

An aerial photograph of four offshore wind turbines in the ocean. The sky is a mix of blue, orange, and yellow, indicating a sunset or sunrise. The water is dark and reflects the light from the sky. The turbines are spaced out across the horizon, with the largest one in the foreground on the right.

Roblon

Annual report 2021/2022

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Overview

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Roblon at a glance



Highlights

The Roblon Group reports increased revenue and earnings for 2021/22 as expected

Selected financial highlights

- Order intake of DKKm 415.4 (DKKm 301.7).
- Revenue of DKKm 380.9 (DKKm 249.9).
- Gross profit of DKKm 181.2 (DKKm 116.7) and a gross margin of 47.6% (46.7%).
- Operating profit before depreciation, amortisation and impairment and before special items (EBITDA) of DKKm 23.4 (a loss of DKKm 12.6).
- Depreciation, amortisation and impairment of DKKm 27.2 (DKKm 20.3). The increase over the previous year was due to investments in capacity and productivity-enhancing production equipment, particularly in the USA, as well as depreciation amounting to DKKm 3.8 in Vamafil, acquired in 2022.
- Operating loss before special items (EBIT) of DKKm 3.8 (a loss of DKKm 32.9).
- EBIT margin negative at 1.0% (negative at 13.2%).
- Loss before tax of DKKm 1.4 (a loss of DKKm 29.3).
- Return on invested capital (ROIC) before tax negative at 2.0% (negative at 20.1%).
- Earnings per B share negative at DKK 1.3 (negative at DKK 11.6).
- Cash outflow from operations for the year of DKKm 27.0 (an outflow of DKKm 42.3).
- Cash inflow from investments in property, plant and equipment and intangible assets of DKKm 20.5 (DKKm 15.1). The inflow included investments in production capacity in Roblon US and investment in new electricity-based production technology that will reduce the use of fossil fuels (natural gas) in the Group's production.
- Revenue was up 52.4% to DKKm 380.9 (DKKm 249.9) for the full year 2021/22. In the first half, revenue increased by 72.9% to DKKm 178.1 (DKKm 103.0), while in the second half it increased by 38.1% to DKKm 202.8 (DKKm 146.9).
- The Composite product group reported revenue for 2021/22 of DKKm 108.7 (DKKm 42.7), of which DKKm 28.6 (DKKm 0) was derived from Vamafil. The level of activity in offshore oil & gas rose, resulting in a growing order intake for the Group in 2021/22, unlike in 2020/21, when COVID-19 caused orders to be postponed for expected execution at a later date.
- The FOC product group reported revenue of DKKm 272.2 (DKKm 207.2), driven by the expansion of production capacity in Roblon US and favourable market conditions in the USA. However, the Group's sales potential was negatively affected in the second half by Roblon's customers in this part of the business having difficulties in sourcing the components and raw materials required to maintain the expected high and increasing production levels. Also, a few of the Group's customers experienced delays in completing capacity expansions.
- Gross profit and gross margin for the full year 2021/22 were adversely affected by soaring manufacturing costs, which Roblon was not able to fully pass on to selling prices. The higher manufacturing costs were driven by increasing prices of raw materials, components, freight and energy. Conversely, gross profit and gross margin were supported by a favourable product mix and improved profitability in the FOC product group, resulting in a year-on-year increase in gross margin.
- On 3 January 2022, the Group acquired the Czech company Vamafil, spol. s r.o. A preliminary purchase price allocation of DKKm 54.4 has been made.
- In 2021/22, Roblon increased its long-term credit facilities by DKKm 75 and raised a mortgage loan of approximately DKKm 10 to support the acquisition of Vamafil and the Group's growth strategy.
- Working capital was up by 55.6% to DKKm 155.9 (DKKm 100.2) as a result of an increase in receivables due to significantly higher levels of activity and revenue in Q4 2021/22 compared with the previous year. In addition, working capital was affected by higher inventory levels of critical raw

Highlights

As expected, the Group continued to suffer after-effects of the COVID-19 pandemic in 2021/22, mainly in the form of supply shortages of raw materials, logistics challenges and general market impacts. In certain product groups, this resulted in a temporary reduction of profitability and an increase in inventories of critical raw materials.



materials and components and soaring raw materials prices as well as additions from the acquired Czech company, Vamafil.

Based on the reported loss for the year 2021/22, the Board of Directors proposes to the shareholders in general meeting that no dividend be distributed.

Guidance for 2022/23

Management expects an increase in Group revenue and a profit for the 2022/23 financial year. The following significant factors are expected to support this:

- The FOC market is expected to grow from early 2023 and contribute to lifting revenue from the second quarter of the 2022/23 financial year.
- In the US market, Roblon is well-positioned from a central location as one of only a few local suppliers of cable components. The Group has previously implemented a major investment programme and has launched additional initiatives which are expected to be completed in the spring of 2023. This will increase the total production capacity in the USA by more than 50%, and additional improvements are expected in production profitability.
- Management expects substantial improvements in the Composite product group compared to reported 2021/22 levels, particularly in shipments to the offshore oil & gas industry. This prospect is

supported by the larger order book at the beginning of the 2022/23 financial year and the much higher level of business activity.

- The Group expects to achieve profitability improvements in connection with the ongoing relocation and installation of selected parts of the FOC production facilities from Denmark to the recently acquired subsidiary Vamafil in the Czech Republic.

Revenue and earnings guidance for 2022/23:

- Revenue in the range of DKKm 430-470 (DKKm 380.9).
- Operating profit before depreciation, amortisation and impairment and before special items (EBITDA) in the range of DKKm 40-55 (DKKm 23.4).
- Operating profit before special items (EBIT) in the range of DKKm 10-25 (a loss of DKKm 3.8).

Management expects Q1 2022/23 revenue to be challenged due to a revenue shortfall in the FOC product group. Based on the expectations of accumulating growth in the FOC product group over the coming quarterly periods, a positive revenue performance is expected in the subsequent three quarters of the financial year.

Head office building put up for sale

In early 2020, the Group decided to put its head office in Frederikshavn up for sale. While showings have been arranged from time to time for prospective

buyers and the sales process continues, there are currently no specific buyers for the property. After the sale, the Group's Danish activities will be centred at Roblon's facilities in Gærum, which currently house production and various administrative functions. As well as generating positive synergies in the day-to-day operations, this initiative is also expected to have a positive impact on Roblon's results, liquidity and equity going forward.

Forward-looking statements

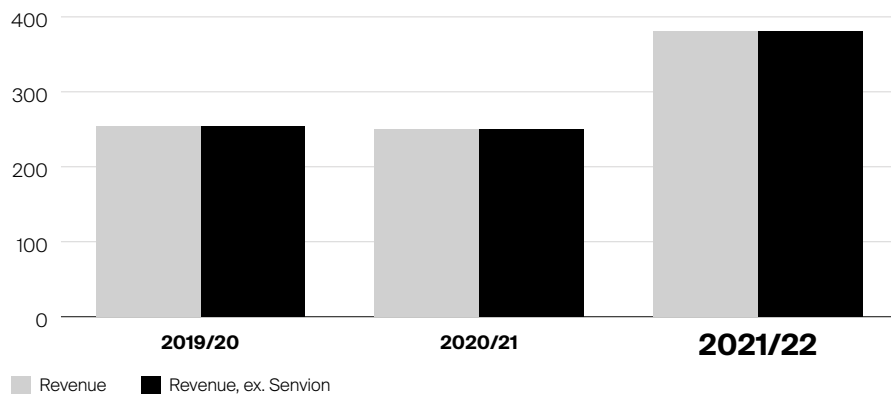
Due to the war in Ukraine, the guidance provided is subject to uncertainty regarding the supply and transport of components and raw materials, energy supply and energy costs. It should also be noted that the guidance is subject to a high degree of uncertainty in the short term due to the aftereffects of the COVID-19 pandemic in many of Roblon's markets.

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

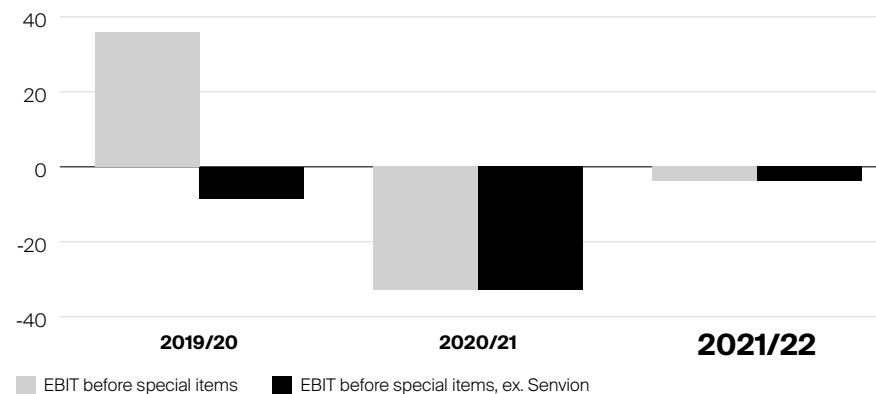




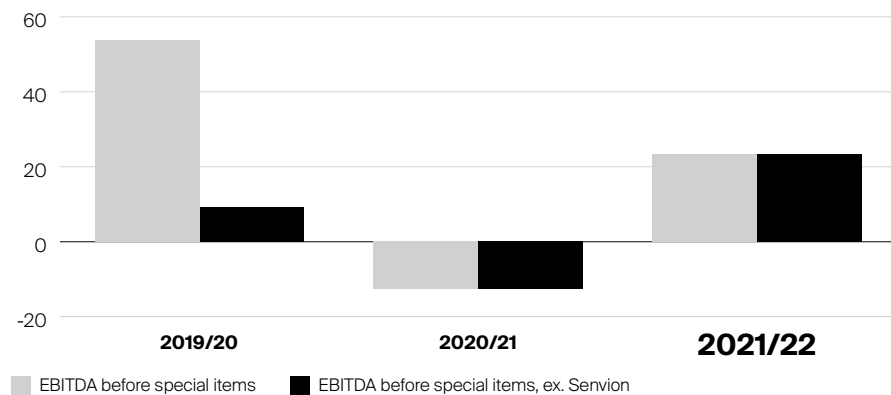
Revenue (DKKm)



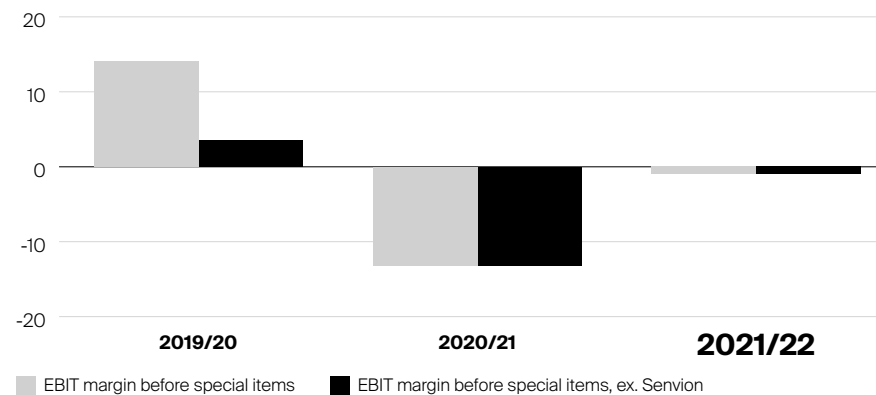
EBIT before special items (DKKm)



EBITDA before special items (DKKm)



EBIT margin before special items (%)





Financial highlights

for the Group

	Unit	2021/22	2020/21	2019/20	2018/19	2017/18
Orders						
Order intake, continuing operations	DKKm	415.4	301.7	242.4	250.8	226.9
Order book, continuing operations	DKKm	111.8	79.7	24.8	35.8	54.7
Income statement						
Revenue, continuing operations	DKKm	380.9	249.9	254.6	267.2	221.8
Revenue, discontinued operations	DKKm	-	-	-	-	27.2
Revenue, total	DKKm	380.9	249.9	254.6	267.2	249.0
Gross profit, continuing operations	DKKm	181.2	116.7	131.1	122.6	108.0
Operating profit/loss before depreciation, amortisation and impairment (EBITDA), continuing operations	DKKm	23.4	-12.6	53.7	-1.7	15.9
Operating profit/loss (EBIT), continuing operations before special items	DKKm	-3.8	-32.9	35.8	-22.4	5.8
Net special items	DKKm	-6.8	-	-	-	-
Net financial items, continuing operations	DKKm	9.3	3.6	-	2.8	3.8
Profit/loss before tax from continuing operations	DKKm	-1.4	-29.3	35.8	-19.7	9.6
Profit/loss before tax from discontinued operations	DKKm	0.7	-	-3.1	-	8.8
Total profit/loss before tax	DKKm	-0.7	-29.3	32.7	-19.7	18.4
Profit/loss for the year from continuing operations	DKKm	-2.3	-20.8	26.5	-14.6	7.7
Profit for the year from discontinued operations	DKKm	0.5	-	-2.5	-	6.9
Total profit/loss for the year	DKKm	-1.8	-20.8	24.0	-14.6	14.5
Consolidated balance sheet						
Cash and securities	DKKm	11.9	45.7	83.4	54.1	122.3
Assets	DKKm	373.1	279.8	284.5	271.6	290.8
Working capital	DKKm	155.9	100.2	73.7	87.2	55.9
Share capital	DKKm	35.8	35.8	35.8	35.8	35.8
Invested capital	DKKm	206.5	167.5	159.5	160.3	131.1
Equity	DKKm	218.8	217.3	238.2	216.0	248.3

