

As expected, Roblon was negatively affected by COVID-19 in the first quarter of 2020/21

Roblon

Roblon A/S
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CVR no. 57 06 85 15

Interim report – Q1 2020/21 (the period 1 November 2020 – 31 January 2021)

The Board of Directors of Roblon A/S has today considered and approved the Group's interim report for Q1 2020/21.

Highlights of the interim report of the Roblon Group:

- As expected, the COVID-19 pandemic severely impacted Roblon's Q1 revenue and earnings, which largely developed as projected by Management in the profit guidance in the 2019/20 Annual Report. However, profit/loss before tax was slightly better than expected due to lower-than-expected depreciation and amortisation and a positive market value adjustment of the securities portfolio.
- The order intake amounted to DKKm 91.7 (DKKm 92.3). Relative to the year-earlier period, order intake grew in the FOC product group but declined in the Composite product group.
- The order book at 31 January 2021 stood at DKKm 73.8 (DKKm 54.4). The increase related to the FOC product group.
- As expected, the Group's revenue was adversely affected by COVID-19 in Q1 2020/21, most significantly in the Composite product group. Revenue amounted to DKKm 42.3 (DKKm 73.7), relative to the guided level of DKKm 40-45.
- The gross margin was 46.6% (54.7%), reflecting the product mix in Q1 2020/21.
- The Group recognised an operating loss before depreciation, amortisation and impairment (EBITDA) of DKKm 12.0 (a profit of DKKm 8.2), against a guided loss in the range of DKKm 11-9.
- EBIT amounted to an operating loss of DKKm 16.6 (a profit of DKKm 4.1).
- The Group recorded a loss before tax of DKKm 15.9 (a profit of DKKm 4.9), relative to a guided loss before tax in the range of DKKm 19-17.

- The loss for the period after tax amounted to DKKm 12.3 (a profit of DKKm 3.9).
- At 31 January 2021, Roblon's equity stood at DKKm 225.2 (DKKm 219.9).
- Cash flow from operations for the period was an outflow of DKKm 4.6 (an outflow of DKKm 0.8).

Guidance for full year 2020/21 maintained

Management expects revenue for the first half of 2020/21 of around DKKm 105.0 (DKKm 142.0), an operating loss before depreciation, amortisation and impairment (EBITDA) of around DKKm 14.0 (a profit of DKKm 14.7 ex. Servion) and a loss before tax of around DKKm 23.0 (a profit of DKKm 6.1 ex. Servion).

At the end of Q1 2020/21, the full-year guidance for 2020/21 is unchanged. Management expects revenue in the DKKm 260-280 range (2019/20: DKKm 254.6), an operating profit before depreciation, amortisation and impairment (EBITDA) in the range of DKKm 5-13 (DKKm 9.2 ex. Servion) and a loss before tax in the range of DKKm 19-11 (a loss of DKKm 8.4 ex. Servion).

Head office building put up for sale

In 2018/19, Roblon decided to initiate a prospective sale of the Group's head office in Frederikshavn. After the sale, the Group's Danish activities will all be located at Roblon's facilities in Gærums, which currently house production and various administrative functions. As well as generating positive synergies in the day-to-day operations, this initiative is also expected to have a positive impact on Roblon's results and equity going forward. Relevant prospective buyers have shown an interest in the property, but the sales process is expected to continue to be somewhat hampered by the COVID-19 situation.

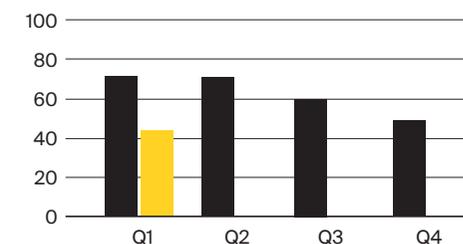
Frederikshavn, 10 March 2021
Roblon A/S

Jørgen Kjær Jacobsen
Chairman of the Board

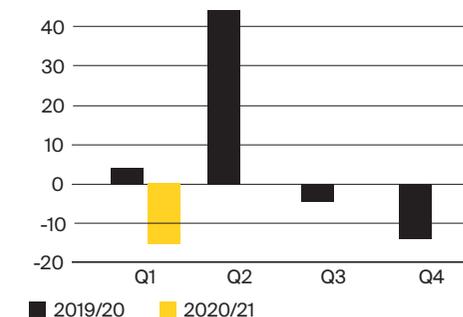
Lars Østergaard
Managing Director and CEO

