

**Tresu Investment Holding A/S**

**Venusvej 44**

**6000 Kolding**

**Company Reg. No. 37553727**

**Interim financial report**

**Q1 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 January 2020 to 31 March 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.

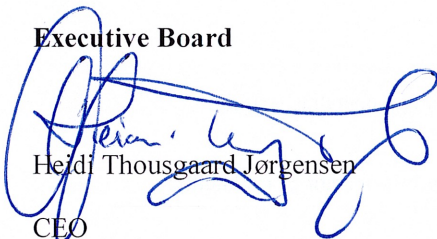
In our opinion, the interim financial report gives a true and fair view of the Group's financial position as at 31 March 2020 and the results of their operations and cash flows for the period from 1 January 2020 to 31 March 2020.

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.


Copenhagen, Denmark, 28 May 2020

### Executive Board



Heidi Thousgaard Jørgensen  
CEO

### Board of Directors

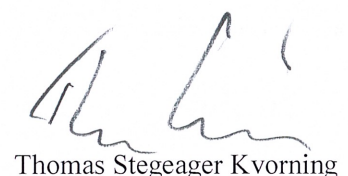


Carsten Nygaard Knudsen

Chairman



Ola Harald Eriksen



Thomas Stegeager Kvorning



Anders Wilhjelm



Søren Dan Johansen

**Management commentary**

	<b>Q1 2020</b>	<b>Q1 2019</b>	<b>2019</b>	<b>2018*</b>
<b>Key figures (DKK'000)</b>				
Revenue	95.125	100.742	388.701	338.410
Gross profit/loss	11.976	5.876	32.996	(124.883)
Operating profit/loss	(11.969)	(19.750)	(82.683)	(324.235)
Net financials	(6.199)	(6.662)	(32.762)	(31.829)
Profit/loss for the period	(14.690)	(23.366)	(91.239)	(296.313)
Total assets	883.533	897.103	900.045	932.239
Investments in property, plant and equipment	227	1.457	20.912	1.061
Equity	16.397	48.414	32.253	70.583
<b>Ratios</b>				
Gross margin (%)	12,6	5,8	8,5	(36,9)
Net margin (%)	(15,4)	(23,2)	(23,5)	(87,6)
Return on equity (%)			(177,4)	(191,8)
Equity ratio (%)			3,6	7,6
Return of assets			(9,2)	(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

## **Q1 2020**

The consolidated revenue for Q1 2020 is DKK 95,1m and Operating loss (EBIT) for Q1 2020 is DKK -12,0m. 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 12,6m.

At the end of Q1 2020 total assets was DKK 883,5 and total equity amounted to DKK 16,4m.

The financial results of Q1 2020 are in line with expectations.

## **Outlook**

COVID-19 is in the preliminary stage in Europe and the United States and Government Authorities are implementing initiatives to secure the health and wellbeing of the population.

Due to the outbreak of COVID-19 and the financial consequences hereof, Tresu Investment Holding A/S suspends the previous announced financial outlook for the financial year 2020. The previous announced outlook for the Group for 2020 was revenue growth in the area of 5-15%, and an EBITDA margin of 11-15% (adjusted for potential one-off effects).

However, the fundamentals of the primary end-markets we operate in being supplier to the consumer staples sector has historically been relatively resilient against a material change in demand.

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

DKK'000	Note	<b>Q1 2020</b>	<b>Q1 2019</b>	<b>2019</b>	<b>2018</b>
<b>Revenue</b>	4	95.125	100.742	388.701	338.410
Production costs <sup>A</sup>		(83.149)	(94.866)	(355.705)	(463.293)
<b>Gross profit/(loss)</b>		<b>11.976</b>	<b>5.876</b>	<b>32.996</b>	<b>(124.883)</b>
Research and development costs		(1.556)	(477)	(6.311)	(20.046)
Distribution costs		(11.172)	(11.491)	(41.640)	(50.484)
Administrative costs <sup>B</sup>		(11.224)	(13.758)	(60.287)	(126.749)
Other operating income		6	1.231	3.131	383
Other operating expenses		0	(1.131)	(10.572)	(2.456)
<b>Operating profit/(loss)</b>		<b>(11.969)</b>	<b>(19.750)</b>	<b>(82.683)</b>	<b>(324.235)</b>
Financial income		1.729	946	154	70
Financial expenses <sup>C</sup>		(7.928)	(7.608)	(32.916)	(31.899)
<b>Profit/(loss) before tax <sup>D</sup></b>		<b>(18.168)</b>	<b>(26.412)</b>	<b>(115.445)</b>	<b>(356.064)</b>
Tax on profit/(loss) for the period		3.478	3.046	24.206	59.751
<b>Profit/(loss) for the period</b>		<b>(14.690)</b>	<b>(23.366)</b>	<b>(91.239)</b>	<b>(296.313)</b>
Exchange rate adjustments, foreign companies		(1.166)	1.197	2.909	3.417
Tax on other comprehensive income		-	-	-	-
Other comprehensive income, net of tax		(1.166)	1.197	2.909	3.417
<b>Total comprehensive income/(loss) for the period</b>		<b>(15.856)</b>	<b>(22.169)</b>	<b>(88.330)</b>	<b>(292.896)</b>
Profit/(loss) for the period attributable to:					
Owners of the Company		(14.690)	(23.366)	(91.239)	(296.313)
Total comprehensive income/(loss) for the period attributable to:					
Owners of the Company		(15.856)	(22.169)	(88.330)	(292.896)

