

Q4 2021 Quarterly Results

TRESU Investment Holding A/S

24 Marts 2022

General information

- The Annual Report for 2021 appended to this presentation is prepared in accordance with International Financial Reporting Standards (“IFRS”), as adopted by the EU and additional Danish requirements applicable to reporting class D.
- IFRS 16 Leases standard are implemented as of January 2019.
- The annual report for 2021 has been audited and approved on the general meeting.
- The statement of profit or loss in this presentation is complemented with a bridge to Adjusted EBITDA for comparability with prior periods
- Please refer to the Annual Report for 2021, including the notes to the financial statements, for full details
- This presentation and Annual Report for 2021 will be available at www.tresu.dk/investor-relations
- The total nominal amount of bonds held by Altor TG AB, a fully-owned subsidiary of Altor Fund IV, as at the publication date of this report is changed from EUR 12,122,500 to EUR 0. The bonds held indirectly by Altor Fund IV has been converted into equity in Q4 2021 as informed as part of the refinancing process prolonging the expiration date of the existing bonds.

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Executive summary

Q4 '21 results and order intake

- Q4 '21 revenue and adj. EBITDA of DKK 97.1m and DKK 8.2m
- EBITDA in Q4 is lower than expected due to delays in sales caused by COVID-19 driven global supply chain disruptions and to additional resources needed in relation to development of new technology in one capital sales project
- Order intake of DKK 169m, of which DKK 118m is capital sales, is the highest order intake in more than 4 years
- Liquidity remains healthy at DKK 98m and supportive of the growth strategy in combination with the established bank guarantee line of DKK 50m established in Q4 2021

Outlook 2022

- Healthy order book of DKK 239m and a strong pipeline
- Continued focus on profitable growth and cost structure
- 2022 guidance revenue growth in the area of 25-35% and adj. EBITDA margin of approx. 10%

COVID-19 mitigating actions

- Continued strong focus on employee safety and business continuity
- Production site and sales offices remained operational throughout Q4 2021

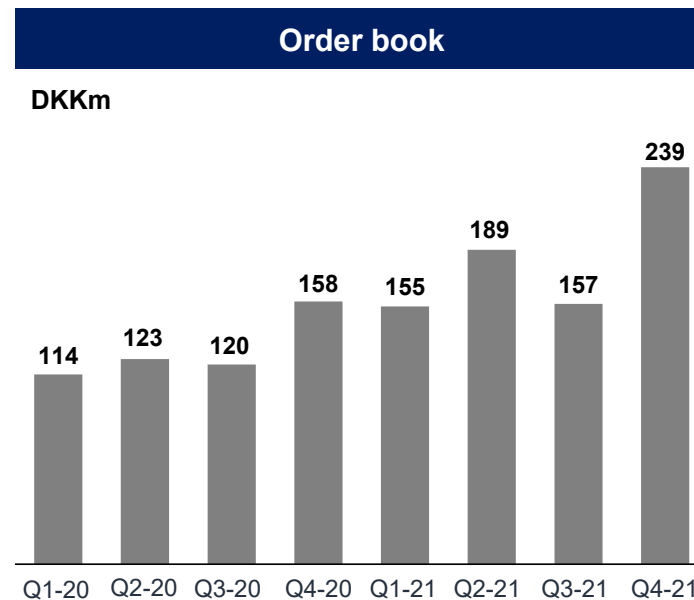
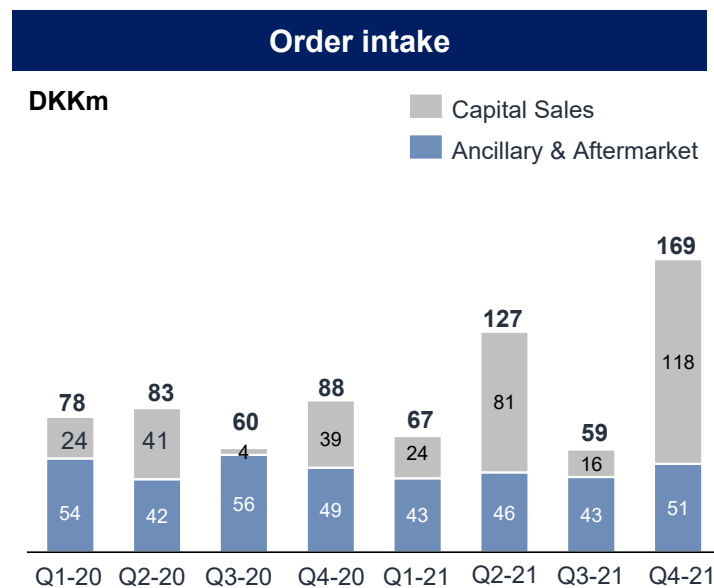
Q4 '21 result

