

Tresu Investment Holding A/S

Eegsvej 14

6091 Bjert

Company Reg. No. 37553727

Interim financial report

Third quarter 2018

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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 1 January 2018 – 30 September 2018.

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 2018 and the results of their operations and cash flows for the period from 1 January 2018 to 30 September 2018.

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 2017.

Bjert, Denmark, 27 November 2018

Executive Board

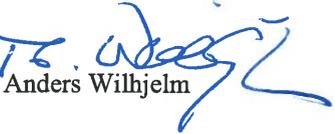
Heidi Thousgaard Jørgensen

Board of Directors



Carsten Nygaard Knudsen

Chairman



Anders Wilhjelm



Ola Harald Eric



Thomas Stegeager Kvorning



Søren Dan Johansen

Consolidated statement of profit or loss and other comprehensive income

DKK'000	Note	Q3 2018	Q3 2017	1/1-30/9 2018	1/1-30/9# 2017
Revenue	5	66.596	162.451	251.201	180.021
Production costs ^A		<u>(79.181)</u>	<u>(151.700)</u>	<u>(335.087)</u>	<u>(166.282)</u>
Gross profit/(loss)		(12.585)	10.751	(83.886)	13.739
Research and development costs		(1.722)	(1.320)	(17.202)	(1.424)
Distribution costs		(12.185)	(8.265)	(36.475)	(9.368)
Administrative costs ^B		<u>(9.555)</u>	<u>(10.263)</u>	<u>(35.846)</u>	<u>(24.639)</u>
Operating profit/(loss)		(36.047)	(9.097)	(173.409)	(21.692)
Financial income		12	308	56	362
Financial expenses ^C		<u>(7.738)</u>	<u>(18.245)</u>	<u>(23.388)</u>	<u>(20.698)</u>
Profit/(loss) before tax ^D		(43.773)	(27.034)	(196.741)	(42.028)
Tax on profit/(loss) for the period		<u>10.473</u>	<u>2.815</u>	<u>44.196</u>	<u>3.078</u>
Profit/(loss) for the period		<u>(33.300)</u>	<u>(24.219)</u>	<u>(152.545)</u>	<u>(38.950)</u>
Exchange rate adjustments, foreign companies		(810)	(960)	1.900	(960)
Tax on other comprehensive income		<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Other comprehensive income, net of tax		(810)	(960)	1.900	(960)
Total comprehensive income/(loss) for the period		<u>(34.110)</u>	<u>(25.179)</u>	<u>(150.645)</u>	<u>(39.910)</u>
Profit/(loss) for the period attributable to:					
Owners of the Company		<u>(33.300)</u>	<u>(24.219)</u>	<u>(152.545)</u>	<u>(38.950)</u>
Total comprehensive income/(loss) for the period attributable to:					
Owners of the Company		<u>(34.110)</u>	<u>(25.179)</u>	<u>(150.645)</u>	<u>(39.910)</u>

#As of 21 June 2017 the parent company of the legacy Tresu Group, Tresu Investment A/S was acquired by Tresu Investment Holding A/S, ultimately majority-owned by the private equity fund Altor Fund IV Holding AB. The income statement for YTD 2017 therefore only includes about 3 months of business activity.

Tresu Investment Holding A/S - Interim financial report Q3 2018

Amounts related to the acquisition of Tresu Investment and other non-recurring items:

DKK'000	Q3 2018	Q3 2017	1/1-30/9 2018	1/1-30/9# 2017
^A Increased depreciation on assets acquired (PPA)	12.093	17.803	50.507	19.700
^A Impairment of Machines and buildings (PPA)	-	0	17.853	0
^A Increased production costs from revaluation of inventory in PPA	-	6.200	-	6.200
^B Other expenses	1.207	1.014	6.185	14.245
^C Borrowing costs	-	15.221	-	17.657
^C Interest corporate bonds	6.598	0	19.790	0
^D Tax regarding other expenses, borrowing costs and corporate bonds	(1.717)	(3.572)	(5.715)	(3.976)
^D Adjustments deferred tax related to PPA	<u>(2.488)</u>	<u>(3.917)</u>	<u>(15.039)</u>	<u>(4.403)</u>
	15.693	32.750	73.581	49.423

#As of 21 June 2017 the parent company of the legacy Tresu Group, Tresu Investment A/S was acquired by Tresu Investment Holding A/S, ultimately majority-owned by the private equity fund Altor Fund IV Holding AB. The income statement for YTD 2017 therefore only includes about 3 months of business activity

