

TRESU Investment Holding A/S

Venusvej 44

6000 Kolding

Company Reg. No. 37553727

Interim financial report

Q1 2023

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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 2023.

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 2023 and the results of their operations and cash flows for the period from 1 January 2023 to 31 March 2023.

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 2022.

Kolding, Denmark, 30 May 2023

Executive Board

Christian Jacob Flarup

CEO

Torben Børsting

CFO

Board of Directors

Jean-Marc Lechêne

Chairman

Ola Harald Erici

Stephan Plenz

Søren Dan Johansen

Management commentary

	Q1 2023	Q1 2022	1/1-31/3 2023	1/1-31/3 2022	Year 2022
Key figures (DKK'000)					
Revenue	91.459	84.900	91.459	84.900	359.000
Gross profit/loss	6.197	6.300	6.197	6.300	(68.600)
Operating profit/loss	(12.758)	(11.500)	(12.758)	(11.500)	(155.200)
Net financials	(11.276)	(7.500)	(11.478)	(7.800)	(33.900)
Profit/loss for the period	(21.955)	(16.500)	(21.955)	(16.500)	(165.300)
Total assets	624.811	769.285	624.810	769.285	643.115
Investments in property, plant and equipment	(1.100)	(600)	(1.100)	(600)	(3.500)
Equity	(170.755)	(28.278)	(170.755)	(28.278)	(147.900)
Ratios					
Gross margin (%)	6,8	7,4	6,4	7,4	(19,1)
Net margin (%)	(24,0)	(19,4)	(24,4)	(19,4)	(46,0)
Return on equity (%)	22,1	-	-	18,7	206,8
Equity ratio (%)	(27,3)	-	-	(3,7)	(23,0)
Return of assets (%)	(2,0)	-	-	(1,5)	(24,1)

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 2023

The consolidated revenue for Q1 2023 is DKK 91.5m and Operating loss (EBIT) is DKK -12.8m. 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 11.4m.

At the end of Q1 2023 total assets was DKK 628.1 and total equity amounted to DKK -170.8m.

The financial results of Q3 2022 are below expectations but within guidance for 2023.

Outlook

The outlook for the Group for 2023 is revenue growth in the area of 30-40% on 2022, and an EBITDA margin in the area of 7-12% (adjusted for potential one-off effects). In addition, we expect cash flow generation from ordinary operating to be neutral for 2023.

Consolidated statement of profit or loss and other comprehensive income

DKK'000	Note	Q1 2023	Q1 2022	1/1-31/3 2023	1/1-31/3 2022	Year 2022
Revenue	4	91.459	84.900	91.459	84.900	359.000
Production costs ^A		(85.262)	(78.600)	(85.262)	(78.600)	(427.600)
Gross profit/(loss)		6.197	6.300	6.197	6.300	-68.600
Distribution costs		(10.411)	(9.900)	(10.411)	(9.900)	(45.200)
Administrative costs ^B		(8.545)	(7.900)	(8.545)	(7.900)	(43.500)
Other operating income		0	0	0	0	2.100
Other operating expenses		0	0	0	0	0
Operating profit/(loss)		(12.758)	(11.500)	(12.758)	(11.500)	(155.200)
Financial income		201	300	201	300	600
Financial expenses ^C		(11.478)	(7.800)	(11.478)	(7.800)	(33.900)
Profit/(loss) before tax ^D		(24.035)	(19.000)	(24.035)	(19.000)	(188.500)
Tax on profit/(loss) for the period		2.080	2.500	2.080	2.500	23.200
Profit/(loss) for the period		(21.955)	(16.500)	(21.955)	(16.500)	(165.300)
Exchange rate adjustments, foreign companies		(871)	293	(871)	293	(423)
Tax on other comprehensive income		0	0	0	0	0
Other comprehensive income, net of tax		(871)	293	(871)	293	(423)
Total comprehensive income/(loss) for the period		(22.826)	(16.207)	(22.826)	(16.207)	(165.723)
Profit/(loss) for the period attributable to:						
Owners of the Company		(21.955)	(16.500)	(21.955)	(16.500)	(165.300)
Total comprehensive income/(loss) for the period attributable to:						
Owners of the Company		(22.826)	(16.207)	(22.826)	(16.207)	(165.723)