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Quarterly revenue (DKKm)



Quarterly EBIT (DKKm)



Financial highlights

for the Roblon Group

	Unit	Q1 2020/21 ¹	Q1 2019/20 ¹	FY 2019/20 ¹
Orders				
Order intake	DKKm	91.7	92.3	242.4
Order book	DKKm	73.8	54.4	24.8
Income statement				
Revenue	DKKm	42.3	73.7	254.6
Gross profit	DKKm	19.7	40.3	131.1
Operating profit/loss before depreciation, amortisation and impairment (EBITDA)	DKKm	-12.0	8.3	53.7
Operating profit/loss (EBIT)	DKKm	-16.6	4.1	35.8
Net financial items	DKKm	0.7	0.8	-
Profit/loss before tax from continuing operations	DKKm	-15.9	4.9	35.8
Profit/loss for the period from continuing operations	DKKm	-12.3	3.9	26.5
Profit/loss for the period from discontinued operations	DKKm	-	-	-2.4
Profit/loss for the period	DKKm	-12.3	3.9	24.0
Balance sheet				
Cash and securities	DKKm	75.0	39.3	83.4
Assets	DKKm	269.4	271.3	284.5
Working capital	DKKm	65.2	94.3	73.7
Invested capital	DKKm	149.3	177.7	159.5
Equity	DKKm	225.2	219.9	238.2
Cash flows				
Cash flow from operating activities	DKKm	-4.6	-0.8	65.6
Cash flow from investing activities	DKKm	10.6	7.9	-51.7
Of which investment in marketable securities	DKKm	15.3	15.0	-25.1
Of which investment in property plant and equipment	DKKm	-3.6	-5.7	-23.2
Cash flow from financing activities	DKKm	-1.1	-7.2	9.3
Depreciation, amortisation and impairment, total	DKKm	-4.6	-4.1	-17.8
Cash flow for the period	DKKm	4.9	-0.1	4.6

	Unit	Q1 2020/21 ¹	Q1 2019/20 ¹	FY 2019/20 ¹
Ratios				
Book-to-bill ratio	%	216.8	125.2	95.2
Revenue growth	%	-42.6	34.0	-4.7
Gross margin	%	46.6	54.7	51.5
EBIT margin	%	-39.2	5.7	14.1
ROIC/return on average invested capital ²	%	-42.9	9.7	22.4
Equity ratio	%	83.6	81.1	83.7
Return on equity ²	%	-20.8	6.7	10.6
Working capital, % of revenue	%	154.1	127.9	29.0
Employees				
Average no. of full-time employees	No.	192	175	193
Gross profit per full-time employee	DKKm	0.1	0.2	0.7
Per share ratios				
Earnings per DKK 20 share (EPS) ²	DKK	-1.8	2.2	13.5
Price/earnings ratio (PE)	DKK	-100.6	95.0	13.1
Cash flow from operations per DKK 20 share	DKK	-2.6	-0.4	36.7
Book value of shares ²	DKK	125.9	123.0	133.2
Market price per share	DKK	180.0	209.0	176.5
Price/book value		1.4	1.7	1.3

¹ The interim report has not been audited or reviewed by the Company's auditors.

² The ratio is calculated on a full-year basis.

The ratios are defined in note 34 to the 2019/20 annual report, Financial ratio definitions and formulas.

Management's review

- **FOC** (comprising cable materials and cable machinery for the fibre optic cable industry)
- **Composite** (comprising composite materials for onshore and offshore industries)

Consolidated income statement

As expected, Roblon was adversely impacted by COVID-19 in the first quarter of 2020/21.

