

TRESU Investment Holding A/S

Venusvej 44

6000 Kolding

Company Reg. No. 37553727

Interim financial report

Q2 2024

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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 to 30 June 2024.

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 2024 and the results of their operations and cash flows for the period from 1 April 2024 to 30 June 2024.

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 2023.

Kolding, Denmark, 14 August 2024

Executive Board

Stephan Plenz

CEO

Torben Børsting

CFO

Board of Directors

Jean-Marc Lechêne

Chairman

Ola Harald Erics

Stephan Plenz

Søren Dan Johansen

Management commentary

	Q2 2024	Q2 2023	1/1-30/6 2024	1/1-30/6 2023	Year 2023
Key figures (DKK'000)					
Revenue	85.474	100.888	170.757	192.347	388.781
Gross profit/loss	7.528	5.137	16.357	11.335	(108.676)
Operating profit/loss	(14.967)	(13.816)	(25.027)	(26.575)	(188.939)
Net financials	(14.226)	(12.180)	(28.131)	(23.456)	(50.471)
Profit/loss for the period	(27.143)	(23.916)	(49.072)	(45.871)	(215.231)
Total assets	447.160	621.175	447.160	621.175	470.898
Investments in property, plant and equipment	(700)	(300)	(900)	(1.400)	(3.202)
Equity	(393.380)	(187.444)	(393.380)	(187.444)	(344.765)
Ratios					
Gross margin (%)	8,8	5,1	9,6	5,9	(28,0)
Net margin (%)	(31,8)	(23,7)	(28,7)	(23,8)	(55,4)
Return on equity (%)	-	-	-	-	-
Equity ratio (%)	-	-	-	-	-
Return of assets (%)	(3,3)	(2,2)	(5,6)	(4,3)	(40,1)

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

Q2 2024

The consolidated revenue for Q2 2024 is DKK 85.5m and Operating loss (EBIT) is DKK 15.0m. 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 Q2 was DKK 9.5m.

At the end of Q2 2024 total assets was DKK 447.2 and total equity amounted to DKK -393.4m.

The financial results of Q2 2024 are below expectations but within latest guidance from July 12th for 2024.

Outlook

The outlook for the Group for 2024 is revenue growth in the area of 0-5% on 2023, and an EBITDA margin in the area of 4-6% (adjusted for potential one-off effects). In addition, we expect cash flow generation from ordinary operating to be negative for 2024.

Consolidated statement of profit or loss and other comprehensive income

DKK'000	Note	Q2 2024	Q2 2023	1/1-30/6 2024	1/1-30/6 2023	Year 2023
Revenue	4	85.474	100.888	170.757	192.347	388.781
Production costs ^A		(77.946)	(95.750)	(154.400)	(181.013)	(497.457)
Gross profit/(loss)		7.528	5.137	16.357	11.335	(108.676)
Distribution costs		(12.714)	(11.276)	(22.734)	(21.687)	(42.434)
Administrative costs ^B		(9.781)	(7.678)	(18.725)	(16.223)	(37.763)
Other operating income		0	0	75	0	(65)
Other operating expenses		0	0	0	0	0
Operating profit/(loss)		(14.967)	(13.816)	(25.027)	(26.575)	(188.939)
Financial income		194	91	340	292	3.719
Financial expenses ^C		(14.420)	(12.271)	(28.471)	(23.749)	(54.189)
Profit/(loss) before tax ^D		(29.193)	(25.996)	(53.158)	(50.031)	(239.410)
Tax on profit/(loss) for the period		2.050	2.080	4.086	4.160	24.178
Profit/(loss) for the period		(27.143)	(23.916)	(49.072)	(45.871)	(215.231)
Exchange rate adjustments, for- foreign companies		84	(200)	457	(1.071)	(924)
Tax on other comprehensive income		0	0	0	0	0
Other comprehensive income, net of tax		84	(200)	457	(1.071)	(924)
Total comprehensive in- come/(loss) for the period		(27.059)	(24.116)	(48.615)	(46.942)	(216.155)
Profit/(loss) for the period attributable to:						
Owners of the Company		(27.143)	(23.916)	(49.072)	(45.871)	(215.231)
Total comprehensive income/(loss) for the period attributable to:						
Owners of the Company		(27.059)	(24.116)	(48.615)	(46.942)	(216.155)

