

TRESU Investment Holding A/S

Venusvej 44

6000 Kolding

Company Reg. No. 37553727

Interim financial report

Q4 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 October to 31 December 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 31 December 2024 and the results of their operations and cash flows for the period from 1 October 2024 to 31 December 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, 24 April 2025

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

	Q4 2024	Q4 2023	1/1-31/12 2024	1/1-31/12 2023	Year 2023
Key figures (DKK'000)					
Revenue	94.324	101.633	339.979	388.781	388.781
Gross profit/loss	(46.174)	(129.773)	(25.398)	(108.676)	(108.676)
Operating profit/loss	(67.944)	(152.787)	(106.147)	(188.939)	(188.939)
Net financials	(15.656)	(13.077)	(58.263)	(50.471)	(50.471)
Profit/loss for the period	(72.184)	(147.927)	(146.924)	(215.231)	(215.231)
Total assets	331.537	470.898	331.537	470.898	470.898
Investments in property, plant and equipment	498	1.089	1.698	3.189	3.189
Equity	(490.742)	(344.765)	(490.742)	(344.765)	(344.765)
Ratios					
Gross margin (%)	(49,0)	(127,7)	(7,5)	(28,0)	(28,0)
Net margin (%)	(76,5)	(145,5)	(43,2)	(55,4)	(55,4)
Return on equity (%)	-	-	-	-	-
Equity ratio (%)	-	-	-	-	-
Return of assets (%)	(20,5)	(32,4)	(32,0)	(40,1)	(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

Q4 2024

The consolidated revenue for Q4 2024 is DKK 94.3m and Operating loss (EBIT) is DKK 67.9m. 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 Q4 was DKK 57.5m including an impairment of DKK 45.0m.

At the end of Q4 2024 total assets was DKK 331.5 and total equity amounted to DKK -490.7m.

The financial results of Q4 2024 are below expectations for 2024 but within latest guidance from October 22nd for 2024.

Outlook

The outlook for the Group for 2025 is revenue growth of 0 to 10% on 2024, and an EBITDA margin of 0-5% (adjusted for potential one-off effects). In addition, we expect cash flow generation from ordinary operating to be positive for 2025.

Consolidated statement of profit or loss and other comprehensive income

DKK'000	Note	Q4 2024	Q4 2023	1/1-31/12 2024	1/1-31/12 2023	Year 2023
Revenue	4	94.324	101.633	339.979	388.781	388.781
Production costs ^A		(140.498)	(231.406)	(365.377)	(497.457)	(497.457)
Gross profit/(loss)		(46.174)	(129.773)	(25.398)	(108.676)	(108.676)
Distribution costs		(9.136)	(10.607)	(41.461)	(42.434)	(42.434)
Administrative costs ^B		(13.553)	(12.343)	(40.282)	(37.763)	(37.763)
Other operating income		919	-65	994	-65	(65)
Other operating expenses		0	0	0	0	0
Operating profit/(loss)		(67.944)	(152.787)	(106.147)	(188.939)	(188.939)
Financial income	11	3.352	157	3.719	3.719	3.719
Financial expenses ^C		(15.667)	(16.429)	(58.420)	(54.189)	(54.189)
Profit/(loss) before tax ^D		(83.600)	(165.865)	(164.410)	(239.410)	(239.410)
Tax on profit/(loss) for the period		11.416	17.938	17.486	24.178	24.178
Profit/(loss) for the period		(72.184)	(147.927)	(146.924)	(215.231)	(215.231)
Exchange rate adjustments, foreign companies		1.288	(421)	947	(924)	(924)
Tax on other comprehensive income		0	0	0	0	0
Other comprehensive income, net of tax		1.288	(421)	947	(924)	(924)
Total comprehensive in- come/(loss) for the period		(70.896)	(148.348)	(145.977)	(216.155)	(216.155)

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

DKK'000	Q4 2024	Q4 2023	1/1-31/12 2024	1/1-31/12 2023	Year 2023
Depreciation on assets acquired (PPA)	57.501	36.215	85.811	64.919	64.919
Other expenses 1)	1.937	977	3.775	5.534	5.534
Other income 1)	0	(3.369)	0	(3.369)	(3.369)
Interest corporate bonds	9.082	9.967	37.734	35.953	35.953
Adjustments deferred tax related to PPA	(9.350)	(7.967)	(15.578)	(14.282)	(14.282)
Total	59.170	35.823	111.742	88.755	88.755

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

Consolidated statement of financial position - Assets

DKK'000	31 Dec 2024	31 Dec 2023	31 Dec 2023
Completed development projects	24.561	21.336	21.336
Patents and licenses	61.450	102.607	102.607
Brand	22.900	37.900	37.900
Customer relationship	8.878	27.414	27.414
Intangible assets	117.789	189.257	189.257
Plant and machinery	15.098	22.075	22.075
Other fixtures and fittings, tools and equipment	2.228	5.372	5.372
Leasehold improvements	1.807	2.192	2.192
Finance lease	74.005	79.324	79.324
Property, plant and equipment	93.138	108.963	108.963
Deposits	10.248	10.191	10.191
Other non-current assets	10.248	10.191	10.191
Non-current assets	221.175	308.411	308.411
Inventories	52.560	79.839	79.839
Trade receivables	36.935	47.786	47.786
Contract work in progress	6.084	6.387	6.387
Payable group company	0	482	482
Tax receivables	2.320	17.752	17.752
Other short-term receivables	4.369	3.469	3.469
Prepayments	2.522	2.797	2.797
Receivables	52.230	78.673	78.673
Cash	5.572	3.975	3.975
Current assets	110.362	162.487	162.487
Assets	331.537	470.898	470.898