The Group's revenue, gross margin and results for Q1 2020/21 were largely in line with expectations. Revenue of DKKm 42.3 was within the guided range of DKKm 40-45, and the operating loss before depreciation, amortisation and impairment (EBITDA) amounted to DKKm 12, against the guided range of a loss of DKKm 11-9 million. At DKKm 15.9, the loss before tax was slightly better than the guided range of a loss of DKKm 19-17, driven by lower-than-expected depreciation and amortisation and a positive market value adjustment of the securities portfolio.

Order intake

The Group's order intake amounted to DKKm 91.7 in Q1 2020/21 (DKKm 92.3). The DKKm 0.6 net decline covered a DKKm 35.6 improvement in the FOC product group and a DKKm 36.2 decline in the Composite product group. The improvement in FOC was mainly achieved in the US market.

Revenue

For Q1 2020/21, Roblon realised revenue of

DKKm 42.3 (DKKm 73.7). The DKKm 31.4 net decline covered a DKKm 3.4 improvement in the FOC product group and a DKKm 34.7 decline in the Composite product group.

The substantial drop in revenue in the Composite product group was predominantly due to the negative impact of the COVID-19 situation. This is also expected to be the case in Q2 2020/21. The Company is seeing signs of improvement, however, having received new but smaller orders for delivery before summer 2021. In the second half of 2020/21, the Company expects increased order intake and revenue from all areas in the Composite product group comprising the Group's products for use in oil and gas offshore and energy and submarine energy transmission, including energy cables.

The revenue increase in FOC was made possible by the continued expansion of production capacity in Roblon US and the favourable market conditions. The production technology developed by Roblon for the US market was transferred to Roblon's Danish factory towards the end of 2020. The first production line is up and running and is now being commissioned for the launch of these products on the European market. Revenue growth is expected to continue in both the USA and Europe in the coming quarters.

The USD/DKK exchange rate development had an adverse impact of DKKm 0.8 on reported revenue for Q1 2020/21.

Gross profit and gross margin

The Group's gross profit amounted to DKKm 19.7 (DKKm 40.3). The gross margin for Q1 2020/21 was 46.6% (54.7%). The decline in gross margin in Q1 relative to the year-earlier period was mainly due to the product mix.

Other external costs

Other external costs amounted to DKKm 8.6 (DKKm 10.1). The lower costs were mainly attributable to reduced travel and trade show activity and lower costs for maintenance of production equipment and buildings in Q1 2020/21.

Staff costs

Staff costs amounted to DKKm 23.6 (DKKm 23.2).

The Group was not eligible for compensation under any of the possible COVID-19 compensation packages in Denmark or the USA in Q1 2020/21.

Operating profit/loss before depreciation, amortisation and impairment (EBITDA)

For Q1 2020/21, EBITDA was a loss of DKKm 12.0 (a profit of DKKm 8.2).

Depreciation, amortisation and impairment

Depreciation, amortisation and impairment for the Group amounted to DKKm 4.6 (DKKm 4.1). The increase on the year-earlier period was driven in part by investments in production equipment to enhance capacity and production, primarily in the USA targeting the US FOC market. This investment programme, which was

started up in the beginning of the financial year 2019/20, totals approx. DKKm 15 and has largely been completed. The first positive effects have been realised, but are expected to make a positive contribution to an increasing extent in the coming quarters and beyond.

Operating profit/loss (EBIT)

For Q1 2020/21, EBIT was a loss of DKKm 16.6 (a profit of DKKm 4.1).

Net financial items

The Group's net financial items for Q1 2020/21 amounted to DKKm 0.7 (DKKm 0.8). The net income was due to a favourable development in returns on securities and a negative foreign exchange adjustment on loans to the US subsidiary.

Profit/loss before tax

For Q1 2020/21, the Group posted a loss before tax of DKKm 15.9 (a profit of DKKm 3.9).

Profit/loss after tax

The net loss for the period amounted to DKKm 12.3 (a net profit of DKKm 3.9). Tax is calculated at a rate of 22% of profit for the year before tax for the parent company and at a rate of 24% for the US subsidiary.

The USD/DKK exchange rate lifted the net results for Q1 2020/21 by DKKm 0.1.