	Unit	2021/22	2020/21	2019/20	2018/19	2017/18
Cash flows						
Cash flow from operating activities	DKKm	-27.0	-42.3	65.6	-35.6	37.1
Cash flow from operating activities (ex. Servion)	DKKm	-27.0	-42.3	21.1	-11.8	39.1
Cash flow from investing activities	DKKm	-25.2	21.8	-51.7	38.3	-22.2
Of which investment in marketable securities	DKKm	42.3	36.9	-25.1	61.1	-26.5
Of which investment in property plant and equipment	DKKm	-17.9	-11.1	-23.2	-14.2	6.0
Cash flow from financing activities	DKKm	60.5	16.9	-9.3	-11.2	-17.9
Depreciation, amortisation and impairment, total	DKKm	-27.2	-20.3	-17.9	-20.8	-10.4
Cash flow for the year	DKKm	8.3	-3.6	4.6	-8.5	-3.0
Ratios						
Book-to-bill ratio	%	109.1	120.7	95.2	93.9	102.3
Revenue growth	%	52.4	-1.9	-4.7	20.4	11.7
Gross margin	%	47.6	46.7	51.5	45.9	48.7
EBIT margin	%	-1.0	-13.2	14.1	-8.4	2.6
EBIT margin (ex. Servion)	%	-1.0	-13.2	-3.4	0.5	4.0
ROIC/return on average invested capital	%	-2.0	-20.1	22.4	-15.4	4.7
ROIC/return on average invested capital (ex. Servion)	%	-2.0	-20.1	-5.4	1.0	6.4
Equity ratio	%	58.7	77.7	83.7	79.5	85.4
Return on equity	%	-0.8	-9.1	10.6	-6.3	5.8
Return on equity (ex. Servion)	%	-0.8	-9.1	-4.6	1.8	6.4
Working capital, % of revenue	%	40.9	40.1	29.0	32.6	25.2



Financial highlights

for the Group

	Unit	2021/22	2020/21	2019/20	2018/19	2017/18
Employees						
Average no. of full-time employees	No.	279	191	193	171	96
Gross profit per full-time employee	DKKm	0.4	0.6	0.7	0.7	1.0
Per share ratios						
Earnings per DKK 20 share (EPS)	DKK	-1.3	-11.6	14.8	-8.2	4.3
Price/earnings ratio (PE)	DKK	-108.0	-13.1	11.9	-19.6	60.7
Payout ratio	%	-	-	-	-	123.1
Cash flow from operations per DKK 20 share	DKK	-15.1	-23.7	36.7	-19.9	20.7
Proposed dividend (% of nominal value)	%	-	-	-	-	50.0
Book value of shares	DKK	122.4	121.5	133.2	120.8	139.0
Quoted year-end market price	DKK	141.0	152.0	176.5	161.0	261.0
Price/book value		1.2	1.3	1.3	1.3	1.9

Unless nothing else is specified, ratios and key figures are calculated on the basis of continuing operations.

The stated per share ratios relate to B shares.

See Note 33 to the financial statements for financial ratio definitions and formulas.



Roblon at a glance

Over the past six decades, Roblon has amassed a wealth of knowledge about the use, development and manufacturing of high-performance fibre solutions and related technologies.

Over the years, the Group has established itself with a strong and recognised brand and has developed from producing rope and rope-making equipment to being in a position today to use this knowledge in a number of fibre-based reinforcement and strength element solutions that form part of end products in the telecommunications, offshore oil & gas, wind and other industries.

The Company's B shares have been listed on the Nasdaq Copenhagen stock exchange since 1986.

Roblon is headquartered in Frederikshavn (Denmark) and has production entities in Gærum (Denmark), Hickory, North Carolina (USA) and Žďár nad Sázavou (Czech Republic).





Business

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Business scope

Highly processed synthetic fibres are a key element of Roblon's DNA and the cornerstone of the Group's development through its long history. We possess extensive specialist knowledge about the properties and processing of fibres, and we use this know-how to manufacture advanced and customised products for our customers.

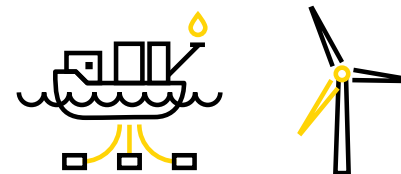
Roblon's business activities include development, production and sales of coated and extruded fibre solutions primarily used as reinforcement elements in the fibre optic cable industry and in the energy sector – both of which are expected to enjoy global growth today and in the future.



Telecommunications – fibre optic cable industry

With its products, Roblon targets the fibre optic cable industry, where the demand for fibre optic cables is driven in part by the users' ever growing need for faster data transfer, mobility, access to data networks, etc.

Roblon processes synthetic fibres used as strength members in finished fibre optic cables, connecting data networks globally. Roblon adds value to the reinforcement fibres, primarily made of fibreglass, aramid or polyester, by applying a functional coating to them. Roblon is continually developing new products, production technologies and processes. Roblon's products add strength to the finished cable, protecting the optical fibres against tension and stress during installation, moisture and rodent damage. The Group supplies a wide range of the components used in the design of the cable, depending on its required durability and function.



Energy, offshore oil & gas, wind and energy transmission (subsea) and other industry

For numerous years, the Group has been a supplier of various types of coated tape and straps used in offshore oil and gas drilling and exploration. The products are used both as integral strength members in oil and gas cables and for fastening, stabilising and strengthening other elements used in offshore drilling from rigs or ships.

Roblon has launched a newly developed composite strength element for energy cables. Like most other products in Roblon's portfolio, this strength element was developed in close collaboration with one of Roblon's key customers. Among other applications, the product is used as reinforcement material in subsea energy and data transmission cables. This field of application is expected to see strong international growth in the coming years and is expected to account for a substantial portion of Roblon's future market potential.

Following the acquisition of Vamafil (Czech Republic) in January 2022, the Group provides a number of industries with services related to the treatment and processing of high-performance fibres.

The Group's products are made to order according to the customer's specific requirements.

Roblon supplies industries that have stringent quality, environmental and documentation requirements, supported by the Group's ISO 9001 and 14001 certifications.

Roblon's core business comprises the design, development, manufacture and sale of products defined by their high strength, low weight and durability. From a financial as well as a climate and environmental perspective, sustainability is key to Roblon's activities.

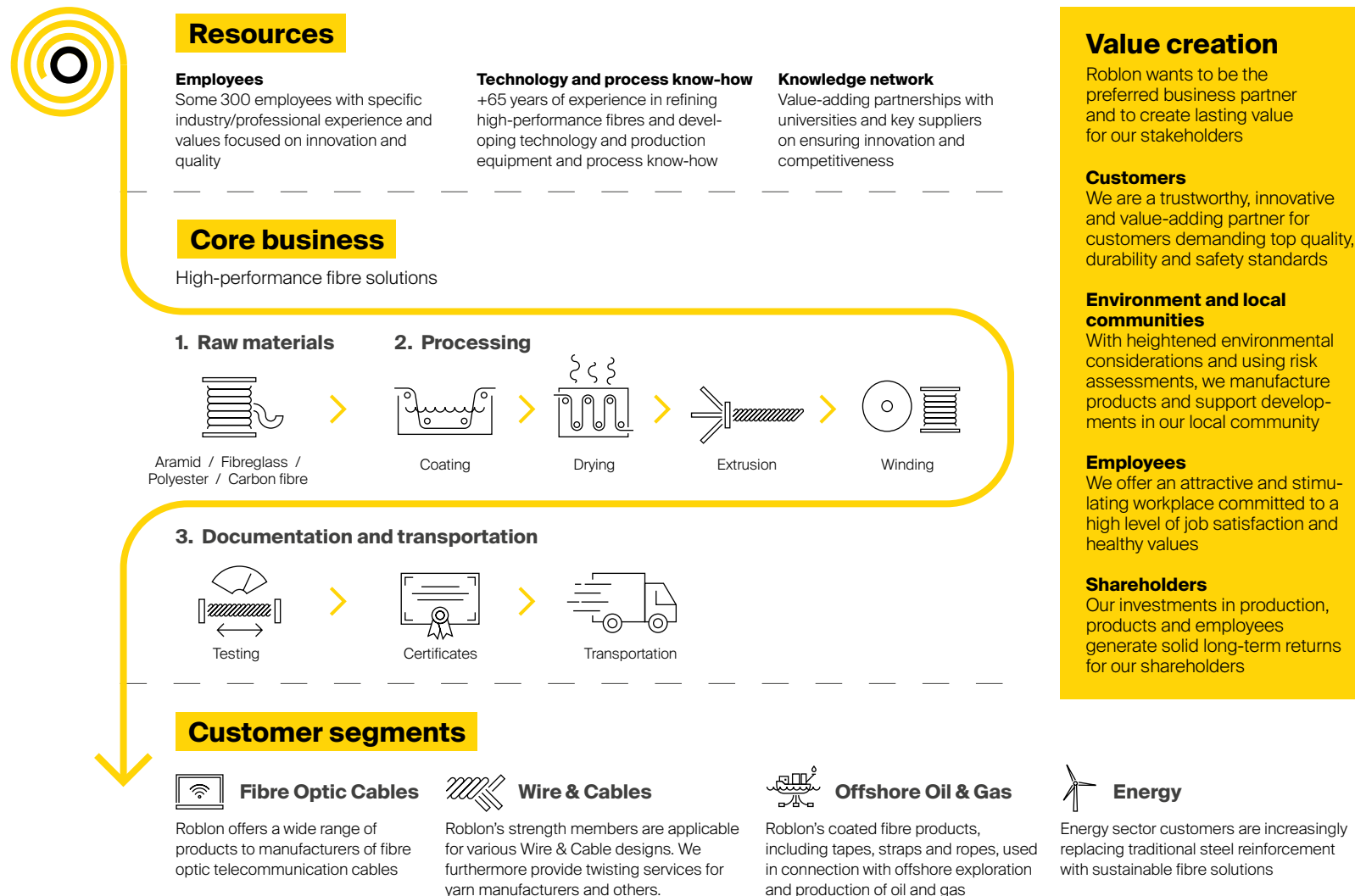


Business model

Roblon is a global company developing and supplying high-performance fibre solutions and aiming to be the preferred supplier of sustainable high-performance fibre solutions to selected customers.

Roblon develops and manufactures fibre-based strength member materials for reinforcement purposes in industries such as telecommunications and the energy sector. The Group's products generally make up a significant part of our customers' end-products. Roblon's products are developed in close collaboration with the Group's key customers and meet the customers' strict quality, durability and safety requirements.

The model on this page illustrates the Roblon Group's value chain. The Group's suppliers and customers are primarily large global players.







Strategy

In recent years, the Group's core business has developed in the direction of and become focused on high-performance fibre solutions and technologies, particularly within telecommunications, energy (oil & gas extraction and wind energy) and energy transmission (sub-sea cables). Significant growth rates are expected in these three industry segments in the coming years.

Roblon's growth strategy in the period to 2025/26 will target selected key global customers. The key points of the strategy are outlined on this page.

Strategy 2026

Mission

Roblon is an innovative and sustainable business developing and supplying high-performance fibre solutions to selected customers.

Vision

We aim to be the preferred supplier of high-performance fibre solutions for selected customers.

Strategy

Increased product development efforts in collaboration with selected customers.

Continual improvement of competitiveness:

- productivity and efficiency
- supply chain/logistics.

Roblon's financial targets

The Group strives to achieve the following annual financial ratios, assuming normal market and economic conditions.

Average annual revenue growth of at least

15%

Average annual EPS growth of at least

15%

Average annual EBIT margin of at least

10%

A return on invested capital (ROIC) before tax of at least

20%



Markets and products

Roblon has identified an addressable market potential of around DKKm 3,850 (DKKm 3,250): DKKm 3,150 (DKKm 2,750) in the FOC product group and DKKm 700 (DKKm 500) in the Composite product group.

Fibre optic cable industry (FOC) product group

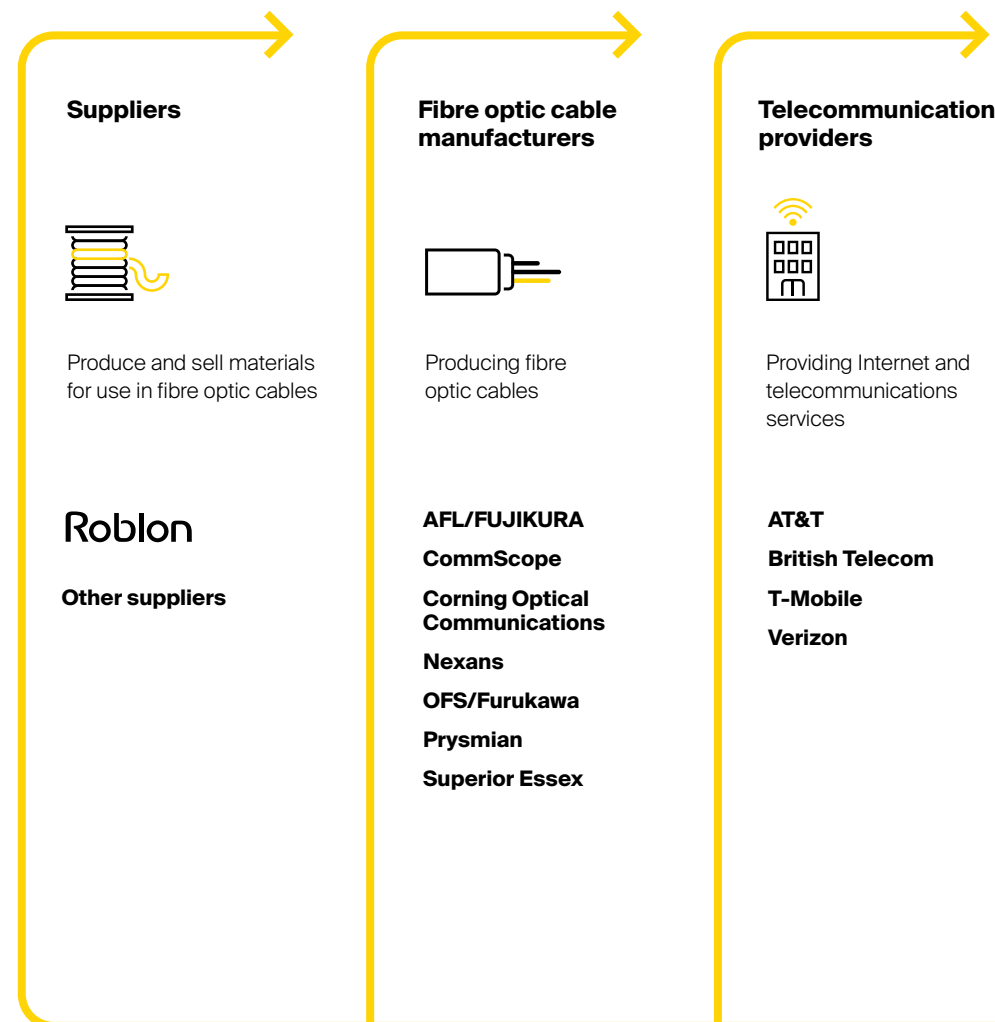
Fibre optic cable manufacturing is seeing strong growth, supported by an ever growing need for more data transmission capacity. COVID-19 has added to the demand for data transmission for purposes such as remote schooling, Teams/Zoom meetings, digital doctor's appointments, etc. The strong growth is thus driven by the roll-out of infrastructure to support increased telecommunications, including 5G.

