



ANNUAL REPORT 2015/2016

Roblon A/S
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CVR no. 57 06 85 15

Roblon

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Roblon A/S – an international, customer oriented company

Roblon's business concept is based on the company's many years of experience, know-how and technology in the field of fibres. Innovation and product development constitute a core process in Roblon's continuous efforts to achieve and sustain growth.

Roblon is a recognised supplier to the global industrial market. The development of new products takes place in close collaboration with industrial partners who set absolute requirements for documented quality and high delivery performance.

ROBLON OPERATES IN A FORWARD-LOOKING MANNER WITHIN TWO BUSINESS SEGMENTS:

- **Roblon Engineering:** Production equipment and services for the rope-making industry and equipment for the fibre optic cable industry and other selected industries.
- **Roblon Industrial Fiber:** Strength element solutions for the fibre optic cable industry and composite material solutions for Offshore and other industries.

Roblon's administration and showroom are based in Frederikshavn, while its production facilities and development departments are located in Sæby and Gærum, with sales and support teams located all over the world.

HEAD OFFICE AND PRODUCTION SITES

- Founded in 1957
- 129 employees
- Ownership structure:
27,775 class A shares
1,510,400 class B shares

Gærum • Frederikshavn
Sæby

DISTRIBUTION AND AGENT NETWORK

- Global customer base
- Customers in approx. 100 countries
- Export ratio of 87.1%

A decision was made to sell off the Roblon Lighting business segment in September 2016, and a sales process has begun. The business segment is therefore classified as discontinuing operations held for sale in the financial statements. This means that only the business segment's net profit is included in the income statement under "Profit for the year from discontinuing operations after tax". Financial highlights have been adjusted for the last two years. In the balance sheet, the assets relating to the business segment have been transferred to "Assets held for sale", while the liabilities relating to the business segment have been transferred to "Liabilities associated with assets held for sale".

SUMMARY

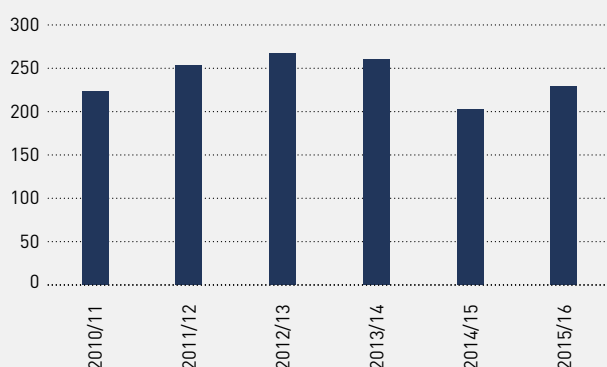
The revenue and earnings achieved were in line with Roblon's expectations

- Revenue for the continuing operations rose to DKK 229.6 million (DKK 202.8 million).
- Operating profit (EBIT) from continuing operations amounted to DKK 28.1 million (24.2 million). This increase primarily stems from higher revenue.
- The EBIT margin from continuing operations was 12.2% (11.9%).
- Profit before tax from continuing operations amounted to DKK 28.8 million (26.1 million).
- Total profit before tax was DKK 25.4 million (24.0 million).
- Total profit after tax was DKK 20.0 million (18.4 million).
- Return on invested capital (ROIC) before tax was 21.7% (18.3%).
- Earnings per DKK 20 share (EPS) were DKK 11.2 (DKK 10.3).
- Operating cash flows for the year amounted to DKK 28.2 million (DKK 23.2 million).
- The process to sell off the Roblon Lighting business segment began in September 2016. This business segment is therefore classified as discontinuing operations held for sale in the financial statements.
- Management expects revenue for continuing operations in the region of DKK 240 million and profit before tax of around DKK 15 million in the financial year 2016/17.

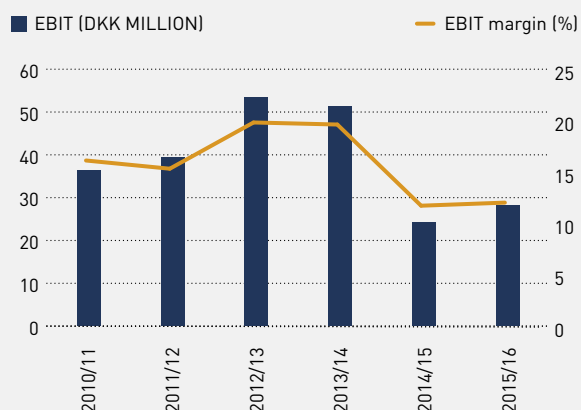
The Board of Directors recommends the following proposals to the Annual General Meeting of Roblon A/S to be held on 26 January 2017:

- A dividend of DKK 10 per DKK 20 share to be distributed (DKK 10 per share).
- The extension until 30 June 2018 of the mandate for the company to purchase own shares up to 10% of the share capital, and at a price that may deviate no more than 10% from the most recent price calculated for all trades prior to the purchase.
- The Board recommends that the articles of association be updated.
- The Board recommends re-election of Director Jørgen Kjær Jacobsen, Senior Master Ole Krogsgaard, Group Senior Vice President Peter Sloth Vagner Karlsen and Group Senior Vice President Corporate Finance Randi Toftlund Pedersen.
- The Board recommends re-election of Deloitte Statsautoriseret Revisionspartnerselskab as the company's auditors.
- The Annual Report for 2015/16 be adopted at the company's AGM, to be held on Thursday 26 January 2017 at 4.30 pm, at Det Musiske Hus, Rådhusallé 98, DK-9900 Frederikshavn, Denmark.

REVENUE TREND (DKK MILLION)



EBIT AND EBIT MARGIN TREND



FINANCIAL HIGHLIGHTS

	Unit	2011/12	2012/13	2013/14	2014/15	2015/16
INCOME STATEMENT						
Net revenue, continuing operations	DKK million	-	-	-	202.8	229.6
Net revenue, discontinuing operations	DKK million	-	-	-	24.9	22.0
Net revenue, total	DKK million	253.8	267.0	259.8	227.7	251.6
Of which exports	DKK million	230.2	227.6	239.7	198.7	200.0
Export ratio	%	90.7	85.2	92.3	98.0	87.1
Gross profit	DKK million	136.2	149.6	151.2	113.9	122.1
Operating profit (EBIT)	DKK million	39.3	53.4	51.3	24.2	28.1
Net financial items	DKK million	1.8	0.7	2.0	1.9	0.7
Profit before tax from continuing operations	DKK million	-	-	-	26.1	28.8
Profit before tax from discontinuing operations	DKK million	-	-	-	(2.1)	(3.4)
Total profit before tax	DKK million	41.1	54.1	53.3	24.0	25.4
Profit for the year from continuing operations	DKK million	-	-	-	20.0	22.6
Profit for the year from discontinuing operations	DKK million	-	-	-	(1.6)	(2.6)
Total profit for the year	DKK million	30.8	41.0	40.4	18.4	20.0
BALANCE SHEET						
Assets	DKK million	244.0	274.5	300.6	287.4	300.6
Working capital	DKK million	74.0	93.7	82.5	71.0	63.8
Share capital	DKK million	35.8	35.8	35.8	35.8	35.8
Invested capital	DKK million	125.8	147.9	135.2	129.7	129.1
Equity	DKK million	207.0	230.3	252.8	249.7	251.8
CASH FLOWS						
Cash flows from operating activities	DKK million	34.1	31.4	59.8	23.2	28.2
Cash flows from investing activities	DKK million	6.1	(8.7)	(7.7)	(67.0)	(38.7)
Of which investment in current securities	DKK million	12.0	-	-	(49.3)	(31.8)
Cash flows from financing activities	DKK million	(25.0)	(17.9)	(17.9)	(21.5)	(17.9)
Investments in property, plant and equipment	DKK million	(3.5)	(5.0)	(5.4)	(15.4)	(4.0)
Depreciation, amortisation and impairment	DKK million	(9.3)	(8.0)	(9.0)	(8.4)	(9.6)
Cash flow for the year	DKK million	15.2	4.8	34.3	(65.3)	(28.4)
KEY FIGURES						
Gross margin ¹⁾	%	53.7	56.0	58.2	56.2	53.2
Net profit margin (EBIT margin) ¹⁾	%	15.5	20.0	19.8	11.9	12.2
ROIC/return on average invested capital ¹⁾	%	31.6	39.0	36.2	18.3	21.7
Equity/assets ratio	%	84.8	83.9	84.1	86.9	83.8
Return on equity	%	15.1	18.7	16.7	7.3	8.0
Working capital, % of revenue ¹⁾	%	29.2	35.1	31.8	35.0	27.8
Average number of full-time employees ¹⁾	Number	136	138	138	120	130
Gross profit per full-time employee ¹⁾	DKK million	1.0	1.1	1.1	0.9	0.9
SHARE-RELATED KEY FIGURES						
Earnings per DKK 20 share (EPS) ²⁾	DKK	17.2	22.9	22.6	10.3	11.2
Price/earnings ratio (PE)	DKK	9.7	10.4	12.6	23.6	21.1
Payout ratio	%	58	44	53	97	90
Cash flows per DKK 20 share from operating activities ²⁾	DKK	19.1	17.6	33.5	13.0	15.8
Proposed dividend (% of nominal value)	%	50	50	60	50	50
Intrinsic value of shares ²⁾	DKK	116	129	141	140	141
Closing listed market price ²⁾	DKK	167	238	286	243	236
Market price/intrinsic value		1.4	1.8	2.0	1.7	1.7

¹⁾ Key figures based on continuing operations (current and previous year)

²⁾ Adjusted to reflect the 1:5 share split of the company's class A and class B shares. Comparative figures have been adjusted for all the years included. The key figures have been prepared in accordance with the "Recommendations & Ratios 2015" issued by the Danish Association of Financial Analysts. The share-based key figures relate to the class B shares.

For definitions and concepts, please see the section "Accounting policies applied" in Note 33.

ROBLON PROFILE

ROBLON'S BUSINESS CONCEPT

Fibres make up a key element of Roblon's DNA and could be considered the foundation stone of the company's success over the years.

The company made a name for itself early on using nylon fibres to make rope, later using more sophisticated fibres for numerous applications. Roblon also had success with machines for processing the fibres, which are wanted by customers across the globe.

Roblon possesses specialist knowledge of the fibres' properties – including shape, colour and their physical, chemical and optical properties – as well as the way in which the fibres are processed, making the company's products unique.

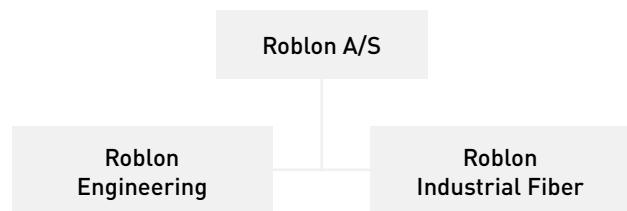
Roblon is the world's leading manufacturer of rope-making equipment. The machines are designed to handle different types of fibre, from naturally occurring fibres known from traditional ropes to fibres possessing very high strength and stiffness. The use of fibres in rope-making ranges from applications as simple as agricultural twine to as complex as oil rig supports. The company also supplies machines for processing high-tenacity fibres such as Kevlar and carbon fibre.

Roblon processes reinforcement fibres for fibre optic cables that connect networks globally. These reinforcement fibres usually have fibreglass or Kevlar as their raw material, but Roblon gives the fibres added value by applying a functional coating. Doing this makes the fibres more robust in the customers' production facilities and can make fibre optic cables watertight or e.g. prevent rodents from damaging the fibre optic cables.

Exact requirements apply to the physical and chemical properties of fibre products within the "Composite material" area. Over time, Roblon has become one of this product area's most renowned and specialist manufacturers of fibre-based reinforcement straps for pipes and products for fixing submarine installations to pipes and cables. In fields of use such as these, the long-term durability of the products is a crucial factor when it comes to competitiveness.

Roblon is organised into two business segments: Roblon Engineering and Roblon Industrial Fiber. The structure is illustrated in the following diagram:

BUSINESS STRUCTURE



At the end of the financial year 2015/16, Roblon's business concept represents identified market potential in the order of DKK 2.5 billion.

ROBLON'S VISION FOR 2021

Roblon's vision for 2021 is defined by the company's two business segments and the aim is to use them to achieve this vision. Roblon aims to be the preferred supplier of selected strategic customers in these two business segments:

- **Roblon Engineering** aspires to a position as a global market-leading supplier of production equipment and services for selected strategic customers in the rope-making industry. We are also aiming to be a niche supplier of equipment for manufacturing and coiling of cables for the fibre optic cable industry as well as other selected industries.
- **Roblon Industrial Fiber** aspires to a position as a total supplier of strength element solutions for selected strategic customers in the fibre optic cable industry. We are also aiming to be a market-leading supplier of strength elements for the Offshore industry.

The company expects to achieve its vision for 2021 through both organic growth and acquisitions. Roblon possesses the financial liquidity for this.

ROBLON'S STRATEGY

The strategic initiatives that support the financial objectives will focus on an increased sales effort for both existing strategic key customers and targets in new geographical markets.

The resources made available for product development carried out in close cooperation with strategic customers will be matched accordingly.