Consolidated statement of financial position - Assets

DKK'000	Note	30 September 2018	31 December 2017
Goodwill		249.000	249.000
Completed development projects*		30.723	55.762
Patents **		204.221	216.377
Brand		37.900	37.900
Customer relationship **		176.310	198.144
Order backlog**		0	12.750
Intangible assets		698.154	769.933
Land and buildings	6	3.714	27.246
Plant and machinery	6	15.608	32.239
Other fixtures and fittings, tools and equipment		7.289	5.257
Leasehold improvements		680	766
Property, plant and equipment		27.291	65.508
Deferred tax assets		30.177	1.240
Deposits		4.627	312
Other non-current assets		34.804	1.552
Non-current assets		760.249	836.993
Inventories *, ***		118.653	133.235
Trade receivables		55.188	50.516
Contract work in progress ***		89.853	175.551
Tax receivables		1.878	1.878
Other short-term receivables		9.300	7.602
Prepayments		3.359	2.449
Receivables		278.231	371.231
Cash		8.797	10.550
Assets as held for sale	7	19.960	0
Current assets		306.988	381.781
Assets		1.067.237	1.218.774

*) Decrease/increase due to reclassification of development projects to inventory

**) Decrease refers to recurring amortization

***) Decrease due to normal operation

Consolidated statement of financial position– Equity and Liabilities

DKK'000	Notes	30 September 2018	31 December 2017
Contributed capital		2.922	2.922
Other reserves		584	(1.316)
Retained earnings		209.318	236.865
Equity		212.824	238.471
Provisions for deferred tax		123.348	137.805
Other provisions		4.841	1.340
Corporate bonds		516.643	515.409
Finance lease liabilities		141	164
Other payables		6.624	7.204
Non-current liabilities		651.597	661.922
Current portion of long-term lease liabilities		40	208
Current portion of long-term other payables		1.071	1.071
Bank debt ***		46.927	67.523
Payable group company		286	0
Contract liabilities **		17.552	3.911
Trade payables		87.304	202.301
Income tax payable		4.622	5.713
Other payables		45.014	37.654
Current liabilities		202.816	318.381
Total liabilities		854.413	980.303
Equity and liabilities		1.067.237	1.218.774

**) Increase due to the conclusion of several contracts in the period

***) Decrease due to normal operation

Consolidated statement of changes in equity

Consolidated statement of changes in equity – 9 months 2017

DKK'000	Contributed capital	Other reserves*	Retained earnings	Total
Equity at 1 January 2017	50	0	0	50
Profit for the period	0	0	(38.950)	(38.950)
Other comprehensive income	0	(960)	0	(960)
Capital increase	2.807	0	282.801	285.608
Equity at 30 September 2017	2.857	(960)	243.851	245.748

Consolidated statement of changes in equity – 9 months 2018

DKK'000	Contributed capital	Other reserves*	Retained earnings	Total
Equity at 1 January 2018	2.922	(1.316)	236.865	238.471
Profit for the period	0	0	(152.545)	(152.545)
Other comprehensive income	0	1.900	0	1.900
Tax exempt contribution**	0	0	124.998	124.998
Equity at 30 September 2018	2.922	584	209.318	212.824

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

***) The Group has received DKK 124.998 thousand from the Group's parent company, Tresu Group Holding A/S, as a tax exempt contribution in 2018 in order to secure liquidity, while the Group executes on its strategy and realises its growth ambitions.

Consolidated statement of cash flows

DKK'000	Note	1/1-30/9 2018	1/1-30/9# 2017
Operating profit/loss		(173.409)	(21.692)
Amortisation, depreciation		58.646	19.193
Impairment losses		17.853	0
Other provisions		3.501	1.273
Working capital changes		24.510	(53.915)
Cash flows from ordinary operating activities		(68.899)	(55.141)
Financial income received		56	362
Financial expenses paid		(23.388)	(20.698)
Income taxes refunded/paid		0	0
Cash flows from operating activities		(92.231)	(75.477)
Acquisition etc. of intangible assets		(8.600)	(1.584)
Acquisition etc. of property, plant and equipment		(3.083)	(1.575)
Acquisition etc. of financial fixed assets		(4.315)	(311)
Acquisition etc. of companies		0	(762.800)
Cash flows from investing activities		(15.998)	(766.270)
Loans raised		0	510.000
Instalments loan		(168)	(510.000)
Overdraft facility		(18.985)	59.414
Capital increase		124.998	285.608
Corporate bonds		631	514.866
Cash flows from financing activities		106.476	859.888
Increase/decrease in cash and cash equivalents		(1.753)	18.141
Cash and cash equivalents at the beginning of the period		10.550	50
Exchange rate		0	0
Cash and cash equivalents end of the period		8.797	18.191
Cash and cash equivalents at period end are composed of:			
Cash		8.797	18.191
Cash and cash equivalents end of the period		8.797	18.191

#As of 21 June 2017 the parent company of the legacy Tresu Group, Tresu Investment A/S was acquired by Tresu Investment Holding A/S, ultimately majority-owned by the private equity fund Altor Fund IV Holding AB. The income statement for YTD 2017 therefore only includes about 3 months of business activity

Notes to 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 subsidiary companies through the purchase of the entire share capital of Tresu Investment A/S, also a Danish company.