Consolidated balance sheet

The Group's total assets at 31 January 2021

amounted to DKKm 269.4 (DKKm 271.3). Total investment in intangible assets amounted to DKKm 1.1 for Q1 2020/21 (DKKm 1.4). Investments in property, plant and equipment amounted to DKKm 3.6 (DKKm 5.7) in Q1 2020/21.

The investment in Roblon US was tested for impairment, which did not give rise to any write-down.

Inventories amounted to DKKm 63.0 (DKKm 59.6) at 31 January 2021. The overall inventory level is expected to be reduced during the course of 2021.

The Group's equity at 31 January 2021 amounted to DKKm 225.2 (DKKm 219.9). The equity ratio at 31 January was 83.6% (81.1%).

Consolidated cash flows

The Group's net cash flow from operating activities in Q1 2020/21 was an outflow of DKKm 4.6 (an outflow of DKKm 0.8).

Total cash flow from investing activities was an inflow of DKKm 10.6 (an inflow of DKKm 7.9), covering a net outflow from investments in intangible assets and property, plant and equipment of DKKm 4.7 (DKKm 7.1) and a net inflow from sales of securities of DKKm 15.3 (DKKm 15).

Net cash flow from financing activities was an outflow of DKKm 1.1 (an outflow of DKKm 7.2).

Capital resources

At 31 January 2021, marketable securities and

net cash amounted to DKKm 75.0 (DKKm 39.3). In addition to this, Roblon has an undrawn credit facility of DKKm 10.0 with the Group's bankers.

Guidance for full year 2020/21 maintained

Management expects that particularly the first half will remain severely affected by the COVID-19 situation. Composite is expected to be the hardest hit, as this product group has for some time seen, and continues to see, a reduced project order intake and a resulting drop in revenue and earnings. As most of these projects have been postponed, the Company expects to receive the orders at a future date. The FOC product group is expected to see continued growth and rising profit margins as a result of the investment and efficiency enhancement programme that has been ongoing since 2020.

Management expects revenue for the first half of 2020/21 of around DKKm 105.0 (DKKm 142.0), an operating loss before depreciation, amortisation and impairment (EBITDA) of around DKKm 14.0 (a profit of DKKm 14.7 ex. Servion) and a loss before tax of around DKKm 23.0 (a profit of DKKm 6.1 ex. Servion).

For the second half, Management expects to see increases in order intake and revenue for both Composite and FOC. The Composite product group relates to projects in the energy sectors – oil and gas and submarine energy transmission. The increase in FOC is driven by major investments in telecommunications (5G) in the USA,

but also increasingly in Europe. This product group is expected to see enhanced productivity and, consequently, improved profitability going forward.

At the end of Q1 2020/21, the full-year guidance for 2020/21 is unchanged. Management expects revenue in the DKKm 260-280 range (2019/20: DKKm 254.6), an operating profit before depreciation, amortisation and impairment (EBITDA) in the range of DKKm 5-13 (DKKm 9.2 ex. Servion) and a loss before tax in the range of DKKm 19-11 (a loss of DKKm 8.4 ex. Servion).

Head office building put up for sale

In 2018/19, Roblon decided to initiate a prospective sale of the Group's head office in Frederikshavn. After the sale, the Group's Danish activities will all be located at Roblon's facilities in Gærum, which currently house production and various administrative functions. As well as generating positive synergies in the day-to-day operations, this initiative is also expected to have a positive impact on Roblon's results and equity going forward. Relevant prospective buyers have shown an interest in the property, but the sales process is expected to continue to be somewhat hampered by the COVID-19 situation.

Forward-looking statements

Please note that short-term forecasts are subject to a high degree of uncertainty in light of all markets being affected by COVID-19. Roblon's sales structure is based on project sales. This makes it difficult at any given time to forecast future revenue for a specific period, i.e.

three-month, six-month or 12-month periods. The above forward-looking statements, in particular revenue and earnings projections, are inherently uncertain and subject to risk. Many factors are beyond Roblon's control and, consequently, actual results may differ significantly from the projections expressed in this interim report. Such factors include, but are not limited to, changes in market and competitive situation, changes in demand and purchasing behaviour, foreign exchange and interest rate fluctuations and general economic, political and commercial conditions.