In this transparent industry, competitors and customers are well known. Several of the major global fibre optic cable manufacturers have in recent years made significant investments in capacity enhancements in the form of new production facilities and new production equipment.

The fibre optic cable industry comprises up to 20 major global manufacturers with production sites on several continents and a number of regional and smaller cable manufacturers. Major global manufacturers include companies such as Prysmian Group, Corning Optical Communications, Commscope, OFS/Furukawa, Superior/Essex, Nexans, AFL/Fujikura.

Roblon is considered to be one of five leading suppliers of cable components for the fibre optic cable industry. In addition to these, there are a number of smaller, more regional suppliers of selected cable components.

Suppliers such as Roblon sell components to manufacturers of fibre optic cables, who are only to a limited extent dependent on project sales.



Section of value chain – Fibre optic cable industry



Market potential

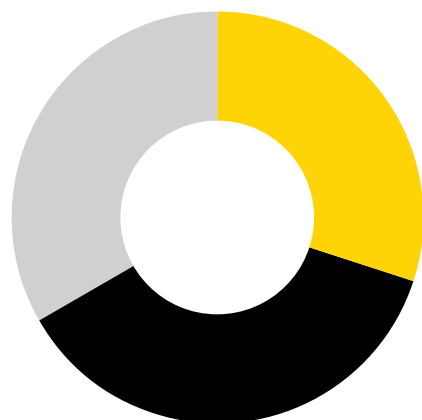
The total annual market potential has been determined to be DKKm 3,150 (DKKm 2,750). The distribution on markets and product categories is illustrated in the chart below.

The three market regions are approximately equal in size, but their current growth rates differ. The greatest general market growth is currently seen in Americas (North America). As illustrated by the market potential charts below, the product category Rod accounts

for more than half of the total market potential and is furthermore the product category with the strongest growth rate. A large proportion of Roblon's revenue and earnings growth is expected to be generated through an increased share in the US market, supported by:

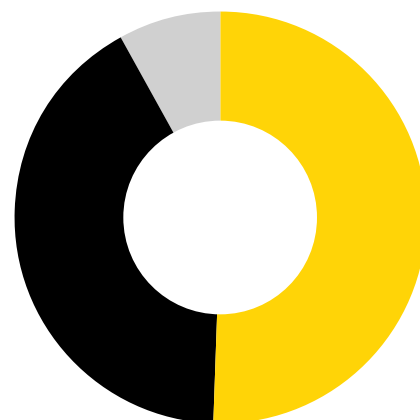
Roblon DK, which serves the European market, has launched the manufacture of an essential fibre cable component (Rod) based on technology transferred from Roblon US. Roblon expects to sell this product to the same customer base in Europe as in the USA, and this market is expected to grow in the coming years.

By markets



■ **APAC:** DKKm 950
 ■ **Americas:** DKKm 1,150
 ■ **EMEA:** DKKm 1,050

By product categories



■ **Rod:** DKKm 1,600
 ■ **Flex glass, PBY, rip cords etc.:** DKKm 1,300
 ■ **Other:** DKKm 250

- Roblon's US subsidiary, Roblon US, has a central position in the FOC cluster in North and South Carolina, in close proximity to the largest customers. Roblon has positioned itself as a competitive and local provider in the US market and has a growing market share with the largest manufacturers of fibre optic cables.
- US FOC manufacturers are increasingly placing their business with domestic manufacturers of cable materials.
- In accordance with the strategy plan, Roblon has completed a major investment programme in production equipment in the US business to increase productivity and capacity and has launched further initiatives.

The European fibre optic cable industry has been consolidated in recent years, primarily with manufacturers in southern and eastern Europe and increased focus on coordinated procurement across production entities. Here, Roblon leverages its long-standing relations with customers but is exposed to greater competition than in the USA.

In order to be able to serve European customers in proximity to their production facilities and to achieve satisfactory competitiveness and earnings, in January 2022 Roblon acquired Vamafil, a Czech high-performance fibre business. Roblon relocated parts of the Danish production to the Czech company during the second half of 2021/22, and the relocation efforts are expected to continue in 2022/23.

Composite product group

In the Composite product group, Roblon is a supplier of high-performance strength members to selected key customers in, among others, the oil & gas, wind and energy transmission (subsea) industries. Roblon has a long-standing close collaboration with customers in these industries, which involves continuous development of new products and means that the Company has extensive knowledge of the requirements that are important to Roblon's customers and their customers. Consequently, Roblon holds a strong position in these areas. The Group's strategy is to continue strengthening the close collaboration with these strategic customers.



Sales to the above-mentioned segments are typically linked to end customers launching large projects, in some cases spanning several years.

In the oil & gas industry, Roblon has for a number of years been a supplier of various types of coated high-strength products used as strength members in oil pipes in connection with off-shore oil and gas drilling and exploration. The products are used both as integral strength members in oil and gas cables and for fastening, stabilising and strengthening other elements used in offshore drilling from rigs or ships. Roblon meets this segment's extensive safety and quality requirements.

In the offshore oil & gas industry, the Group is exposed to the general prevailing conditions, including the impact of oil prices on decisions to launch new investment-intensive projects. A large part of the Group's business is placed in Brazil, which was particularly hard hit by the COVID-19 pandemic for much of the financial year 2019/20 and throughout 2020/21. During that period, several known projects were repeatedly postponed.

In the second half of 2022, this market returned to positive growth, and Roblon's order intake consequently grew. A high level of activity is expected in the coming years.

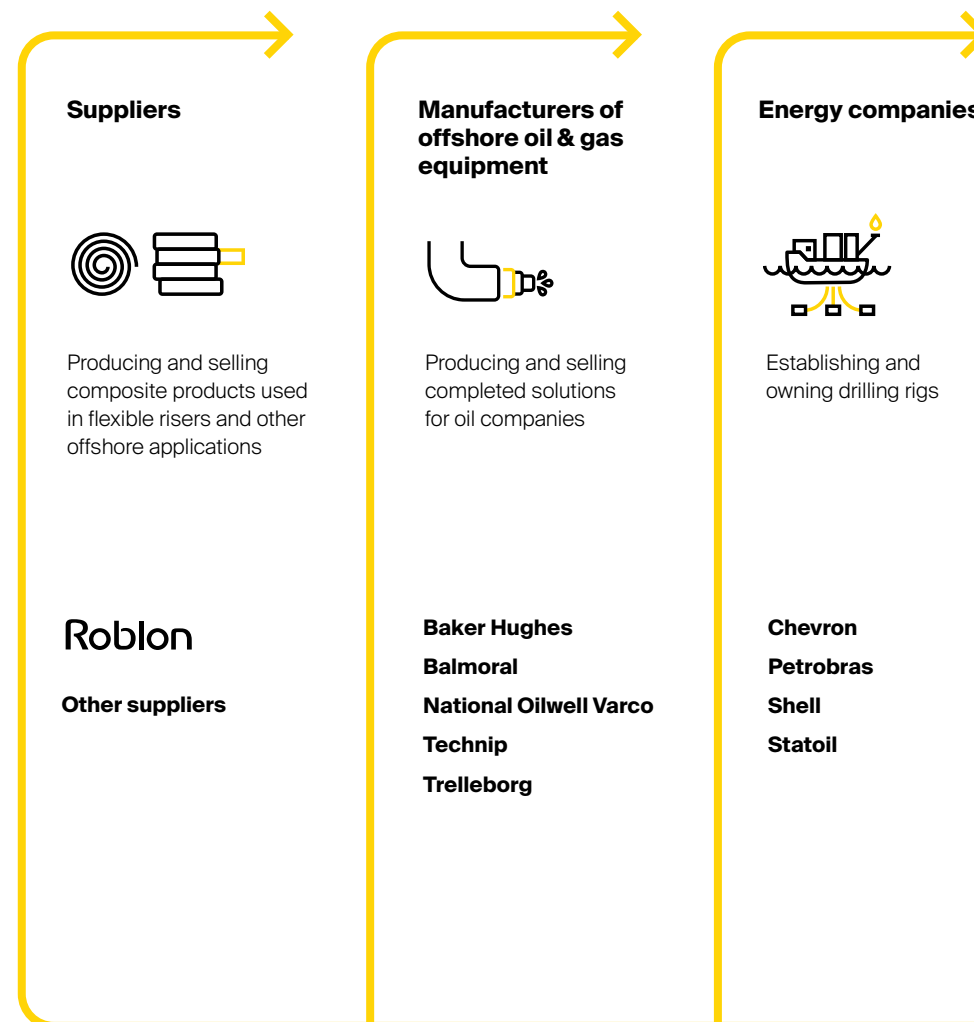
Roblon's offshore-related business is niche-driven, and the Group collaborates with large, successful industry players.

In recent years, Roblon has intensified its product development in **Wind, Energy Transmission (subsea) and other industries**, which will see strong growth rates in the coming years. In 2019 and 2020, Roblon supplied strength members to the first major subsea energy cable project. Since then, Roblon and the customer in question have together developed additional products for that segment. This is a large industrial segment that is generally enjoying strong growth, but our customer's innovative new subsea solution will be able to capture a previously untapped market. Based on this, Roblon expects more projects in the coming years.

Following the acquisition of Vamafil, the Group also provides yarn manufacturers and others with services related to the treatment and processing of high-performance fibres for a number of industrial uses.

The market that Roblon addresses in the Composite product group is worth around DKKm 700 (DKKm 500). Energy and Submarine Energy Transmission (subsea, including energy cables) is only included in Composite's market worth to a limited extent, as it is a new area whose market potential is difficult to assess at present. It is an industry that is expected to enjoy considerable global growth in the coming years and in which we expect over time to see increasing use of composite-based strength element solutions.

In pursuit of the Group's strategy, new business opportunities are being explored in the Composite product group, based on the Group's existing high technology and competence levels.



Section of value chain – the energy sector, offshore oil & gas



Innovation

– Development of products, processes and technology

Developing new products for strategic customers and making relevant acquisitions within the core business area are Roblon's principal growth drivers.

Value chain and selected customers

Innovation is Roblon's DNA. Product development throughout the value chain in order to create value for key customers is vital to Roblon. To us, innovation means new, sustainable products for our customers manufactured using constantly evolving state-of-the-art technology.

The Group's selected strategic customers are our key focus and an important priority. We undertake development work in collaboration with our customers and based on their needs.

New products

During the financial year 2021/22, Roblon developed and launched new sustainable products for customers in EMEA and the USA, including a new composite-based strength member to reinforce 5G data cables and subsea power cables. These products are manufactured using Roblon's proprietary production technology, which has significantly improved energy consumption.

In close collaboration with a key customer, Roblon designed and developed a unique new uncoiling

technology with which large, heavy cable coils can be uncoiled with great speed and precision, making the use of traditional wooden drums redundant. This new technology gives Roblon's customer the benefits of lower production and transport costs, improved production safety and, not least, a reduced carbon footprint in accordance with the customer's environmental goals.

Roblon also developed a new, updated version of the Precision Colling Unit (PCU). The updated version exhibits improved customer solutions in the form of greater production security and at least 30% higher output for the customer.

Sustainable development

Sustainability is an important priority when we select or launch new products or technologies for development. Roblon's innovation choices also support the 17 UN Sustainable Development Goals.

Digitalisation and Visual Factory

The digital possibilities available in product development and in the development and management of production processes are constant factors in Roblon's activities. Data intelligence is applied to convert digitalisation from theory to practice and make it tangible. We adopt and purposefully apply automation and digitalisation technologies in processes to select and manufacture new products. Process monitoring and smart intelligence are applied and monitored online at all Roblon's factories – Visual Factory. This smart, online monitoring improves the quality, efficiency and

resource consumption of Roblon's production without compromising work satisfaction or motivation.

Acquisitions

In January 2022, Roblon acquired Vamafil, a Czech fibre business. The acquisition forms part of Roblon's key account strategy of proximity to strategic customers. This applies particularly to the production of fibre optic products. The completed relocation of production from Denmark to the new Czech subsidiary Vamafil enables Roblon to service key customers in this industry, who have consolidated their production in south eastern Europe in recent years. Shorter distances to customers facilitate sustainable logistics and closer collaboration.

During the financial year 2021/22, Roblon made significant investments in processes and technologies for the manufacture and coating of high-performance fibres. Investments were also made in digitalisation and automation processes, which form part of Roblon's key processes. These investments amounted to a total of DKKm 19.1 (DKKm 11.2).

The Group's product development costs in 2021/22 totalled DKKm 7.2 (DKKm 8.5), corresponding to 1.9% (3.4%) of total revenue.



Risk management

Roblon is exposed to a number of risks related to the Group's activities. Roblon's Management aims to ensure that risk factors are adequately exposed and handled. Outlined below are a number of risk factors that may influence the Group's future growth, operations, financial position and results of operations.

Management sees effective risk management as an integral part of the Group's activities and continually strives to identify, analyse and manage significant risks in order to optimise the Group's value proposition. The Group's overall risk exposure is reviewed annually to assess whether it has changed and whether the risk mitigation measures are adequate. The Board of Directors sets out guidelines for the major risk factors, monitors developments and ensures that plans are in place to manage individual risks, including strategic, operational, financial and compliance risks.

The Group's risk management approach is based on a defined and structured framework, starting with an assessment of the business impact of individual risks, adjusted for risk mitigation measures, and an assessment of the likelihood of occurrence of the risk in question.

The Roblon Group's governance structure in relation to risk management is illustrated in the figure below.