ROBLON'S FINANCIAL OBJECTIVES

Within the strategy period 2016–2021, Roblon is aiming to establish a basis from which it can achieve the following annual key figures under normal economic conditions:

AVERAGE ANNUAL ORGANIC GROWTH IN REVENUE OF AT LEAST

7%

EBIT MARGIN OF AT LEAST

10%

ANNUAL GROWTH IN REVENUE PER SHARE OF AT LEAST

7%

RETURN ON INVESTED CAPITAL (ROIC) OF AT LEAST

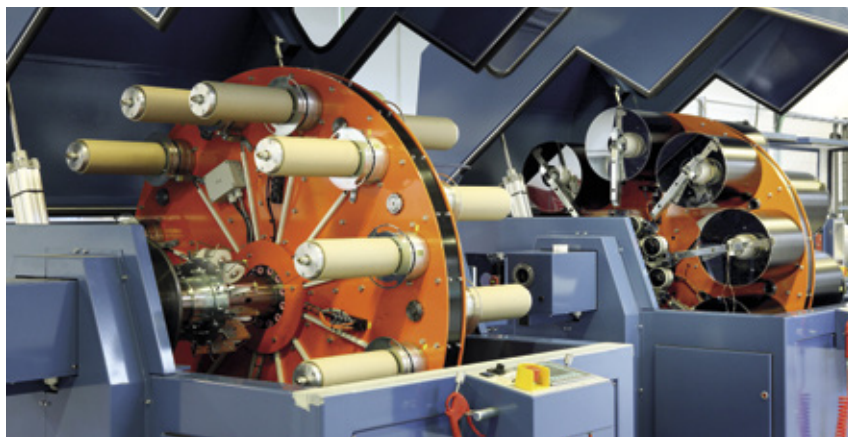
15%

BEFORE TAX

ROBLON ENGINEERING

REVENUE

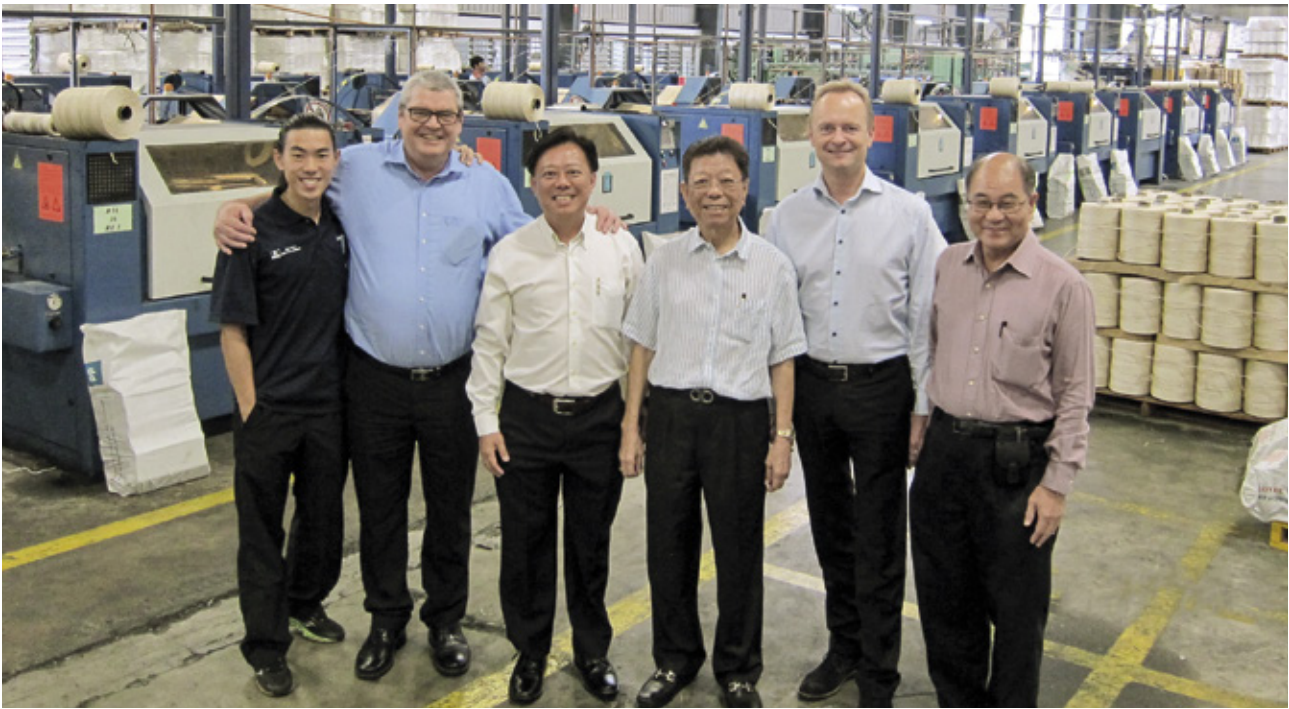
DKK
82.6
million



TWM – Yarn and rope-making equipment and cable machinery.



EBIT
DKK
2.6
million



ROBLON AS A PARTNER IN BUSINESS

Jaya Nets SDN BHD in Malaysia is the largest synthetic fishing nets, ropes and twines manufacturer and supplier. The 1st manufacturing plant in Port Klang started production in 1987 and since the start Roblon has been the main and key supplier for rope making equipment.

Jaya is one of the biggest Roblon customers and has a substantial number of Roblon machines from Twisters to the biggest and latest computerized rope making machine.

"Roblon is a very professional company and produces the best high technology rope making machines on the market, and we enjoy the cooperation with Roblon and Ostasia, Roblon's local agent in our region", argues Peter Chew, Managing Director in Jaya Nets.

Roblon Engineering dates back to the company's origins more than 60 years ago as a supplier of rope to the local fishing industry. Over the years Roblon Engineering has built up unique expertise within twisters (T), winders (W) and rope-making machinery (M) used either individually or in combination to make yarns and cabled rope.

Roblon Engineering's twisters are used to make twine and yarns for sectors including agriculture and industry. The machines are to an even greater extent also being used in the production of technical yarns which are in turn used in many different types of products.

Roblon Engineering's wide selection of rope-making machines includes equipment that produces cabled rope in thicknesses from as little as 1 mm to as large as 52 mm in diameter. Rope is used in countless contexts and made all over the world.

Roblon Engineering's winders are used to wind yarns which are then used in other products and processes. As a spin-off of the focus on rope, Roblon Engineering has also developed winders for the carbon fibre industry; these are used to wind raw materials involved in the production of carbon fibre.

Roblon Engineering is also an experienced supplier of components to the fibre cable industry and for this reason produces a wide range of cable-handling machinery. Both standard machines and customised solutions are included in the extensive selection of machines that form the production line. By working closely with the customer, it is possible to achieve a good understanding of their need for innovative production solutions and thus efficient, competitive products.

ROBLON INDUSTRIAL FIBER

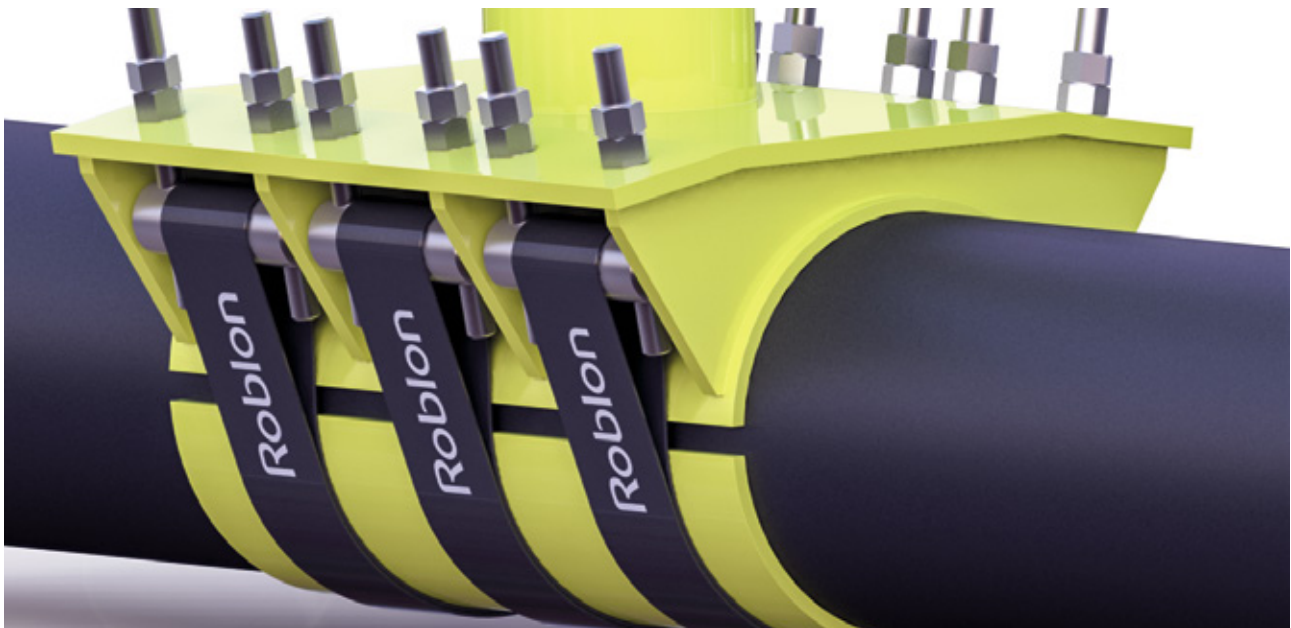
REVENUE
**DKK
147.0**
million



Fibre cable materials and
synthetic fibre tape and straps for
Offshore and other industry.



EBIT
**DKK
25.6**
million



PRODUCT DEVELOPMENT VIA CLOSE CUSTOMER RELATIONSHIPS

PolyTech A/S and Roblon Industrial Fiber have had a very successful working relationship in 2016.

PolyTech A/S offers a wide range of components, primarily for the wind and oil/gas industry.

"We faced a challenge. We knew of Roblon and their solutions from our network in the Offshore industry, and after a couple of meetings with Christian Juul from Roblon, we came up with a solution together.

After a short development phase, Roblon presented us with a strap solution that was perfect for our needs," says Anders Thomsen, a constructor at PolyTech A/S.

"This is a good example of Roblon's ability to establish a dialogue with our customers and find a solution with them that meets their needs," says Christian Juul, Business Unit Director of Roblon Industrial Fiber.

Roblon Industrial Fiber is aimed at the fibre optic cable industry, where the demand for fibre optic cables is driven by an ever-increasing interest in faster data transfer, server solutions "in the cloud", streaming services, online gaming, etc.

Roblon Industrial Fiber supplies a wide range of the components used to construct and design the cable; these components vary according to the requirements for the cable's durability and function. Requirements for fibre optic cables change all the time. More exacting requirements are always being set for the cables' properties, which means Roblon Industrial Fiber's product mix is constantly under development.

Roblon Industrial Fiber also works with composite materials in the form of straps, tapes and ropes with high strength, low weight and a long service life.

For many years now, Roblon Industrial Fiber has supplied different types of tape and straps used in connection with drilling and oil exploration. The products are mainly used for fixing, stabilisation and reinforcement purposes when drilling for oil takes place from platforms or ships. Safety nets for various uses, including as a port security measure and on oil

rigs, are also used e.g. to prevent objects from falling down and injuring people or damaging equipment.

The products consist of synthetic fibres coated with various types of sheathing material. In comparison to products such as steel straps, the advantage of Roblon Industrial Fiber's products is their longer service life because they do not corrode, not to mention their high breaking strength. Roblon Industrial Fiber supplies straps with breaking strengths varying from three tonnes to more than 400 tonnes.

The products are made to order based on the customer's detailed and specific requirements. In conjunction with the maintenance and repair of modules etc., customers can first see whether replacement is necessary once the modules have been brought up from the water. There are consequently high requirements for flexibility and adaptability within Roblon Industrial Fiber's production to enable the delivery of spare parts at short notice.

Roblon Industrial Fiber supplies industries that set stringent requirements for quality and documentation, with these supported by Roblon Industrial Fiber's ISO 9001 and 14001 certification.

FINANCIAL REVIEW

REVENUE AND EARNINGS FIGURES FOR 2015/16

The company achieved revenue of DKK 229.6 million from continuing operations for the financial year 2015/16 compared to DKK 202.8 million the year before. The gross margin, which amounted to 53.2% compared to 56.2% the previous year, was adversely affected by a change in the product mix.

Operating profit (EBIT) amounted to DKK 28.1 million compared to DKK 24.2 million the previous year. The net profit margin (EBIT margin) was 12.2% in comparison to 11.9% the year before. In contrast to the previous financial year, there are no significant non-recurring costs.

The quarterly report for Q3 2015/16 set out Management's expectations of revenue, including discontinuing operations, in the region of DKK 250 million and profit before tax of DKK 25 million for 2015/16. Company Announcement no. 16 stated that the expected revenue from continuing operations was DKK 230 million. The actual revenue and profit before tax thus meets expectations after the first three quarters of the financial year 2015/16.

In Q4, the company achieved revenue of DKK 74.8 million with profit before tax of DKK 10.6 million, while in the same quarter of the previous year the figures were DKK 49.3 million and DKK -0.2 million respectively. The improved performance is due to higher sales within the two continuing segments and the lack of non-recurring costs in the financial year.

Total profit before tax for the entire financial year 2015/16 amounted to DKK 25.4 million compared to DKK 24.0 million the previous year, while the profit after tax amounted to DKK 19.9 million compared to DKK 18.4 million the previous year.

The return on invested capital (ROIC) before tax was 21.7% in comparison to 18.3% the previous year.

Operating cash flows for the period amounted to DKK 28.2 million compared to DKK 23.2 million the previous year.

MAIN POINTS

Revenue

The company's revenue amounted to DKK 229.6 million compared to DKK 202.8 million the previous year.

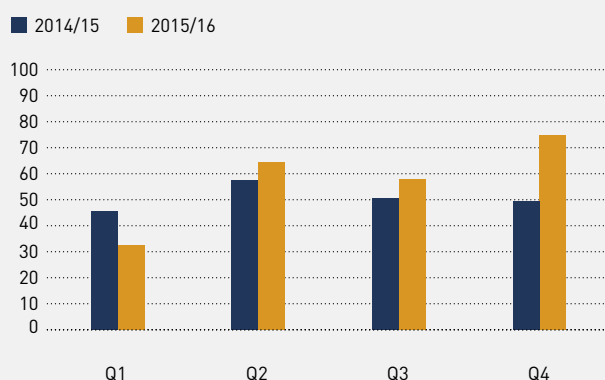
Cost of raw materials and consumables – gross profit

The actual gross margin was 53.2% compared to 56.2% the previous year, and this development is due in particular to a change in the product mix.

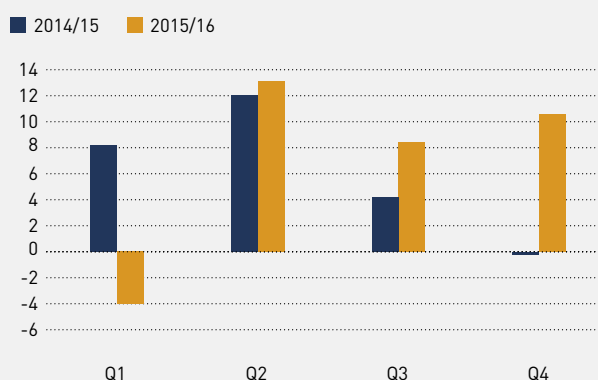
Other external costs

Other external costs amounted to DKK 27.0 million compared to the previous year's actual costs of DKK 26.1 million. The increase is primarily due to increased activity.

