

TRESU Investment Holding A/S

Venusvej 44

6000 Kolding

Company Reg. No. 37553727

Interim financial report

Q3 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 July to 30 September 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 September 2024 and the results of their operations and cash flows for the period from 1 July 2024 to 30 September 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, 27 November 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

	Q3 2024	Q3 2023	1/1-30/9 2024	1/1-30/9 2023	Year 2023
Key figures (DKK'000)					
Revenue	74.898	94.800	245.655	287.148	388.781
Gross profit/loss	4.419	9.762	20.776	21.096	(108.676)
Operating profit/loss	(13.178)	(9.577)	(38.205)	(36.152)	(188.939)
Net financials	(14.474)	(13.937)	(42.606)	(37.393)	(50.471)
Profit/loss for the period	(25.668)	(21.434)	(74.741)	(67.305)	(215.231)
Total assets	437.234	615.393	437.234	615.393	470.898
Investments in property, plant and equipment	(300)	(700)	(1.200)	(2.100)	(3.202)
Equity	(419.847)	(196.418)	(419.847)	(196.418)	(344.765)
Ratios					
Gross margin (%)	5,9	10,3	8,5	7,3	(28,0)
Net margin (%)	(34,3)	(22,6)	(30,4)	(23,4)	(55,4)
Return on equity (%)	-	-	-	-	-
Equity ratio (%)	-	-	-	-	-
Return of assets (%)	(3,0)	(1,6)	(8,7)	(5,9)	(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

Q3 2024

The consolidated revenue for Q3 2024 is DKK 74.9m and Operating loss (EBIT) is DKK 13.2m. 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 9.3m.

At the end of Q3 2024 total assets was DKK 437.2 and total equity amounted to DKK -419.8m.

The financial results of Q3 2024 are below expectations but within latest guidance from October 22th for 2024.

Outlook

The outlook for the Group for 2024 is revenue growth in the area of -15 to -10% on 2023, and an EBITDA margin in the area of 0-2% (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	Q3 2024	Q3 2023	1/1-30/9 2024	1/1-30/9 2023	Year 2023
Revenue	4	74.898	94.800	245.655	287.148	388.781
Production costs ^A		(70.479)	(85.039)	(224.879)	(266.051)	(497.457)
Gross profit/(loss)		4.419	9.762	20.776	21.096	(108.676)
Distribution costs		(9.594)	(10.141)	(32.327)	(31.827)	(42.434)
Administrative costs ^B		(8.003)	(9.198)	(26.729)	(25.421)	(37.763)
Other operating income		0	0	75	0	(65)
Other operating expenses		0	0	0	0	0
Operating profit/(loss)		(13.178)	(9.577)	(38.205)	(36.152)	(188.939)
Financial income		(193)	74	146	366	3.719
Financial expenses ^C		(14.281)	(14.011)	(42.752)	(37.760)	(54.189)
Profit/(loss) before tax ^D		(27.652)	(23.514)	(80.811)	(73.545)	(239.410)
Tax on profit/(loss) for the period		1.984	2.080	6.070	6.240	24.178
Profit/(loss) for the period		(25.668)	(21.434)	(74.741)	(67.305)	(215.231)
Exchange rate adjustments, for- eign companies		(798)	568	(341)	(503)	(924)
Tax on other comprehensive income		0	0	0	0	0
Other comprehensive income, net of tax		(798)	568	(341)	(503)	(924)
Total comprehensive in- come/(loss) for the period		(26.466)	(20.866)	(75.082)	(67.808)	(216.155)
Profit/(loss) for the period attributable to:						
Owners of the Company		(25.668)	(21.434)	(74.741)	(67.305)	(215.231)
Total comprehensive income/(loss) for the period attributable to:						
Owners of the Company		(26.466)	(20.866)	(75.082)	(67.808)	(216.155)

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

DKK'000	Q3 2024	Q3 2023	1/1-30/9 2024	1/1-30/9 2023	Year 2023
Depreciation on assets acquired (PPA)	9.273	9.568	28.310	28.704	38.919
Other expenses 1)	468	1.739	1.838	4.557	5.534
Other income 1)	0	0	0	0	(3.369)
Interest corporate bonds	9.487	9.061	28.652	25.586	35.553
Adjustments deferred tax related to PPA	(2.040)	(2.105)	(6.228)	(6.315)	(14.282)
Total	17.188	18.263	52.572	52.532	62.355

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

Consolidated statement of financial position - Assets

DKK'000	30 Sep 2024	30 Sep 2023	31 Dec 2023
Goodwill	0	99.000	0
Completed development projects	23.688	21.808	21.336
Patents and licenses	91.046	119.461	102.607
Brand	37.900	37.900	37.900
Customer relationship	13.512	45.048	27.414
Intangible assets	166.146	323.217	189.257
Plant and machinery	19.277	24.505	22.075
Other fixtures and fittings, tools and equipment	5.594	5.541	5.372
Leasehold improvements	1.795	2.342	2.192
Finance lease	75.911	81.873	79.324
Property, plant and equipment	102.577	114.261	108.963
Deposits	10.188	10.197	10.191
Other non-current assets	10.188	10.197	10.191
Non-current assets	278.911	447.675	308.411
Inventories	73.523	89.997	79.839
Trade receivables	43.675	42.498	47.786
Contract work in progress	11.460	19.797	6.387
Payable group company	436	39	482
Tax receivables	13.399	0	17.752
Other short-term receivables	3.164	4.549	3.469
Prepayments	2.331	4.951	2.797
Receivables	147.988	161.831	158.512
Cash	10.335	5.887	3.975
Current assets	158.323	167.718	162.487
Assets	437.234	615.393	470.898