Strategic risks

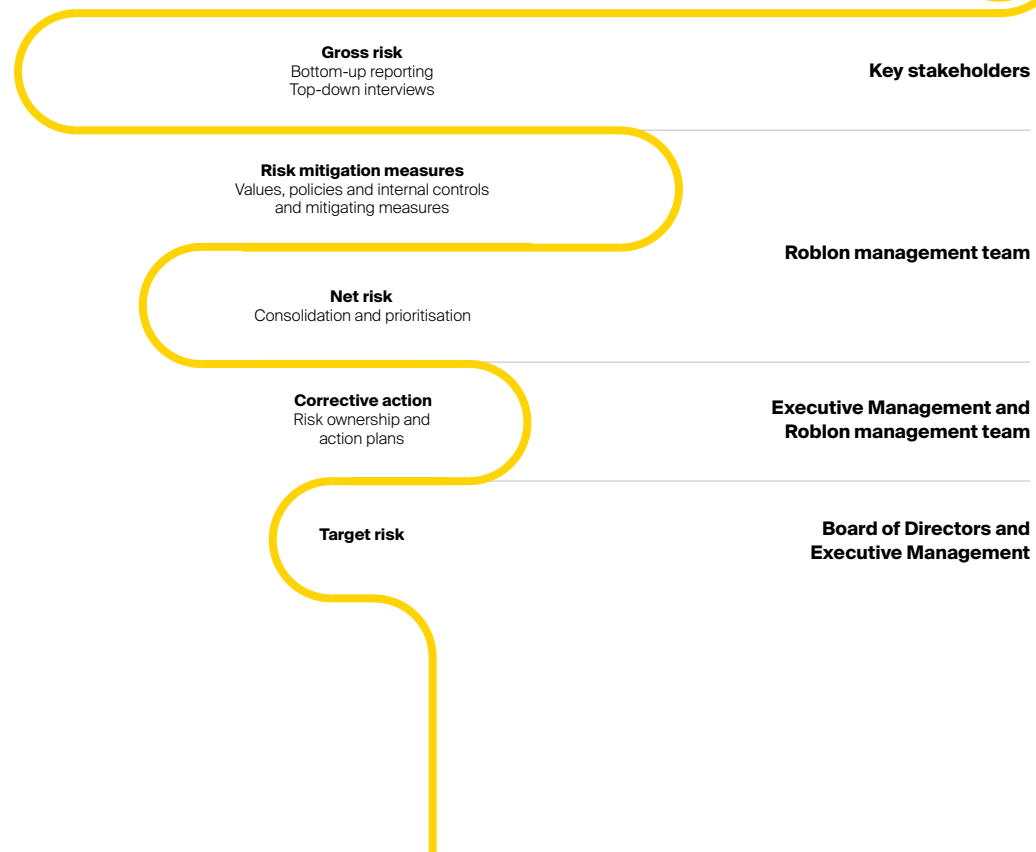
Market situation and competition: Roblon sells its products globally, with most of revenue being generated in Europe and North America. The Group is basically a niche player, differentiating itself from its competitors in terms of know-how, quality and flexibility. Roblon generally has long-standing relationships with customers and focuses on selected strategic customers.

The Group is sensitive to economic developments in the countries where Roblon's products are sold, but the geographical diversification on countries and continents is deemed to be adequate.

The markets in which the Group operates are not subject to significant seasonality. However, for 30-40% of the business – particularly in the Composite product group – sales are project based.

Customer relations: The Group's products are primarily sold directly to Roblon's customers and mainly to large, international and global groups and to a lesser extent to small and medium-sized

Roblon's governance structure – risk management





companies. Consequently, the customer portfolio comprises a small number of large global customers.

Operational risks

Suppliers: Roblon is dependent on suppliers, mainly in Europe, the USA and Asia, and seeks to maintain long-term relationships with these. The Group aims to secure supplies of critical raw materials through contracts and agreements and, wherever possible, to collaborate with more than one supplier.

Employees: The Group takes a continuous, structured approach to employee well-being and development. Our efforts focus on ensuring general work motivation and ongoing development of our employees' skills, among other things.

IT risk: The Group continually strives to mitigate these risks through its IT security guidelines and policy as well as technical security controls. In addition to these measures, the Group regularly holds internal information meetings and periodically arranges training and skills development activities to raise the employees' awareness of cyber crime and what each individual can do to reduce the risk of triggering negative events.

At the Company's board meetings, the Executive Management and the Board of Directors discuss relevant cyber crime themes. These discussions are arranged on the basis of an annual wheel inspired by "Recommendations on how to strengthen cyber competencies" issued by, among others, the Danish Centre for Cyber Security.

Insurance: The Group's policy on insurance lays down the general scope and management of business risks. The policy sets out guidelines for the Group's hedging and insurance approach. The Group's insurance matters are reviewed annually in collaboration with insurance brokers. In addition to mandatory insurance policies, the Group has taken out professional liability, product liability and cyber-crime insurances, among others. Properties, tools and equipment and inventories are insured on an all-risk basis at replacement value.

Financial risk

In connection with Roblon's business activities, the Group's profit/loss, balance sheet and equity are exposed to a number of financial risks, including currency, interest rate, credit and liquidity risk.

The Group addresses these risks on an ongoing basis and has established a number of relevant policies to ensure that the Group handles these risks on an ongoing basis in a regulated and transparent manner. The Company does not use financial instruments for speculation purposes.

For additional information on the Group's financial risks, see note 23 to the consolidated financial statements.

Compliance risk

Roblon is subject to legislation and guidelines in the countries in which the Group operates. Compliance in relation to products, finance, administration, quality and CSR is handled centrally and under the responsibility of board committees and the Executive Management in order to ensure that the organisation consistently complies with all relevant legislation, rules, policies and standards.

Whistleblowing scheme

Roblon A/S has a whistleblowing scheme to enable employees, former employees, customers, suppliers, business partners, shareholders and other stakeholders to report suspected unlawful or unethical

conduct within the Roblon Group, such as suspected financial crime, bribery, corruption, breach of competition law or environmental and climate regulation, discrimination or sexual harassment.

No concerns were reported during 2021/22.



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Matters of note in 2021/22

As expected, the Group continued to suffer after-effects of the COVID-19 pandemic in 2021/22, mainly in the form of supply shortages of raw materials, logistics challenges and general market impacts. In certain product groups, this resulted in a temporary reduction of profitability and an increase in inventories of critical raw materials.

As described in company announcement no. 1/2022, the Group acquired the Czech company Vamafil spol. s.r.o at 3 January 2022 as part of Roblon's growth strategy within its core business, the fibre optic cable

industry. A purchase price allocation has been made, as detailed in note 28 to the annual report.

The relocation and installation of selected parts of the production facilities from Denmark to the Czech Republic are proceeding according to plan. The first stage of the relocation took place in early June 2022, the second relocation stage took place in August 2022 and the third and final relocation stage has been scheduled for completion by the end of the first half of the financial year 2022/23.

Financial statements 2021/22

Roblon reports on a single segment, disclosing information on revenue distribution on the following two product groups:

- FOC (optic cable components and cable machinery for the Fibre Optic Cables industry)
- Composite (composite materials for onshore and offshore industries)

The Company has a branch in the Netherlands, whose employees provide procurement, sales and business development services.

Unless otherwise indicated, in the following the financial commentary is based on the 2021/22 consolidated financial statement figures with comparative consolidated financial statement figures for 2020/21.





Consolidated income statement

Q4 2021/22

The Group's order intake amounted to DKKm 102.3 in Q4 2021/22 (DKKm 76.3).

Total revenue amounted to DKKm 118.9 in Q4 2021/22 (DKKm 80.4). The FOC product group saw a year-on-year revenue increase of DKKm 4. Accordingly, the Composite product group accounted for the greater part of the improvement with a revenue increase of DKKm 34.5, of which DKKm 9 was generated by Vamafil.

Gross profit amounted to DKKm 52.5 (DKKm 39). The gross margin in Q4 2021/22 was 44.2% (48.5%). The year-on-year decline was mainly explained by increased cost of sales, which could not be fully passed on to selling prices due to the competitive situation, and increased inventory write-downs during the quarter.

Staff costs amounted to DKKm 33.3 (DKKm 26.3). The increase was due to the recognition of staff costs from Vamafil during the quarter and a higher level of activity and recruitments in production management.

EBIT before special items was an operating profit of DKKm 5.6 (DKKm 0.5), for an EBIT margin of 4.7%, against 0.6% the previous year.

Profit before tax for continuing operations was DKKm 5.8 (DKKm 1.2)

In Q4 2021/22, cash flow from operating activities was an outflow of DKKm 3.2 (an outflow of DKKm 11). Cash flow from investing activities was an outflow of DKKm 7.9 (an inflow of DKKm 9.8), while cash flow from financing activities for Q4 2021/22 was an inflow of DKKm 7.1 (an inflow of DKKm 0.5).

Selected financial highlights, continuing operations

DKKm	Q4 2020/21	Q1 2021/22	Q2 2021/22	Q3 2021/22	Q4 2021/22	2021/22
Order intake	76.3	114.8	92.3	106.0	102.3	415.4
Order book	79.7	116.8	103.4	123.7	111.8	111.8
Revenue	80.4	78.3	99.8	83.9	118.9	380.9
Profit/loss before depreciation, amortisation and impairment	6.0	1.4	11.1	-1.8	11.1	23.4
Operating profit/loss (EBIT)	0.5	-4.7	4.1	-8.8	5.6	-3.8
Profit/loss before tax	1.2	-5.3	6.2	-8.1	5.8	-1.4
EBIT margin	0.6%	-6.0%	4.1%	-10.5%	4.7%	-1.0%

2021/22

Revenue performance

Roblon's revenue was up by 52.4% to DKKm 380.9 for the year (DKKm 249.9). The DKKm 131 net increase covered a DKKm 65.1 improvement in the FOC product group and a DKKm 65.9 improvement in the Composite product group, of which DKKm 28.6 related to Vamafil.

The FOC product group generated revenue of DKKm 272.2 (DKKm 207.2). The improvement was made possible by the expansion of production capacity

in Roblon US and favourable market conditions in the USA. However, the Group's sales potential was negatively affected in the second half by Roblon's customers in this part of the business having difficulties in sourcing the components, raw materials and manpower required to maintain the expected high and rising production levels. Also, a few of the Group's customers experienced delays in completing capacity expansions.

Revenue growth in the FOC product group in EMEA (Europe, the Middle East and Africa) also contributed to the overall revenue improvement in the FOC product group.

The Composite product group's revenue totalled DKKm 108.7 (DKKm 42.7), of which DKKm 28.6 (DKKm 0) was generated by Vamafil. The level of activity in offshore oil & gas rose, resulting in a growing order intake for the Group in 2021/22, including previously postponed orders.

In the annual report for 2020/21, Management guided revenue of around DKKm 330-370 for the financial year 2021/22.

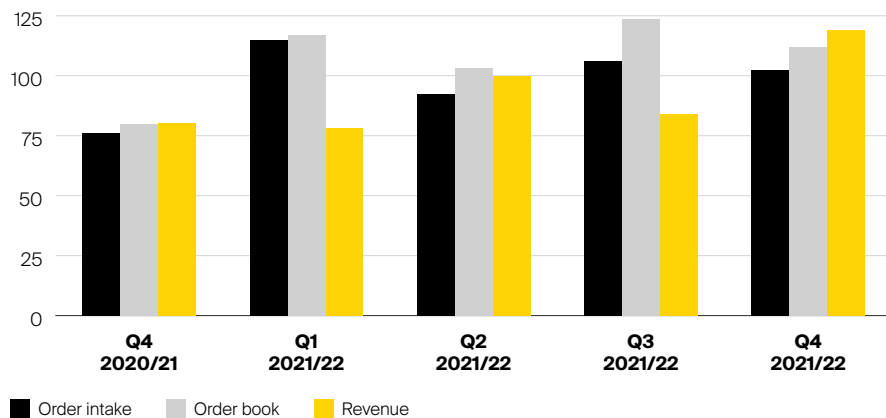


In Roblon's interim financial statements for H1 2021/22, which were published on 17 June 2022, Management adjusted its full-year 2021/22 revenue guidance to DKKm 360-390.

Actual revenue for 2021/22 was DKKm 380.9.

The FOC product group's revenue was some DKKm 30-40 below Management's guidance at the beginning of the financial year, while the Composite product group's revenue was around DKKm 40 higher than Management's guidance at the beginning of the financial year.

The chart below illustrates the development in order intake, order book and revenue over the past five quarters until and including Q4 2021/22.



Earnings

For 2021/22, Roblon realised a loss before tax from continuing operations of DKKm 1.4 (a loss of DKKm 29.3).

In the 2020/21 annual report, Management guided an operating profit before depreciation, amortisation and impairment and before special items (EBITDA) in the range of DKKm 8-27 and an operating loss before special items (EBIT) in the range of DKKm 19-0 for the financial year 2021/22. Special items relating to restructuring costs in connection with the Czech acquisition and the relocation of parts of the Danish production were guided as an expense of DKKm 8.

In Roblon's interim financial statements for H1 2021/22 published on 17 June 2022, Management adjusted its full-year guidance to an operating profit before depreciation, amortisation and impairment and before special items (EBITDA) in the range of DKKm 17-27 and an operating loss before special items (EBIT) in the range of DKKm 10-0. The guidance of expenses for special items remained unchanged at around DKKm 8.

The actual figures for 2021/22 were an operating profit before depreciation, amortisation and impairment

and before special items (EBITDA) of DKKm 23.4 (a loss of DKKm 12.6), an operating loss before special items (EBIT) of DKKm 3.8 (a loss of DKKm 32.9) and expenses for special items of DKKm 6.8 (DKKm 0).

Roblon realised a loss before tax from continuing operations of DKKm 1.4 (a loss of DKKm 29.3).

Roblon realised a loss for 2021/22 of DKKm 1.8 (a loss of DKKm 20.8).

The EBIT margin for 2021/22 was negative at 1.0% (negative at 13.2%), which should be seen in light of the adverse aftereffects of the COVID-19 pandemic, mainly in the form of supply shortages of raw materials, logistics challenges and general market impacts. This, combined with rising inflation and the effects of the war in Ukraine, posed a temporary challenge to the Group's revenue and profitability.

Profit/loss from discontinued operations

In 2019/20, Roblon wrote off a receivable relating to the sale of a former Roblon division. In the current financial year, Roblon received a partial repayment of DKKm 0.7 on the receivable, and for 2021/22 a DKKm 0.5 profit from discontinued operations after tax was recognised.



EPS from continuing operations were negative at DKK 1.3 (negative at DKK 11.6).

Gross profit and gross margin

Roblon's gross profit amounted to DKKm 181.2, an increase of DKKm 64.5 compared with a gross profit of DKKm 116.7 the previous year. The gross margin for the 2021/22 financial year was 47.6% (46.7%).