Financial calendar

24/6 2021:	Interim report for Q2 2020/21
16/9 2021:	Interim report for Q3 2020/21
21/12 2021:	Preliminary statement 2020/21
27/1 2022:	Annual General Meeting

Announcements – NASDAQ Copenhagen

During the period 1 November 2020 to 10 March 2021, the Company sent the following announcements to NASDAQ Copenhagen; these can be found on the Company's website, www.roblon.com.

No. 11/2020:	Preliminary Statement 2019/20
No. 12/2020:	Notice convening AGM
No. 13/2020:	Leading employees' transactions
No. 1/2021:	Major Shareholder Announcement
No. 2/2021:	Decisions of the Annual General Meeting

Statement by Management

The Board of Directors and Executive Management have today considered and approved the interim report of Roblon A/S for Q1 2020/21 (the period 1 November 2020 to 31 January 2021).

The interim report, which has not been audited or reviewed by the Company's auditor, is presented in accordance with IAS 34 "Interim Financial Reporting" as adopted by the EU and additional requirements under the Danish Financial Statements Act.

It is our opinion that the interim financial statements provide a true and fair view of the Group's assets, liabilities and financial position as of 31 January 2021 as well as of the results of the Group's activities and cash flows for the period 1 November 2020 to 31 January 2021.

Furthermore, in our opinion the management's review includes a fair review of the development and performance of the Group's business, results for the period and the Group's financial position together with a description of the principal risks and uncertainties that the Group faces.

Frederikshavn, 10 March 2021

Executive Management

Lars Østergaard
Managing Director and CEO

Carsten Michno
Chief Financial Officer (CFO)

Kim Müller
Chief Technology Officer (CTO)

Board of Directors

Jørgen Kjær Jacobsen
Chairman

Ole Lønsmann Andersen
Deputy Chairman

Peter Sloth Vagner Karlsen

Randi Toftlund Pedersen

Nita Svendsen
Employee representative

Flemming Nielsen
Employee representative

Consolidated income statement

for the period 1 November 2020 to 31 January 2021

DKKkm	Note	Q1 2020/21	Q1 2019/20	FY 2019/20
Revenue	4	42.3	73.7	254.6
Cost of sales		-22.6	-33.4	-123.6
Gross profit		19.7	40.3	131.1
Work carried out for own account and capitalised		0.4	0.8	2.7
Other operating income		0.1	0.4	51.3
Other external costs		-8.6	-10.1	-35.5
Staff costs		-23.6	-23.2	-95.8
Operating profit/loss before depreciation, amortisation and impairment (EBITDA)		-12.0	8.2	53.7
Depreciation, amortisation and impairment		-4.6	-4.1	-17.8
Operating profit/loss (EBIT)		-16.6	4.1	35.8
Net financial items		0.7	0.8	-
Profit/loss before tax (PBT)		-15.9	4.9	35.8
Tax on profit/loss for the period		3.6	-1.0	-9.4
Profit/loss for the period from continuing operations		-12.3	3.9	26.5
Profit/loss for the period from discontinued operations		-	-	-2.4
Profit/loss for the period		-12.3	3.9	24.0
Earnings per share (DKK)				
Earnings per share (EPS), continuing and discontinued operations		-1.8	2.2	13.5
Earnings per share, diluted (EPS-D), continuing and discontinued operations		-1.8	2.2	13.5

Consolidated statement of comprehensive income

for the period 1 November 2020 to 31 January 2021

DKKkm	Note	Q1 2020/21	Q1 2019/20	FY 2019/20
Profit/loss for the period		-12.3	3.9	24.0
<i>Items that may be recycled to profit or loss:</i>				
Foreign exchange adjustment of foreign subsidiaries		-0.7	-	-1.9
Comprehensive income		-13.0	3.9	22.2

