDA of DKK 63.5m and DKK 5.6m (8.8% margin)
- Net debt of DKK 537.1m by end of Q3' 20 (DKK 566.4m by end of Q2 '20); positive cash flow of DKK 30.4 from operating activities in Q3 '20
- Liquidity remains healthy and supportive of turnaround plan

Order intake and order book development



Financial Outlook for 2020 remains

2020 Key metrics	Drivers
Revenue	<ul style="list-style-type: none"> • Solid order intake YTD taking into account current Covid-19 situation, but difficult to close new capital sales projects. Also upgrades effected by the travelling limitations
Adj. EBITDA margin	<ul style="list-style-type: none"> • No margin leakage on old projects • Business mix • Supply chain efficiencies • Cost base right sizing
Available liquidity	<ul style="list-style-type: none"> • EBITDA growth • Working capital release • Decreasing extraordinary costs • Sale of real estate in both Denmark and North America

● — **Approx. -15 to -25%** — ●
(2019: DKK 389)

● — **9,5 to 12,5%** — ●
(2019: 5,5%)

Liquidity remains healthy and supportive of turnaround plan

Outlook

- The financial impact from, and uncertainty created by, the ongoing pandemic means that the timing of a refinancing at par is difficult to assess. However we reiterate that we deem the earnings capacity of the company without the impact of COVID-19 to be more than sufficient to carry the existing debt quantum meaning that a refinancing at par is a matter of timing.

Capital Markets Day

- Given the continued uncertainty related to the course of the COVID-19 pandemic, it has been decided to cancel the Capital Markets Day planned for Q4 2020. Instead an extended Business update will be provided as part of the Q3 earnings call. The call will take place November 26 at 2:00pm.

Appendix

Statement of profit or loss

DKKm	Q3 2020	Q2 2020	YTD 2020
Revenue	63,5	74,6	233,2
Production costs	(63,0)	(59,1)	(205,3)
Gross profit/(loss)	0,5	15,5	28,0
Research and development costs	(1,5)	(2,1)	(5,1)
Distribution costs	(8,9)	(8,8)	(28,8)
Administrative costs	(11,9)	(16,8)	(39,9)
Other operating income	0,0	3,6	3,6
Other operating expenses	0,0	0,0	0,0
Operating profit/(loss)	(21,8)	(8,6)	(42,3)
Financial income	0,1	(0,2)	1,7
Financial expenses	(8,5)	(8,7)	(25,2)
Profit/(loss) before tax	(30,2)	(17,5)	(65,8)
Tax on profit/(loss) for the period	3,0	3,5	10,0
Profit/(loss) for the period	(27,2)	(14,0)	(55,9)

Statement of financial position

DKKm	Sep-20	Jun-20
Goodwill	174,0	174,0
Completed development projects	29,7	30,8
Patents and licenses*	173,4	178,1
Brand	37,9	37,9
Customer relationship*	118,8	126,0
Intangible assets	533,8	546,8
Land and buildings	0,0	0,0
Plant and machinery	35,6	37,4
Other fixtures and fittings, tools and equipment	4,8	5,0
Leasehold improvements	3,7	3,8
Finance lease - NC	95,3	97,0
Property, plant and equipment	139,4	143,2
Deferred tax assets	0,0	0,0
Deposits	10,1	10,1
Other non-current assets	10,1	10,1
Non-current assets	683,3	700,1
Inventories**	61,4	59,9
Trade receivables	21,6	26,0
Contract work in progress**	9,0	35,4
Tax receivables	1,5	4,0
Other short-term receivables	10,0	8,3
Prepayments	4,4	4,5
Receivables	107,9	138,2
Cash	17,1	21,5
Assets as held for sale	8,0	8,0
Finance lease - C	0,0	0,0
Current assets	132,9	167,7
Assets	816,2	867,8

DKKm	Sep-20	Jun-20
Contributed capital	2,9	2,9
Other reserves	5,0	6,2
Retained earnings	(34,2)	(4,4)
Equity	(26,2)	4,7
Provisions for deferred tax	68,0	48,3
Other provisions	4,6	4,9
Corporate bonds	520,1	519,8
Finance lease liabilities	86,1	87,6
Other payables	6,9	6,9
Non-current liabilities	685,6	667,5
Current portion of long-term lease liabilities	10,3	10,3
Current portion of long-term other payables	0,0	0,0
Bank debt	34,0	68,2
Payable group company	8,0	8,0
Contract liabilities*	20,3	12,7
Trade payables**	36,1	53,2
Other payables C	48,0	43,1
Current liabilities	156,8	195,6
Total liabilities	842,5	863,1
Equity and liabilities	816,2	867,8

Statement of cash flows

DKKm	Q3 2020	Q2 2020	YTD 2020
Operating profit/loss	(21,7)	(20,6)	(42,3)
Amortisation, depreciation	14,3	32,4	46,7
Impairment losses	0,0	0,0	0,0
Other provisions	(0,3)	0,1	(0,1)
Working capital changes	23,0	16,7	39,7
Cash flows from ordinary operating activities	15,4	28,7	44,0
Financial income received	0,1	(0,0)	0,1
Financial expenses paid	(7,9)	(15,5)	(23,4)
Income taxes refunded/paid	22,8	0,0	22,8
Cash flows from operating activities	30,4	13,2	43,6
Acquisition etc. of intangible assets	0,0	(0,2)	(0,2)
Acquisition etc. of property, plant and equipment	(0,4)	(5,7)	(6,1)
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
Cash flows from investing activities	(0,4)	2,2	1,8
Proceeds from (repayments of) related party borrowings	0,0	0,0	0,0
Leasing	(0,2)	(0,4)	(0,6)
Repayment of bank debt	(34,1)	(2,6)	(36,7)
Tax exempt contribution received from parent	0,0	0,0	0,0
Corporate bonds	0,0	0,0	0,0
Cash flows from financing activities	(34,3)	(3,0)	(37,3)
Increase/decrease in cash and cash equivalents	(4,4)	12,4	8,0
Cash and cash equivalents at the beginning of the period	21,5	9,1	9,1
Cash and cash equivalents end of the period	17,1	21,5	17,1
Cash and cash equivalents at period end are composed of:			
Cash	21,5	11,4	11,4
Cash and cash equivalents end of the period	17,1	21,5	17,1