

**Consolidated interim financial information of Tresu Investment
Holding A/S for the financial period 1 January – 30 June 2018**

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Statement by Management on the interim consolidated financial information

The Board of Directors and the Executive Board have today considered and approved the interim consolidated financial information of Tresu Investment Holding A/S for the financial period 1 January – 30 June 2018.

The interim consolidated financial information is prepared in accordance with the recognition and measurement criteria as stated in Note 1 Accounting policies.

In our opinion, the interim consolidated financial information give a true and fair view of the Group's assets, liabilities and financial position at 30 June 2018 and of the results of their operations and cash flows for the financial period 1 January - 30 June 2018.

Kolding, 18 September 2018

Executive Board

Søren Maarssø

Heidi Thousgaard Jørgensen

Board of directors

Carsten Nygaard Knudsen
Chairman

Ola Harald Ericsi

Thomas Stegeager Kvorning

Anders Wilhjelm

Søren Dan Johansen

The independent auditor's review report on the interim consolidated financial information

To the shareholders of Tresu Investment Holding A/S

We have reviewed the interim consolidated financial information of Tresu Investment Holding A/S for the period 1 January – 30 June 2018, which comprise the income statement, balance sheet, cash flow statement, and accounting policies as described in note 1.

Management's responsibility for the interim consolidated financial information

Management is responsible for the preparation of interim consolidated financial information in accordance with accounting policies as described in Note 1 and for such internal control as Management determines is necessary to enable the preparation of interim consolidated financial information that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the interim consolidated financial information. We conducted our review in accordance with the International Standard on Engagements to Review Interim Financial Information Performed by the Independent Auditor of the Entity and additional requirements under Danish audit regulation. This requires us to conclude whether anything has come to our attention that causes us to believe that the interim consolidated financial information, taken as a whole, are not prepared in all material respects in accordance with the accounting policies as described in note 1. This also requires us to comply with relevant ethical requirements.

A review of interim consolidated financial information in accordance with the International Standard on Engagements to Review Interim Financial Information Performed by the Independent Auditor of the Entity is a limited assurance engagement. The auditor performs procedures primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing. Accordingly, we do not express an audit opinion on the interim consolidated financial information.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim consolidated financial information is not prepared in all material respects in accordance with the accounting policies as described in note 1.

Emphasis of Matter – Accounting policies

We draw attention to note 1 to the interim consolidated financial information which describes the accounting policies applied. As described in Note 1 the interim consolidated financial information is not in all respect prepared in accordance with IFRS as adopted by the EU, IAS 34, *Interim financial reporting*, or the Danish executive order on interim financial reports, thus the interim consolidated financial information does not include full disclosures in accordance with International Financial Reporting Standards or any other applicable financial reporting framework. Our opinion is not modified in respect of this matter.

Kolding, 18 September 2018

Deloitte

Statsautoriseret Revisionspartnerselskab
Business Registration No 33 96 35 56

Lars Leopold Larsen
State-Authorised Public Accountant
MNE no mne33229

Consolidated income statement for the period 01.01.2018-30.06.2018

	H1 2018 DKK'000	1/1-31/12# 2017 DKK'000	H1# 2017 DKK'000
Revenue	184.605	286.159	17.570
Production costs*	-245.969	-260.039	-14.582
Gross profit/loss	-61.364	26.120	2.988
Research and development costs	-15.480	-3.301	-104
Distribution costs	-24.290	-19.187	-1.103
Administrative costs**	-36.228	-36.479	-14.376
Operating profit/loss	-137.362	-32.847	-12.595
Financial income	44	241	54
Financial expenses***	-15.650	-27.314	-2.453
Profit/loss before tax	-152.968	-59.920	-14.994
Tax on profit/loss for the year****	33.723	7.486	263
Profit for the year	-119.245	-52.434	-14.731
Items that may be recycled subsequently to the income statement:			
Exchange rate adjustments, foreign companies	2.710	-1.316	0
Tax on other comprehensive income	0	0	0
Other comprehensive income, net of tax	2.710	-1.316	0
Total comprehensive income	-116.535	-53.750	-14.731
Profit for the year attributable to:			
Owners of the Company	-119.245	-52.434	-14.731
Total comprehensive income for the year attributable to:			
Owners of the Company	-116.535	-53.750	-14.731

Consolidated income statement for the period 01.01.2018-30.06.2018

	H1	1/1-31/12[#]	H1[#]
	2018	2017	2017
	DKK'000	DKK'000	DKK'000
Amounts related to the acquisition of Tresu Investment and other non-recurring items:			
* Increased depreciations on assets acquired (PPA)	38.414	36.039	1.897
* Impairment of Machines and buildings (PPA)	17.853	0	0
* Increased production costs from revaluation of inventory in PPA	0	6.200	0
**Other expenses	4.978	16.181	13.231
***Borrowing costs	0	17.701	2.436
*** Interest corporate bonds	13.192	6.587	0
**** Tax regarding other expenses, borrowing costs and corporate bonds	-3.997	-5.487	-404
**** Adjustments deferred tax related to PPA	-12.551	-9.239	-486
	<u>57.889</u>	<u>67.982</u>	<u>16.674</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. The income statement for the financial year 1/1-31/12 2017 therefore only includes business activity for the period 21 June 2017 – 31 December 2017, and the income statement for H1 2017 only includes business activity for period 21 June – 30 June 2017.