Consolidated balance sheet

at 31 January 2021

DKKm	31/01/2021	31/01/2020	31/10/2020
ASSETS			
Completed development projects	5.5	0.7	5.8
Development projects in progress	4.5	8.1	4.0
Trademarks, licenses and customer relations	5.6	7.2	6.0
Other intangible assets	10.5	9.2	7.7
Intangible assets	26.1	25.2	23.6
Land and buildings	19.2	20.6	19.7
Plant and machinery	34.0	27.1	30.0
Other fixtures and fittings, tools and equipment	1.4	1.0	1.3
Property, plant and equipment in progress	6.5	7.4	12.9
Right-of-use assets	11.9	14.3	12.9
Property, plant and equipment	73.0	70.4	76.8
Non-current receivable regarding sale of discontinued operation	-	2.2	-
Deferred tax assets	0.8	9.0	0.8
Financial assets	0.8	11.2	0.8
Total non-current assets	99.9	106.8	101.2
Inventories	63.0	59.6	61.4
Trade receivables	24.4	62.9	35.7
Current receivable regarding sale of discontinued operation	-	0.5	-
Corporation tax receivable	5.4	-	1.2
Other receivables	1.7	2.1	1.5
Securities	62.9	36.5	76.2
Cash and cash equivalents	12.1	2.8	7.2
Total current assets	169.5	164.5	183.2
TOTAL ASSETS	269.4	271.3	284.5

DKKm	31/01/2021	31/01/2020	31/10/2020
EQUITY AND LIABILITIES			
Share capital	35.8	35.8	35.8
Other reserves	-4.1	-1.5	-3.4
Retained earnings	193.5	185.7	205.8
Equity	225.2	219.9	238.2
Deferred tax	5.3	5.8	5.3
Lease liabilities	9.6	11.9	10.5
Total non-current liabilities	14.9	17.7	15.8
Short-term portion of lease liability	2.5	2.5	2.6
Other provisions	-	0.2	0.3
Advance payments from customers	0.8	1.1	0.5
Trade payables	13.0	20.7	10.5
Income tax	-	0.4	0.2
Other interest-bearing debt	2.9	-	2.8
Other payables	10.1	8.9	13.6
Total current liabilities	29.3	33.7	30.5
Total liabilities	44.2	51.4	46.3
TOTAL EQUITY AND LIABILITIES	269.4	271.3	284.5

Consolidated statement of changes in equity

DKKkM	Share capital	Currency translation reserve	Reserve for available-for-sale financial assets	Retained earnings	Proposed dividends	Total equity
Q1 2020/21						
Equity at 1 November 2020	35.8	-3.4	-	205.8	-	238.2
Comprehensive income for the period						
Profit/loss for the period	-	-	-	-12.3	-	-12.3
Other comprehensive income	-	-0.7	-	-	-	-0.7
Total comprehensive income for the period	35.8	-4.1	-	193.5	-	225.2
Q1 2019/20						
Equity at 1 November 2019	35.8	-1.5	-	181.8	-	216.0
Comprehensive income for the period						
Profit/loss for the period	-	-	-	3.9	-	3.9
Total comprehensive income for the period	35.8	-1.5	-	185.7	-	219.9

DKKkM	Share capital	Currency translation reserve	Reserve for available-for-sale financial assets	Retained earnings	Proposed dividends	Total equity
2019/20						
Equity at 1 November 2019	35.8	-1.5	-	181.8	-	216.0
Comprehensive income for the period						
Profit/loss for the period	-	-	-	24.0	-	24.0
Other comprehensive income	-	-1.9	-	-	-	-1.9
Total comprehensive income for the period	-	-1.9	-	24.0	-	22.2
Transactions with owners						
Equity at 31 October 2020	35.8	-3.4	-	205.8	-	238.2