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

DKK'000	Q2 2024	Q2 2023	1/1-30/6 2024	1/1-30/6 2023	Year 2023
Depreciation on assets acquired (PPA)	9.529	9.568	19.037	19.136	38.919
Other expenses 1)	551	1.070	1.370	2.818	5.534
Other income 1)	0	0	0	0	(3.369)
Interest corporate bonds	9.560	8.848	19.165	16.525	35.553
Adjustments deferred tax related to PPA	(2.096)	(2.105)	(4.188)	(4.210)	(14.282)
Total	17.543	17.381	35.384	34.269	62.355

1) Other expenses-/income includes costs for redemption of bonds.

Consolidated statement of financial position - Assets

DKK'000	30 Jun 2024	30 Jun 2023	31 Dec 2023
Goodwill	0	99.000	0
Completed development projects	22.518	22.704	21.336
Patents and licenses	94.900	123.314	102.607
Brand	37.900	37.900	37.900
Customer relationship	18.146	49.682	27.414
Intangible assets	173.464	332.600	189.257
Land and buildings	0	0	0
Plant and machinery	20.222	25.168	22.075
Other fixtures and fittings, tools and equipment	5.598	5.621	5.372
Leasehold improvements	1.894	2.492	2.192
Finance lease	77.797	84.236	79.324
Property, plant and equipment	105.511	117.517	108.963
Deposits	10.192	10.108	10.191
Other non-current assets	10.192	10.108	10.191
Non-current assets	289.167	460.225	308.411
Inventories	78.725	82.028	79.839
Trade receivables	43.577	38.678	47.786
Contract work in progress	7.109	22.242	6.387
Payable group company	234	39	482
Tax receivables	16.774	0	17.752
Other short-term receivables	3.335	5.833	3.469
Prepayments	3.211	6.875	2.797
Receivables	152.965	155.695	158.512
Cash	5.028	5.255	3.975
Current assets	157.993	160.950	162.487
Assets	447.160	621.175	470.898

Consolidated statement of financial position– Equity and Liabilities

DKK'000	30 Jun 2024	30 Jun 2023	31 Dec 2023
Contributed capital	2.925	2.924	2.925
Other reserves	2.390	2.443	2.390
Retained earnings	(398.695)	(192.811)	(350.080)
Equity	(393.380)	(187.444)	(344.765)
Provisions for deferred tax	33.499	47.564	37.687
Corporate bonds	464.834	437.133	444.750
Intercompany liabilities	68.079	0	72.332
Finance lease liabilities	70.789	76.639	64.974
Other payables	8.888	8.532	8.781
Non-current liabilities	646.089	569.868	628.524
Current portion of long-term lease liabilities	10.910	10.806	10.593
Bank debt	80.251	99.293	40.926
Payable group company	0	248	248
Contract work, liabilities	35.460	30.482	47.453
Other provisions	4.776	20.454	4.805
Prepayment customers	16.514	11.623	9.876
Trade payables	20.690	39.162	43.776
Income tax payable	119	(3.301)	1.431
Other payables	25.731	29.983	28.030
Current liabilities	194.451	238.751	187.139
Total liabilities	840.540	808.619	815.663
Equity and liabilities	447.160	621.175	470.898

Consolidated statement of changes in equity

Consolidated statement of changes equity

DKK'000	Contributed capital	Other reserves*	Retained earnings	Total
Equity at 1 January 2024	2.925	2.390	(350.080)	(344.765)
Profit for the period	0	0	(49.072)	(49.072)
Other comprehensive income	0	457	0	457
Capital increase	0	0	0	0
Equity at 30 June 2024	<u>2.925</u>	<u>2.847</u>	<u>(399.152)</u>	<u>(393.380)</u>