Consolidated statement of financial position– Equity and Liabilities

DKK'000	30 Sep 2024	30 Sep 2023	31 Dec 2023
Contributed capital	2.925	2.925	2.925
Other reserves	3.655	2.443	2.390
Retained earnings	(426.427)	(201.786)	(350.080)
Equity	(419.847)	(196.418)	(344.765)
Provisions for deferred tax	31.459	45.459	37.687
Corporate bonds	474.748	438.847	444.750
Intercompany liabilities	69.710	74.656	72.332
Finance lease liabilities	68.781	0	64.974
Other payables	8.845	8.709	8.781
Non-current liabilities	653.543	567.671	628.524
Current portion of long-term lease liabilities	11.062	10.691	10.593
Bank debt	95.246	103.916	40.926
Payable group company	0	10.683	248
Contract work, liabilities	19.601	3.334	47.453
Other provisions	5.768	20.669	4.805
Prepayment customers	26.266	9.624	9.876
Trade payables	21.457	57.236	43.776
Income tax payable	0	(3.617)	1.431
Other payables	24.138	31.604	28.030
Current liabilities	203.538	244.140	187.139
Total liabilities	857.081	811.811	815.663
Equity and liabilities	437.234	615.393	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	(74.741)	(74.741)
Other comprehensive income	0	(341)	0	(341)
Capital increase	0	0	0	0
Equity at 30 September 2024	<u>2.925</u>	<u>2.049</u>	<u>(424.821)</u>	<u>(419.847)</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 Q3 2024	YTD Q3 2023	YTD 2023
Operating profit/loss	(38.204)	(36.151)	(188.939)
Amortisation, depreciation	33.866	34.366	56.892
Impairment losses	0	0	125.000
Other provisions and payables	1.000	5.400	(14.840)
Working capital changes	(29.028)	(93.527)	(33.484)
Cash flows from ordinary operating activities	(32.366)	(89.912)	(55.371)
Financial income received	493	260	298
Financial expenses paid	(4.700)	(28.000)	(41.043)
Income taxes refunded/paid	3.700	(11.200)	(13.142)
Cash flows from operating activities	(32.873)	(128.852)	(109.258)
Acquisition etc. of intangible assets	(6.500)	(2.800)	(3.204)
Acquisition etc. of property, plant and equipment	(1.200)	(2.100)	(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	(7.700)	(4.900)	(6.406)
Proceeds from (repayments of) related party borrowings	0	0	64.974
Leasing	(7.387)	(7.169)	(9.577)
Repayment of bank debt	54.320	103.834	21.236
Capital increase	0	19.341	19.321
Cash flows from financing activities	46.933	116.006	95.954
Increase/decrease in cash and cash equivalents	6.360	(17.746)	(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	10.335	5.939	3.975
Cash and cash equivalents at period end are composed of:			
Cash	10.335	5.939	3.975
Cash and cash equivalents end of the period	10.335	5.939	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 Q3 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	Q3 2024	Q3 2023	YTD Q3 2024	YTD Q3 2023
Sale of goods	49.994	55.246	165.672	164.310
Sale of service	7.164	5.676	15.579	13.978
Income from contract work in progress (turnkey projects)	17.740	33.879	64.404	108.860
Revenue	74.898	94.801	245.655	287.148

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	Q3 2024	Q3 2023	YTD Q3 2024	YTD Q3 2023
Primary geographical markets				
Denmark	1.208	945	2.306	2.175
Europe	28.705	27.916	93.299	92.895
Asia	8.646	13.385	23.034	35.155
South- & North America	30.537	47.707	111.368	143.588
Middle East and Africa	5.561	4.813	15.105	13.186
Other markets	241	35	543	148
	74.898	94.801	245.655	287.147
Major products/service lines				
In-line flexo printing machines	46.266	63.036	145.872	188.176
Ancillary products	28.632	31.765	99.783	98.971
	74.898	94.801	245.655	287.147
Timing of revenue recognition				
Products and services transferred at a point in time	57.158	60.922	181.251	178.287
Products transferred over time	17.740	33.879	64.404	108.860
	74.898	94.801	245.655	287.147

5. Financial instruments

DKK'000	30/Sep/24	30/Sep/23
Categories of financial instruments		
Deposits	10.188	10.197
Trade receivables	43.675	42.498
Other short-term receivables	5.495	9.500
Cash	10.335	5.887
Assets at amortized costs	69.693	68.082
Corporate bonds	474.748	438.847
Finance lease liabilities	79.843	10.691
Bank debt	95.246	103.916
Payable to group company	69.710	85.339
Trade payables	21.457	57.236
Other payables	24.138	31.604
Financial liabilities measured at amortized cost	765.142	727.633

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 79.5m 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.