Statement of cash flows

for the period 1 November 2020 – 31 January 2021

DKKm	Spec.	Q1 2020/21	Q1 2019/20	FY 2019/20
Operating profit/loss (EBIT) from continuing operations		-16.6	4.1	35.8
Operating profit/loss (EBIT) from discontinued operations		-	-	-3.1
Operating profit/loss (EBIT)		-16.6	4.1	32.7
Adjustment for non-cash items	A	5.0	3.8	17.0
Change in working capital	B	8.9	-7.0	18.4
Cash generated from operations		-2.7	0.9	68.1
Financial income received		0.1	1.2	1.7
Financial expenses paid		-1.1	-0.7	-0.1
Income tax paid		-1.3	-2.1	-3.5
Income tax received		0.4	-	0.1
Cash flow from operating activities		-4.6	-0.8	65.6
Purchase of intangible assets		-1.1	-1.4	-3.4
Purchase of property, plant and equipment		-3.6	-6.0	-23.6
Sale of property, plant and equipment		-	0.3	0.5
Purchase of securities		-1.7	-0.7	-41.4
Sale of securities		17.0	15.7	16.3
Cash flow from investing activities		10.6	7.9	-51.7
Operating credits used		-	-6.7	-6.7
Lease payments		-1.1	-0.5	-2.5
Cash flow from financing activities		-1.1	-7.2	-9.3
Change in cash and cash equivalents		4.9	-0.1	4.6
Cash and cash equivalents at beginning of period		7.2	3.0	3.0
Value adjustment of cash and cash equivalents		-	-0.1	-0.4
Cash and cash equivalents at end of period		12.1	2.8	7.2

DKKm	Q1 2020/21	Q1 2019/20	FY 2019/20
Spec. A: Adjustments for non-cash items			
Profit/loss from sale of property, plant and equipment	-	-0.3	-0.3
Depreciation, amortisation and impairment	4.6	4.4	17.9
Provisions	-0.3	-	0.2
Foreign exchange adjustment	0.7	-0.3	-0.8
	5.0	3.8	17.0
Spec. B: Change in working capital			
Change in inventories	-1.6	-3.8	-5.6
Change in receivables	11.1	7.5	38.0
Change in current liabilities	-0.6	-10.7	-14.1
	8.9	-7.0	18.4

Notes to the financial statements

1. Accounting policies
2. Estimates
3. Seasonality
4. Revenue

Note 1 – Accounting policies

The interim report is presented in accordance with IAS 34 “Interim Financial Reporting” as adopted by the EU and Danish disclosure requirements for listed companies. No interim report has been prepared for the parent company.

The accounting policies applied in the interim report are consistent with those applied in Roblon’s annual report for 2019/20, which was prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the EU and additional Danish disclosure requirements for annual reports of listed companies. For a more detailed description of the accounting policies, see the annual report for 2019/20.

Note 2 – Estimates

The preparation of interim reports requires Management to make accounting estimates that will affect the accounting policies and recognised assets, liabilities, income and costs. Actual results may differ from these estimates.

The most significant estimates made by Management in applying the Group’s accounting policies and the most significant uncertainties associated therewith in preparing the condensed interim report are identical to those applying to the preparation of the annual report for 2019/20.

Note 3 – Seasonality

The Group’s activities have not been affected by seasonal or cyclical fluctuations in the interim report.

Note 4 – Revenue

Roblon’s management reporting is based on one segment comprising the following product groups:

- FOC (comprising cable materials and cable machinery for the fibre optic cable industry)
- Composite (comprising composite materials for onshore and offshore industries)

DKKkm	Q1 2020/21	Q1 2019/20	FY 2019/20
4. Revenue (continued)			
Revenue from external customers:			
By product groups			
FOC	40.0	36.6	159.7
Composite	2.3	37.0	95.0
Total	42.3	73.7	254.6
By geographical markets			
Denmark	0.2	1.0	2.5
United Kingdom	2.4	8.3	35.4
Italy	0.8	6.3	25.7
Rest of Europe	7.7	5.5	28.7
Asia	3.2	4.3	19.2
Brazil	1.4	23.3	37.7
Latin America	0.6	4.6	14.9
USA	26.0	20.4	90.5
Total	42.3	73.7	254.6

Of the Group’s non-current assets, DKKm 62.7 (DKKm 61.5) were located in Denmark and DKKm 36.4 (DKKm 34.1) in the USA.

The Group’s revenue largely derived from the sale of goods.

Of the Group’s total revenue, three individual customers accounted for more than 10% in the first quarter of 2020/21. Revenue from each of these customers amounted to DKKm 11.8, DKKm 6.7 and DKKm 4.8, respectively. Last year, two individual customers accounted for more than 10% of the Group’s total revenue. Revenue relating to these customers was DKKm 20.6 and DKKm 8.6, respectively.