DKK'000	Contributed capital	Other reserves*	Retained earnings	Total
Equity at 1 January 2023	2.923	3.314	(154.167)	(147.930)
Profit for the period	0	0	(215.231)	(215.231)
Other comprehensive income	0	(924)	(1)	(925)
Capital increase	2	0	19.319	19.321
Equity at 31 December 2023	<u>2.925</u>	<u>2.390</u>	<u>(350.080)</u>	<u>(344.765)</u>

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

Consolidated statement of cash flows

DKK'000	YTD Q2 2024	YTD Q2 2023	YTD 2023
Operating profit/loss	(25.027)	(26.574)	(188.939)
Amortisation, depreciation	22.807	22.841	56.892
Impairment losses	0	0	125.000
Other provisions and payables	0	3.500	(14.840)
Working capital changes	(23.545)	(88.627)	(33.484)
Cash flows from ordinary operating activities	(25.765)	(88.860)	(55.371)
Financial income received	340	186	298
Financial expenses paid	(3.100)	(16.700)	(41.043)
Income taxes refunded/paid	0	(11.200)	(13.142)
Cash flows from operating activities	(28.525)	(116.574)	(109.258)
Acquisition etc. of intangible assets	(4.100)	(2.300)	(3.204)
Acquisition etc. of property, plant and equipment	(900)	(1.400)	(3.202)
Proceeds from disposal of financial fixed assets	0	0	0
Proceeds from disposal of property, plant and equipment	0	0	0
Cash flows from investing activities	(5.000)	(3.700)	(6.406)
Proceeds from (repayments of) related party borrowings	0	0	64.974
Leasing	(4.945)	(4.767)	(9.577)
Repayment of bank debt	39.523	99.211	21.236
Capital increase	0	7.400	19.321
Cash flows from financing activities	34.578	101.844	95.954
Increase/decrease in cash and cash equivalents	1.053	(18.430)	(19.710)
Cash and cash equivalents at the beginning of the period	3.975	23.685	23.685
Cash and cash equivalents end of the period	5.028	5.255	3.975
Cash and cash equivalents at period end are composed of:			
Cash	5.028	5.255	3.975
Cash and cash equivalents end of the period	5.028	5.255	3.975

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 Q2 2024 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 2023 ('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	Q2 2024	Q2 2023	YTD Q2 2024	YTD Q2 2023
Sale of goods	54.526	55.888	115.670	109.064
Sale of service	5.268	5.590	8.424	8.302
Income from contract work in progress (turnkey projects)	25.681	39.410	46.664	74.981
Revenue	85.474	100.888	170.757	192.347

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	Q2 2024	Q2 2023	YTD Q2 2024	YTD Q2 2023
Primary geographical markets				
Denmark	530	408	1.098	1.230
Europe	25.791	34.609	64.476	64.980
Asia	7.919	12.790	14.507	21.770
South- & North America	45.875	48.038	80.827	95.881
Middle East and Africa	5.107	4.990	9.544	8.373
Other markets	252	54	305	113
	85.474	100.888	170.757	192.347
Major products/service lines				
In-line flexo printing machines	56.766	69.944	99.582	125.141
Ancillary products	28.708	30.944	71.176	67.207
	85.474	100.888	170.757	192.347
Timing of revenue recognition				
Products and services transferred at a point in time	59.794	61.478	124.094	117.366
Products transferred over time	25.681	39.410	46.664	74.981
	85.474	100.888	170.757	192.347

5. Financial instruments

DKK'000	30/Jun/24	30/Jun/23
Categories of financial instruments		
Deposits	10.192	10.108
Trade receivables	43.577	38.678
Other short-term receivables	6.546	12.707
Cash	5.028	5.255
Assets at amortized costs	65.343	66.747
Corporate bonds	464.834	437.133
Finance lease liabilities	81.699	87.445
Bank debt	80.251	99.293
Payable to group company	68.079	248
Trade payables	20.690	39.162
Other payables	25.731	29.982
Financial liabilities measured at amortized cost	741.284	693.263

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 2023.

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 81,7m 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 2023.