Gross profit and gross margin for the full year 2021/22 were adversely affected by soaring manufacturing costs, which Roblon was not able to fully pass on to selling prices. The higher manufacturing costs were driven by increasing prices of raw materials, components, freight and energy. Conversely, gross profit and gross margin were supported by a favourable product mix and improved profitability in the FOC product group, resulting in a year-on-year increase in gross margin.

Other external costs

Other external costs amounted to DKKm 38.7 (DKKm 34.0), and the DKKm 4.7 increase was due to Vamafil costs in the amount of DKKm 3.8 being recognised from 3 January 2022 and to a higher level of activity, including increased travel and selling costs.

Staff costs

Staff costs increased to DKKm 123.1 (DKKm 98.9), a DKKm 24.1 year-on-year increase, of which DKKm 12.8 was due to the recognition of Vamafil staff costs from 3 January 2022. Other factors of the increase were a higher level of activity and recruitments in production management.

At 31 October 2022, the Group had 287 employees, against 203 at 31 October 2020. The employees are distributed among the Company's locations in Denmark, the Czech Republic and in the USA. At 31 October, there were 204 hourly-paid workers (129) and 83 salaried employees (74).

Depreciation, amortisation and impairment

The Group's depreciation, amortisation and impairment was an expense of DKKm 27.2 (an expense of DKKm 20.3). The DKKm 6.9 year-on-year increase was due to increased investments in production equipment to enhance capacity and production, primarily in the USA, as well as depreciation and amortisation in Vamafil amounting to DKKm 3.8.

Special items

Special items totalling a net expense of DKKm 6.8 at the end of 2021/22 (DKKm 0) comprised DKKm 3.1 regarding transaction costs in connection with the acquisition of the Czech business Vamafil at 3 January 2022 and DKKm 3.7 regarding other costs in connection with the relocation of selected parts of the production facilities from Denmark to the Czech Republic.

Net financial items

The Group's net financial items amounted to DKKm 9.3 (DKKm 3.6). The net amount covers a positive foreign exchange adjustment of DKKm 10.9, of which DKKm 9.7 primarily related to a loan to the US subsidiary, and interest expenses of DKKm 1.6.

Tax on profit/loss for the year from continuing operations

Tax on the profit for the year from continuing operations was recognised as a total expense of DKKm 1.0, against income of DKKm 8.5 the previous year.



Consolidated balance sheet

Total assets for the Group amounted to DKKm 373.1 at 31 October 2022 (DKKm 279.8) – a 33.4% year-on-year increase. Working capital was DKKm 155.9 (DKKm 100.2), equalling 40.9% (40.1%) of revenue for the year. Invested capital at 31 October 2022 amounted to DKKm 206.5, compared with DKKm 167.5 the previous year.

The adverse development in working capital was a result of an increase in receivables due to substantially higher levels of activity and revenue in Q4 2021/22 compared with the year-earlier period. In addition, working capital was affected by higher inventory levels of critical raw materials and components and soaring raw materials prices as well as additions from the acquired Czech company, Vamafil.

Management has defined a goal for working capital to constitute a maximum of 25% of revenue, assuming normal economic conditions.

Intangible assets

In total, the Group recognised intangible assets at a value of DKKm 23.6 at 31 October 2022 (DKKm 25.0).

Completed development projects and development projects in progress at 31 October 2022 amounted to DKKm 9.9 (DKKm 9.9).

Property, plant and equipment

In the consolidated balance sheet, property, plant and equipment at 31 October 2022 was recognised at DKKm 130.2 (DKKm 70.1). The increase mainly related to the acquisition of Vamafil.

Inventories

The Group's inventories amounted to DKKm 114.5 at 31 October 2022 (DKKm 75.0).

The year-on-year increase in inventories at 31 October 2022 was affected by the same factors as those stated under working capital above.

Receivables

Total receivables at 31 October 2022 amounted to DKKm 88.7 (DKKm 59.7). The increase was primarily due to increased trade receivables due to a higher level of revenue in Q4 2021/22 compared with the year-earlier period.

Financing and capital resources

The Group's net cash flow from operating activities in 2021/22 was an outflow of DKKm 24.2 (an outflow of DKKm 42.3). Roblon's total investment in property, plant and equipment was DKKm 19.1 (DKKm 11.1). Investment in intangible assets, including product development, amounted to DKKm 2.5 (DKKm 3.9).

On 3 January 2022, the Group acquired Czech company Vamafil, spol. s r.o. for cash consideration of DKKm 47.1.

A cash outflow from financing activities of DKKm 57.7 comprised repayment of the lease liability, drawdown of operating credits and raising of a mortgage loan (DKKm 16.9).

At 31 October 2022, net deposits of cash and securities amounted to DKKm 11.9 (DKKm 45.7). As stated in company announcement no. 7/2021 of 9 December 2021, Roblon secured DKKm 75 in long-term credit facilities to support the acquisition of Vamafil and the Group's growth strategy in general. In August 2022, Roblon strengthened the Group's credit facilities by a further DKKm 20 until the end of March 2023. At 31 October 2022, the Group had drawn a total of DKKm 82.8 on the total credit facilities (DKKm 0).

In February 2022, Roblon took out a mortgage of approximately DKKm 10 on the Company's buildings in Gærum to further strengthen its long-term capital resources.

The Group's total credit facilities amounted to DKKm 108 (DKKm 25). Roblon had undrawn credit facilities at 31 October 2022 of DKKm 25.2 (DKKm 5.7). Total cash resources at 31 October 2022 amounted to DKKm 37.1 (DKKm 51.4).

Equity

The Group's equity at 31 October 2022 amounted to DKKm 218.8 (DKKm 217.3). Equity thus increased by DKKm 1.5, made up of the loss for the year of DKKm 1.8 and foreign exchange adjustments of DKKm 3.3 on translation of foreign subsidiaries.

The Group is financially sound with an equity ratio of 58.7% (77.7%). The lower equity ratio is mainly due to the raising of debt in 2021/22 to support the acquisition of Vamafil and the Group's growth strategy.

Dividend

Based on the reported loss for the year 2021/22, the Board of Directors proposes to the shareholders in general meeting that no dividend be distributed.

Events after the balance sheet date

No material events have occurred after the balance sheet date of 31 October 2022 of significance to the annual report.

Parent company

In 2021/22, the parent company posted revenue of DKKm 200.8 (DKKm 126.5) and an operating profit before special items (EBIT) of DKKm 1.2 (a loss of DKKm 27.1). The profit for the year from continuing operations after tax amounted to DKKm 3.7 (a loss of DKKm 17.2).

The parent company financial statements do not comprise profit from the subsidiary, which is the main difference relative to the consolidated financial statements. Due to the development in the US subsidiary, an impairment test was carried out at 31 October 2022. The test did not indicate any impairment of recognised values.

At 31 October 2022, the parent company's equity ratio was 65.4% (83.2%).





Guidance for 2022/23

Management expects an increase in Group revenue and to record a profit for the 2022/23 financial year. The following significant factors are expected to support this:

- The FOC market is expected to grow from the beginning of 2023 and to contribute to lifting revenue from the second quarter of the 2022/23 financial year.
- In the US market, Roblon is well-positioned from a central location as one of only a few local suppliers of cable components. The Group has previously implemented a major investment programme and has launched additional initiatives which are expected to be completed in the spring of 2023. This will increase the total production capacity in the USA by more than 50%, and additional improvements are expected in production profitability.
- Management expects substantial improvements in the Composite product group compared to reported 2021/22 levels, particularly in shipments to the offshore oil & gas industry. This prospect is supported by the larger order book at the beginning of the 2022/23 financial year and the higher level of business activity.

- The Group expects to achieve profitability improvements in connection with the ongoing relocation and installation of selected parts of the FOC production facilities from Denmark to the recently acquired subsidiary Vamafil in the Czech Republic.

Revenue and earnings guidance for 2022/23:

- Revenue in the range of DKKm 430-470 (DKKm 380.9).
- Operating profit before depreciation, amortisation and impairment and special items (EBITDA) in the range of DKKm 40-55 (DKKm 23.4).
- Operating profit before special items (EBIT) in the range of DKKm 10-25 (a loss of DKKm 3.8).

Management expects Q1 2022/23 revenue to be challenged due to a revenue shortfall in the FOC product group. Based on the expectations of accumulating growth in the FOC product group over the coming quarterly periods, a positive revenue performance is expected in the subsequent three quarters of the financial year.

Head office building put up for sale

In early 2020, the Group decided to put its head office in Frederikshavn up for sale. While showings have been arranged from time to time for prospective buyers and the sales process continues, there are currently no specific buyers for the property. After the sale, the Group's Danish activities will be centred at Roblon's facilities in Gærum, which currently house production and various administrative functions. As well as generating positive synergies in the day-to-day operations, this initiative is also expected to have a positive impact on Roblon's results, liquidity and equity going forward.

Forward-looking statements

Due to the war in Ukraine, the guidance provided is subject to uncertainty regarding the supply and transport of components and raw materials, energy supply and energy costs. It should also be noted that the guidance is subject to a high degree of uncertainty in the short term due to the aftereffects of the COVID-19 pandemic in many of Roblon's markets.

The above forward-looking statements, in particular revenue and earnings projections, are inherently uncertain and subject to risk. Many factors are

beyond Roblon's control and, consequently, actual results may differ significantly from the projections expressed in this interim report. Such factors include, but are not limited to, changes in the market and competitive situation, changes in demand and purchasing behaviour, foreign exchange and interest rate fluctuations and general economic, political and commercial conditions.

See also the risk management section on page 19.



Management

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Board of Directors
and Executive
Management

Corporate social responsibility

We consider corporate social responsibility (CSR) to be a natural part of the Roblon Group's business principles, and we acknowledge that we have a responsibility for our employees and our surrounding society. We have naturally integrated CSR into the Group's strategy work. We interact with our customers and other stakeholders to maintain a CSR policy and implement measures that contribute to sustainable value creation.

Roblon's CSR efforts and results are described in Roblon's CSR Report 2021/22.



The CSR report for 2021/22 also comprises a report on Management's gender composition and the data ethics policy pursuant to sections 99 b and 99 d of the Danish Financial Statements Act.





Corporate governance

Roblon' statutory report on corporate governance for the financial year 2021/22 pursuant to section 107 b of the Danish Financial Statements Act is available at:

→ **Corporate governance report**
roblon.com/corporate-governance-2022

The report gives a detailed account of Roblon's management structure and a description of the key elements of the Company's financial reporting process and internal controls in relation to financial reporting.

Furthermore, the report describes Roblon's consideration of the Recommendations issued by the Committee on Corporate Governance, as implemented in the Rules for issuers of shares issued by Nasdaq Copenhagen. In 2021/22, Roblon complied with the corporate governance recommendations, with the exception of the recommendation that board committees solely consist of members of the Board of Directors and that the majority of board committee members should be independent. The Company's governance, nomination and remuneration committee is made up of one independent member and one dependent member and the innovation and product development committee has a member who

is not a member of the Board of Directors. Roblon does not comply owing to its size and the assessment that the composition of the Company's board committees generates value for Roblon.

Finally, the report provides a more in-depth description of each member of the Board of Directors and Executive Management in addition to the account given in the annual report.

Management structure

Roblon has a two-tier management structure consisting of the Board of Directors and the Executive Management. The Board of Directors, whose members are elected by the shareholders, supervises the Executive Management. The Board of Directors and the Executive Board are independent of each other.

The Board of Directors is in charge of the overall management of the Company and is responsible for decisions on the strategic development, financial forecasts, risk management, acquisition and disposal of enterprises and major development and investment projects. Moreover, the Board of Directors lays down the Executive Management's terms of employment and remuneration.

The Board of Directors has set up three committees:

- A governance, nomination and remuneration committee, which is primarily charged with preparing the statutory report on corporate governance, the remuneration policy and report, initiating the Board evaluation and keeping the Board of Directors up to date on other relevant governance issues.
- An audit committee, which is principally tasked with monitoring the Group's risk management, preparation of financial statements, financial reporting and internal controls, nomination of auditors for appointment and monitoring of and communications with the auditors appointed at the general meeting.
- An innovation and product development committee, which is principally charged with setting the strategic direction for long-term development of products and technology and monitoring the Executive Management's and the development function's review of the ideas and development portfolio in terms of level of innovation, value to customers and commercial potential.

The Executive Management is appointed by the Board of Directors and is responsible for the general management of the Company, including its operating performance, results and internal development. The Executive Management is responsible for carrying out the strategy and overall decisions approved by the Board of Directors.

Financial reporting process and internal controls

The primary responsibility for the Group's risk management and internal control procedures in relation to the financial reporting process, including compliance with relevant legislation and other financial reporting regulations, rests with the Board of Directors and the Executive Management.

Roblon's risk management and internal controls in relation to the financial reporting process are designed with a view to effectively managing, and thus reducing or eliminating, the risk of errors and omissions in financial reporting. It can provide reasonable, but not absolute, assurance that misappropriation of assets, losses and/or significant errors and omissions in the financial reporting are avoided.



At least once a year, the Board of Directors assesses Roblon's organisational structure, its risk of fraud as well as the existence of in-house rules and guidelines.

The Executive Management regularly monitors compliance with relevant legislation and other financial reporting regulations and provisions and reports its findings to the Board of Directors.