REVENUE – BY QUARTER (DKK MILLION)



EBIT – BY QUARTER (DKK MILLION)



Staff costs

The company's staff costs amounted to DKK 61.3 million compared to DKK 62.5 million the previous year. This fall was due to non-recurring costs in the previous year, as well as new employees in the financial year 2015/16.

Depreciation, amortisation and impairment

The company's total depreciation, amortisation and impairment amounted to DKK 8.1 million compared to DKK 6.6 million the previous year. The increase is primarily due to investments in property, plant and equipment from the previous year that are now recognised with a full year's depreciation/amortisation.

Financial items

Financial items that demonstrated a net income of DKK 0.7 million compared to DKK 1.9 million the previous year have mainly been adversely affected by exchange rate adjustments.

Tax on the profit for the year from continuing operations

Tax on profit for the year from continuing operations amounted to DKK 6.2 million and the total tax rate was 22.0% compared to DKK 6.1 million and 23.5% respectively the previous year.

Balance sheet

The company's balance sheet total as at 31 October 2016 amounted to DKK 300.6 million compared to DKK 287.4 million the previous year. The working capital amounted to DKK 63.8 million (DKK 71.0 million), corresponding to 27.8% (35.0%) of the year's revenue.

Development projects

Completed development projects and development projects in progress accounted for DKK 8.7 million compared to DKK 8.8 million the previous year.

Inventories

The company's inventories totalled DKK 66.9 million compared to DKK 67.7 million as at 31 October 2015. DKK 6.6 million from Roblon Lighting has been transferred to assets held for sale.

Stock write-downs recognised in the income statement came to DKK 4.8 million compared to DKK 4.5 million the previous year.

Receivables

Total receivables amounted to DKK 45.8 million compared to DKK 41.5 million the previous year. The company's receivables from sales rose to DKK 36.0 million from DKK 29.5 million as at 31 October 2015. DKK 2.4 million in receivables from sales in Roblon Lighting has been transferred to assets held for sale.

Current securities

The market value of the company's holding of securities amounts to DKK 91.8 million compared to DKK 60.0 million the previous year. During the financial year the company chose to invest another DKK 30 million in current securities. The holding consists of a portfolio of listed bonds and shares. These securities are available for sale and agreements are in place with Danske Capital and Nykredit Asset Management to follow an active management strategy with low risk.

Financing and capital resources

The company's liquidity contribution from operations in 2015/16 was DKK 28.2 million in comparison to DKK 23.2 million the previous year. The difference of DKK 5.0 million (net) in the amounts achieved for 2015/16 and in the previous year is due to an increase in EBIT of approx. DKK 2.6 million and a change in corporation tax paid, working capital and non-current other debt of DKK 2.4 million.

Roblon's total investment in property, plant and equipment amounted to DKK 7.0 million compared to DKK 18.1 million the previous year. Investment in new products amounted to DKK 3.0 million compared to DKK 2.4 million the previous year.

At the end of the financial year, current securities and net liquid assets amounted to DKK 119.0 million in comparison to DKK 115.6 million the previous year. Roblon also has unutilised credit facilities of DKK 10.0 million through the company's bank.

Equity

The company's equity amounted to DKK 251.8 million as at 31 October 2016 compared to DKK 249.7 million at the same date the previous year. Equity has thus increased by DKK 2.1 million, which comes from the profit for the year of DKK 20.0 million, while DKK 17.9 million has been paid in dividends.

Dividend

On the basis of Roblon's high equity/assets ratio and strong capital resources, the Board of Directors recommends to the Annual General Meeting that a dividend of DKK 10 per share be paid for 2015/16, which corresponds to a total dividend of DKK 17.9 million and a payout ratio of 90%.

EVENTS AFTER THE BALANCE SHEET DATE

No significant events of relevance to the annual report have occurred since the balance sheet date of 31 October 2016.

EXPECTATIONS FOR 2016/17

Management expects there to be positive rates of growth within the company's continuing business segments.

More sales and development activities are planned for 2016/17 to support long-term growth in revenue and earnings.

Management expects revenue from continuing operations in the region of DKK 240 million and profit before tax of around DKK 15 million in the financial year 2016/17.

MANAGEMENT AND EMPLOYEES

On 31 October 2016 the company had 129 employees compared to 123 on the same date the previous year. These members of staff are based across the company's three business locations in Frederikshavn, Sæby and Gærum; at the end of the financial year the breakdown of these employees was 70 hourly paid workers and 59 salaried workers. The corresponding figures for the previous year were 75 hourly paid workers and 48 salaried workers.

As of 5 January 2016, Roblon A/S has hired Lars Østergaard (51) to take on the role of Managing Director and CEO.

As of 5 January 2016, the Executive Management of Roblon A/S now consists of Managing Director and CEO Lars Østergaard, CFO Carsten Michno and COO Kim Müller.

SALES ACTIVITIES IN 2015/16

The financial year saw the company's revenue rise by 13.2%. An increase in revenue was achieved in both continuing business segments.

The export ratio was 87.1% in comparison to 98.0% the previous year.

The revenue breakdown by region was 58% (58%) for Europe, 22% (22%) for the USA and 20% (20%) for the rest of the world.

THE BUSINESS SEGMENTS

In 2015/16, Roblon Engineering achieved revenue of DKK 82.6 million, which is an increase on the previous year's figure of DKK 76.3 million.

Growth in revenue is primarily due to successful product innovation, the launch of new rope-making machine MT99 and higher sales of twisters, primarily in the Asian market. In line with the strategy plan, Roblon Engineering has also introduced additional sales resources to the organisation by hiring an external sales representative in Barcelona with responsi-

bility for Spain, Portugal and Central and South America, an initiative which has already had a positive effect on revenue.

Roblon Industrial Fiber achieved revenue of DKK 147.0 million compared to DKK 126.4 million the previous year.

Despite turbulent and competitive market conditions, Roblon Industrial Fiber succeeded in significantly increasing its product sales. Roblon Industrial Fiber also successfully introduced a number of new products and technologies that have been positively received by customers. However, some other products experienced a slower market launch and approval process, and these products were thus unable to contribute significantly to the revenue stream during the financial year, although they are expected to make a positive contribution in the financial year 2016/17.

ACQUISITIONS

Acquisitions remain an element of the company's future strategic development and growth.

PRODUCT DEVELOPMENT AND INNOVATION AT ROBLON

A significant proportion of Roblon's total investments in 2015/16 is related to product development and the release of newly developed products. In past years, Roblon has invested in additional skills within R&D. The reason for the establishment and expansion of its own R&D test centre was to ensure faster and more efficient product innovation.

Four new products were released during the course of the year.

Roblon Engineering:

- The MT99 rope-making machine can produce rope up to 52 mm thick for use in fishing
- T300B – A twister used specifically in the production of baler twine

Roblon Industrial Fiber:

- Second generation ABC tape – used as a strength element in the production of oil pipes. This tape can withstand temperatures of up to 90 degrees that may exist at great water depths. Used in the oil and gas industry
- 4" (100 mm) ABC tape for temperatures between 60 and 90 degrees. Wider tape ensures quicker and more efficient production of oil pipes. Used in the oil and gas industry

CORPORATE GOVERNANCE

– statement of corporate governance and corporate social responsibility

THE STOCK EXCHANGE'S RECOMMENDATIONS FOR CORPORATE GOVERNANCE

Nasdaq Copenhagen A/S has adopted a set of recommendations for good corporate governance, which were last updated in September 2016. The Recommendations for Corporate Governance can be obtained from the website of the Danish Committee on Corporate Governance, www.corporategovernance.dk.

The company's Board and Executive Management have considered the recommendations carefully and Roblon complies materially with the recommendations. The Board and Executive Management have chosen a different policy in the following areas:

2. Composition and organisation of the Board

Due to the size and complexity of the company, the Board has decided only to establish an audit committee and an acquisitions committee. In addition to this, ad hoc committees may be appointed as and when required.

There is no set age limit for Board members because the Board of Directors prioritises every individual member's capacity, expertise and contribution to the running of the company.

3. Governance committee

Given the complexity, size and simple management structure of Roblon, the Board has not found any reason to appoint a nomination or remuneration committee.

4. Information about the remuneration policy

In its annual report, the company discloses information about Board and committee fees paid to the Chairman, Deputy Chairman and other members.

With regard to Executive Management, information is provided on the total remuneration paid. The information is thus not provided individually on the grounds that this is information of a personal nature that will also only be of limited relevance to shareholders.

Remuneration for the Board of Directors and Executive Management is on market-based terms for a listed company of this size. In light of the size of the company, the Board does

not find it relevant to have a remuneration policy for the Board of Directors and Executive Management.

5. Presentation of financial statements, risk management and audit

As recommended, the company has considered setting up a whistleblower scheme and with reference to the size and complexity of the company has not found it relevant to do so at present.

The company's detailed corporate governance statement is available in full at Roblon's website:

http://www.roblon.com/download/CorporateGovernance2016/corporate_governance_uk_rev9_sep2016.pdf

INTERNAL CONTROL AND RISK MANAGEMENT SYSTEMS

The Board of Directors and Executive Management of Roblon bear overall responsibility for the company's risk management and internal controls in connection with the presentation of financial statements, including compliance with relevant legislation and other regulations in relation to the preparation of financial statements.

The company's risk management and internal controls are designed to avoid the presence of material errors and defects in conjunction with the presentation of financial statements. The Board/audit committee and Executive Management regularly assess risks and internal controls in conjunction with the company's activities and their potential influence on the presentation of financial statements.

The company's control and risk management systems may create reasonable, but not absolute, certainty that the misuse of assets, loss and/or the presence of material errors and defects in conjunction with the preparation of financial statements can be avoided.

Control Environment

At least once a year the Board evaluates the company's organisational structure, the risk of fraud and the existence of internal rules and guidelines.

The Board and Executive Management lay down and approve overall policies, procedures and controls for important areas

in connection with the preparation of financial statements. The Board has adopted policies, manuals, procedures, etc. within important areas regarding the preparation of financial statements, and the policies, manuals and procedures are available on the company's intranet.

Executive Management regularly checks compliance with relevant legislation and other regulations and provisions in connection with the preparation of financial statements, and reports on this are submitted to the Board on an ongoing basis.

Risk Assessment

At least once a year, the Board carries out a general risk assessment as part of the process of preparing financial statements. As part of this risk assessment, the Board considers the risk of fraud and what precautions should be taken in order to reduce and/or remove these risks. With this in mind, any Management incentives/motives related to manipulating accounts or other fraud must be discussed.

Auditors

In order to safeguard the interests of the shareholders and the public, a state-authorized public accountancy firm is appointed as the company auditors at the Annual General Meeting in accordance with the recommendation of the Board. The auditors present a report to the Board once a year and also immediately after the identification of any circumstances that require the Board to make a decision. The auditors attend Board meetings, among other reasons as part of the adoption of the annual report.

Besides making recommendations to the AGM, the Board assesses the auditors' independence, expertise, etc., in consultation with Executive Management.

RISK FACTORS

Economic trends

Roblon monitors the development of economic trends on an ongoing basis, because fluctuations in conditions have a significant impact on the company's financial results.

In general terms, there is a good spread of products and markets. Furthermore, activities are directed at several different customer areas on the global market.

Financial risks

These risks are discussed in Note 27.

Environment

Roblon's production division in Gærum is environmentally certified according to ISO 14001 and has no emissions from processes that have an impact on the external aquatic envi-

ronment; emissions to air are limited and subject to ongoing control.

Roblon's production division in Sæby does not use any production processes that have a particular impact on the environment, which means that the external environmental impact is very limited and can be attributed primarily to energy consumption for lighting, heating and the painting process. Energy is also used to control light sources, and there are very limited emissions to air in conjunction with the process of gluing fibre bundles as part of lighting production.

Insurance

The company's policy is to take out insurance against risks which might be a threat to its financial position. In addition to statutory insurance cover, policies have been taken out to cover product liability and consequential losses. Properties, operating equipment and stocks are insured on an all-risk basis at their replacement value.

Overall liquidity

Roblon has a strong level of overall liquidity and finances all its activities via its operations. Roblon also has unutilised ongoing credit facilities, and further financing is available by raising loans against the company's assets.

MANAGEMENT BODIES

Composition of the Board

The Board's full profile can be characterised as having broad and international experience of business with expertise within areas such as development and innovation, production, sales and marketing, and finance. It is also deemed to match the needs of the company and the Board itself evaluates on an ongoing basis whether there is a need for any changes to the skill set of the Board. The Board members take an active interest in events at Roblon and in other general circumstances of importance to the company.

The election of employee representatives to the Board is a right held by Danish employees under Danish company legislation. The Board members elected by staff should account for around half of the Board members elected at the Annual General Meeting. At the most recent election in 2015 this meant that two Board members were elected by employees; these members operate on the same terms as the other Board members but in accordance with the company legislation serve four-year terms.

The tasks and responsibilities of the Board

There are rules of procedure in place for Roblon's Board of Directors. These are reviewed once a year by the full Board to see if updates are required. The rules of procedure lay down,

among other things, an annual plan containing fixed topics and guidelines for the Board vis-à-vis Executive Management, as well as the tasks and duties of the Chairman, Deputy Chairman and Committee Chairman.

Audit committee

In accordance with section 31 of the Danish Act on Approved Auditors and Audit Firms, the Board has established an audit committee whose functions are handled by the full Board. Group Senior Vice President Corporate Finance Randi Toftlund Pedersen is chairman of the audit committee, which has quarterly meetings.

The tasks of the audit committee comprise:

- monitoring the preparation of financial statements;
- monitoring whether the company's internal control system and risk management systems are working effectively;
- monitoring the statutory audit of the annual report; and
- monitoring the independence of the auditors.

There was focus on the company's IT security and CSR reporting in 2015/16. Risk elements in the report on IT security prepared by PWC have been addressed. CSR reporting has been adapted and changed.

Innovation and product development committee

The company has established an innovation and product development committee whose functions are handled by the full Board. Group Senior Vice President Peter Sloth Vagner Karlsen is chairman of the innovation and product development committee, which holds quarterly meetings.

The tasks of the innovation and product development committee comprise:

- setting the strategic direction of long-term product and technology development
- monitoring management's and the development function's review of ideas and the development portfolio in relation to innovation level, customer value and business potential

CORPORATE SOCIAL RESPONSIBILITY STATEMENT FOR 2015/16

Roblon considers corporate social responsibility (CSR) to be a natural part of the company's business principles and acknowledges a responsibility for the society of which we are all a part.

A number of key CSR policies have been established within the company that are described in more detail in this section.