\*) 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	<b>Q1 2020</b>	<b>Q1 2019</b>	<b>Year 2019</b>	<b>Year 2018</b>
<sup>A</sup> Depreciation on assets acquired (PPA)	12.600	12.188	47.280	60.156
<sup>A</sup> Impairment of Machines and buildings (PPA)	-	-	5.000	21.550
<sup>B</sup> Other expenses 1)	1.376	7.145	27.690	14.950
<sup>B</sup> Impairment of goodwill (PPA)	-	-	-	75.000
<sup>C</sup> Interest corporate bonds	6.608	6.601	26.644	26.391
<sup>D</sup> Tax regarding other expenses, borrowing costs and corporate bonds	-	-	(11.953)	(9.095)
<sup>D</sup> Adjustments deferred tax related to PPA	<u>(3.488)</u>	<u>(2.681)</u>	<u>(13.911)</u>	<u>(18.722)</u>
	<u>17.096</u>	<u>23.253</u>	<u>80.750</u>	<u>170.230</u>

1) Other expenses include costs for restructuring, listing of the bonds, relocation to new facility.

**Consolidated statement of financial position - Assets**

DKK'000	Note	31 March 2020	31 March 2019	31 December 2019
Goodwill		174.000	174.000	174.000
Completed development projects		31.402	30.795	32.213
Patents and licenses*		182.756	198.338	185.300
Brand		37.900	37.900	37.900
Customer relationship*		132.642	161.754	139.920
<b>Intangible assets</b>		<b>558.700</b>	<b>602.787</b>	<b>569.333</b>
Land and buildings		0	3.636	-
Plant and machinery		38.870	44.151	43.130
Other fixtures and fittings, tools and equipment		5.658	2.457	6.027
Leasehold improvements		3.930	2.029	4.505
Finance lease		98.076	3.051	97.980
<b>Property, plant and equipment</b>		<b>146.534</b>	<b>55.324</b>	<b>151.642</b>
Deferred tax assets		-	-	-
Deposits		10.137	10.443	10.134
<b>Other non-current assets</b>		<b>10.137</b>	<b>10.443</b>	<b>10.134</b>
<b>Non-current assets</b>		<b>715.371</b>	<b>668.554</b>	<b>731.110</b>
Inventories**		76.133	76.559	60.329
Trade receivables		37.362	58.867	35.284
Contract work in progress**		19.264	64.222	40.755
Tax receivables		3.993	13	3.739
Other short-term receivables		6.975	8.203	6.948
Prepayments		1.520	1.589	1.248
<b>Receivables</b>		<b>145.247</b>	<b>209.453</b>	<b>148.303</b>
<b>Cash</b>		<b>11.397</b>	<b>5.040</b>	<b>9.115</b>
Assets as held for sale		11.518	13.000	11.518
Finance lease		-	1.056	-
<b>Current assets</b>		<b>168.162</b>	<b>228.549</b>	<b>168.936</b>
<b>Assets</b>		<b>883.533</b>	<b>897.103</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	31 March 2020	31 March 2019	31 December 2019
Contributed capital		2.922	2.922	2.922
Other reserves		3.854	3.308	5.020
Retained earnings		9.621	42.184	24.311
<b>Equity</b>		<b>16.397</b>	<b>48.414</b>	<b>32.253</b>
Provisions for deferred tax		51.793	75.546	55.272
Other provisions		5.159	6.315	4.742
Corporate bonds		519.409	517.131	519.062
Finance lease liabilities		88.557	2.717	88.772
Other payables		6.874	7.348	5.978
<b>Non-current liabilities</b>		<b>671.792</b>	<b>609.057</b>	<b>673.826</b>
Current portion of long-term lease liabilities		10.450	1.612	9.930
Current portion of long-term other payables		-	-	896
Bank debt		74.555	87.726	70.753
Payable group company		8.000	-	8.000
Contract liabilities**		6.577	11.370	6.798
Trade payables**		62.446	93.168	64.568
Income tax payable		-	(377)	-
Other payables		33.316	46.133	33.021
<b>Current liabilities</b>		<b>195.344</b>	<b>239.632</b>	<b>193.966</b>
<b>Total liabilities</b>		<b>867.136</b>	<b>848.689</b>	<b>867.792</b>
<b>Equity and liabilities</b>		<b>883.533</b>	<b>897.103</b>	<b>900.045</b>