Remuneration policy and report

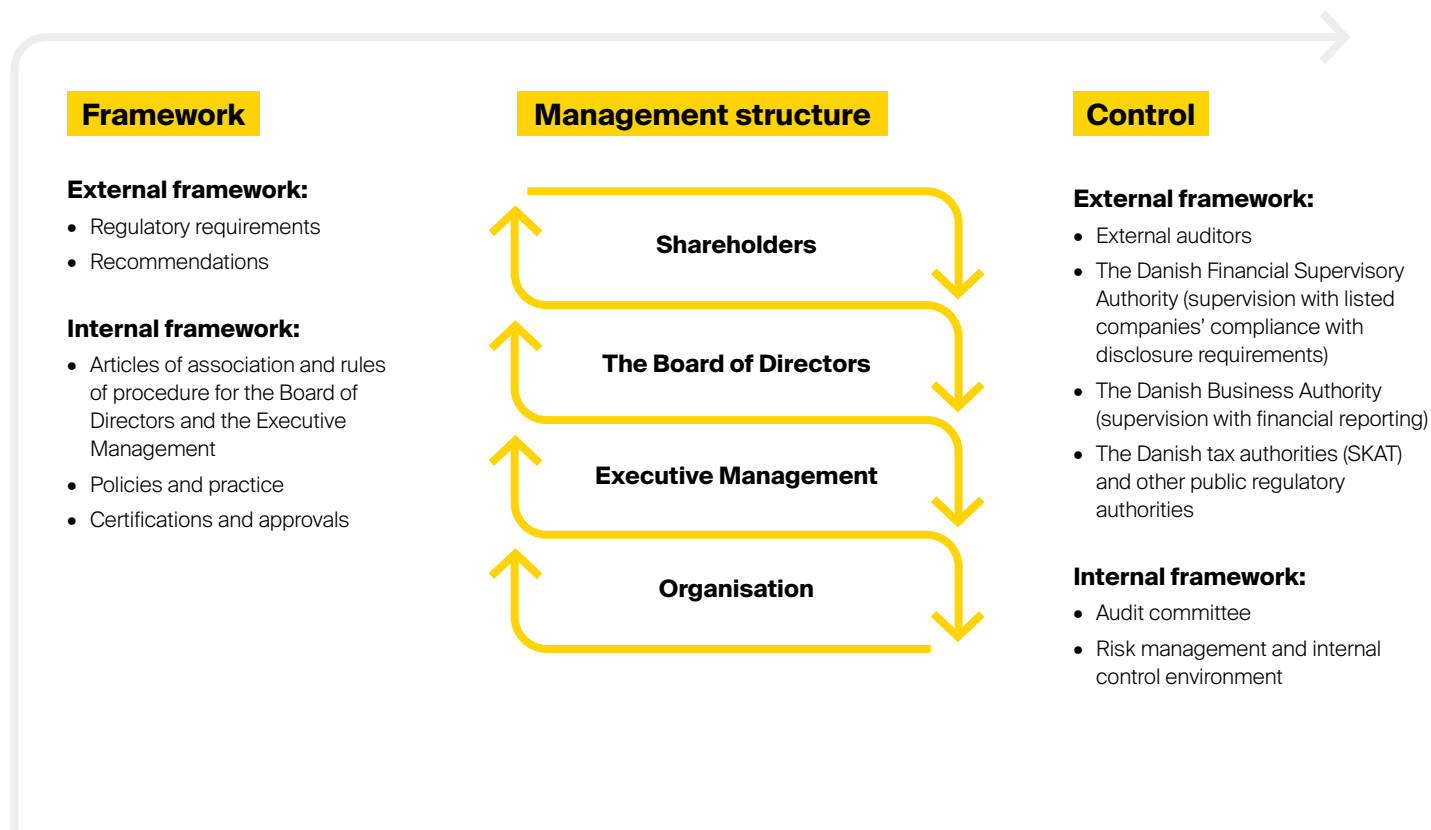
Roblon's remuneration policy, most recently approved at the annual general meeting on 28 January 2021 sets out general guidelines for remuneration of the Board of Directors and the Executive Management. The remuneration policy can be found at roblon.com/remuneration-policy.

Pursuant to section 139b of the Danish Companies Act, Roblon has prepared a statutory remuneration report for 2021/22, which can be found at:

→ **Remuneration report 2021/22**
roblon.com/remuneration-report-2022

Roblon's governance model

Roblon's governance model, which describes Roblon's framework, management structure and control environments, is illustrated in the figure below.





Board of Directors and Executive Management

Board of Directors

Jørgen Kjær Jacobsen, **CEO, born in 1952**

Chairman (independent),
joined the board in 2014

Member of the Governance, Nomination and Remuneration Committee, the Audit Committee and the Innovation and Product Development Committee

Other executive functions: Gabriel Holding A/S (C), Nordjyske Holding A/S (C), MEDF Holding A/S (C), BKI Foods A/S (B), Raskier A/S (D) and (B), Raskier Ejendomme ApS (D) and (B), Mads Eg Damgaards Familiefond (C), Aalborg Stiftstidendes Fond (C)

Specialised skills: Education in business economics and senior management experience from listed companies and board experience from listed companies and commercial foundations.

No. of shares: 35,000 (25,000).

Ole Lønsmann Andersen, **Corporate adviser, born in 1959**

Deputy Chairman (dependent),
joined the board in 2018

Chairman of the Governance, Nomination and Remuneration Committee.

Other executive functions: None

Specialised skills: Financial sector experience, including advisory services and providing financial solutions to businesses.

No. of shares: 5,425 (1,825), related party Nina Schou 2,990 (2,990)

Randi Toftlund Pedersen, **Group Senior Vice President Corporate Finance,** **born in 1963**

Board member (independent),
joined the board in 2016

Chairman of the Audit Committee.

Other executive functions: Group Senior Vice President Corporate Finance, Salling Group A/S, Salling Group Ejendomme A/S (B), Salling Group Forsikring A/S (C), Glunz & Jensen Holding A/S (DC)

Specialised skills: Management skills from global accounting and finance group. Management of listed company.

No. of shares: 3,000 (1,000).

Nita Svendsen, HR assistant, born in 1972

Employee representative (dependent),
joined the board in 2015

No. of shares: 127 (127).

Peter Sloth Vagner Karlsen, **Vice President Group Technology, born in 1963**

Board member (independent),
joined the board in 2011

Chairman of the Innovation and Product Development Committee.

Other executive functions: Vice President Group Technology, Rockwool International, Sparekassen Vendsyssels Fond Hals (B)

Specialised skills: Management skills from global corporation in the areas of group product development, production and quality

No. of shares: 395 (395).

Flemming Nielsen, machine operator, born in 1963

Employee representative (dependent),
joined the board in 2018.

No. of shares: 27 (35).



Executive Management

**Lars Østergaard Nielsen,
Managing Director and CEO, born in 1965**

Appointed in 2016

No. of shares: 12,256 (7,099).

Additional information on the individual members of the Board of Directors and the Executive Management, such as their education, nationality, etc. is set out in the separate report on corporate governance.

 **Corporate governance report**
roblon.com/corporate-governance-2022

**Carsten Michno,
Chief Financial Officer (CFO), born in 1970**

Appointed in 2015

No. of shares: 8,053 (4,500).

**Kim Müller,
Chief Technology Officer (CTO), born in 1969**

Appointed in 2015

Other executive functions: Erhvervsservice Nord ApS (B)

No. of shares: 6,946 (6,091).



Shareholder information



Shareholder information

Capital and share structure

Roblon A/S has two share classes: A shares and B shares. The Company's share capital has a nominal value of DKKm 35,763 and consists of 27,775 A shares of DKK 200 each and 1,510,400 B shares of DKK 20 each.

The Roblon B share is listed on Nasdaq Copenhagen under the short name of RBLN B, with ISIN code DK0060485019 and LEI code 213800OWIZN2WOQM2C29. The Roblon B share is a component of the Small Cap index.

All B shares are negotiable instruments and freely transferable. Each A share of DKK 200 carries 100 votes. Each B share of DKK 20 carries 1 vote.

Voting rights attached to 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.

The Board of Directors reviews the Company's capital and share structure at least once a year, giving

priority to retaining a high equity ratio in order to ensure the necessary financial versatility.

At its most recent review in December 2022, the Board of Directors found the Company's capital and share structure to be appropriate and adequate relative to the Company's plans and expectations.

Register of shareholders

The Company's registrar is Computershare A/S, Lottenborgvej 26D, 1st floor, DK-2800 Kgs. Lyngby.

Shareholder structure

Roblon had 2,168 shareholders registered by name at 31 October 2022 (2,265), together representing approx. 89.3% (89.5%) of the Company's share capital.

Of these, the following are listed in the Company's register in accordance with section 56 of the Danish Companies Act:

	Ownership %	Voting share % (minimum)
ES Holding Frederikshavn ApS CVR-no. 29325731	25.1	68.8
ATP CVR-no. 43405810	7.2	3.0

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

At 31 October 2022, the members of the Board of Directors and the Executive Management and their related parties held 74,219 (49,062) of the Company's B shares, corresponding to 4.2% (2.7%) of the share capital and 4.9% (3.2%) of the listed capital.

Treasury shares

Issues of shares or acquisition of treasury shares are subject to a resolution by the Company in general meeting.

Under the authority of the shareholders in general meeting, the Company may purchase treasury shares representing up to 10% of the share capital. The authority is valid until 30 June 2023 for the Company to purchase treasury shares of up to 10% of the share capital at a price that may deviate by no more than 10% from the most recently calculated price of all trades prior to the purchase.

The Board of Directors will request a renewed authorisation at the annual general meeting to be held on 26 January 2023.

Insider rules

The Executive Management, the Board of Directors and senior employees and their related parties are required to inform the Company of their transactions in the Company's shares for reporting to Nasdaq Copenhagen. In its internal rules, the Company has elected to keep an insider register of individuals who, through their relationship with the Company, may have inside and price-sensitive information about the Group's situation. Persons in the insider register may normally trade in the Company's shares only during a four-week trading window opening after the publication of the Company's interim and annual reports.

Investor relations policy

The Group seeks to maintain a high and uniform level of information toward its shareholders and other stakeholders. The Company aims to maintain an open, active dialogue with shareholders, equity research analysts, the press and the public at large in order to ensure that they have the necessary knowledge and thus a sound foundation on which to assess the Company.



Roblon regularly participates in Small & Mid Cap seminars and other investor presentations for small groups of investors or individual investors. These investor presentations are published on the Company's website as soon as possible after the event.

It is the Company's policy that Management does not participate in meetings with investors or analysts or make statements to the press for a period of three weeks prior to the publication of interim or annual reports. Roblon also uses its website, www.roblon.com, as a tool of communication with the stock market. On the website, additional information on the Group and Roblon's business.

Investor relations questions may be sent by e-mail to Investor Relations at ir@roblon.com.

www.roblon.com

The Company's website contains press releases and company announcements and other information on the Group. The Company's annual reports for the past ten years and its interim reports and company announcements for the past five years are available on the website, where users can also subscribe to the Company's news service.

Market maker agreement

Roblon has concluded a market maker agreement with Danske Bank, which acts as market maker for Roblon's B share on Nasdaq Copenhagen.

The terms of the market maker agreement are as follows:

- Danske Bank will provide quotes during 90% of Nasdaq Copenhagen's trading hours
- Ask and bid prices are quoted at a maximum spread of 2%
- Quotes are provided for a minimum volume of 100 shares
- Danske Bank may disregard the above in case of changes in economic, financial or political conditions which significantly complicate its fulfilment of obligations.

Danske Bank will continually quote both bid and ask prices in Roblon's B share. The purpose of the agreement is to improve the liquidity of the Company's share on Nasdaq Copenhagen to facilitate a transparent price.

Financial calendar

20 December 2022	Preliminary statement
26 January 2023	Annual General Meeting
16 March 2023	Interim report for Q1 2022/23
21 June 2023	Interim report for Q2 2022/23
21 September 2023	Interim report for Q3 2022/23
20 December 2023	Preliminary statement
25 January 2024	Annual General Meeting

Company announcements

Roblon A/S company announcements to the Danish FSA and Nasdaq Copenhagen in 2021/22.

8	21 December 2021	Preliminary statement 2020/21
9	22 December 2021	Reporting on leading employees' transactions
10	27 December 2021	Reporting on leading employees' transactions
1	3 January 2022	Roblon completes acquisition of company
2	4 January 2022	Notice of Annual General Meeting
3	12 January 2022	Reporting of related party transactions in Roblon A/S shares
4	13 January 2022	Reporting of related party transactions in Roblon A/S shares
5	17 January 2022	Reporting of related party transactions in Roblon A/S shares
6	18 January 2022	Reporting of related party transactions in Roblon A/S shares
7	27 January 2022	Minutes of the annual general meeting in Roblon A/S
8	16 March 2022	Interim report for Q1 2021/22
9	17 June 2022	Interim report for Q2 2021/22
10	20 June 2022	Reporting of related party transactions in Roblon A/S shares
11	6 July 2022	Reporting of related party transactions in Roblon A/S shares
12	11 July 2022	Reporting of related party transactions in Roblon A/S shares
13	15 July 2022	Reporting of related party transactions in Roblon A/S shares
14	16 September 2022	Interim report for Q3 2021/22
15	7 December 2022	Preliminary financial results for 2021/22 and outlook for 2022/23

The announcements are available at the Company's website:

→ **Roblon's website**
roblon.com



Dividend policy

Roblon's objective is to ensure attractive long-term returns for the shareholders through a combination of a positive market value development for the Group, supplemented by dividend payments and possibly acquisition of treasury shares.

It is the Company's intention to distribute dividends annually corresponding to 40-50% of the profit for the year. In addition to this, the Board of Directors may propose to the shareholders the distribution of an interim dividend for a given financial year.

It is essential that Roblon maintain sufficient financial resources to execute the Group's growth strategy. To this end, the Board of Directors may deviate from the stated dividend policy and propose to the shareholders that no dividend, or a lower dividend than that set out in the dividend policy, be distributed for a given financial year.

According to the Company's articles of association, holders of B shares have a preferential right to dividend of 8% of their nominal shareholding, if dividend

is declared. Any remaining dividend accrues to the holders of A shares until they have received dividend equalling 8% of their nominal shareholding. Any remaining dividend thereafter is distributed evenly among all shareholders, regardless of share class.

Based on the reported loss for the year 2021/22, the Board of Directors proposes to the shareholders in general meeting that no dividend be distributed.

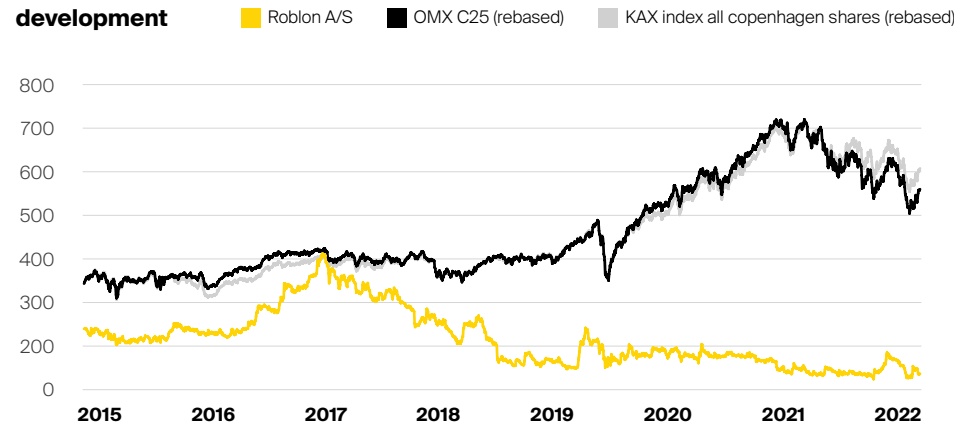
Price development

The Roblon B share opened the financial year at 152 and closed at 141 at 31 October 2022, which was a drop of 7.2% (2020/2021: a drop of 13.9%).