In the autumn the company developed and introduced a new strategy for the period up to 2020. One of the areas in which there will be more effort in 2016/17 is the development of Roblon's code of conduct, and consequently there will be increased focus and work on corporate social responsibility.

Working environment

Both management and employees consider a good working environment at Roblon to be an important prerequisite for the company appearing professional and principled in relation to customers and other partners. There is a safety organisation based at each of Roblon's three locations; each one is structured as stipulated in the relevant rules of the Danish Working Environment Act.

The company realises its policy by:

- having a safety organisation and systems in place to ensure the documentation, implementation and maintenance of the working environment system.
- having co-determinant groups meet at least once a year to discuss the working environment.
- regularly following up on absence due to illness and thus identifying any absence relating to working environment.
- the company informing employees of results in this particular area.

In 2015/16 the company maintained and improved a safe and sound working environment. In the course of the financial year there has been greater focus on reducing occupational accidents by means of additional information and campaigns etc. The company has reduced its number of notifiable accidents recorded from nine in 2014/15 to two in 2015/16.

Mandatory company-funded health insurance was set up in 2015/16, and a number of internal training sessions have been held on how to prevent back pain and injury.

Finally, the company has invested in lifting equipment in production to reduce physical stress in selected work processes.

Environment and climate

Roblon wishes to be perceived as a green company committed to bringing about regular eco-friendly development through its activities with due regard to the state of natural resources, legal requirements and other relevant provisions applicable to the company. The company's production facilities in Gærum are ISO 14001 certified.

The company realises its policy by:

- logging the energy consumption of electricity and gas to ensure production consumption is controlled efficiently.
- carrying out regular risk assessments and follow-up of waste in production.
- assessing the environmental consequences to the company and customers when using new materials.
- informing employees or other people who work on behalf of Roblon of the company's environmental policy and environmental management system.
- maintaining its focus on sustainability and green conversion by recycling waste.
- following a sustainability approach in the acquisition of manufacturing equipment.

Over the course of the financial year, Roblon has continued to work on preventing and reducing the company's external environmental impact; one measure has been to ensure that new investments are energy efficient.

One of the ways in which the company tried to reduce waste in 2016 was by purchasing raw yarn in customer-specific lengths. Glass yarn offcuts are sold for reuse, which plays a part in reducing the amount of waste and protecting the environment. The company's energy consumption depends on its orders, increasing as production volumes and the number of hours increase. Together with an external energy consultant, Roblon regularly looks for potential ways to optimise energy-saving process equipment.

Quality

Roblon endeavours to come across as a well-reputed, development-oriented and reliable supplier whose services continually meet our customers' expectations. The company undertakes to always comply with relevant requirements set by our partners, including customers and authorities. Although only the company's production facilities in Gærum are ISO 9001 certified, the entire organisation works to the procedures and standards established pursuant to ISO 9001.

The company realises its policy by:

- performing ad hoc measurements of compliance with delivery times to the customers.
- processing complaints efficiently and logging them as they occur.

- recording and systematically following up the number of ongoing suggestions for quality improvements.
- carrying out customer satisfaction analyses.
- setting requirements for new suppliers by requiring ISO certification or approval via supplier audits and follow-up on supplier deviations.
- systematically checking goods going into production.

2015/16 saw the organisation continue with activities targeted at boosting customer satisfaction through rapid response times, confidence-building dialogue and being clearer about Roblon's capacity, as well as meeting delivery times and other contractual obligations.

Roblon's quality department focuses at all times on measures to reduce complaints. In 2016 the company introduced internal process and product audits to carry out risk assessments and to optimise production processes and the customer's experience of both new and old products. Roblon's quality department conducts regular supplier audits and evaluations to ensure that Roblon's suppliers live up to the desired quality. Every year the company's employees complete a training session on quality, the environment and working environment understanding. Thanks to greater focus in this area in 2016, the company has reduced the number of complaints recorded by 8.5%: from 95 in 2014/15 to 87 in 2015/16.

GENDER COMPOSITION OF MANAGEMENT

Roblon's policy is to support diversity among its employees, including via an approximately equal gender distribution making a positive contribution to the working environment and enhancing the company's performance and competitiveness. The aim of Roblon's policy has also been to attract and retain highly qualified and motivated employees. The aim for employment and recruitment is for there to be both male and female candidates.

On 11 March 2016 the Danish Business Authority released its guidelines on "Target figures, policies and reporting on the gender composition of management". Based on this, the Board of Directors has decided to set a new target for the underrepresented gender of 25%, as long as four Board members are elected by the Annual General Meeting.

The Board consists of a total of six members, two of which are elected by the employees. The latter members represent each gender. The members elected by the Annual General Meeting consist of three members of one gender and one member of the other gender, equivalent to 75% and 25%.

Senior management/Executive Management consists exclusively of men. In 2014 a target of 25% was set. In conjunction with the recruitment of new staff during the year, the company has been very aware of the aim to employ the under-represented gender. There were not, however, enough qualified candidates applying for the vacant management positions that needed to be filled during the year.

We will endeavour to increase the proportion of the under-represented gender in senior management/Executive Management, but qualifications will always take precedence over the gender composition of the workforce. It is essential that management positions are still filled by employees with the right qualifications. We will therefore encourage candidates of the underrepresented gender to apply when we are recruiting for the Board of Directors and management positions so that there is always at least one candidate from the underrepresented gender.



SHAREHOLDER INFORMATION

Share capital

The company's share capital consists of DKK 27,775 class A shares with a nominal value of DKK 200 and 1,510,400 class B shares with a nominal value of DKK 20. All the class B shares are negotiable instruments and freely transferable; they are listed with Nasdaq Copenhagen A/S under the short name RBLN B with ISIN code DK0060485019. The class B share is part of the Small Cap index.

Each class A share worth DKK 200 gives 100 votes

Each class B share worth DKK 20 gives one vote

Voting rights gained through shares acquired through transfer may only be exercised if the shareholder concerned is listed in the company's register of shareholders or has reported and documented their acquisition before the notice date for the Annual General Meeting.

If a dividend is declared, the class B shareholders are entitled to an advance dividend of 8% of the nominal value of their shares.

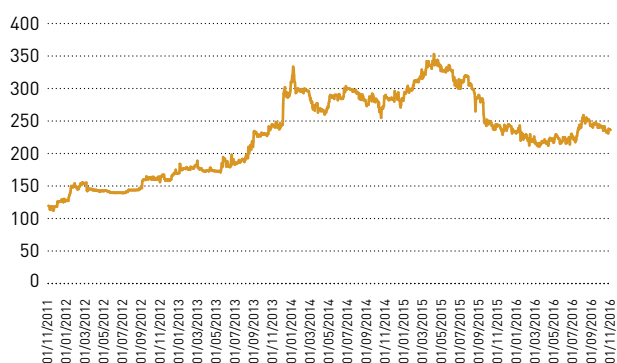
Any additional dividend then falls to the class A shareholders until they have received a dividend of 8% of the nominal value of their shares; any excess dividend will then be distributed equally in proportion to all shares regardless of the share class.

The following shareholders hold shares that are either allocated at least 5% of the share capital's voting rights or whose nominal value accounts for at least 5% of the share capital:

	Ownership interest %	Voting share %
ES Holding Frederikshavn ApS, Bøgevej 11, DK-8370 Hadsten	25.1	68.8
FMS Investeringsrådgivning A/S, Østergade 27b, DK-7400 Herning	6.9	2.9
Fundamental Invest, Falkoner Allé 53, Floor 3, DK-2000 Frederiksberg	5.3	2.2

Roblon A/S is included in the consolidated financial statements for ES Holding Frederikshavn ApS, which are available to the public from the Danish Business Authority.

PRICE TREND



Own shares

Issues of shares or the acquisition of own shares can only take place pursuant to a resolution of the Annual General Meeting.

Under the authority granted by the Annual General Meeting, the company can acquire own shares up to 10% of the share capital. The mandate for the company to purchase own shares up to 10% of the share capital, and at a price that may deviate no more than 10% from the most recent price calculated for all trades prior to the purchase, is valid until 30 June 2018.

The Board will request the renewal of this mandate at the Annual General Meeting on 26 January 2017.

Rules on changes to the Articles of Association

Roblon's Articles of Association can be changed by a resolution of the Annual General Meeting in accordance with sections 106 and 107 of the Danish Companies Act.

Rules for electing and replacing the Board of Directors

The company is run by a Board of Directors consisting of four to seven members elected at the Annual General Meeting. The Board is elected for one year at a time, but may be re-elected.

Share price trend

At the start of 2015/16 the price was DKK 243, but it was DKK 236 as at 31 October 2016. The total market value of the company's listed shares as at 31 October 2016 was DKK 367 million.

The price trend in the past five years can be seen in the chart above.

FINANCIAL CALENDAR

20 December 2016	Preliminary announcement of financial statements 2015/16
26 January 2017	Annual General Meeting
9 March 2017	Interim report for Q1 2016/17
21 June 2017	Interim report for Q2 2016/17
12 September 2017	Interim report for Q3 2016/17
19 December 2017	Preliminary announcement of financial statements 2016/17
25 January 2018	Annual General Meeting

Capital management

Roblon's equity/assets ratio as at 31 October 2016 was 84% (87%).

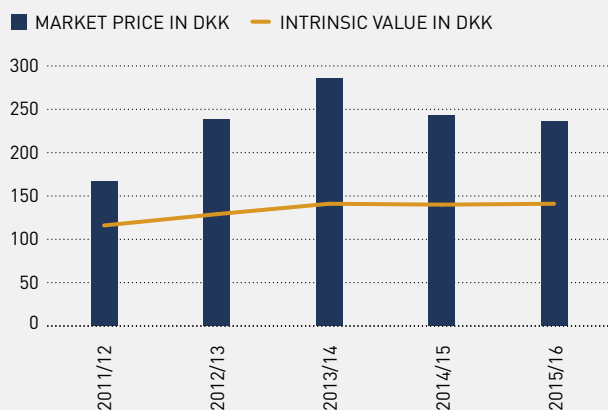
The company endeavours to give its shareholders a regular return on their investment with due regard for the necessary consolidation of equity as a basis for Roblon's future development. The Board of Directors recommends that a dividend of DKK 10 per share be paid for 2015/16, which corresponds to a total dividend of DKK 17.9 million and a payout ratio of 90%.

COMPANY ANNOUNCEMENTS

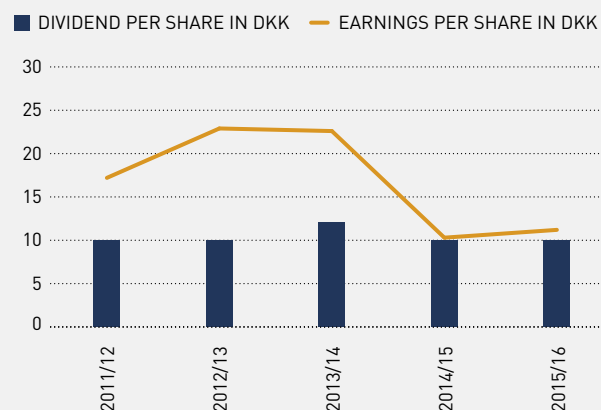
The company issued the announcements listed below to Nasdaq Copenhagen A/S in the financial year 2015/16; these can be found on the company's website, www.roblon.com.

13/2015	New CEO for Roblon A/S
1/2016	Preliminary announcement of financial statements 2014/15
2/2016	Notice of annual general meeting
3/2016	Reporting of transactions
4/2016	Reporting of transactions
5/2016	Information on Roblon's Q1 2015/16
6/2016	Annual general meeting of Roblon A/S
7/2016	Interim report for Q1 2015/16
8/2016	Reporting of transactions
9/2016	Market maker (market maker agreement)
10/2016	Reporting of transactions
11/2016	Reporting of transactions
12/2016	Reporting of transactions
13/2016	Reporting of transactions
14/2016	Interim report for Q2 2015/16
15/2016	Interim report for Q3 2015/16
16/2016	Roblon wants to grow its core business
17/2016	Financial calendar

MARKET PRICE AND INTRINSIC VALUE



DIVIDEND AND EARNINGS PER SHARE



BOARD OF DIRECTORS



JØRGEN KJÆR JACOBSEN
DIRECTOR (CHAIRMAN)

– born in 1952, joined the Board in 2014.
Special skills: Experience of senior management of listed company plus Board experience. Independence: Meets the Danish Committee on Corporate Governance's definition of independence.

Limited companies:

Gabriel Holding A/S (C), Nordjyske Holding A/S (F), Mekoprint A/S (C), PN Beslag A/S (F), Dolle A/S (C), MEDF Holding A/S (F), Egebjerggaard A/S (B), BKI foods A/S (B), Raskier A/S – (D) and (B)

Corporate funds:

Mads Eg Damgaards Familiefond (C)
Aalborg Stiftstidendes Fond (C)



OLE KROGSGAARD
SENIOR MASTER (DEPUTY CHAIRMAN)

– born in 1947, joined the Board in 2002.
Special skills: Skills from the field of natural sciences.
Independence: Does not meet the Danish Committee on Corporate Governance's definition of independence due to being married to a Class A shareholder.



PETER SLOTH VAGNER KARLSEN
GROUP SENIOR VICE PRESIDENT

– born in 1963, joined the Board in 2011.
Special skills: Management skills from a global group of companies covering group product development, production and quality.
Independence: Meets the Danish Committee on Corporate Governance's definition of independence.
Chairman of Roblon's innovation and product development committee

Other management posts:

Grundfos Holding A/S, Global Development & Engineering, Group Senior Vice President (D), Sparekassen Vendsyssels Fond Hals (B)



RANDI TOFTLUND PEDERSEN
GROUP SENIOR VICE PRESIDENT
CORPORATE FINANCE

– born in 1963, joined the Board in 2016.
Special skills: Management skills from a global group of companies covering finance.
Independence: Meets the Danish Committee on Corporate Governance's definition of independence.
Chairman of Roblon's audit committee

Limited companies:

Dansk Supermarked Ejendomme A/S (B), D.S. Forsikring A/S (B)

Corporate foundations:

Færchfonden (B)



NITA SVENDSEN *)
OFFICE ASSISTANT

– born in 1972, joined the Board in 2015.
Special skills: Industry-related skills.



HANS MARTIN KIRKEGAARD *)
DEVELOPMENT ENGINEER

– born in 1965, joined the Board in 2015.
Special skills: Industry-related skills.