The unaudited interim consolidated financial statements for the nine months ended 30 September 2018 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 2017 ('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 an understanding of 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

The Group has adopted all new or changed standards, interpretations and amendments to IFRS that are applicable with effect from 1 January 2018, among others:

- IFRS 15 Revenue from Contracts with Customers
- IFRS 9 Financial Instruments
- IFRIC 22 about transactions in foreign currency and prepayments

The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

IFRS 15 Revenue from Contracts with Customers

The new standard IFRS 15 has also been adopted, however no material changes to the accounting policies have been identified. The new standards are effective as of 1 January 2018.

IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaced IAS 18 Revenue, IAS 11 Construction Contracts and related interpretations.

The Group has adopted IFRS 15 using the cumulative effect method (without practical expedients), with the initial application date of 1 January 2018. No material impact was identified; accordingly, no adjustment has been recognized in the financial statements.

IFRS 15 supersedes IAS 11 *Construction Contracts*, IAS 18 *Revenue* and related Interpretations and it applies to all revenue arising from contracts with customers, unless those contracts are in the scope of other standards. The new standard establishes a five-step model to account for revenue arising from contracts with customers. Under IFRS 15, revenue is recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The five-step model consists of the following:

1. Identify the contract(s) with a customer,
2. Identify the performance obligations in the contract
3. Determine the transaction price
4. Allocate the transaction price to the performance obligations in the contract
5. Recognise revenue when (or as) the entity satisfies a performance obligation

The standard requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract.

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.

IFRS 9 Financial Instruments

IFRS 9 *'Financial instruments'* replaces IAS 39 *'Financial Instruments: Recognition and Measurement'*, of which amongst other items replaces the 'incurred loss' model with an 'expected credit loss' (ECL) model. Under IFRS 9, credit losses are recognised earlier than under IAS 39. The effect of the change from the 'incurred loss' model in IAS 39 to the 'expected credit loss' model in IFRS 9 is immaterial due to the low credit risk in the Group. Other than this, the implementation of IFRS 9 has not had material impact on classification and measurement of financial instruments.

IFRIC Interpretation 22 *Foreign Currency Transactions and Advance Considerations*

The Interpretation clarifies that, the transaction date exchange rate shall be used on initial recognition of the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, then the entity must determine a date of the transactions for each payment or receipt of advance consideration. This Interpretation does not have a material impact on the Group's consolidated financial statements.

3. Standards issued but not yet effective

The IASB has issued a number of standards and interpretations effective for annual periods beginning after 1 January 2019, that are not mandatory for Tresu Investment Holding A/S at the time of the publication of the Q3 interim financial statements. The new standards and interpretations will be implemented as they become mandatory.

The Group has the following update to information provided in the last annual financial statements about the standards issued but not yet effective that may have a significant impact on the Group's consolidated financial statements.

IFRS 16 Leases

Issued in January 2016, IFRS 16, Leases, requires lessees to recognise nearly all leases on the balance sheet. IFRS 16 replaces the existing standard on leasing, IAS 17. IFRS 16 entails that virtually all leases are to be recognised on the balance sheet in the lessee's accounts in the form of a lease liability and an asset that represents the lessee's right to use the underlying asset. There is no longer a distinction between operational and financial leasing.

Tresu Group will implement IFRS 16 on 1 January retrospectively with the cumulative effect of initially applying the standard recognised at the date of initial application.

Management's analysis of the impact has not yet been completed; however a material impact in the balance sheet is expected.

In addition to the above, IASB has issued a number of new or amended and revised accounting standards and interpretations that have not yet come into effect. Management does not anticipate any significant impact on future periods from the adoption of these new IFRS.

4. 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.

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, except for new significant judgements and key sources of estimation uncertainty related to the application of IFRS 15 and IFRS 9, which are described in Note 2.

