

Expected divestment of Roblon's US subsidiary and upgraded full-year 2024/25 guidance for continuing operations

On 2 June 2025, Roblon signed a declaration of intent regarding the divestment of the Group's US subsidiary. The expected sale will result in the recognition of a loss of approx. DKKm 31 in the consolidated financial statements, as detailed below.

Management's full-year 2024/25 guidance for continuing operations is upgraded on the back of realised performance for the first half and order book for execution in the second half of 2024/25.

Expected divestment of Roblon's US subsidiary

In Company Announcement no. 7 of 16 September 2024, Management announced the initiation of a process to divest Roblon's US subsidiary, Roblon US Inc. The decision to divest the subsidiary was made as a result of a significant deterioration of demand and the competitive situation over an extended period of time.

The Company initiated a structured divestment process in the autumn of 2024 and in December received indicative offers for the US subsidiary. Consequently, in January and February 2025, a due diligence was conducted of the subsidiary and meetings were held with qualified potential acquirers. This process did not produce any satisfactory offers for the subsidiary, however. In Company Announcement no. 4 dated 27 February 2025, Roblon therefore announced that the expected closing date of the ongoing divestment process was postponed to end-July 2025.

In the spring of 2025, Management engaged in a dialogue with the US subsidiary's management and subsequently initiated a process to explore the possibilities of a management buyout. As it has not been possible in the short term to find a capital partner willing to participate in a management buyout, Roblon A/S has signed a declaration of intent with two executive officers of Roblon US Inc., Vice President of Sales Jamey Little and Finance Manager Melissa Curtis, on their acquisition of Roblon US Inc. on the following principal terms:

- Roblon A/S will sell Roblon US Inc. for a cash price of USD 1. Roblon A/S will, however, keep one share in the company, which will confer special rights, but no significant ownership interest in Roblon US Inc., to Roblon A/S;
- As part of the agreement Roblon A/S will contribute USDm 1.172 (approx. DKKm 7.7) in Roblon US Inc. at the closing date;
- Roblon A/S' total receivable from Roblon US Inc. of approx. USDm 12.5 (approx. DKKm 88) will be written down to USDm 5.172 (approx. DKKm 34) at the closing date; and
 - the USDm 5.172 receivable will carry interest at 5% p.a., payable quarterly
 - the receivable will be repaid over ten years, starting 36 months after the closing date
- Roblon A/S and the acquirer of Roblon US Inc. will sign a shareholder agreement providing Roblon A/S with certain protections and the right to 50% of distributed dividends and/or proceeds from any sale of Roblon US Inc. for the first 13 years after the closing date. The following two years after that, Roblon A/S' share will be reduced to first 25% and then 15%, and the parties have agreed on an option for the acquirer to take over Roblon's one share in the company;

- if Roblon US Inc. is sold within 36 months of the closing date, Roblon US Inc.'s debt to Roblon A/S will fall due for payment, and Roblon A/S will receive 60% of the sales proceeds.

The closing date of the divestment is expected to be within one to two months.

For a transitional period, Roblon A/S will continue to provide IT, technical and administrative services to Roblon US Inc. subject to payment of a fee.

The acquirers of Roblon US Inc., both of whom have more than 5 years' tenure with the company, have a strong fundamental knowledge of the company's activities, the FOC industry and understanding of the customers' requirements through their current positions with the company and years of experience from various roles in companies within the FOC industry. At the closing date, the acquirer will change the company's name.

Following the divestment of the US subsidiary, Roblon's activities will in the coming years focus on the development of products and services for Roblon's primary markets, comprising the EMEA region and selected overseas customers and customer leads. The Group's defined primary market is growing, boosted by the current and future expansion of international digitalisation and energy grid infrastructure.