*) Elected by the employees

C = Chairman of the Board,
B = Board member, D = Director

EXECUTIVE MANAGEMENT



LARS ØSTERGAARD
MANAGING DIRECTOR AND CEO
– born in 1965, joined Roblon in 2016.



CARSTEN MICHNO
CHIEF FINANCIAL OFFICER (CFO)
– born in 1970, joined Roblon in 2015.



KIM MÜLLER
CHIEF OPERATING OFFICER (COO)
– born in 1969, joined Roblon in 1992.

Shareholdings

	NUMBER OF SHARES
BOARD OF DIRECTORS	AS AT 31 OCTOBER 2016
Jørgen Kjær Jacobsen	3,825
Ole Krogsgaard	30
	(Birgitte Krogsgaard 86 shares)
Peter Sloth Vagner Karlsen	395
Randi Toftlund Pedersen	1,000
Nita Svendsen *)	65
Hans Martin Kirkegaard *)	125
MANAGEMENT	
Lars Østergaard	1,264
Carsten Michno	0
Kim Müller	205

Company information

AUDITORS

Deloitte
Statsautoriseret
Revisionspartnerselskab
Gøteborgvej 18
DK-9200 Aalborg SV

LAWYERS

Advokatfirmaet Hjulmand & Kaptain
Havnepladsen 7
DK-9900 Frederikshavn

BANK

Danske Bank
North Jutland Finance Centre
DK-9000 Aalborg

STATEMENT BY THE MANAGEMENT

The Board of Directors and Executive Management have today discussed and adopted the annual report for the financial year 1 November 2015 to 31 October 2016 for Roblon A/S.

The annual report is presented in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and Danish disclosure requirements for annual reports for listed companies.

It is our opinion that the financial statements give a true and fair view of the company's assets, liabilities and financial position as at 31 October 2016 as well as of the result of the

company's activities and cash flows for the financial year 1 November 2015 to 31 October 2016.

We believe that the management report contains a true and fair account of the development in the company's activities and financial circumstances, the profit for the year and the company's financial position as well as a description of the most significant risks and uncertainty factors facing the company.

We recommend that the annual report be adopted at the Annual General Meeting.

Frederikshavn, 20 December 2016

EXECUTIVE MANAGEMENT



Lars Østergaard
Managing Director and CEO



Carsten Michno
Chief Financial Officer



Kim Müller
Chief Operating Officer

BOARD OF DIRECTORS



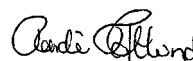
Jørgen Kjær Jacobsen
Chairman



Ole Krogsgaard
Deputy Chairman



Peter Sloth Vagner Karlsen



Randi Toftlund Pedersen



Nita Svendsen
Elected by the staff



Hans Martin Kirkegaard
Elected by the staff

THE INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS OF ROBLOM A/S

REPORT ON THE FINANCIAL STATEMENTS

We have conducted an audit of the financial statements for Roblom A/S for the financial year 1 November 2015 to 31 October 2016, which comprise the income statement, statement of comprehensive income, balance sheet, statement of changes in equity, cash flow statement and notes, including accounting policies applied, for the company. The financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and Danish disclosure requirements for listed companies.

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

Management is responsible for preparing financial statements that give a true and fair view in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and Danish disclosure requirements for listed companies. Management is also responsible for implementing appropriate internal controls that permit financial statements to be prepared which are free from material misstatement, whether due to fraud or error.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on the financial statements based on our audit. We have conducted the audit in accordance with international auditing standards and additional requirements under Danish audit legislation. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance that the financial statements are free from material misstatement.

An audit involves performing procedures in order to obtain audit evidence of the amounts and disclosures in the financial statements. The procedures selected depend on the individual auditor's judgement, including an assessment of the risks of material misstatement in the financial statements, whether due to fraud or error. In making this risk assessment, the auditor considers internal controls relevant to the company's preparation of financial statements that give a true and fair view. The aim here is to design audit procedures appropriate

to the circumstances but not to express an opinion on the effectiveness of the company's internal controls. An audit also includes assessing whether the management's choice of accounting policies is appropriate and its accounting estimates are reasonable, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence obtained is sufficient and appropriate to provide a basis for our audit opinion.

The audit has not resulted in any qualification.

OPINION

We believe that the financial statements give a true and fair view of the company's assets, liabilities and financial position as at 31 October 2016 as well as of the result of the company's activities and cash flows for the financial year 1 November 2015 to 31 October 2016 in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and Danish disclosure requirements for listed companies.

STATEMENT ON THE MANAGEMENT REPORT

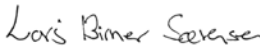
Pursuant to the Danish Financial Statements Act, we have read the management report. We have not performed any further procedures in addition to the audit of the financial statements.

On this basis, it is our opinion that the information provided in the management report is consistent with the financial statements.

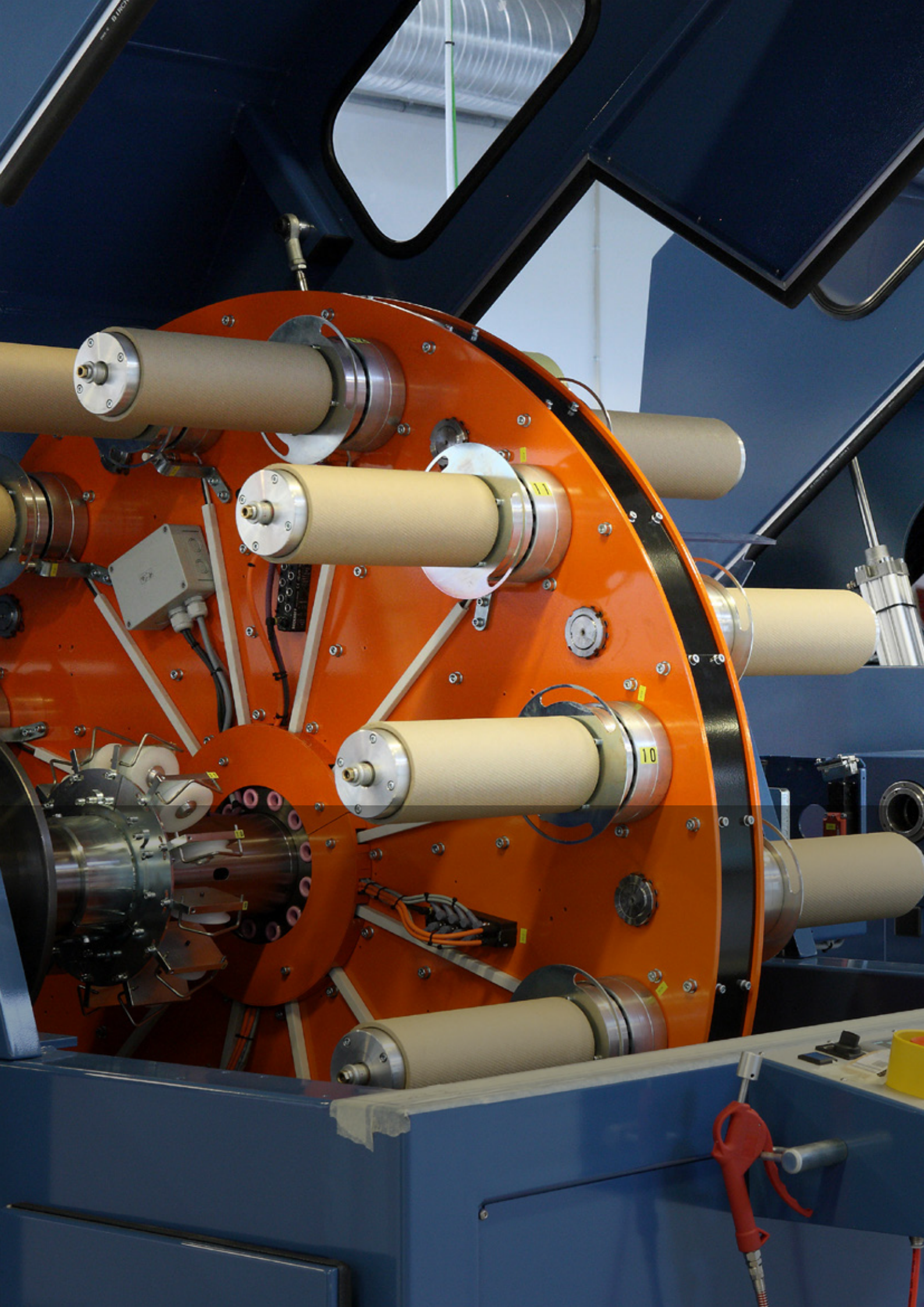
Aalborg, 20 December 2016

DELOITTE

Statsautoriseret Revisionspartnerselskab
CVR no. 33 96 35 56


Lars Birner Sørensen
State-authorized
public accountant


Jakob Olesen
State-authorized
public accountant



FINANCIAL STATEMENTS

2015/2016

INCOME STATEMENT

for the period 1 November to 31 October

tDKK	Note	2015/16	2014/15
Continuing operations			
Net revenue	3	229,591	202,765
Cost of raw materials and consumables	4	-107,530	-88,918
Gross profit		122,061	113,847
Work carried out at own expense and recognised under assets	5	2,407	5,405
Other operating income	6	34	257
Other external costs	7	-26,979	-26,092
Staff costs	8	-61,300	-62,540
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment	9	-8,086	-6,649
Operating profit (EBIT)		28,137	24,228
Financial income	10	2,167	1,922
Financial costs	11	-1,480	0
Profit before tax from continuing operations		28,824	26,150
Tax on loss for the year from continuing operations	12	-6,192	-6,146
Profit for the year from continuing operations		22,632	20,004
Discontinuing operations			
Loss for the year from discontinuing operations after tax	13	-2,669	-1,622
Profit for the year		19,963	18,382
Proposal for distribution of net income:			
Retained earnings		2,081	500
Proposed dividend		17,882	17,882
		19,963	18,382
Earnings per share (EPS), continuing and discontinuing operations	14	11.2	10.3
Earnings per share, diluted (DEPS), continuing and discontinuing operations	14	11.2	10.3
Earnings per share (EPS), continuing operations	14	12.7	11.2
Earnings per share, diluted (DEPS), continuing activities	14	12.7	11.2

STATEMENT OF COMPREHENSIVE INCOME

for the period 1 November to 31 October

tDKK	Note	2015/16	2014/15
Profit for the year		19,963	18,382
Other comprehensive income:			
<i>Items that can be reclassified to the income statement</i>			
Fair value adjustments during the year		199	-28
Fair value adjustments reclassified as financial income		-171	0
Fair value adjustments of financial assets available for sale		28	-28
Tax on other comprehensive income	12	-6	7
Other comprehensive income		22	-21
Comprehensive income for the year		19,985	18,361

BALANCE SHEET

as at 31 October

tDKK	Note	2016	2015
Non-current assets			
Completed development projects		6,828	4,806
Development projects in progress		1,848	3,954
Intangible assets	15	8,676	8,760
Land and buildings		34,342	36,771
Production equipment and machinery		14,140	15,628
Other fixtures and fittings, operating equipment and inventories		1,576	1,127
Property, plant and equipment in progress		1,177	272
Property, plant and equipment	16	51,235	53,798
Total non-current assets		59,911	62,558
Current assets			
Inventories	17	66,892	67,702
Receivables from sales	18	36,023	29,542
Other receivables		1,555	2,605
Corporation tax receivable	19	7,886	8,901
Prepayments and accrued income		332	486
Receivables		45,796	41,534
Current securities	20	91,813	59,997
Cash and cash equivalents	21	27,207	55,639
Assets held for sale	22	9,011	0
Total current assets		240,719	224,872
Total assets		300,630	287,430

BALANCE SHEET

as at 31 October

tDKK	Note	2016	2015
Equity			
Share capital	23	35,763	35,763
Other reserves	24	698	676
Retained earnings		197,484	195,403
Proposed dividend		17,882	17,882
Total equity		251,827	249,724
Non-current liabilities			
Deferred tax	25	4,207	4,474
Other debt	27	0	3,849
Total non-current liabilities		4,207	8,323
Current liabilities			
Other provisions	26	575	300
Suppliers of goods and services		22,256	13,759
Other debt	27	18,478	15,324
Current liabilities		41,309	29,383
Liabilities associated with assets held for sale	22	3,287	0
Total current liabilities		44,596	29,383
Total liabilities		48,803	37,706
Total equity and liabilities		300,630	287,430

EQUITY AND DIVIDENDS

tDKK	Share capital	Other reserves	Retained earnings	Proposed dividend	Total equity
Equity 31/10/2014	35,763	697	194,903	21,458	252,821
Profit for the year			500	17,882	18,382
Other comprehensive income		-21			-21
Comprehensive income for the financial year		-21	500	17,882	18,361
Dividend distributed				-21,458	-21,458
Equity 31/10/2015	35,763	676	195,403	17,882	249,724
Profit for the year			2,081	17,882	19,963
Other comprehensive income		22			22
Comprehensive income for the financial year		22	2,081	17,882	19,985
Dividend distributed				-17,882	-17,882
Equity 31/10/2016	35,763	698	197,484	17,882	251,827

CASH FLOW STATEMENT

for the period 1 November to 31 October

tDKK	Note	2015/16	2014/15
Operating profit (EBIT) from continuing operations		28,137	24,228
Operating loss (EBIT) from discontinuing operations		-3,422	-2,121
Operating profit (EBIT)		24,715	22,107
Loss from sale of property, plant and equipment		-42	-257
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		9,599	8,444
Change in inventories		-5,771	-5,196
Change in receivables		-7,707	20,841
Change in non-current other debt		-3,849	3,849
Change in current liabilities		15,213	-4,284
Cash flows from primary operations		32,158	45,504
Financial payments received		763	1,958
Financial costs paid		-56	-36
Corporation tax paid		-4,696	-24,209
Cash flows from operating activities		28,169	23,217
Investments in intangible assets		-2,955	-2,448
Purchases of securities		-63,308	-49,252
Disposals of securities		31,499	0
Purchases of property, plant and equipment		-3,997	-15,675
Disposals of property, plant and equipment		42	314
Cash flows from investments		-38,719	-67,061
Dividend paid		-17,882	-21,458
Cash flows from financing		-17,882	-21,458
Change in cash and cash equivalents		-28,432	-65,302
Cash and cash equivalents at the start of the year		55,639	120,941
Cash and cash equivalents at the end of the year		27,207	55,639

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NOTES

1 Accounting policies applied

Roblon A/S is a limited company domiciled in Denmark. The 2015/16 annual report for Roblon A/S has been presented in accordance with International Financial Reporting Standards, which have been approved by the EU, and additional Danish disclosure requirements on annual reports for listed companies, c.f. disclosure requirements on annual reports for listed companies from Nasdaq Copenhagen A/S and the IFRS Executive Order issued pursuant to the Danish Financial Statements Act.