DKKm	Q4 2021	Q3 2021	YTD 2021
Revenue	97,1	87,8	340,9
Production costs	(88,9)	(80,9)	(317,7)
Gross profit/(loss)	8,2	6,9	23,2
Distribution costs	(12,9)	(10,4)	(41,7)
Administrative costs	(7,7)	(7,9)	(33,9)
Other operating income	0,1	0,3	0,4
Other operating expenses	0,0	0,0	0,0
Operating profit/(loss)	(12,4)	(11,1)	(52,0)
Adjustments			
D&A	1,7	2,4	9,2
NRI	1,6	0,0	3,9
PPA depreciations	11,7	12,3	48,8
Impairment losses	0,0	0,0	0,0
IFRS 16 depreciations on leases	2,3	3,6	10,3
Adjusted EBITDA (non IFRS)	4,9	7,1	20,1
NWC	4,9	31,5	4,9
Net debt	448,3	575,3	448,3
Available liquidity	98,1	25,0	98,1

Comments

- Q4 '21 revenue and adj. EBITDA of DKK 97.1m and DKK 4.9m (5.0% margin)
- Net debt of DKK 448.3m by end of Q4' 21 (DKK 575.3m by end of Q3 '21); positive cash flow of DKK 20.4m from operating activities in Q4 '21 which is in line with the YTD expectations.
- Liquidity remains healthy and supportive of turnaround plan. As part of the refinancing process we have extended the current SSRCF agreement until January 2025 and on top of that received a bank guarantee basket amounting to 50 mDKK in Q4 2021.

Order intake and order book development



Financial Outlook for 2022

2022 Key metrics

Revenue growth

● — **Approx. 25 to 35%** — ●
(2021: DKK 340)

Adj. EBITDA margin

● — **Approx. 10%** — ●
(2021: 7%)

Available liquidity

Positive cash flow generation from ordinary operating activities

Drivers

- Healthy backlog and cap sales pipeline
- Ancillary Systems to OEM customers
- Aftermarket & Service

- Revenue growth
- Cost consciousness, scalability
- Supply chain efficiencies

- EBITDA growth
- NWC focus

Appendix

Statement of profit or loss

DKKm	Q4 2021	Q3 2021	YTD 2021
Revenue	97,1	87,8	340,9
Production costs	(88,9)	(80,9)	(317,7)
Gross profit/(loss)	8,2	6,9	23,2
Distribution costs	(12,9)	(10,4)	(41,7)
Administrative costs	(7,7)	(7,9)	(33,9)
Other operating income	0,1	0,3	0,4
Other operating expenses	0,0	0,0	0,0
Operating profit/(loss)	(12,4)	(11,1)	(52,0)
Financial income	54,5	(0,2)	54,7
Financial expenses	(18,9)	(7,8)	(42,4)
Profit/(loss) before tax	23,2	(19,1)	(39,7)
Tax on profit/(loss) for the period	(1,4)	2,7	8,2
Profit/(loss) for the period	21,7	(16,5)	(31,5)

Comments

- Financial income in Q4' 21 is positively impacted by the gain linked to the cancelation of bonds (EUR 12.1m) executed in December 2021.
- Financial expenses in Q4' 21 is negatively impacted by cost related to the prolonging of the SSRCF, and a modification loss linked to the difference between the original expected payments on the bond obligation and then changed payments discounted with the effective interest rate on the bonds.