Consolidated balance sheet at 30.06.2018

	H1 2018 DKK'000	1/1-31/12 2017 DKK'000	H1 2017 DKK'000
Goodwill*****	249.000	249.000	249.000
Completed development projects	58.609	55.762	57.346
Patents	208.314	216.377	223.678
Brand*****	37.900	37.900	37.900
Customer relationship	183.588	198.144	211.934
Order backlog	0	12.750	24.829
Intangible assets	737.411	769.933	804.687
Land and buildings	16.753	27.246	27.763
Plant and machinery	22.803	32.239	32.987
Other fixtures and fittings, tools and equipment	7.725	5.257	4.577
Leasehold improvements	701	766	792
Property, plant and equipment	47.982	65.508	66.119
Deferred tax assets	17.730	1.240	404
Deposits	452	312	299
Other non-current assets	18.182	1.552	703
Non-current assets	803.575	836.993	871.509
Inventories	121.680	133.235	91.834
Trade receivables	56.929	50.516	55.577
Contract work in progress	107.255	175.551	190.947
Tax receivables	1.878	1.878	8.507
Other short-term receivables	13.715	7.602	63
Prepayments	3.946	2.449	2.067
Receivables	305.403	371.231	348.995
Cash	6.905	10.550	74.667
Current assets	312.308	381.781	423.662
Assets	1.115.883	1.218.774	1.295.171

*****The Purchase Price Allocation has been changed in June 2018. The valuation of Brand changed from 56,3 mDKK to 37,9mDKK, changing the valuation of goodwill from 230,6 mDKK to 249 mDKK. 31/12 2017 is restated accordingly.

Consolidated balance sheet at 30.06.2018

	H1 2018 DKK'000	1/1-31/12 2017 DKK'000	H1 2017 DKK'000
Contributed capital	2.922	2.922	2.857
Other reserves	2.710	-1.316	0
Retained earnings	166.305	236.865	268.070
Equity	171.937	238.471	270.927
Provisions for deferred tax	126.105	137.805	131.337
Other provisions	4.847	1.340	1.282
Corporate bonds	516.070	515.409	0
Finance lease liabilities	149	164	136
Other payables	6.859	7.204	7.411
Non-current liabilities	654.030	661.922	140.166
Current portion of long-term lease liabilities	40	208	1.654
Current portion of long-term other payables	1.071	1.071	548.293
Bank debt	90.899	67.523	24.217
Payable group company	334	0	0
Contract liabilities	10.094	3.911	90.488
Trade payables	144.885	202.301	161.097
Income tax payable	0	5.713	17.157
Other payables	42.593	37.654	41.172
Current liabilities	289.916	318.381	884.078
Total liabilities	943.946	980.303	1.024.244
Equity and liabilities	1.115.883	1.218.774	1.295.171

Consolidated cash flow statement for H1 2018

	H1 2018 DKK'000	1/1-31/12 2017 DKK'000	H1 2017 DKK'000
Operating profit/loss	-137.362	-32.847	-12.595
Amortisation, depreciation and impairment losses	62.196	41.492	2.271
Other provisions	3.417	1.230	-1.282
Working capital changes	20.435	-77.590	-47.731
Cash flows from ordinary operating activities	-51.314	-67.715	-59.337
Financial income received	44	241	54
Financial expenses paid	-15.650	-27.314	-2.453
Income taxes refunded/(paid)	0	-2.095	0
Cash flows from operating activities	-66.920	-96.883	-61.736
Acquisition etc. of intangible assets	-8.255	-1.742	0
Acquisition etc. of property, plant and equipment	-3.905	-2.495	0
Acquisition etc. of financial fixed assets	-128	-312	0
Acquisition etc. of companies	0	-762.800	-817.597
Cash flows from investing activities	-12.288	-767.349	-817.597
Loans raised	0	510.000	751.785
Instalments loan	-292	-510.000	-107.660
Overdraft facility	25.303	67.523	24.217
Capital increase	50.000	292.171	285.608
Corporate bonds	552	515.038	0
Cash flows from financing activities	75.563	874.732	953.950
Increase/decrease in cash and cash equivalents	-3.645	10.500	74.617
Cash and cash equivalents 01.01.2018	10.550	50	50
Exchange rate			
Cash and cash equivalents 30 June 2018	6.905	10.550	74.667
Cash and cash equivalents at 30 June are composed of:			
Cash	6.905	10.550	74.667
Cash and cash equivalents 30 June 2018	6.905	10.550	74.667

Note 1 Accounting policies

This interim consolidated financial information have been prepared in accordance with recognition and measurement criteria as applied by the Group in its consolidated financial statements for 2017 and disclosed on

https://www.tresu.com/media/Annual_Report_2017_TRESU_Investment_Holding_AS.pdf

(International Financial Reporting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act.). The interim consolidated financial information has not been prepared in accordance with the full disclosure requirements, IAS34 *Interim Financial Reporting* or the Danish executive order on interim financial reports (“Delårsrapportbekendtgørelsen”).

Since the publishing of the Group’s financial statements for 2017 IFRS9 and IFRS15 has become mandatorily effective for accounting period that begins on 1 January 2018.

Effects of IFRS9 has been analysed and it has been concluded that the standard only have an insignificant effect on recognition and measurement due to low credit exposure on receivables, including debtors.

Effects of IFRS15 has also been analysed and it has been concluded that the standard only has an insignificant effect on recognition and measurement concerning shipping to customers and no effect on other recognition and measurement concerning revenue.

Accordingly, the implementation of IFRS9 and IFRS15 did not impact the results, assets or equity for the period.

All other accounting policies except for those affected by IFRS9 and IFRS15 are consistent with those applied for the Group’s financial statements for 2017 as published on https://www.tresu.com/media/Annual_Report_2017_TRESU_Investment_Holding_AS.pdf