The company's financial statements are presented in Danish kroner (DKK), which is the company's functional currency.

The annual report is presented on the basis of historical cost prices, except for accounting items which IFRS requires to be measured at fair value. The accounting policies applied are used consistently through the financial year and for comparative figures.

The accounting policies applied are described in full in Note 33.

On 20 December 2016 the Board of Directors and Executive Management discussed and adopted the annual report for 2015/16 for Roblon A/S. The annual report will be submitted to Roblon A/S' shareholders for adoption at the ordinary Annual General Meeting on 26 January 2017.

The effect of accounting standards

IASB has issued a number of new standards and amendments to existing standards and interpretations that have not yet come into force, but will come into force during 2016/17 or later. New and amended standards will be implemented on the date of entry into force.

Management believes that application of the amended standards and interpretations will not have any significant impact on the annual report for the coming financial year, but the Management's analysis of the effect of implementing IFRS 15: Revenue from Contracts with Customers and IFRS 16 – Leases is not yet complete.

Significant accounting judgements

During preparation of the financial statements, the Management makes a number of accounting judgements, which provide the basis for the presentation, recognition and measurement of the company's assets and liabilities. The most significant accounting judgements are described in Note 2.

2 Uncertainty and estimates

When using the company's accounting policies as described in Note 33, it is necessary for the Management to make judgements and estimates, and to establish prerequisites for the carrying amount of assets and liabilities, which cannot be directly deduced from other sources.

Many accounting items cannot be measured with certainty, but can only be estimated. Such estimates include judgements on the basis of the latest information available at the time of preparing the financial statements. The estimates made and the underlying

prerequisites are reviewed on an ongoing basis. Changes to the accounting estimates are recognised in the accounting period in which the change takes place, and in future accounting periods in which the change takes place and subsequent accounting periods.

Significant accounting estimates

In connection with the practical use of the accounting policies described, the Management makes significant accounting estimates and judgements which can have a considerable impact on the assets and liabilities in the annual report on the balance sheet date. The Management bases its estimates on historical experience and a number of other prerequisites which are judged to be reasonable in the specific circumstances. The result of this provides the basis for the reported carrying amounts of assets and liabilities, and for the reported income and costs, which are not directly apparent from other documentation material. The profit actually realised may deviate from these estimates recognised on the balance sheet date. The following accounting estimates are judged to be significant for the financial statements.

Development projects

Development costs are only capitalised once the technical and commercial feasibility of the projects has been established. Completed and ongoing development projects are tested for a write-down requirement on the balance sheet date. Development projects are based on future expectations of customer and market demand.

The expected service life is established in connection with capitalisation of the development costs. Management judges that the write-off period will normally be five years.

The value of the development projects on the balance sheet is DKK 8.7 million as at 31 October 2016 (DKK 8.8 million as at 31 October 2015).

Inventories

The estimated uncertainty relating to inventories concerns write-downs to net realisable value. Inventories are written down in accordance with the company's impairment policy, which includes an assessment of the inventories' turnover rate and potential losses as a result of obsolescence, quality problems and economic trends. The value of inventories on the balance sheet as at 31 October 2016 is DKK 66.9 million, excluding DKK 6.6 million transferred to assets held for sale, compared to DKK 67.7 million the previous year. The total inventory write-down as at 31 October 2016 is DKK 10.5 million, excluding DKK 6.4 million transferred to assets held for sale, compared to DKK 14.2 million as at 31 October 2015.

Receivables

Management estimates the creditworthiness of receivables on the balance sheet date based on an individual judgement of the individual debtors' ability to pay. The company hedges a significant extent of its receivables from sales through documentary credit, other security is provided by a third party or credit insurance. The value of receivables from sales was recognised in the balance sheet as at 31 October 2016 at a figure of DKK 36 million, excluding DKK 2.4 million transferred to assets held for sale, compared to DKK 29.5 million as at 31 October 2015.

NOTES

3 Segment reporting

The company's reporting has been changed with effect from 2015/16 so that three segments in Roblon A/S are reported. Comparative figures for 2014/15 have been revised.

Industrial Fiber: Development, production and sale of fibre cable materials and solutions to Offshore and other industry. Engineering: Development, production and sale of cable machinery, rope-making equipment, twisters and winders. Lighting: Development, production and sale of fibre optic and LED lighting. As of October 2016 the Lighting business segment has been categorised as discontinuing operations and is described in detail in Notes 13 and 22.

tDKK	2015/16	2014/15
Net revenue		
Industrial Fiber	146,999	126,445
Engineering	82,592	76,320
Total	229,591	202,765
Depreciation, amortisation and impairment		
Industrial Fiber	6,137	4,991
Engineering	1,949	1,658
Total	8,086	6,649
Operating profit (EBIT)		
Industrial Fiber	25,559	23,195
Engineering	2,578	1,033
Total	28,137	24,228
Segment assets		
Industrial Fiber	94,262	82,607
Engineering	70,454	61,989
Undistributed items	126,903	127,627
Total	291,619	272,223
Revenue distribution by geographical area:		
Denmark	29,570	4,076
UK	27,902	35,436
Rest of Europe	75,120	77,983
Asia	45,318	40,816
Brazil	33,584	20,459
USA	18,097	23,995
Total	229,591	202,765

The company's property, plant and equipment is only located in Denmark.

The company's net revenue consists primarily of the sale of goods.

Of the company's total revenue, DKK 29.3 million and DKK 26.4 million (2014/15 DKK 17.6 million and DKK 1.9 million) respectively originates from sales to the company's two biggest customers. Sales to these customers thus account for more than 10% of the company's total net revenue. Revenue from these two customers is recognised in the Industrial Fiber segment.

NOTES

4 Cost of raw materials and consumables

tDKK	2015/16	2014/15
Cost of raw materials and consumables	105,276	87,588
Write-down of inventories	3,899	1,927
Reversal of write-down of inventories	-1,645	-467
	107,530	89,048
Materials recognised under other operating income, cf. note 6	0	-130
Total	107,530	88,918

5 Work carried out at own expense and recognised under assets

tDKK	2015/16	2014/15
Work carried out at own expense recognised under intangible assets, cf. Note 15	1,835	1,667
Work carried out at own expense recognised under intangible assets, discontinuing operations	-157	-145
Work carried out at own expense recognised under property, plant and equipment, cf. Note 16	729	3,883
Work carried out at own expense recognised under property, plant and equipment, discontinuing operations	0	0
Total	2,407	5,405

6 Other operating income

tDKK	2015/16	2014/15
Profit from sale of property, plant and equipment	34	523
Recognised in the income statement under staff costs	0	-136
Recognised in the income statement under cost of raw materials and consumables	0	-130
Total	34	257

NOTES

7 Other external costs

tDKK	2015/16	2014/15
External costs incurred	27,749	26,698
Of this, capitalised with respect to external costs incurred	-770	-606
Total	26,979	26,092
Additional information		
Product development costs		
Product development costs incurred at own expense before capitalisation	12,856	9,982
Of this, value of own work is recognised under assets	-1,678	-1,522
Of this, capitalised with respect to external costs incurred	-770	-606
Recognised in the income statement under other external costs and staff costs	10,408	7,854
Fees for auditor elected by the Annual General Meeting		
Statutory audit of the financial statements	212	209
Fees for other assurance engagements	2	7
Tax consultancy services	11	18
Fees for other services	199	235
Total	424	469

8 Staff costs

tDKK	2015/16	2014/15
Board fee for Chairman	250	250
Board fee for Deputy Chairman	120	120
Board fees for other members	400	320
Salaries and pension, Executive Management	3,908	10,755
Wages, salaries and other remuneration	61,888	56,855
Other contribution-based pensions	4,781	4,397
Other social security costs	1,340	1,270
Reimbursement of costs received from public authorities	-694	-906
	71,993	73,061
Wages, salaries and other remuneration recognised under other operating income, cf. Note 6	0	-136
	71,993	72,925
Staff costs, discontinuing operations	-10,693	-10,385
Total	61,300	62,540

In addition to this, cars are available to Executive Management, valued at tDKK 271 (2014/15 – tDKK 663)

The company only has defined contribution pension schemes and makes regular contributions to an independent pension company; Roblon is not exposed to any risk regarding the future development of interest rates, inflation, mortality, disability, etc. in relation to the amount that will eventually be paid to the employee.

Average number of full-time employees incl. discontinuing operations	149	139
Average number of full-time employees excl. discontinuing operations	130	120

NOTES

9 Depreciation, amortisation and impairment

tDKK	2015/16	2014/15
Amortisation, intangible assets	1,839	1,933
Impairment, intangible assets	1,200	616
Depreciation, property, plant and equipment	6,559	5,896
Impairment, property, plant and equipment	0	0
Total	9,598	8,445
Distributed as follows:		
To continuing operations	8,086	6,649
To discontinuing operations	1,512	1,796
Total	9,598	8,445

10 Financial income

tDKK	2015/16	2014/15
Other interest income	114	300
Interest from receivables	12	36
Dividend	1,382	37
Interest from bonds	422	422
Interest income and dividend	1,930	795
Profit on securities – reclassified from other comprehensive income	237	0
Exchange rate gain and adjustment (net)	0	1,127
Recognised in the income statement	2,167	1,922

11 Financial costs

tDKK	2015/16	2014/15
Other interest costs	55	0
Loss on securities – reclassified from other comprehensive income	258	0
Exchange rate loss and adjustment (net)	1,167	0
Recognised in the income statement	1,480	0

NOTES

12 Tax on profit for the year

tDKK	2015/16	2014/15
Tax for the year can be divided as follows:		
Tax on loss for the year from continuing operations	6,192	6,146
Tax on loss for the year from discontinuing operations	-753	-499
Tax on other comprehensive income	6	-7
Tax on profit for the year	5,445	5,640
Tax on profit for the year from continuing operations is presented as follows:		
Current tax	6,608	5,465
Deferred tax	-267	681
Adjustment of tax for previous years	-149	0
	6,192	6,146
Calculated tax on profit before tax from continuing operations, 22% / 23.5%	6,341	6,146
Tax effect of:		
Effect of changed tax rate in Denmark	0	-1
Non-deductible items	24	14
Increased tax depreciation basis (115%)	-15	-21
Other adjustments	-9	8
Total	6,341	6,146
Effective tax rate (%)	22.0	23.5

Tax on other comprehensive income, tDKK 6 (2014/15 tDKK -7), relates to tax on financial assets available for sale.

NOTES

13 Discontinuing operations

Roblon has prepared a strategy plan for the next five years. The strategy establishes the Roblon Engineering and Roblon Industrial Fiber business segments as Roblon's core business, in which significant market potential has been identified.

The Roblon Lighting business segment will henceforth not be included in the company's core business.

From now on, Roblon Lighting, which has a strong brand within specially designed fibre optic lighting, will be classified as assets held for sale.

On 28 September, Roblon made a decision on a sales plan. This plan will be implemented in cooperation with Handelsbanken and is expected to be completed within the space of a year. Several potential buyers have shown an interest in the business segment.

tDKK	2015/16	2014/15
Income statement, discontinuing operations		
Net revenue	21,983	24,918
Cost of raw materials and consumables	-8,947	-11,250
Gross profit	13,036	13,668
Work carried out at own expense and recognised under assets	157	144
Other operating income	8	0
Other external costs	-4,418	-3,753
Staff costs	-10,693	-10,385
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment	-1,512	-1,795
Operating loss	-3,422	-2,121
Financial income	0	0
Financial costs	0	0
Loss before tax	-3,422	-2,121
Tax on loss for the year	753	499
Loss for the year	-2,669	-1,622
Discontinuing operations have affected the cash flow statement as follows:		
Cash flows from operating activities	2,119	1,328
Cash flows from investing activities	-499	-320
Cash flows from financing activities	0	0
Total	1,620	1,008

NOTES

14 Earnings per share

tDKK	2015/16	2014/15
Profit for the year after tax, continuing operations	22,632	20,004
Loss for the year after tax, discontinuing operations	-2,669	-1,622
Profit for the year after tax, continuing and discontinuing operations	19,963	18,382
Number of class A shares with a nominal value of DKK 200	27,775	27,775
Number of class B shares with a nominal value of DKK 20	1,510,400	1,510,400
Earnings per class A share, continuing operations	126.6	111.9
Earnings per class A share, discontinuing operations	(14.9)	(9.1)
Earnings per class A share, continuing and discontinuing operations	111.6	102.8
Earnings per class B share, continuing operations	12.7	11.2
Earnings per class B share, discontinuing operations	(1.5)	(0.9)
Earnings per class B share, continuing and discontinuing operations	11.2	10.3
The number of shares is not affected by share options or anything else that affects the diluted earnings per share.		
Diluted earnings per class A share, continuing operations	126.6	111.9
Diluted earnings per class A share, discontinuing operations	(14.9)	(9.1)
Diluted earnings per class A share, continuing and discontinuing operations	111.6	102.8
Diluted earnings per class B share, continuing operations	12.7	11.2
Diluted earnings per class B share, discontinuing operations	(1.5)	(0.9)
Diluted earnings per class B share, continuing and discontinuing operations	11.2	10.3

NOTES

15 Intangible assets

tDKK	Completed development projects	Development projects in progress
Cost price 01/11/2015	15,756	3,954
Addition of self-developed assets 2015/16	0	1,835
Other acquisitions 2015/16	0	1,120
Disposals 2015/16	-980	0
Transfers 2015/16	5,061	-5,061
Transferred to assets held for sale	-9,294	0
Cost price 31/10/2016	10,543	1,848
Amortisation and impairment 01/11/2015	10,950	0
Impairment 2015/16	1,200	0
Amortisation for the year	1,839	0
Reversal of disposals	-980	0
Transferred to assets held for sale	-9,294	0
Amortisation and impairment 31/10/2016	3,715	0
Carrying amount 31/10/2016	6,828	1,848
Cost price 01/11/2014	14,881	4,569
Addition of self-developed assets 2014/15	0	1,667
Other acquisitions 2014/15	0	781
Disposals 2014/15	-1,572	-616
Transfers 2014/15	2,447	-2,447
Cost price 31/10/2015	15,756	3,954
Amortisation and impairment 01/11/2014	10,589	0
Impairment 2014/15	0	616
Amortisation for the year	1,933	0
Reversal of disposals	-1,572	-616
Amortisation and impairment 31/10/2015	10,950	0
Carrying amount 31/10/2015	4,806	3,954

Apart from ongoing development projects, all other intangible assets are considered to have determinable useful lives over which they will be amortised, cf. the description of accounting policies applied in Note 33.