5. Revenue

Disaggregation of revenue

DKK'000	Q3 2018	Q3 2017	1/1-30/9 2018	1/1-30/9 2017
Sale of goods	46.107	49.883	127.857	55.267
Sale of service	2.693	3.726	17.646	4.140
Income from contract work in progress (turnkey projects)	17.796	108.842	105.698	120.614
Revenue	66.596	162.451	251.201	180.021

In the following table, revenue is disaggregated by major products and service lines, geographical market and timing of revenue recognition. The nature and effect of initially applying IFRS 15 on the Group's interim financial statements are disclosed in Note 2.

Reportable segment DKK'000	Revenue external customer			
	Q3 2018	Q3 2017	1/1-30/9 2018	1/1-30/9 2017
Primary geographical markets				
Denmark	1.922	8.065	5.495	8.962
Europe	23.521	69.691	110.008	76.955
USA	28.023	61.294	71.815	68.104
Middle East and Africa	8.350	18.429	39.633	20.476
Other markets	4.780	4.972	24.250	5.524
	66.596	162.451	251.201	180.021
Major products/service lines				
In-line flexo printing machines	35.721	125.477	149.916	139.048
Ancillary products	30.875	36.974	101.285	40.973
	66.596	162.451	251.201	180.021
Timing of revenue recognition				
Products and services transferred at a point in time	48.800	53.609	145.503	59.407
Products transferred over time	17.796	108.842	105.698	120.614
	66.596	162.451	251.201	180.021

6. Property, plant and equipment

Impairment loss of land, building and machinery

The Group has recognised an impairment loss on land and buildings of DKK 9.937 thousand and on machines of DKK 7.916 thousand classified as held for sale based on indication of sales price from the buyer side.

Total impairment losses of DKK 17.853 thousand for write-downs of the disposal group to the lower of its carrying amount and its fair value less costs to sell have therefore been included in production costs in the statement of profit or loss and OCI.

In October 2018 the Group decided to sell part of the above machines, which had previously been impaired as at 30 June 2018. Refer to note 7 for information about the assets and liabilities of a disposal group that were classified as held for sale at 30 September 2018.

7. Assets held for sale

In June 2018, the Company decided to sell the corporate building and selected machines, as the Company will vacate from the current building and move into a new domicile in 2019. Accordingly, the corporate building and machines are presented as assets held for sale. Efforts to sell the assets have started and a binding sale and purchase agreement is expected by December 2018.

Impairment losses of DKK 14.196 thousand for write-downs of the disposal group to the lower of its carrying amount and its fair value less costs to sell have been included in production cost in the statement of profit or loss and OCI.

The impairment losses have been applied to reduce the carrying amount of property, plant and equipment within the disposal group.

8. Corporate bonds

Announcement of prospectus and Public Listing of Bonds

On 27 September 2018 Tresu Investment Holding A/S published the prospectus on the listing of EUR 70.000.000 Bonds with maturity date on 29 September 2022. No offering of Bonds took place by Tresu Investment Holding A/S in connection with the publication of the Prospectus and listing of the bonds.

The gross amount of corporate bonds owing is DKK 521.948 thousand (translated from EUR 70.000 thousand). Net capitalised transaction expenses of DKK 5.305 thousand are netted against the above amount on the statement of financial position and amortised during the life of the bonds.

9. Financial instruments – Fair values and risk management

DKK'000

Categories of financial instruments

30 September 2018

31 December 2017

Deposits	4.627	312
Trade receivables	55.188	50.516
Other short-term receivables	9.300	7.602
Prepayments	3.359	2.449
Cash	8.797	10.550
Assets at amortized costs	81.271	71.429
Corporate bonds	516.643	515.409
Finance lease liabilities	181	372
Non-current other payables	7.695	8.275
Bank debt	46.927	67.523
Trade payables	87.304	202.301
Other payables	45.014	37.654
Financial liabilities measured at amortized cost	703.764	831.194

Financial risks

Financial risks, including market, currency, interest, liquidity and credit risks are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2017.

10. Commitments and contingencies

The Group has entered into an agreement to lease a new company facility site at Venusvej in Kolding. The new company site will be constructed by a property developer and subsequently leased to TRESU Group. The construction is expected to be finalized in summer 2019.

The expected lease commencement date is July 2019 and the Group is providing a payment guarantee of DKK 8.350 thousand that will be written down in lockstep with quarterly lease payments made in July 2019, October 2019, January 2020 and March 2020. The Group has paid an initial amount of DKK 4.200 thousand in deposit. The lease contract includes a non-termination period of 14,3 years.

The lease contract includes a termination period of 12 months.

11. 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, Bjert, shareholder, parent

The Group has received DKK 124.998 thousand from the Group's parent company, Tresu Group Holding A/S, as a tax exempt contribution in 2018 in order to secure liquidity, while the Group executes on its strategy and realises its growth ambitions.