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

DKK'000	Q1 2023	Q1 2022	1/1-31/3 2023	1/1-31/3 2022	Year 2022
Depreciation on assets acquired (PPA)	9.568	11.557	9.568	11.557	45.223
Other expenses 1)	1.748	446	1.748	446	2.570
Other income 1)	0	0	0	0	-500
Interest corporate bonds	7.677	5.383	7.677	5.383	23.164
Adjustments deferred tax related to PPA	(2.105)	(2.543)	(2.105)	(2.543)	(9.949)
	<u>16.888</u>	<u>14.844</u>	<u>16.888</u>	<u>14.844</u>	<u>60.508</u>

1) Other expenses-/income includes costs for redemption of bonds and sale of land

Consolidated statement of financial position - Assets

DKK'000	31 Mar 2023	31 Mar 2022	31 Dec 2022
Goodwill	99.000	174.000	99.000
Completed development projects	23.245	25.802	24.200
Patents and licenses*	127.168	142.582	131.000
Brand	37.900	37.900	37.900
Customer relationship*	54.316	76.848	59.000
Intangible assets	341.629	457.132	351.100
Plant and machinery	26.208	29.406	26.200
Other fixtures and fittings, tools and equipment	5.273	4.064	4.900
Leasehold improvements	2.642	3.240	2.800
Finance lease	84.160	88.916	85.800
Property, plant and equipment	118.283	125.626	119.700
Deferred tax assets	0	0	0
Deposits	10.108	10.032	10.100
Other non-current assets	10.108	10.032	10.100
Non-current assets	470.019	592.705	480.815
Inventories**	74.898	49.423	73.200
Trade receivables	40.679	78.561	38.600
Contract work in progress**	24.862	12.374	19.500
Payable group company	0	0	0
Tax receivables	3.301	0	0
Other short-term receivables	5.041	5.558	4.500
Prepayments	1.876	6.658	2.800
Receivables	150.658	152.575	138.600
Cash	7.434	20.506	23.700
Assets as held for sale	0	3.500	0
Current assets	158.092	176.580	162.300
Assets	628.111	769.285	643.115

*) Decrease due to recurring amortization

***) Increase/Decrease due to normal operation

Consolidated statement of financial position– Equity and Liabilities

DKK'000	31 Mar 2023	31 Mar 2022	31 Dec 2022
Contributed capital	2.923	2.922	2.922
Other reserves	2.443	4.030	3.300
Retained earnings	<u>(176.122)</u>	<u>(35.230)</u>	<u>(154.122)</u>
Equity	(170.755)	(28.278)	(147.900)
Provisions for deferred tax	49.669	57.637	51.300
Other provisions	19.882	3.054	19.900
Corporate bonds	436.059	430.770	434.200
Finance lease liabilities	76.809	80.721	78.400
Other payables	<u>8.532</u>	<u>8.328</u>	<u>8.600</u>
Non-current liabilities	<u>590.952</u>	<u>580.510</u>	<u>592.400</u>
Current portion of long-term lease liabilities	10.351	10.603	10.400
Bank debt	64.867	87.491	19.700
Payable group company	248	266	200
Contract work, liabilities	51.920	36.578	83.100
Prepayment customers	12.748	9.682	8.800
Trade payables**	40.940	35.422	40.100
Income tax payable	0	15.410	7.900
Other payables	<u>26.842</u>	<u>21.601</u>	<u>28.414</u>
Current liabilities	<u>207.915</u>	<u>217.054</u>	<u>198.615</u>
Total liabilities	<u>798.867</u>	<u>797.563</u>	<u>791.015</u>
Equity and liabilities	<u>628.111</u>	<u>769.285</u>	<u>643.115</u>

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

DKK'000	Contributed capital	Other re-serves*	Retained earnings	Total
Equity at 1 January 2022	2.922	3.737	(18.606)	(11.947)
Profit for the period	-	-	(165.305)	(165.305)
Other comprehensive income	-	(423)	0	(423)
Capital increase	1	0	29.744	29.745
Tax exempt contribution	-	-	-	-
Equity at 31 December 2022	<u>2.923</u>	<u>3.314</u>	<u>(154.167)</u>	<u>(147.930)</u>