Development projects in progress are tested for impairment on an annual basis. The test is based on a discounted capital value of the assets' expected cash flows across the assets' expected service life. The cash flows are based on the management-approved budget and strategic plans, as well as a discount factor of 10% (2014/15: 10%). No need for impairment losses has been identified for the current year.

Completed development projects are tested for impairment in the same way as projects in progress if there are indications of impairment.

In the current year, DKK 1.2 million has been written down for completed development projects. The impairment is distributed as follows:

- DKK 0.1 million for a project in the Industrial Fiber segment; due to the oil crisis and competition, the product is not expected to be able to generate a future cash flow that covers its value. The capital value is negative.
- DKK 0.2 million for a project in the Engineering segment; the product is a minor component part of products for which there are insufficient sales to justify the value. The capital value is DKK 0 million.
- DKK 0.9 million for two projects in the Lighting segment. A project worth DKK 0.1 million where the capital value is calculated at DKK 0 million and a project worth DKK 0.8 million where the capital value is calculated at DKK 0.1 million; based on uncertainty in the valuation, the value will be set at DKK 0 million.

NOTES

16 Property, plant and equipment

tDKK	Land and buildings	Production equipment and machinery	Other fixtures and fittings, operating equipment and inventories	Property, plant and equipment in progress
Cost price 01/11/2015	89,565	94,483	9,398	272
Addition of self-developed assets 2015/16	0	729	0	0
Other acquisitions 2015/16	265	918	720	1,365
Transfers 2015/16	0	364	96	-460
Disposals 2015/16	-185	-269	-824	0
Transferred to assets held for sale	-186	-9,795	-1,327	0
Cost price 31/10/2016	89,459	86,430	8,063	1,177
Depreciation and impairment 01/11/2015	52,794	78,855	8,271	0
For assets disposed of	-185	-269	-824	0
Depreciation for the year	2,694	3,499	367	0
Transferred to assets held for sale	-186	-9,795	-1,327	0
Depreciation and impairment 31/10/2016	55,117	72,290	6,487	0
Carrying amount 31/10/2016	34,342	14,140	1,576	1,177
Cost price 01/11/2014	84,218	81,891	8,326	4,854
Addition of self-developed assets 2014/15	0	3,883	0	0
Other acquisitions 2014/15	3,458	6,989	1,072	272
Transfers 2014/15	2,315	2,539	0	-4,854
Disposals 2014/15	-426	-819	0	0
Cost price 31/10/2015	89,565	94,483	9,398	272
Depreciation and impairment 01/11/2014	50,580	76,595	8,038	0
For assets disposed of	-426	-763	0	0
Depreciation for the year	2,640	3,023	233	0
Depreciation and impairment 31/10/2015	52,794	78,855	8,271	0
Carrying amount 31/10/2015	36,771	15,628	1,127	272

The net profit from the sale of property, plant and equipment amounts to tDKK 34 and is recognised under other operating income. Last year, the amount was tDKK 257

Property, plant and equipment that is fully depreciated but still in use amounts to DKK 99.5 million (2014/15 DKK 99.3 million) recognised at the original acquisition value

NOTES

17 Inventories

tDKK	2016	2015
Cost of raw materials and consumables	43,454	40,746
Work in progress	10,178	11,957
Finished goods	19,842	14,999
Transferred to assets held for sale	-6,582	0
Total	66,892	67,702
Inventory write-downs:		
Write-downs 01/11	14,158	10,289
Write-downs for the year	4,837	4,513
Realised previous years' write-downs	-2,070	-644
Write-downs 31/10	16,925	14,158
Write-downs, assets held for sale	-6,445	0
Write-downs, continuing operations 31/10	10,480	14,158

18 Receivables from sales

tDKK	2016	2015
Receivables from sales, continuing and discontinuing operations	38,452	29,542
Transferred to assets held for sale	-2,429	0
Receivables from sales, continuing operations	36,023	29,542

Of the total receivables from sales, tDKK 20,535 is hedged by documentary credit; other security is provided by a third party or credit insured (tDKK 12,336 in 2014/15).

Receivables are written down if their value, based on an individual assessment of the individual debtors' ability to pay, has been impaired, e.g. in the event of an administration order, bankruptcy or similar. Write-downs are to the calculated net realisable value.

Receivables are written down via the loss provision account, and provisions for losses are regarded as realised when it is no longer considered probable that further payments will be received for the debt.

Provisions 01/11	426	481
Reversed provisions	-86	-27
Loss recorded for the year	0	-28
Provisions for the year to cover losses	152	0
Transferred to assets held for sale	-149	0
Provisions account 31/10	343	426

NOTES

19 Corporation tax

tDKK	2016	2015
Receivable/payable 01/11	8,901	-10,349
Corporation tax paid for previous year	1,422	11,568
	10,323	1,219
Adjustment of tax for previous year(s)	149	0
Current tax	-5,861	-4,959
Tax paid on account for 2015/16	3,275	12,641
Receivable/payable 31/10	7,886	8,901

20 Current securities

The item consists of listed corporate bonds and share portfolios that are measured at fair value in the form of the market price on the balance sheet date. Current securities concern financial assets available for sale.

tDKK	2016	2015
Cost price 01/11	59,099	9,847
Acquisitions during the year	63,308	49,252
Disposals during the year	-31,520	0
Cost price 31/10	90,887	59,099
Value adjustment 01/11	898	926
Fair value adjustments during the year	199	-28
Fair value adjustments reclassified as financial income	-171	
Value adjustment 31/10	926	898
Carrying amount 31/10	91,813	59,997
The following additional information is available for the bonds:		
Average term in (years)	2.4	2.4
Average effective interest rate	1.6	1.5
The bonds mature within the following periods after the balance sheet date:		
Less than one year		
Between one and two years	39,191	28,690
Between two and three years	24,512	15,047
Between three and four years	4,156	2,544
Between four and five years	2,052	0
After five years	10,715	6,387
Total	80,626	52,668
Total shares	11,187	7,329
Total current securities	91,813	59,997

NOTES

21 Cash and cash equivalents

tDKK	2016	2015
Cash and bank balances	27,207	55,639

22 Net assets held for sale

tDKK	2016
Assets held for sale as at 31 October can be itemised as follows:	
Intangible assets	0
Property, plant and equipment	0
Inventories	6,582
Receivables	2,429
Cash and cash equivalents	0
Assets held for sale	9,011
Other provisions	550
Trade payables	934
Other debt	1,803
Liabilities held for sale	3,287
Net assets held for sale	5,724

The Lighting operations are presented as discontinuing operations, cf. Note 13

These operations did not meet the conditions for classification as assets held for sale as at 31 October 2015. There were no assets held for sale as at 31 October 2015.

There are no accumulated income and costs recognised in other comprehensive income related to assets held for sale.

23 Share capital

tDKK	Number of shares		Nominal value, DKK 1,000	
	2016	2015	2016	2015
Class A shares, nominal value DKK 200	27,775	27,775	5,555	5,555
Class B shares, nominal value DKK 20	1,510,400	1,510,400	30,208	30,208
Total			35,763	35,763

Each class A share worth DKK 200 gives 100 votes

Each class B share worth DKK 20 gives one vote

NOTES

23 Share capital (continued)

After the share split on 25 March 2013, the B share changed from a nominal value of DKK 100 to DKK 20 per share to increase the liquidity of the share.

The share capital is fully paid up.

The A shares are not listed shares.

The B shares are listed shares. If a dividend is declared, the class B shareholders are entitled to an advance dividend of 8% of the nominal value of their shares.

Any additional dividend then falls to the class A shareholders until they have received a dividend of 8% of the nominal value of their shares; any excess dividend will then be distributed equally in proportion to all shares regardless of the share class.

24 Other reserves

tDKK	2016	2015
Other reserves 01/11	676	697
Fair value adjustments during the year	199	-28
Fair value adjustments reclassified as financial income	-171	0
Tax on other comprehensive income	-6	7
Other reserves 31/10	698	676

Other reserves refers to the value adjustment of financial assets available for sale and includes the accumulated net change in the fair value of financial assets after tax classified as financial assets available for sale. The reserve is dissolved as the relevant financial assets are sold or expire.

25 Deferred tax

tDKK	2016	2015
Deferred tax 01/11	4,474	3,793
Deferred tax for the year recognised in profit for the year	-267	681
Deferred tax 31/10	4,207	4,474
The amount allocated for deferred tax concerns:		
Current assets	456	557
Intangible assets	1,909	2,059
Property, plant and equipment	2,090	1,924
Non-current liabilities	-248	-66
Total	4,207	4,474

No significant liabilities have been identified concerning deferred tax for assets held for sale.

NOTES

26 Other provisions

tDKK	2016	2015
Other provisions 01/11	300	177
Acquisitions in 2015/16	1,125	300
Reversed in 2015/16	-300	-177
Transferred to liabilities associated with assets held for sale	-550	0
Other provisions 31/10	575	300

Other provisions consist of warranty obligations that are expected to be used within one year.

Warranty obligations concern sold goods supplied with a warranty/guarantee. The amounts set aside are based on specific assessments of the remedial costs

27 Financial risks

tDKK	2016	2015
Specification of financial assets and liabilities		
Receivables from sales	36,023	29,542
Other receivables	1,555	2,605
Cash and cash equivalents	27,207	55,639
Receivables associated with assets held for sale	2,429	0
Total loans and receivables	67,214	87,786
Current securities	91,813	59,997
Financial assets available for sale	91,813	59,997
Suppliers of goods and services	22,256	13,759
Other debt	18,478	19,173
Suppliers of goods and services associated with assets held for sale	934	0
Other debt associated with assets held for sale	1,803	0
Financial liabilities measured at amortised cost price	43,471	32,932

As a result of its operation and investments, the company is exposed to a number of financial risks, including market risks (currency and interest rate risks) and credit risks.

The company's liquidity reserve consists of cash and cash equivalents, current securities and unutilised credit facilities.

Roblon's policy is to operate with a low risk profile so that currency, interest rate and credit risks only arise in connection with commercial conditions. The company's policy is not to engage in active speculation in financial risks.

Relevant conditions regarding the company's risk management are described in the following section. There are no significant changes to the company's risk exposure or risk management compared to 2014/15.

NOTES

27 Financial risks (continued)

Currency risks

The company's foreign currency exchange risks are primarily hedged by balancing payments received and made in the same currency. The adjustment is made based on daily checks of foreign exchange reserves in relation to knowledge of order volumes and purchases.

The company's foreign exchange positions as at 31/10/2016 recognised in DKK:

DKK	Receivables/ cash and cash equivalents	Liabilities	Net position
Currency			
EUR	39,165	-15,144	24,021
USD	1,683	-772	911
GBP	2,297	-17	2,280
Other	2	-4	-2
Total	43,147	-15,937	27,210

A fall of 10% in the USD/GBP exchange rates on the balance sheet date will result in a loss of approx. DKK 0.3 million (2014/15 DKK 0.5 million).

A corresponding increase will result in a profit of DKK 0.3 million (2014/15: DKK 0.5 million).

The company's foreign exchange positions as at 31 October 2015 calculated in DKK:

DKK	Receivables/ cash and cash equivalents	Liabilities	Net position
Currency			
EUR	44,288	-5,656	38,632
USD	1,260	-180	1,080
GBP	4,633	-212	4,421
Other	0	-25	-25
Total	50,181	-6,073	44,108

The company's receivables from sales and trade payables are normally due no later than three months after delivery.

Interest rate risks:

Over the years the company has built up a liquidity surplus and has not been dependent on debt financing.

The surplus liquidity is classified as cash in banks, listed bonds and shares. The bonds have an average term of 2.4 (2014/15: 2.4) used as a basis for the below calculation of the interest rate's impact on equity.

A rise in the market interest rate of one percentage point p.a. in relation to the interest rate on the balance sheet date will have a negative impact of DKK 1.9 million before tax on the company's equity related to losses on bond holdings (2014/15: DKK 1.3 million). A corresponding fall in the market interest rate would have a correspondingly positive effect of DKK 1.9 million.

A rise in the market interest rate of one percentage point p.a. in relation to the interest rate on the balance sheet date will have a positive impact of DKK 0.3 million (2014/15 0.6 million) before tax on the company's profit and equity related to interest gain on cash and cash equivalents. A corresponding fall in the market interest rate would have a correspondingly negative effect of DKK 0.3 million.

NOTES

27 Financial risks (continued)

Liquidity risks:

The company ensures sufficient cash resources through a combination of cash management, investment in current securities and the establishment of credit facilities.

To limit the company's counterparty risks, deposits are only made with well-regarded banks and invested in a portfolio of current securities with high security and liquidity.

The liquidity reserve in the company consists of the following:

tDKK	2016	2015
Current securities available for sale	91,813	59,997
Cash and cash equivalents	27,207	55,639
Unutilised credit facilities	10,000	2,000
Total	129,020	117,636

The due dates for the financial liabilities are specified below, divided into temporal intervals.

tDKK	Less than one year	After five years	Total
Suppliers of goods and services	22,256	0	22,256
Other debt	18,478	0	18,478
Suppliers of goods and services associated with assets held for sale	934	0	934
Other debt associated with assets held for sale	1,803	0	1,803
Total	43,471	0	43,471

Credit risks:

The primary credit risk in the company relates to receivables from the sale of goods and services. The company is not exposed to any significant risks in terms of an individual customer or business partner. The company's policy for assuming credit risks means that all larger customers and business partners undergo a credit rate check. Receivables are partially credit insured and a significant portion of the company's receivables are hedged using another form of security.

Historically speaking, the company has had relatively few bad debts and the risk of a significant loss on all receivables is considered to be limited. Please also refer to Note 18, Receivables from sales.

Overdue but not impaired receivables are distributed as follows:

	31.10.16	31.10.15
Overdue by up to one month	6,385	2,428
Overdue by between one and three months	1,555	897
Overdue by between three and six months	465	193
Overdue by more than six months	114	614
Total	8,519	4,132

The maximum credit risk linked to receivables is equivalent to their carrying amounts.