Consolidated statement of financial position– Equity and Liabilities

DKK'000	31 Dec 2024	31 Dec 2023	31 Dec 2023
Contributed capital	2.925	2.925	2.925
Other reserves	3.337	2.390	2.390
Retained earnings	(497.004)	(350.080)	(350.080)
Equity	(490.742)	(344.765)	(344.765)
Provisions for deferred tax	17.568	37.687	37.687
Corporate bonds	485.765	444.750	444.750
Finance lease liabilities	66.964	72.332	72.332
Intercompany liabilities	71.340	64.974	64.974
Other payables	8.926	8.781	8.781
Non-current liabilities	650.563	628.524	628.524
Current portion of long-term lease liabilities	11.112	10.593	10.593
Bank debt	65.923	40.926	40.926
Payable group company	248	248	248
Contract work, liabilities	22.296	47.453	47.453
Other provisions	3.860	4.805	4.805
Prepayment customers	16.475	9.876	9.876
Trade payables	27.045	43.776	43.776
Income tax payable	368	1.431	1.431
Other payables	24.389	28.031	28.030
Current liabilities	171.716	187.139	187.139
Total liabilities	822.279	815.663	815.663
Equity and liabilities	331.537	470.898	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	(146.924)	(146.924)
Other comprehensive income	0	947	0	947
Capital increase	0	0	0	0
Equity at 31 December 2024	<u>2.925</u>	<u>3.337</u>	<u>(497.004)</u>	<u>(490.742)</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 Q4 2024	YTD Q4 2023	YTD 2023
Operating profit/loss	(106.147)	(188.939)	(188.939)
Amortisation, depreciation	57.951	56.892	56.892
Impairment losses	45.000	125.000	125.000
Other provisions and payables	(9.012)	(14.840)	(14.840)
Working capital changes	(1.123)	(33.484)	(33.484)
Cash flows from ordinary operating activities	(13.331)	(55.371)	(55.371)
Financial income received	5	298	298
Financial expenses paid	(6.916)	(41.043)	(41.043)
Income taxes refunded/paid	12.010	(13.142)	(13.142)
Cash flows from operating activities	(8.232)	(109.258)	(109.258)
Acquisition etc. of intangible assets	(10.498)	(3.204)	(3.204)
Acquisition etc. of property, plant and equipment	(1.698)	(3.189)	(3.189)
Acquisition etc. of financial fixed assets	(54)	0	0
Proceeds from disposal of financial fixed assets	0	(82)	(82)
Proceeds from disposal of property, plant and equipment	0	69	69
Cash flows from investing activities	(12.250)	(6.406)	(6.406)
Proceeds from (repayments of) related party borrowings	6.848	64.974	64.974
Leasing	(9.766)	(9.577)	(9.577)
Repayment of bank debt	24.997	21.236	21.236
Capital increase	0	19.321	19.321
Cash flows from financing activities	22.079	95.954	95.954
Increase/decrease in cash and cash equivalents	1.597	(19.710)	(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	5.572	3.975	3.975
Cash and cash equivalents at period end are composed of:			
Cash	5.572	3.975	3.975
Cash and cash equivalents end of the period	5.572	3.975	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 Q4 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	Q4 2024	Q4 2023	YTD Q4 2024	YTD Q4 2023
Major products/service lines				
Machines & Units	60.249	69.626	206.120	258.105
Ancillary products	34.075	32.007	133.859	130.676
	94.324	101.633	339.979	388.781

Disaggregation of revenue

In the following table, revenue is disaggregated by geographical market and timing of revenue recognition.

DKK'000	Q4 2024	Q4 2023	YTD Q4 2024	YTD Q4 2023
Revenue split by geography				
Denmark	428	1.077	2.734	2.592
Germany	10.084	12.022	46.033	49.653
Rest of Europe	12.871	25.709	70.225	81.095
USA	50.978	44.816	148.730	169.901
Rest of North & South America	6.112	4.395	19.725	23.571
Asia	8.366	9.820	31.399	44.953
Middle East and Africa	5.485	3.797	21.133	17.016
	94.324	101.636	339.979	388.781
Timing of revenue recognition				
Products and services transferred at a point in time	73.317	69.935	254.568	248.672
Products transferred over time	21.007	31.698	85.411	140.109
	94.324	101.633	339.979	388.781

5. Financial instruments

DKK'000	31/Dec/24	31/Dec/23
Categories of financial instruments		
Deposits	10.248	10.191
Trade receivables	36.935	48.268
Other short-term receivables	4.369	3.469
Cash	5.572	3.975
Assets at amortized costs	57.124	65.903
Corporate bonds	485.765	444.750
Finance lease liabilities	78.076	82.925
Non-current other payables	8.926	8.781
Bank debt	65.923	40.926
Payable to group company	71.588	65.222
Trade payables	27.045	43.776
Other payables	24.389	28.031
Financial liabilities measured at amortized cost	761.712	714.411

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 77.5m 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.