12. Subsequent events

On 22 October 2018 The Group announced its plans to reorganize its organization to adjust capacity and ensure a more lean and agile business model to better handle fluctuations in order intake in its capital goods business. The Group will reduce its FTE's by more than 10%.

On 23 November 2018 Tresu Investment Holding A/S announced that by mutual agreement Søren Maarssø resigned as CEO of TRESU Group. Effective as of 23 November 2018 Heidi Thousgaard Jørgensen, Deputy CEO and CFO, has been appointed as interim CEO until a permanent CEO has been appointed. Heidi Thousgaard Jørgensen will continue to perform her duties as CFO.

13. 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 2017 added by the section below.

Asset held for sale

Non-current assets, or disposal groups comprising assets and liabilities, are classified as held-for-sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use.

Such assets, or disposal groups, are generally measured at the lower of their carrying amount and fair value less costs to sell. Any impairment loss on a disposal group is allocated first to goodwill, and then to the remaining assets and liabilities on a pro rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets, employee benefit assets, investment property or biological assets, which continue to be measured in accordance with Group's other accounting policies. Impairment losses on initial classifications held-for-sales or held-for-distribution and subsequent gains and losses on re-measurement are recognised in profit or loss.

On classified as held-for-sales, intangible assets and property, plant and equipment are no longer amortised or depreciated, and any equity-accounted investee is no longer equity accounted.

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the balance sheet. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the balance sheet.

Q3 2018 Quarterly Results

TRESU Investment Holding A/S
27 November 2018



BRINGING FLEXOGRAPHIC TECHNOLOGY TO A HIGHER LEVEL

General Information

- All figures are prepared in accordance with IAS 34 'Interim Financial Reporting' as adopted by the EU, accounting policies set out in the Annual Report 2017 of Tresu Investment Holding A/S and additional Danish disclosure requirements for interim financial reports of listed companies
- The interim financial report has neither been audited nor reviewed
- The statement of profit or loss in the presentation is complemented with a bridge to Adjusted EBITDA for comparability with prior periods. Furthermore, various charts with non-IFRS figures are provided to show revenue by business unit, and quarterly revenue and adjusted EBITDA for comparability
- Please refer to the interim financial report, including the notes to the financial statements, appended to this presentation for full details
- This report will be available at www.tresu.dk/investor-relations

Questions can be directed by phone +45 76 32 36 36 to:

Heidi Thousgaard Jørgensen
Interim CEO & CFO, Tresu Group

Carsten Knudsen
Chairman, Tresu Group

Q3 2018 Update

- On 23 November 2018, Tresu Group announced that Søren Maarssø resigned as CEO and that Heidi Thousgaard Jørgensen, Deputy CEO and CFO, would assume the role of Interim CEO until a permanent CEO has been appointed
- Strong Q3 '18 order intake of DKK 167m driven by two large machine orders in Flexo Inline (by two of the largest players in the folding carton industry) and the Aftermarket and Ancillary segments which continue to perform well
 - Q3 '18 order intake up 67% vs preceding five quarters' average
 - Q3 '18 and YTD order intake 150% and 45% higher than Q3 '18 and YTD revenue, respectively
- The recent wins solidify Tresu's position as the productivity leader in the folding carton industry, which Tresu entered in late 2016. As more Flexo Innovators come online and deliver a superior cost per print to our customers we continue to believe that we can maintain a high win rate in our core market segments
- Right sizing of the organisation to adjust capacity and ensure a lean and agile business model executed as planned
 - At the end of October 2018, an agreement with staff representatives and committees was reached resulting in an overall FTE reduction of ca. 90 (including those executed earlier in 2018) which corresponds to a reduction of ca. 29%
- Weak Q3 '18 trading, as expected, due to i) a low activity level resulting in under-absorption, ii) project cost overruns and iii) a continued tightening of accounting practices
 - Limited P&L effect from Q3 '18 order intake that came late in the quarter
 - Right sizing of the organisation to have P&L effect during Q4 '18
- Equity contribution of ca. DKK 75m announced in August 2018 continues to provide Tresu with enough liquidity buffer to execute on its strategy
- Cash and available RCF increased from DKK 28m in Q2 '18 to DKK 73m in Q3 '18
- In conjunction with the publication of Tresu's Q4 '18 results, we will update the bond investors on Tresu's strategic and operational focus areas for the coming year