NOTES

27 Financial risks (continued)

Optimisation of capital structure:

Management continuously assesses whether the company's capital structure complies with the interests of the company and its shareholders. The overall goal is to ensure a capital structure that supports long-term financial growth and at the same time maximises the return for the company's stakeholders. The company's overall strategy is unchanged compared to last year.

The company's capital structure consists of financial assets available for sale, liquid funds and equity, including share capital, other reserves and retained earnings.

The company has a high level of equity and good capital resources, which are considered to be a significant strength with regard to any future activity expansions. With the current ownership structure, the company has no immediate plans to merge the two share classes, which would be considered an obstacle to acquiring capital on the stock exchange. This situation means that there is a need for more capital resources than would normally be the case.

28 Rental and leasing commitments

An operating lease for company vehicles and a tenancy agreement for a warehouse have been entered into covering 2016–2018.

The total minimum payment for the non-cancellable lease and the tenancy agreement is broken down as follows:

	31.10.16	31.10.15
Within one year of the balance sheet date	225	201
Between one and five years from the balance sheet date	241	88
Total	466	289
Lease payments recognised in profit for the year	137	167

29 Contingent liabilities

Bank guarantees have been issued to a value of tDKK 266 (previous year tDKK 614) as security for prepayments received.

The company is part of a Danish joint taxation arrangement with ES Holding Frederikshavn ApS as the management company.

In accordance with the Danish Corporation Tax Act's rules on this, the company is therefore liable to pay income tax etc. for the jointly taxed companies, and from and including 1 July 2012 it will also be liable to deduct tax at source on interest, royalties and dividends for the jointly taxed companies.

NOTES

30 Related parties

Transactions between related parties.

Roblon's related parties with a significant influence include the company's Board of Directors, Executive Management and senior employees, as well as their closest family members. Related parties also include major shareholders with a controlling interest in the company.

Board of Directors and Executive Management

Management remuneration is discussed in Note 8.

Shareholders with controlling interest in the company

ES Holding Frederikshavn ApS, Bøgevej 11, DK-8370 Hadsten, owns the class A shares in Roblon A/S and holds the controlling interest in the company.

There have been no transactions with ES Holding Frederikshavn ApS other than joint taxation contributions and dividends to parent company ES Holding Frederikshavn ApS.

Besides what is stated above, during the year there were no transactions between Roblon and the Board of Directors, Executive Management, senior employees, major shareholders or other related parties.

31 Shareholder relations

Roblon A/S has registered the following shareholders with more than 5% of the share capital's voting rights or nominal value:

	Ownership interest %		Voting share %	
	2016	2015	2016	2015
ES Holding Frederikshavn ApS Bøgevej 11, DK-8370 Hadsten	25.1	25.1	68.8	68.8
FMS InvesteringsRådgivning A/S Østergade 27b, DK-7400 Herning	6.9	6.9	2.9	2.9
Fundamental Invest Falkoner Allé 53, Floor 3, DK-2000 Frederiksberg	5.3	5.3	2.2	2.2

Roblon A/S is included in the consolidated financial statements for ES Holding Frederikshavn ApS. The financial statements are publicly available from the Danish Business Authority (www.cvr.dk).

32 Events after the balance sheet date

No significant events of relevance to the annual report have occurred since the balance sheet date of 31 October 2016.

NOTES

33 Accounting policies applied

In addition to the description in Note 1, the accounting policies applied are described below.

General information about recognition and measurement

Assets are recognised in the balance sheet when it is probable that future economic benefits will accrue to the company and the value of the assets can be measured reliably.

Liabilities are recognised in the balance sheet where, as a result of a previous event, the company has a legal or actual liability and it is probable that future economic benefits will be removed from the company, and the value of the liability can be measured reliably.

When they are initially recognised, assets and liabilities are measured at cost price. Assets and liabilities are subsequently measured as described for each accounting item below.

Recognition and measurement takes account of gains, losses and risks that occur before the annual report is presented and which confirm or deny conditions that exist on the balance sheet date.

Income is recognised in the income statement as it is earned, including recognition of value adjustments for financial assets and liabilities, which are measured at fair value or amortised cost price. Also recognised are costs occurred to achieve earnings for the year, including write-offs, write-downs and provisions as well as reversals as a result of changed accounting estimates of amounts previously recognised in the income statement.

Conversion of foreign currency

Transactions in foreign currency are converted at the rate on the transaction date when they are initially recognised. Currency differences that occur between the rate on the transaction date and the rate on the payment date are recognised in the income statement as financial items.

Receivables, debt and other monetary items in foreign currency are converted at the exchange rate on the balance sheet date. The difference between the rate on the balance sheet date and the rate at the time the receivable or debt was incurred or recognised in the most recent financial statements is recognised in the income statement under financial income and costs.

Discontinuing operations and non-current assets held for sale

Discontinuing operations are significant business areas that are sold or held for sale in accordance with an overall plan.

The profit/loss from discontinuing operations is presented in the income statement as a separate item consisting of the operating profit/loss after tax for the relevant activity and any profit or loss on fair value adjustment or sale of the assets and liabilities associated with the activity.

Non-current assets and groups of assets held for sale are presented separately on the balance sheet as current assets. Li-

abilities directly linked to the assets in question are recognised as current liabilities on the balance sheet.

Non-current assets held for sale are not depreciated, but written down to fair value less expected sales costs if this value is lower than the carrying amount.

Segment reporting

The segment information has been prepared in accordance with the company's accounting policies and follows the company's internal management reporting procedure.

Segment income and costs, as well as segment assets, encompass those items that can be directly attributed to the individual segment and those items that can be reliably distributed to the individual segments.

Non-distributed items primarily concern assets and liabilities as well as financial income/costs and tax.

Non-current assets in the segments encompass those assets used directly in the segment's operations, including intangible assets and property, plant and equipment.

Current assets in the segments encompass those assets that are directly linked to operations in the segment, including inventories and receivables from the sale of goods and services.

Transactions between the segments are priced at the assessed market values.

INCOME STATEMENT

Net revenue

Net revenue from the sale of goods for resale and manufactured goods is recognised in the income statement when delivery and the transfer of risk to the purchaser have taken place.

Cost of raw materials and consumables

The costs consist of raw materials and consumables that are used in the manufacturing production process in order to achieve revenue. Raw materials and consumables used in development projects recognised as assets are offset in the item.

Other external costs

Other external costs consist of expenses in connection with production, sales, procurement and development as well as costs in connection with company administration. Other external costs used in development projects recognised as assets are offset in the item.

Staff costs

Staff costs consist of costs for production personnel as well as sales, procurement, development and administration. Staff costs used in development projects recognised as assets are offset in the item.

Financial income and costs

Financial income and costs include interest income and costs, realised and unrealised capital gains and losses on securities and transactions in foreign currency, as well as extra payments and refunds under the Danish Tax Prepayment Scheme.

The interest accrued on purchases and sales is recognised as interest rates.

Tax

The tax for the year, which consists of current taxes and changes in deferred taxes, is recognised under profit/loss as the portion attributable to the profit/loss for the year and in other comprehensive income as the portion attributable to items in other comprehensive income.

When calculating the current tax for the year, the applicable tax rates and tax rules in force on the balance sheet date are used.

The company is jointly taxed with the parent company. The current Danish corporate tax is split between the jointly taxed companies on a pro rata basis in relation to their taxable incomes (full split with refund for tax losses).

BALANCE SHEET

Intangible assets

Intangible assets are measured at cost price with deduction of accumulated amortisation and write-downs or recoverable value, if this is lower.

Development projects include costs and salaries that are directly attributable to the company's development activities. Any interest expenses on loans for financing of development projects are recognised in the cost price if they relate to the period of development.

Development projects that are clearly defined and identifiable, where the technical utilisation ratio, sufficient resources and potential future market or development opportunity in the company can be affected, and where the intention is to manufacture, market or use the project, are recognised as intangible assets if it is probable that the product or process will generate future financial benefits, and the development costs for the individual assets can be measured reliably. The portion of the company's development costs that do not meet the above criteria for capitalisation are recognised in the income statement in the year they are paid.

Completed development projects are written off on a straight-line basis in accordance with completion of development work over the estimated financial lifetime. The write-off period is set at five years for the capitalised projects.

Development projects are tested for impairment on an annual basis.

Property, plant and equipment

Land and buildings, production equipment and machinery as well as other fixtures and fittings, operating equipment and inventories are measured at cost price less accumulated depreciation and write-downs. There is no depreciation in respect of land.

The cost price includes the purchase price and all costs directly linked to the acquisition up until the point where the asset is ready for use. For assets manufactured by the company itself, the cost price covers direct and indirect costs for materials, components, subcontractors and wages. Any interest expenses on loans for financing the manufacture of property, plant and equipment are recognised in the cost price if they relate to the period of production.

Property, plant and equipment are written down to the recoverable value if this is lower than the carrying amount.

The basis of depreciation is the asset's cost price less the residual value. Depreciation values are calculated on a straight-line basis over the expected lifetime which is as follows:

Buildings	25 years
Significant modifications to buildings	5 years
Production equipment and machinery	3–10 years
Other fixtures and fittings, operating equipment and inventories	3–5 years

Profit and loss with the sale of property, plant and equipment is calculated as the difference between the sales price less sales costs and the carrying amount at the time of sale. Profit or loss is recognised in the income statement under other operating income and operating costs.

Impairment of intangible assets and property, plant and equipment

The carrying amount of non-current intangible assets and property, plant and equipment is assessed regularly, at least once a year, to determine whether there are indications of impairment. If such an indication is evident, the asset's recoverable value is calculated. The recoverable value is an asset's fair value less the expected costs of disposal or the capital value, whichever is the higher. The capital value is calculated as the current value of expected future cash flows from the asset or the cash flow-generating units of which the asset is part.

Development projects are tested for impairment on an annual basis, regardless of whether there are any indications for this.

A loss from impairment is recognised when the carrying amount of an asset or a cash flow-generating unit exceeds the recoverable value of the asset or of the cash flow-generating unit.

Inventories

Inventories are measured at cost price in accordance with the FIFO method. If the net realisation value is lower than the cost price, it is written down to the lower value.

The cost price for raw materials and consumables includes the acquisition price plus delivery costs.

The cost price for manufactured finished goods and work in progress includes the cost price for raw materials, consumables, direct wages and indirect production costs. Indirect production costs comprise indirect materials and wages as well as maintenance and depreciation of the machinery, factory buildings and equipment used in the manufacturing production process.

The net realisation value for inventories is calculated as the sales amount less costs of completion and costs occurred in order to execute the sale and are determined taking account of marketability, obsolescence and trends in the expected sales price.

Receivables

Receivables include receivables from the sale of goods and services as well as other receivables.

Receivables are measured at fair value when they are initially recognised and subsequently at amortised cost price, which usually amounts to the nominal value less write-downs to meet the expected loss. Write-down is carried out using a provisions account.

Current securities

Current securities concern financial assets available for sale and include listed bonds and shares.

Items are measured at fair value on the settlement date plus attributable costs upon purchase when they are initially recognised. The assets are subsequently measured at fair value on the balance sheet date (equivalent to the market price) and changes to the fair value are recognised in other comprehensive income. When assets are sold or disposed of, the previous year's adjustments are reversed via the income statement.

Other provisions

Provisions are recognised where, as a result of a previous event, the company has a legal or actual liability on or before the balance sheet date and it is probable that future economic benefits will need to be surrendered in order to discharge this liability.

Operating leases

Leasing services relating to operational lease agreements are recognised on a straight-line basis in profits over the lease period.

Liabilities

Current liabilities, which include debt to suppliers and other debt, are measured at amortised cost price, which normally corresponds to nominal value.

Corporation tax

Current tax liabilities and current tax receivables are recognised in the balance sheet as estimated tax on the income for the year, adjusted for tax paid on account.

The company is jointly taxed with ES Holding Frederikshavn ApS.

Deferred tax

Deferred taxes are measured in accordance with the balance sheet liability method for all temporary differences between carrying and taxable values of assets and liabilities.

Deferred tax assets are recognised at the value at which they are expected to be used to offset deferred tax liabilities. Deferred taxes are measured on the basis of the tax rules and rates applicable under legislation on the balance sheet date, when the deferred tax is expected to be redeemed as current tax. Changes in deferred taxes as a result of changes in tax rates are recognised under profit/loss as the portion attributable to the profit/loss and under other comprehensive income as the portion attributable to items under other comprehensive income.

Cash flow statement

The cash flow statement is compiled in accordance with the indirect method taking its starting point in the interim result in the income statement under "Operating profit". The cash flows show how the three activities below have affected the liquidity for the year.

The cash flows from operating activities include operating profit adjusted for non-cash operating items, changes in operating capital during the year and corporation tax paid.

The cash flows from investing activities include cash flows from purchases and sales of intangible assets, property, plant and equipment and financial assets.

The cash flows from financing activities include cash flows from dividends to shareholders and purchases and sales of own shareholdings and subscription to employee shares.

Cash and cash equivalents include cash and bank balances.

KEY FIGURES

The key figures have been prepared in accordance with the "Recommendations & Ratios 2015" issued by the Danish Association of Financial Analysts.

The financial highlights listed in the chart are calculated as follows:

Gross profit	Net revenue less cost of raw materials and consumables
Gross margin	Net revenue minus cost of raw materials and consumables, as a ratio of net revenue
Net profit margin	Operating profit as a ratio of net revenue.
ROIC/return on average invested capital	Operating profit (EBIT) as a ratio of average invested capital. Invested capital includes equity and corporation tax less cash and cash equivalents and bonds.
Equity/assets ratio	Equity as a ratio of total assets, end of period.
Return on equity	Profit after tax as a ratio of average equity.
Gross profit per full-time employee	$\frac{\text{Net revenue minus cost of raw materials and consumables}}{\text{Average no. of full-time employees}}$
Earnings per DKK 20 share (EPS)	Profit after tax in relation to average number of shares (excl. own shares), listed in accordance with IAS 33.
Price/earnings ratio (PE)	Market price in relation to earnings per DKK 20 share.
Payout ratio	Total payout as percentage of ordinary profit after tax.
Cash flow per DKK 20 share	Cash flow from operating activities as a ratio of average number of shares (excluding own shares).
Intrinsic value of shares	Equity as a ratio of number of shares end of period (excluding own shares).
Market price/Intrinsic value	$\frac{\text{Market price listed end of period}}{\text{Intrinsic value of shares}}$
The company's market value	Number of shares multiplied by the market price recorded at end of period



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