Consolidated statement of changes in equity

DKK'000	Contributed capital	Other re-serves*	Retained earnings	Total
Equity at 1 January 2023	2.923	3.314	(154.167)	(147.930)
Profit for the period	-	-	(21.955)	(21.955)
Other comprehensive income	-	(871)	-	(871)
Tax exempt contribution	-	-	-	-
Equity at 31 March 2023	<u>2.923</u>	<u>2.443</u>	<u>(176.122)</u>	<u>(170.756)</u>

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

Consolidated statement of cash flows

DKK'000	YTD Q1 2023	YTD Q1 2022	YTD 2022
Operating profit/loss	(12.758)	(11.600)	(155.300)
Amortisation, depreciation	11.398	15.600	62.700
Other provisions and payables	1.900	(5.200)	11.600
Working capital changes	(38.303)	(42.600)	27.000
Cash flows from ordinary operating activities	(37.763)	(43.800)	21.000
Financial income received	105	300	600
Financial expenses paid	(7.800)	(7.800)	(28.000)
Income taxes refunded/paid	(11.200)	6.300	12.400
Cash flows from operating activities	(56.658)	(45.000)	6.000
Acquisition etc. of intangible assets	(1.300)	(100)	(3.200)
Acquisition etc. of property, plant and equipment	(1.100)	(600)	(3.500)
Acquisition etc. of financial fixed assets	0	0	(100)
Proceeds from disposal of financial fixed assets	0	0	3.500
Proceeds from disposal of property, plant and equipment	0	0	0
Cash flows from investing activities	(2.400)	-700	-3.300
Proceeds from (repayments of) related party borrowings	0	0	200
Leasing	(2.384)	(2.500)	(9.900)
Repayment of bank debt	64.867	51.100	(16.600)
Tax exempt contribution received from parent	0	0	29.700
Cash flows from financing activities	62.483	48.600	3.400
Increase/decrease in cash and cash equivalents	3.425	2.900	6.100
Cash and cash equivalents at the beginning of the period	4.000	17.600	17.600
Cash and cash equivalents end of the period	7.425	20.500	23.700
Cash and cash equivalents at period end are composed of:			
Cash	7.400	20.500	23.700
Cash and cash equivalents end of the period	7.425	20.500	23.700

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 2023 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 2022 ('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 2023	Q1 2022	YTD Q1 2023	YTD Q1 2022
Sale of goods	54.877	48.063	54.877	48.063
Sale of service	1.011	2.168	1.011	2.168
Income from contract work in progress (turnkey projects)	35.571	34.643	35.571	34.643
Revenue	<u>91.459</u>	<u>84.874</u>	<u>91.459</u>	<u>84.874</u>

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 2023	Q1 2022	YTD Q1 2023	YTD Q1 2022
Primary geographical markets				
Denmark	822	1.396	822	1.396
Europe	30.371	34.478	30.371	34.478
Asia	8.980	28.586	8.980	28.586
South- & North America	47.843	17.362	47.843	17.362
Middle East and Africa	3.383	3.046	3.383	3.046
Other markets	59	6	59	6
	<u>91.459</u>	<u>84.874</u>	<u>91.459</u>	<u>84.874</u>
Major products/service lines				
In-line flexo printing machines	55.196	54.428	55.196	54.428
Ancillary products	36.263	30.446	36.263	30.446
	<u>91.459</u>	<u>84.874</u>	<u>91.459</u>	<u>84.874</u>
Timing of revenue recognition				
Products and services transferred at a point in time	55.888	50.231	55.888	50.231
Products transferred over time	35.571	34.643	35.571	34.643
	<u>91.459</u>	<u>84.874</u>	<u>91.459</u>	<u>84.874</u>

5. Asset held for sale

In August 2019 the Company moved into a new domicile, and the former corporate building and related land was sold Q3 2022.

6. Financial instruments

DKK'000	31/Mar/23	31/Mar/22
Categories of financial instruments		
Deposits	10.108	10.032
Trade receivables	40.679	78.561
Other short-term receivables	5.041	5.558
Prepayments	1.876	6.658
Cash	7.434	20.506
Assets at amortized costs	65.139	121.314
Corporate bonds	436.059	430.770
Finance lease liabilities	87.160	91.324
Bank debt	64.867	87.491
Payable to group company	248	266
Trade payables	40.940	35.422
Other payables	26.842	21.601
Financial liabilities measured at amortized cost	656.116	666.873

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 2022.

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 89,2m 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 2022.