Statement of profit or loss

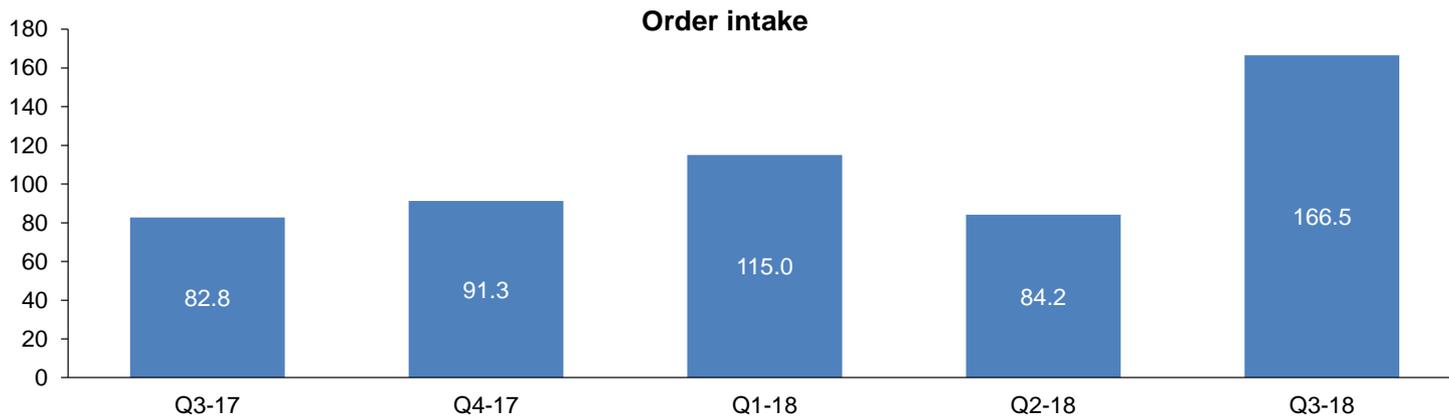
DKKm	Q3 2018	YTD 2018
Revenue	66.6	251.2
Production costs	(79.2)	(335.1)
Gross profit/(loss)	(12.6)	(83.9)
R&D costs	(1.7)	(17.2)
Distribution costs	(12.2)	(36.5)
Administrative costs	(9.6)	(35.8)
Operating profit/(loss)	(36.0)	(173.4)
Adjustments		
D&A	2.4	8.2
NRI	1.2	6.2
PPA	12.1	50.5
Impairment expense	-	17.8
Adjusted EBITDA (non-IFRS)	(20.3)	(90.7)

Comments

- Q3 '18 YTD order intake of DKK 365.8m (Q3 '17 YTD: DKK 457.5m) and LTM of DKK 457.1m (Q3 '17 LTM: DKK 708.8m)
- Weak Q3 revenue of DKK 66.6m largely due to lack of volume in Flexo Inline and little effect from the two large order intakes in late September
- Gross profit in Q3 continues to be affected by under-absorption of indirect production costs due to low volume, continued tightening of accounting practices and project cost overruns
- Adjusted EBITDA of DKK (20.3)m

Order intake and backlog

DKKm

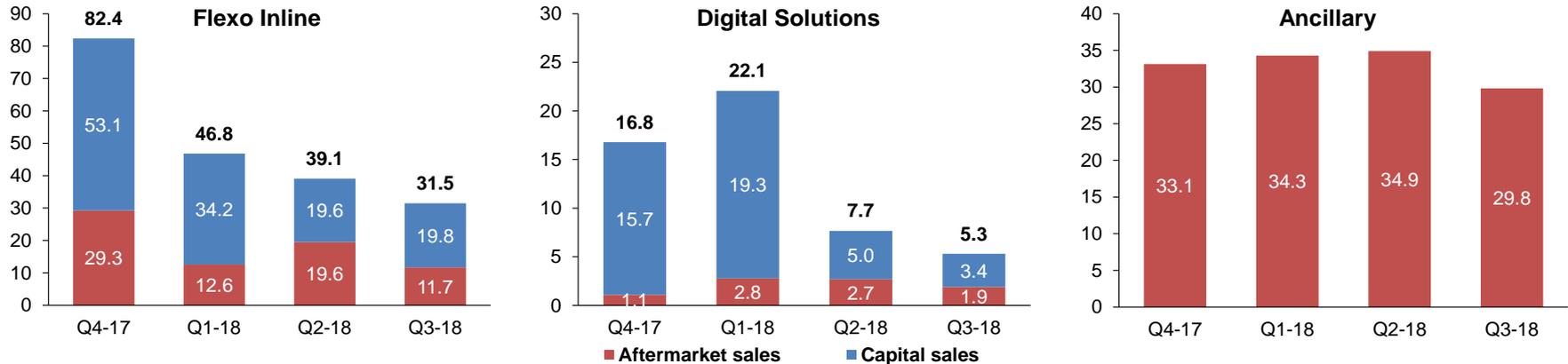


Comments

- Strong Q3 '18 order intake of DKK 167m driven by two large machine orders in Flexo Inline (by two of the largest players in the folding carton industry)
- Ancillary order intake remains stable
- Order book of DKK 181m as of Q3 '18