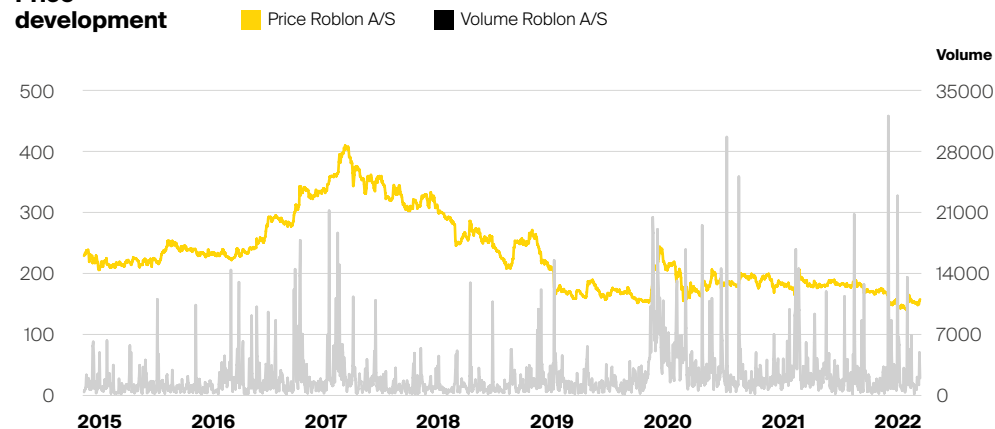
The overall market cap of the Company's listed shares at the end of the financial year was approx. DKKm 213, against approx. DKKm 230 at 31 October 2021.

At the end of October 2022, the free float² in listed Roblon B shares was approx. 84%, against 86% at the end of October 2022.

Price development



Price development



The term free float refers to the Company's B shares available for trading. Shareholdings owned by ES Holding and by the Company's Management are not considered part of the free float.

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auditor's report

Statement and report





Statement by Management

The Board of Directors and Executive Management today considered and approved the annual report of Roblon A/S for 2021/22.

The annual report has been prepared in accordance with International Financial Reporting Standards as adopted by the EU and additional requirements in the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent company's financial statements give a true and fair view of the Group's and the parent company's assets, liabilities and financial position at 31 October 2022 and of the results of the Group's and the parent company's operations and cash flows for the financial year 1 November 2021 – 31 October 2022.

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

In our opinion, the annual report of Roblon A/S for 2021/22 with the file name "213800OWIZN2WOQM2C29-2022-10-31-da.zip" has been prepared, in all material respects, in compliance with the ESEF Regulation.

We recommend that the annual report be adopted at the annual general meeting.

Frederikshavn, 20 December 2022

Executive Management

Lars Østergaard
Managing Director and CEO

Carsten Michno
Chief Financial Officer (CFO)

Kim Müller
Chief Technology Officer (CTO)

Board of Directors

Jørgen Kjær Jacobsen
Chairman

Ole Lønsmann Andersen
Deputy Chairman

Peter Sloth Vagner Karlsen

Randi Toftlund Pedersen

Nita Svendsen
Employee representative

Flemming Nielsen
Employee representative



Independent auditors' report

To the shareholders of Roblon A/S

Report on the audit of the Financial Statements

Our opinion

In our opinion, the Consolidated Financial Statements and the Parent Company Financial Statements give a true and fair view of the Group's and the Parent Company's financial position at 31 October 2022 and of the results of the Group's and the Parent Company's operations and cash flows for the financial year 1 November 2021 - 31 October 2022 in accordance with International Financial Reporting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act.

Our opinion is consistent with our Auditor's Long-form Report to the Audit Committee and the Board of Directors.

What we have audited

The Consolidated Financial Statements and Parent Company Financial Statements of Roblon A/S for the financial year 1 November 2021 - 31 October 2022 comprise income statement, statement of comprehensive income, balance sheet, statement of changes in equity, cash flow statement and notes, including summary of significant accounting policies for the Group as well as for the Parent Company. Collectively referred to as the "Financial Statements".

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the *Auditor's responsibilities for the audit of the Financial Statements* section of our report.

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

Independence

We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark. We have also fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

To the best of our knowledge and belief, prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No 537/2014 were not provided.

Appointment

We were first appointed auditors of Roblon A/S on 25 January 2018 for the financial year 2017/18. We have been reappointed annually by shareholder resolution for a total period of uninterrupted engagement of five years including the financial year 2021/22.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Financial Statements for 2021/22. These matters were addressed in the context of our audit of the Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



Key audit matter	How our audit addressed the key audit matter	Key audit matter	How our audit addressed the key audit matter
<p>Measurement of inventories</p> <p>The Group measures inventories at cost.</p> <p>Work in progress and finished goods comprise direct and indirect production costs.</p> <p>If the net realisable value is lower than the cost, the asset is written down to its lower value.</p> <p>Indirect production costs are recognised based on actual indirect production costs and a share of the estimated production capacity.</p> <p>The net realisable value of the Group's inventories is calculated at expected selling price with deduction of costs of completion and costs incurred to execute sales. The value is determined allowing for marketability, obsolescence and development in expected sales sum.</p> <p>We focused on the measurement of inventories because the statement of inventories is based on significant accounting estimates.</p> <p>We refer to note 2 and note 17 of the Consolidated Financial Statements and the Parent Company Financial Statements.</p>	<p>We obtained an understanding of the Group's accounting policies and procedures for the measurement of inventories. By random sampling, we tested the Group's calculation of the cost of raw materials and consumables, work in progress and finished goods, including the calculation of indirect production costs.</p> <p>We challenged Management's assessment of estimated items in the calculation of indirect production costs, and we performed an analytical assessment of indirect production costs. In addition, we assessed total production capacity and its utilisation and performed sensitivity analyses in respect of capacity utilisation.</p> <p>By random sampling, we tested the basis of the calculation of write-down to net realisable value and profits on most recent sales in the financial year.</p> <p>We tested the mathematical accuracy of the calculations.</p>	<p>Measurement of trademarks, licences and customer relationships in relation to Roblon US Inc.</p> <p>The Group measures trademarks, licences and customer relationships at the lower of cost less accumulated amortisation and impairment loss and the recoverable amount.</p> <p>Management has prepared an impairment test of the value of the intangible assets of Roblon US Inc. comprising trademarks, which at 31 October 2022 was DKK 4,910 thousand.</p> <p>The impairment test is based on the discounted value in use of expected cash flows from the assets over their expected useful lives. The cash flows are based on budgets and strategy plans approved by Management.</p> <p>We focused on the measurement of the Group's trademarks, licences and customer relationships in relation to Roblon US Inc. because the measurement of the assets is based on significant assumptions, including Management's expectations as regards growth rates and contribution ratios as well as discount rate.</p> <p>We refer to note 2 and note 13 of the Consolidated Financial Statements.</p>	<p>We obtained an understanding of the Group's accounting policies and procedures for the measurement of the Group's trademarks, licences and customer relationships.</p> <p>We evaluated Management's assessments relating to impairment losses recognised on the Group's trademarks in relation to Roblon US Inc. through comparison with budgets approved by Management. We assessed the growth rates and contribution ratios applied, e.g. by applying historical data, evaluation of the measures taken to improve profitability as well as comparison with the contribution ratios realised after the balance sheet date.</p> <p>We drew on our internal specialist for an assessment of the discount rate.</p> <p>We challenged Management as regards its assessment of growth rates, contribution margins and discount rate and evaluated the sensitivity analyses performed.</p> <p>We tested the mathematical accuracy of the calculations.</p>



Key audit matter	How our audit addressed the key audit matter
<p>Measurement of the Parent Company's equity investment in Roblon US Inc.</p> <p>The Parent Company measures investments in subsidiaries at cost. If cost exceeds the recoverable amount, the asset is written down to its lower value.</p> <p>Management has tested the value of the shares in Roblon US Inc. for impairment.</p> <p>The impairment test is based on the discounted value in use of the expected cash flows of Roblon US Inc. The cash flows are based on budgets and strategy plans approved by Management.</p> <p>We focused on the measurement of the Parent Company's equity investment in Roblon US Inc. because the measurement of the equity investment is based on significant assumptions, including Management's expectations as regards growth rates and contribution margins of Roblon US Inc. as well as the discount rate.</p> <p>We refer to note 2 and note 16 of the Parent Company Financial Statements.</p>	<p>We obtained an understanding of the Parent Company's accounting policies and procedures for the measurement of the Parent Company's equity investment in Roblon US Inc.</p> <p>We evaluated Management's assessments relating to impairment losses recognised on the Parent Company's equity investment in Roblon US Inc. through comparison with budgets approved by Management. We assessed the growth rates and contribution ratios applied, e.g. by applying historical data, evaluation of the measures taken to improve profitability as well as contribution ratios realised after the balance sheet date.</p> <p>We drew on our internal specialist for an assessment of the discount rate.</p> <p>We challenged Management as regards its assessment of growth rates, contribution margins and discount rate and evaluated the sensitivity analyses performed.</p> <p>We tested the mathematical accuracy of the calculations.</p>

Statement on Management's Review

Management is responsible for Management's Review.

Our opinion on the Financial Statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the Financial Statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

Moreover, we considered whether Management's Review includes the disclosures required by the Danish Financial Statements Act.

Based on the work we have performed, in our view, Management's Review is in accordance with the Consolidated Financial Statements and the Parent Company Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement in Management's Review.

Management's responsibilities for the Financial Statements

Management is responsible for the preparation of consolidated financial statements and parent company financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, Management is responsible for assessing the Group's and the Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management either intends to liquidate the Group or the Parent Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due



to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Parent Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Parent Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group or the Parent Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that gives a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and, where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication

Report on compliance with the ESEF Regulation

As part of our audit of the Financial Statements we performed procedures to express an opinion on whether the annual report of Roblon A/S for the financial year 1 November to 31 October 2022 with the filename 213800OWIZN2WOQM2C29-2022-10-31-da.zip is prepared, in all material respects, in compliance with the Commission Delegated Regulation (EU) 2019/815 on the European Single Electronic Format (ESEF Regulation) which includes requirements related to the preparation of the annual report in XHTML format and iXBRL tagging of the Consolidated Financial Statements.



Management is responsible for preparing an annual report that complies with the ESEF Regulation. This responsibility includes:

- The preparing of the annual report in XHTML format;
- The selection and application of appropriate iXBRL tags, including extensions to the ESEF taxonomy and the anchoring thereof to elements in the taxonomy, for all financial information required to be tagged using judgement where necessary;
- Ensuring consistency between iXBRL tagged data and the Consolidated Financial Statements presented in human-readable format; and
- For such internal control as Management determines necessary to enable the preparation of an annual report that is compliant with the ESEF Regulation.

Our responsibility is to obtain reasonable assurance on whether the annual report is prepared, in all material respects, in compliance with the ESEF Regulation based on the evidence we have obtained, and to issue a report that includes our opinion. The nature, timing and extent of procedures selected depend on the auditor's judgement, including the assessment of the risks of material departures from the

requirements set out in the ESEF Regulation, whether due to fraud or error. The procedures include:

- Testing whether the annual report is prepared in XHTML format;
- Obtaining an understanding of the company's iXBRL tagging process and of internal control over the tagging process;
- Evaluating the completeness of the iXBRL tagging of the Consolidated Financial Statements;
- Evaluating the appropriateness of the company's use of iXBRL elements selected from the ESEF taxonomy and the creation of extension elements where no suitable element in the ESEF taxonomy has been identified;
- Evaluating the use of anchoring of extension elements to elements in the ESEF taxonomy; and
- Reconciling the iXBRL tagged data with the audited Consolidated Financial Statements.

In our opinion, the annual report of Roblon A/S for the financial year 1 November to 31 October 2022 with the file name 213800WIZN2WOQM2C29-2022-10-31-da.zip is prepared, in all material respects, in compliance with the ESEF Regulation.