\*) Increase due to normal operation

\*\*) 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	-	-	(23.366)	(23.366)
Other comprehensive income	-	1.197	-	1.197
Tax exempt contribution	-	-	-	-
<b>Equity at 31 March 2019</b>	<b>2.922</b>	<b>3.308</b>	<b>42.184</b>	<b>48.414</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
Profit for the period	-	-	(14.690)	(14.690)
Other comprehensive income	-	(1.166)	-	(1.166)
Tax exempt contribution	-	-	-	-
<b>Equity at 31 March 2020</b>	<b>2.922</b>	<b>3.854</b>	<b>9.621</b>	<b>16.397</b>

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

**Consolidated statement of cash flows**

DKK'000	<b>Q1 2020</b>	<b>Q1 2019</b>	<b>Year 2019</b>
Operating profit/loss	(11.969)	(19.750)	(82.683)
Amortisation, depreciation	16.580	15.460	71.246
Impairment losses	-	-	5.000
Other provisions	417	(361)	(2.582)
Working capital changes	1.886	23.591	48.945
<b>Cash flows from ordinary operating activities</b>	<b>6.914</b>	<b>18.940</b>	<b>39.926</b>
Financial income received	133	47	69
Financial expenses paid	(5.531)	(6.708)	(28.533)
Income taxes refunded/paid	-	-	-
<b>Cash flows from operating activities</b>	<b>1.516</b>	<b>12.279</b>	<b>11.462</b>
Acquisition etc. of intangible assets	(2.467)	(238)	(6.369)
Acquisition etc. of property, plant and equipment	(227)	(226)	(20.912)
Acquisition etc. of financial fixed assets	-	7	-
Proceeds from disposals of financial fixed assets	-	0	320
Proceeds from disposals of plant and equipment	-	0	5.168
<b>Cash flows from investing activities</b>	<b>(2.694)</b>	<b>(457)</b>	<b>(21.793)</b>
Proceeds from (repayment of) related party borrowings	-	-	(325)
Leasing	(342)	-	(6.474)
Repayment of bank debt	3.802	(12.855)	(29.828)
Tax exempt contribution received from parent	-	-	50.000
Corporate bonds	-	-	-
<b>Cash flows from financing activities</b>	<b>3.460</b>	<b>(12.855)</b>	<b>13.373</b>
<b>Increase/decrease in cash and cash equivalents</b>	<b>2.282</b>	<b>(1.033)</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>11.397</b>	<b>5.040</b>	<b>9.115</b>
Cash and cash equivalents at period end are composed of:			
Cash	11.397	5.040	9.115
<b>Cash and cash equivalents end of the period</b>	<b>11.397</b>	<b>5.040</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 Q1 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	<b>Q1 2020</b>	<b>Q1 2019</b>	<b>2019</b>	<b>2018</b>
Sale of goods	41.679	62.664	224.578	174.976
Sale of service	3.078	2.033	9.685	23.152
Income from contract work in progress (turnkey projects)	50.368	36.045	154.438	140.282
<b>Revenue</b>	<b>95.125</b>	<b>100.742</b>	<b>388.701</b>	<b>338.410</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	<b>Revenue external customer</b>			
	<b>Q1 2020</b>	<b>Q1 2019</b>	<b>2019</b>	<b>2018</b>
<b>Primary geographical markets</b>				
Denmark	1.405	1.850	7.011	6.605
Europe	65.460	52.169	227.869	153.163
Americas	12.849	32.957	99.807	102.895
Asia	11.634	5.654	28.002	37.984
Middle East and Africa	3.702	8.205	25.875	37.201
Other markets	75	1	137	562
	<b>95.125</b>	<b>100.836</b>	<b>388.701</b>	<b>338.410</b>
<b>Major products/service lines</b>				
In-line flexo printing machines	65.660	65.724	261.779	213.281
Ancillary products	29.465	35.112	126.922	125.129
	<b>95.125</b>	<b>100.836</b>	<b>388.701</b>	<b>338.410</b>
<b>Timing of revenue recognition</b>				
Products and services transferred at a point in time	44.757	64.783	234.263	198.128
Products transferred over time	50.368	36.053	154.438	140.282
	<b>95.125</b>	<b>100.836</b>	<b>388.701</b>	<b>338.410</b>

## 5. Asset held for sale

In addition to the corporate building in DK, the Company listed the US property as asset held for sale in December 2019, due to relocation to more modern facilities in 2020.

## 6. Financial instruments

DKK'000	31 March 2020	31 March 2019
<b>Categories of financial instruments</b>		
Deposits	10.137	10.443
Trade receivables	37.362	58.867
Other short-term receivables	6.974	8.203
Prepayments	1.520	1.589
Cash	11.397	5.040
<b>Assets at amortized costs</b>	<b>67.390</b>	<b>84.757</b>
Corporate bonds	519.409	517.131
Finance lease liabilities	99.007	4.329
Non-current other payables	-	-
Bank debt	74.555	87.726
Trade payables	62.446	22.964
Other payables	33.316	116.337
<b>Financial liabilities measured at amortized cost</b>	<b>788.732</b>	<b>748.487</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**

In Q2, US property has been sold.

## **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.