Statement of financial position

DKKm	Dec-21	Sep-21
Goodwill	174,0	174,0
Completed development projects	27,2	21,8
Patents and licenses*	146,4	150,3
Brand	37,9	37,9
Customer relationship*	83,3	89,9
Intangible assets	468,8	474,0
Land and buildings	0,0	0,0
Plant and machinery	30,4	31,4
Other fixtures and fittings, tools and equipment	3,8	4,3
Leasehold improvements	3,4	3,4
Finance lease - NC	91,3	101,9
Property, plant and equipment	128,8	141,0
Deferred tax assets	0,0	0,0
Deposits	10,0	10,0
Other non-current assets	10,0	10,0
Non-current assets	607,6	625,0
Inventories**	56,6	58,1
Trade receivables	48,2	31,3
Contract work in progress**	24,5	32,5
Receivables group company	0,0	0,0
Tax receivables	0,0	2,6
Other short-term receivables	2,8	4,9
Prepayments	1,2	1,8
Receivables	133,3	131,1
Cash	17,6	14,2
Assets as held for sale	3,5	3,5
Finance lease - C	0,0	0,0
Current assets	154,3	148,7
Assets	762,0	773,7

DKKm	Dec-21	Sep-21
Contributed capital	2,9	2,9
Other reserves	3,7	3,0
Retained earnings	(18,6)	(110,4)
Equity	(11,9)	(104,4)
Provisions for deferred tax	60,3	69,2
Other provisions	8,5	3,8
Corporate bonds	429,5	519,3
Finance lease liabilities	82,6	88,9
Other payables	8,3	6,9
Non-current liabilities	589,2	688,1
Current portion of long-term lease liabilities	10,9	11,2
Current portion of long-term other payables	0,0	0,0
Bank debt	36,4	70,2
Payable group company	0,0	8,0
Contract liabilities*	43,9	28,6
Prepayment customers	19,4	0,0
Trade payables**	38,7	37,2
Income tax payable	9,0	0,0
Other payables C	26,3	34,9
Current liabilities	184,7	190,0
Total liabilities	773,9	878,1
Equity and liabilities	762,0	773,7

Comments

- Total equity contribution of DKK 70m has been recognized in Q4' 21.
- Corporate bonds have been reduced with EUR 12.1m as the bonds have been converted into equity.

Statement of cash flows

DKKm	Q4 2021	Q3 2021	YTD 2021
Operating profit/loss	(12,4)	(11,1)	(52,0)
Amortisation, depreciation	15,8	22,7	68,3
Other provisions	2,6	(0,2)	3,3
Working capital changes	23,0	(22,1)	5,1
Cash flows from ordinary operating activities	28,9	(10,7)	24,7
Financial income received	0,3	(0,2)	0,6
Financial expenses paid	(8,8)	(7,8)	(31,6)
Income taxes refunded/paid	0,0	0,0	0,0
Cash flows from operating activities	20,4	(18,7)	(6,4)
Acquisition etc. of intangible assets	(6,6)	0,0	(6,9)
Acquisition etc. of property, plant and equipment	0,4	0,0	(0,9)
Proceeds from disposal of financial fixed assets	0,0	0,0	0,0
Disposal of property, plant and equipment	(0,1)	0,0	4,7
Cash flows from investing activities	(6,3)	0,0	(3,0)
Leasing	(2,3)	(3,6)	(10,3)
Repayment of bank debt	(33,8)	13,7	(5,2)
Tax exempt contribution received from parent	26,0	0,0	26,0
Cash flows from financing activities	(10,1)	10,2	10,5
Increase/decrease in cash and cash equivalents	3,9	(8,6)	1,1
Cash and cash equivalents at the beginning of the period	13,6	22,2	16,5
Cash and cash equivalents end of the period	17,6	13,6	17,6
Cash and cash equivalents at period end are composed of:			
Cash	17,6	(8,6)	17,6
Cash and cash equivalents end of the period	17,6	13,6	17,6