Quarterly revenue by business unit

DKKm

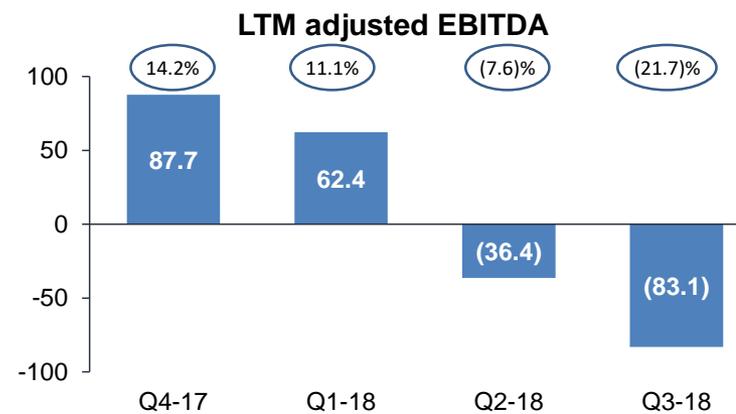
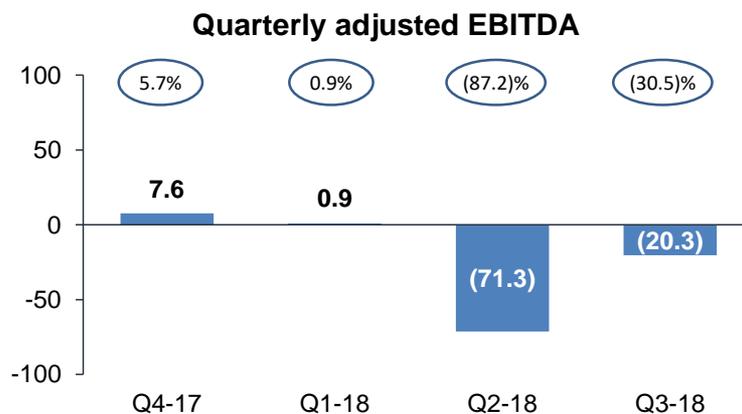
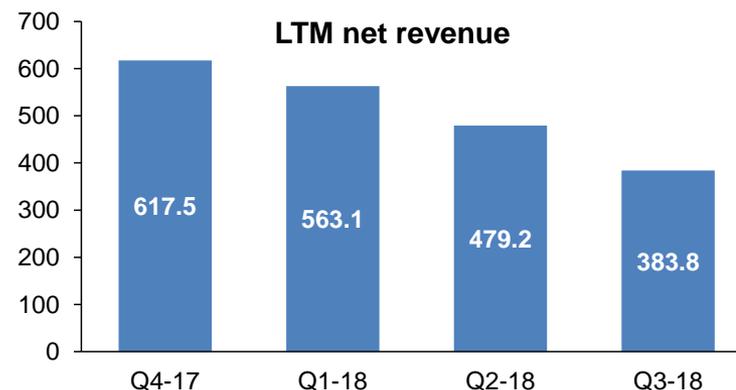
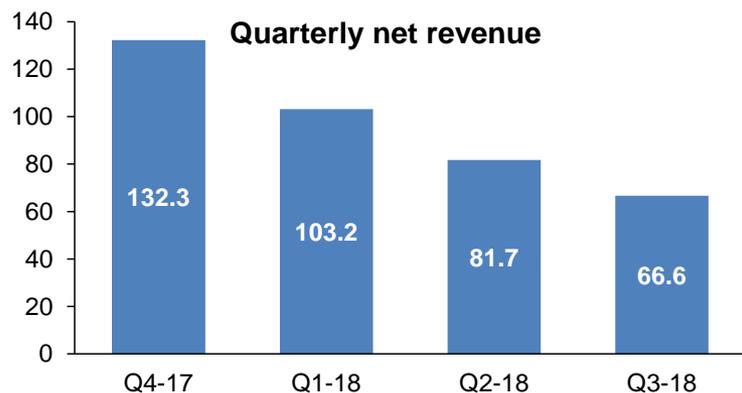