Financial reporting consequences

The divestment of Roblon's US subsidiary is expected to be completed on the principal terms set out in the declaration of intent signed by Roblon A/S and the acquirers of Roblon US Inc. on 2 June 2025. The Company will consequently recognise the nominal value of the loan of USDm 5.172 (approx. DKKm 34) in the balance sheet and write down the receivable based on the expected credit loss (ECL) model. The risk of loss in accordance with the ECL model is currently assessed to be low, and there is no indication of significant impairment of the loan value.

Assessments of Roblon US Inc.'s future earnings capacity and cash flows indicate a valuation on a debt-free basis of around DKKm 0-15. Based on the uncertainties as to the timing and amount of any future dividend payments and/or proceeds from a potential sale of Roblon US Inc. after the closing date, the value of the special rights attached to Roblon's one share in Roblon US Inc. is recognised in Roblon's balance sheet at DKKm 0.

An expected sale on the principal terms set out in the declaration of intent between the parties will result in the recognition of a loss of around DKKm 31 on the divestment in the consolidated financial statements. The amount will be reported under profit/loss from discontinued operations. In the parent company financial statements, a loss of around DKKm 73 will be reported under special items. Under Roblon's accounting policies, the profit/loss of the subsidiary is not recognised in the parent company financial statements, which is the main reason for the difference compared with the loss recognised in the consolidated financial statements.

At present, the Group has not drawn on its credit facilities with its bank totalling DKKm 84. In connection with the divestment, Roblon A/S will contribute a cash amount of USDm 1.172, or approx. DKKm 7.7, at the closing date. As mentioned above, an additional expense of DKKm 2.5-4 is expected to be incurred in advisory fees.

Full-year 2024/25 guidance for continuing operations upgraded

Roblon's draft interim financial statements for the first half of 2024/25 show group revenue of DKKm 113 against DKKm 110.6 for the same period last year. Operating profit before depreciation, amortisation and impairment (EBITDA) and before special items for H1 2024/25 was DKKm 26.2 against DKKm 15.1 last year, and operating profit (EBIT) before special items was DKKm 19 against DKKm 6.8 last year.

Consolidated revenue was realised at the lower end of the previously guided range, whereas earnings were realised at the upper end of the previously guided range for the first half of 2024/25. The improved earnings were due to a favourable product mix and realised productivity enhancements resulting from investments in production and ongoing optimisation of operations.

Consolidated financial highlights from the draft interim report for H1 2024/25:

Amounts in DKKm	H1 2024/25	H1 2023/24	FY 2023/24
Revenue	113.0	110.6	245.4
Operating profit/loss before depreciation, amortisation and impairment (EBITDA) and before special items	26.2	15.1	44.9
Operating profit/loss (EBIT) before special items	19.0	6.8	29.3

In the interim financial statements for H1 2024/25, the group has expensed 3,9 DKKm under special items regarding impairment of, among other things, production facilities and intangible product development project as a result of a decision to discontinue production and sales of a product that has been under development and market introduction for the past 1-2 years.

As planned, the Company will release the interim report for the first half of 2024/25 on 18 June 2025.

Based on realised results for the first half of 2024/25 and the current order book at the end of April of approx. DKKm 85, most of which is scheduled for delivery in the second half of 2024/25, Management upgrades its full-year guidance as follows:

- revenue in the range of DKKm 220-250 against the previously guided range of DKKm 210-240
- operating profit before depreciation, amortisation and impairment (EBITDA) and before special items in the range of DKKm 40-50 against the previously guided range of DKKm 30-40
- operating profit (EBIT) before special items in the range of DKKm 26-36 against the previously guided range of DKKm 16-26

As previously guided, special items relating to expenses in connection with the divestment of the subsidiary are expected to be in the range of DKKm 2.5-4. The amount will be reported under profit/loss from discontinued operations.

Frederikshavn, 2 June 2025

Roblon A/S

Mikael Staal Axelsen
Chairman

Kim Müller
CEO

For enquiries regarding this announcement, please contact the press and investor relations officer:
Co-CEO/CFO Carsten Michno, tel. +45 9620 3300