Comments

- Revenue in Flexo Inline declined in Q3 '18 primarily driven by low order intake in the preceding quarters
- Digital Solutions affected by delivery postponements by certain customers affecting progression on existing backlog
- Stable Ancillary development – however revenue affected by timing of progression on orders but expected to revert to growth in line with historical trend

Revenue and Adjusted EBITDA (non-IFRS) – Quarterly and LTM

DKKm



⊘ = EBITDA margin

Statement of financial position

DKKm	30 September 2018	31 December 2017
Intangible assets	698.2	769.9
Property, plant and equipment	27.3	65.5
Other non-current assets	34.8	1.6
Non-current assets	760.2	837.0
Inventories	118.7	133.2
Trade receivables	55.2	50.5
Contract work in progress	89.9	175.6
Tax receivables	1.9	1.9
Other short-term receivables	9.3	7.6
Prepayments	3.4	2.4
Receivables	278.2	371.2
Cash	8.8	10.6
Assets as held for sale	20.0	0.0
Current assets	307.0	381.8
Assets	1,067.2	1,218.8
Contributed capital	2.9	2.9
Other reserves	0.6	-1.3
Retained earnings	209.3	236.9
Equity	212.8	238.5
Provisions for deferred tax	123.3	137.8
Other provisions	4.8	1.3
Corporate bonds ⁽¹⁾	516.6	515.4
Finance lease liabilities	0.1	0.2
Other payables	6.6	7.2
Non-current liabilities	651.6	661.9
Current portion of long-term lease liabilities	0.0	0.2
Current portion of long-term other payables	1.1	1.1
Bank debt	46.9	67.5
Payable group company	0.3	0.0
Contract liabilities	17.6	3.9
Trade payables	87.3	202.3
Income tax payable	4.6	5.7
Other payables	45.0	37.7
Current liabilities	202.8	318.4
Total liabilities	854.4	980.3
Equity and liabilities	1,067.2	1,218.8

(1) Gross corporate bonds of DKK 521.9m excluding capitalized financing fees.

Comments

- NWC development driven mainly by change in contract work in progress as projects near completion and trade payables
- Balance sheet affected by total equity issuance in YTD '18 of ca. DKK 125m
- Net interest bearing debt of DKK 560.0m as of September 2018

Statement of cash flows

DKKm	1/7-30/9 2018	1/1-30/9 2018	1/1-30/9 2017 ⁽¹⁾
Operating profit/loss	(36.0)	(173.4)	(21.7)
Amortisation, depreciation	(3.6)	58.6	19.2
Impairment losses	17.9	17.9	0.0
Other provisions	0.1	3.5	1.3
Working capital changes	4.1	24.5	(53.9)
Cash flows from ordinary operating activities	(17.6)	(68.9)	(55.1)
Financial income received	0.0	0.1	0.4
Financial expenses paid	(7.7)	(23.4)	(20.7)
Income taxes refunded/paid	0.0	0.0	0.0
Cash flows from operating activities	(25.3)	(92.2)	(75.5)
Acquisition etc. of intangible assets	(0.3)	(8.6)	(1.6)
Acquisition etc. of property, plant and equipment	0.8	(3.1)	(1.6)
Acquisition etc. of financial fixed assets	(4.2)	(4.3)	(0.3)
Acquisition etc. of companies	0.0	0.0	(762.8)
Cash flows from investing activities	(3.7)	(16.0)	(766.3)
Loans raised	0.0	0.0	510.0
Instalments loan	0.1	(0.2)	(510.0)
Overdraft facility	(44.3)	(19.0)	59.4
Capital increase	75.0	125.0	285.6
Corporate bonds	0.1	0.6	514.9
Cash flows from financing activities	30.9	106.5	859.9
Increase/decrease in cash and cash equivalents	1.9	(1.8)	18.1
Cash and cash equivalents at the beginning of the period	6.9	10.6	0.1
Exchange rate	0.0	0.0	0.0
Cash and cash equivalents end of the period	8.8	8.8	18.2

Comments

- Q3 '18 and YTD '18 cash flow from ordinary operating activities of DKK (17.6)m and DKK (68.9)m, respectively
- Negative development in YTD '18 compared to YTD '17 primarily driven by lower volume and cost under-absorption which has been addressed in the recent FTE reductions
- However, continued release of cash via decrease in NWC of DKK 24.5m in YTD '18
- YTD '18 equity issuance of ca. DKK 125m

(1) As of 21 June 2017 the parent company of the legacy Tresu Group, Tresu Investment A/S was acquired by Tresu Investment Holding A/S, ultimately majority-owned by the private equity fund Altor Fund IV Holding AB. The statement of cash flows for YTD 2017 therefore only includes about 3 months of business activity.