Aalborg, 20 December 2022

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab
CVR no. 3377 1231

Henrik Kragh

Statsautoriseret revisor
mne26783

Line Borregaard

Statsautoriseret revisor
mne34353



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Income statement

for the period 1 November - 31 October

Amounts in DKK'000	Note	Group		Parent company	
		2021/22	2020/21	2021/22	2020/21
Revenue	3	380,859	249,883	200,829	126,499
Cost of sales	4	-199,709	-133,135	-108,695	-63,016
Gross profit		181,150	116,748	92,134	63,483
Work carried out for own account and capitalised	5	2,221	2,292	2,221	2,292
Other operating income	6	1,820	1,307	8,595	6,626
Other external costs		-38,725	-33,980	-25,162	-24,553
Staff costs	8	-123,050	-98,930	-63,594	-63,030
Operating profit/loss before depreciation, amortisation and impairment and before special items (EBITDA)		23,416	-12,563	14,194	-15,182
Depreciation, amortisation and impairment		-27,245	-20,324	-12,970	-11,914
Operating profit/loss (EBIT) from continuing operations before special items		-3,829	-32,887	1,224	-27,096
Special items		-6,782	-	-6,782	-
Operating profit/loss (EBIT), continuing operations after special items		-10,611	-32,887	-5,558	-27,096
Financial income	9	11,251	4,345	12,658	5,152
Financial expenses	10	-1,993	-774	-1,653	-393
Profit/loss before tax from continuing operations		-1,353	-29,316	5,447	-22,337
Tax on profit/loss for the year from continuing operations	11	-981	8,535	-1,735	5,185
Profit/loss for the year from continuing operations after tax		-2,334	-20,781	3,712	-17,152
Profit/loss for the year from discontinued operations after tax	27	530	-	530	-
Profit/loss for the year		-1,804	-20,781	4,242	-17,152
Earnings per share (DKK)	12				
Earnings per share (EPS), continuing operations		-1.3	-11.6		
Earnings per share, diluted (EPS-D), continuing operations		-1.3	-11.6		

Consolidated statement of comprehensive income

for the period 1 November - 31 October

Amounts in DKK'000	Note	Group		Parent company	
		2021/22	2020/21	2021/22	2020/21
Profit/loss for the year		-1,804	-20,781	4,242	-17,152
Other comprehensive income					
<i>Items that will be recycled to profit or loss</i>					
Foreign exchange adjustment on translation of foreign subsidiary		3,345	-111	-	-
Other comprehensive income		3,345	-111	-	-
Comprehensive income for the year		1,541	-20,892	4,242	-17,152



Balance sheet

At 31 October

Amounts in DKK'000	Note	Group		Parent company	
		2022	2021	2022	2021
ASSETS					
Completed development projects		6,258	7,570	6,258	7,570
Development projects in progress		3,665	2,321	3,665	2,321
Trademarks and customer relations		6,193	5,123	-	-
Other intangible assets		7,472	10,022	4,318	6,947
Intangible assets	13	23,588	25,036	14,241	16,838
Land and buildings	14	60,064	17,906	15,906	17,906
Plant and machinery	14	47,692	38,719	23,691	23,694
Other fixtures and fittings, tools and equipment	14	2,008	1,513	1,132	894
Property, plant and equipment in progress	14	9,814	1,255	7,197	217
Lease assets	15	10,649	10,753	343	504
Property, plant and equipment		130,227	70,146	48,269	43,215
Investments in subsidiaries	16	-	-	82,237	27,796
Loan to subsidiary		-	-	9,162	-
Deferred tax assets	20	6,886	4,230	-	-
Financial assets		6,886	4,230	91,399	27,796
Total non-current assets		160,701	99,412	153,909	87,849
Inventories	17	114,467	74,989	59,843	51,227

Amounts in DKK'000	Note	Group		Parent company	
		2022	2021	2022	2021
ASSETS					
Trade receivables	18	83,618	55,530	58,154	35,656
Current portion of loan to subsidiary		-	-	1,177	-
Amount owed by subsidiaries		-	-	79,834	52,040
Prepaid income tax		275	2,539	-	2,221
Other receivables		1,970	1,406	1,396	1,357
Prepayments		186	188	63	147
Receivables		86,049	59,663	140,624	91,421
Securities		-	42,035	-	42,035
Cash and cash equivalents		11,884	3,677	990	1,454
Total current assets		212,400	180,364	201,457	186,137
Total assets		373,101	279,776	355,366	273,986



Balance sheet

At 31 October

Amounts in DKK'000	Note	Group		Parent company	
		2022	2021	2022	2021
EQUITY AND LIABILITIES					
Share capital		35,763	35,763	35,763	35,763
Other reserves		-146	-3,491	4,935	5,602
Retained earnings		183,222	185,026	191,595	186,686
Total equity	19	218,839	217,298	232,293	228,051
Deferred tax liabilities	20	4,876	191	1,762	191
Lease liability		8,176	8,478	181	85
Debt to credit institution	21	9,059	-	9,059	-
Total non-current liabilities		22,111	8,669	11,002	276
Current portion of lease liability		3,123	2,595	164	268
Current portion of debt to credit institution	21	381	-	381	-
Operating credits		82,781	19,328	82,781	19,328
Other provisions	22	357	-	357	-
Advance payments		5,401	1,630	5,401	1,630
Trade payables		25,531	19,958	13,233	14,399
Income tax		1,541	-	226	-
Other payables		13,036	10,298	9,528	10,034
Total current liabilities		132,151	53,809	112,071	45,659
Total liabilities		154,262	62,478	123,073	45,935
Total equity and liabilities		373,101	279,776	355,366	273,986



Statement of changes in equity

Amounts in DKK'000	Group			
	Share capital	Currency translation reserve	Retained earnings	Total equity
Equity at 31 October 2021	35,763	-3,491	185,026	217,298
Profit/loss for the year			-1,804	-1,804
Foreign exchange adjustment on translation of foreign subsidiary		3,345	-	3,345
Comprehensive income for the financial year		3,345	-1,804	1,541
Equity at 31 October 2022	35,763	-146	183,222	218,839
Equity at 31 October 2020	35,763	-3,380	205,807	238,190
Profit/loss for the year			-20,781	-20,781
Foreign exchange adjustment on translation of foreign subsidiary		-111	-	-111
Comprehensive income for the financial year		-111	-20,781	-20,892
Equity at 31 October 2021	35,763	-3,491	185,026	217,298

Amounts in DKK'000	Parent company			
	Share capital	Reserve for development costs	Retained earnings	Total equity
Equity at 31 October 2021	35,763	5,602	186,686	228,051
Profit/loss for the year			4,242	4,242
Change in reserve		-667	667	-
Comprehensive income for the financial year		-667	4,909	4,242
Equity at 31 October 2022	35,763	4,935	191,595	232,293
Equity at 31 October 2020	35,763	5,048	204,392	245,203
Profit/loss for the year			-17,152	-17,152
Change in reserve		554	-554	-
Comprehensive income for the financial year		554	-17,706	-17,152
Equity at 31 October 2021	35,763	5,602	186,686	228,051



Statement of cash flows

for the period 1 November - 31 October

Amounts in DKK'000	Group		Parent company	
	2021/22	2020/21	2021/22	2020/21
Operating profit/loss (EBIT) from continuing operations after special items	-10,611	-32,887	-5,558	-27,096
Operating profit/loss (EBIT) from discontinued operations	27 680	-	680	-
Operating profit/loss (EBIT)	-9,931	-32,887	-4,878	-27,096
Adjustment for non-cash items	25 33,848	19,822	23,180	11,592
Change in working capital	26 -51,562	-28,918	-50,056	-25,676
Cash generated from operations	-27,645	-41,983	-31,754	-41,180
Financial income received	65	1,363	1,400	2,174
Financial expenses paid	-1,277	-148	-1,294	-131
Income tax paid	-313	-1,988	-	-1,429
Income tax received	2,133	444	2,133	444
Cash flow from operating activities	-27,037	-42,312	-29,515	-40,122
Purchase of intangible assets	-2,513	-3,932	-2,060	-3,147
Purchase of property, plant and equipment	-19,115	-11,144	-13,602	-5,439
Sale of property, plant and equipment	1,167	-	1,038	-
Purchase of securities	-	-5,250	-	-5,250
Sale of securities	42,346	42,119	42,346	42,119
Loan to subsidiary	-	-	-14,043	-10,720
Acquisition of subsidiary	-47,106	-	-47,106	-
Cash flow from investing activities	-25,221	21,793	-33,427	17,563

Amounts in DKK'000	Note	Group		Parent company	
		2021/22	2020/21	2021/22	2020/21
Loan to subsidiary on acquisition		-	-	-10,339	-
Repaid loan on acquisition of subsidiary		-11,295	-	-	-
Operating credits used		63,453	19,328	63,453	19,328
Lease payments	15	-1,073	-2,387	-16	-303
Raising of debt with credit institution		9,672	-	9,672	-
Repayment of debt with credit institution		-232	-	-232	-
Cash flow from financing activities		60,525	16,941	62,538	19,025
Change in cash and cash equivalents		8,267	-3,578	-404	-3,534
Cash and cash equivalents at beginning of year		3,677	7,212	1,454	4,945
Value adjustment of cash and cash equivalents		-60	43	-60	43
Cash and cash equivalents at end of year		11,884	3,677	990	1,454



Overview of notes to financial statements

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Notes to the financial statements

1. Accounting policies

Roblon A/S is a public limited company domiciled in Denmark. The financial statements part of the annual report for the period 1 November 2021 – 31 October 2022 comprises the consolidated financial statements of Roblon A/S and its subsidiaries (the Group) and the financial statements of the parent company. Roblon A/S presents its annual report under the rules applying to reporting class D.

The consolidated and parent company financial statements of Roblon A/S for 2021/22 have been prepared in accordance with International Financial Reporting Standards as adopted by the EU and additional Danish disclosure requirements for annual reports of listed companies.

On 20 December 2022, the Board of Directors and Executive Management considered and approved the annual report of Roblon A/S for 2021/22. The annual report will be submitted to Roblon A/S' shareholders for adoption at the annual general meeting to be held on 26 January 2023.

Basis of preparation

The consolidated and parent company financial statements are presented in DKK, the functional currency of the parent company, rounded to the nearest DKK thousand.

The accounting policies, which are set out below and in note 32 to the financial statements, have been applied consistently for the financial year and for the comparative figures. For standards implemented prospectively, comparative figures are not restated.

The full wording of the accounting policies is set out in note 32 to the financial statements.

Implementation of new standards and interpretations

Roblon A/S has implemented the standards and interpretations that are effective for 2021/22, which has not resulted in significant changes to the accounting policies. New and amended standards are implemented when they come into force.

In 2021, IFRIC issued an agenda decision on the accounting treatment of customisation costs in a cloud computing arrangement. Roblon carried out an analysis of the potential consequences of the agenda decision and concluded that it will not affect the Group's accounting treatment of capitalised costs of the Group's ERP solution, and the applicable accounting policy therefore remains unchanged.

IASB has issued new standards, amendments to existing standards and interpretations, which are not yet in force but will come into force in 2022/23 or later. These are not expected to have a significant influence on Roblon's financial statements.

Significant accounting estimates

In preparing the annual report, Management makes a number of accounting estimates that form the basis for the presentation, recognition and measurement of the Group's and the parent company's assets and liabilities. The most significant accounting estimates are set out in note 2 to the financial statements.



Notes to the financial statements

2. Uncertainties and estimates

In applying the Group's accounting policies as described in note 32 to the financial statements, Management is required to make judgements, estimates and assumptions concerning the carrying amounts of assets and liabilities which cannot be immediately inferred from other sources.

These estimates and assumptions are based on historic experience and other relevant factors. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Changes to accounting estimates are recognised in the reporting period in which changes occur, and in future reporting periods if the change affects the period in which the change occurs as well as subsequent reporting periods.

Significant accounting judgements, estimates, assumptions and uncertainties

Recognition and measurement of assets and liabilities often depend on future events subject to some uncertainty. In that connection, it is necessary to assume e.g. a course of events that reflects Management's assessment of the most probable course of events. In the 2021/22 consolidated financial statements, the following key assumptions and uncertainties should be noted:

Trademarks and customer relations in Roblon US Inc.

If there is evidence of impairment, the assets are tested for impairment. The Group's trademarks and customer relations are connected to products sold in industries characterised by strong demand and growth.

Based on Roblon US Inc.'s earnings developments in 2021/22, Management assessed that there was evidence of impairment of trademarks. Consequently, an impairment test of trademarks in Roblon US Inc. was performed at 31 October 2022, which did not give rise to the recognition of impairment losses.

The value of trademarks and customer relations recognised in the balance sheet at 31 October 2022 was DKKm 6.2 (DKKm 5.1), of which DKKm 4.9 related to Roblon US Inc.

Investment in the subsidiary Roblon US Inc.

Based on the earnings development in 2021/22, Management assessed that there was evidence of impairment of the investment in Roblon US Inc. Consequently, an impairment test was performed at 31 October 2022, which did not give rise to the recognition of impairment losses.

The value of the parent company's investment in Roblon US Inc. recognised in the balance sheet at 31 October 2022 was DKKm 27.8 (DKKm 27.8).

The estimation uncertainty associated with the impairment tests performed relates to the parameters applied in the calculations, including future cash flows, growth rates, contribution ratios and discount rates.

Inventories

The estimation uncertainty associated with inventories relates to write-down to net realisable value. Inventories are written down in accordance with the Group's write-down policy, which involves an assessment of inventory turnover rate and potential losses due to obsolescence, quality problems and economic trends.

The value of inventories recognised in the balance sheet at 31 October 2022 was DKKm 114.5 (DKKm 75.0). Total inventory write-down at 31 October 2022 was DKKm 6.8 (DKKm 5.3).



Notes to the financial statements

3. Revenue

The Group's revenue is primarily generated from sales of physical products used by the Company's customers in their production or in projects.

Amounts in DKK'000	Group		Parent company	
	2021/22	2020/21	2021/22	2020/21
Revenue from external customers:				
By product groups				
FOC	272,192	207,150	121,202	83,766
Composite	108,667	42,733	79,627	42,733
Total	380,859	249,883	200,829	126,499
By geographical markets				
Denmark	5,181	9,685	4,434	9,685
United Kingdom	34,684	20,685	34,653	20,685
Italy	14,606	6,006	14,386	6,006
Rest of Europe	87,025	42,377	65,844	42,377
Asia	30,194	19,087	29,872	18,787
Brazil	39,396	15,852	39,396	15,052
Latin America	6,231	1,984	1,111	184
USA	163,542	134,207	11,133	13,723
Total	380,859	249,883	200,829	126,499

Of the Group's non-current assets, DKKm 62.5 (DKKm 60.1) were located in Denmark, DKKm 35.5 (DKKm 39.3) in the USA and DKKm 55.8 (DKKm 0) in the Czech Republic.

Several of Roblon's customers are groups comprising several production companies. The revenue of individual customers is determined as the total revenue of all companies within the individual customer's group.

Of the Group's total revenue, two individual customers accounted for more than 10%. Revenue relating to these customers was DKKm 38.8 and DKKm 40.4, respectively. Last year, three individual customers accounted for more than 10% of the Group's total revenue. Revenue relating to these customers was DKKm 48.9, DKKm 36.1 and DKKm 35.5, respectively.

The USD/DKK exchange rate development positively affected the Group's reported revenue by DKKm 19.3 relative to the expected USD/DKK exchange rate of 620. The CZK/DKK exchange rate development positively affected the Group's reported revenue by DKKm 0.3 relative to the expected CZK/DKK exchange rate of 30.

4. Cost of sales

Amounts in DKK'000	Group		Parent company	
	2021/22	2020/21	2021/22	2020/21
Cost of sales	198,159	133,825	108,463	64,057
Change in inventory write-down	1,550	-690	232	-1,041
Total	199,709	133,135	108,695	63,016

5. Work carried out for own account and capitalised

Amounts in DKK'000	Group		Parent company	
	2021/22	2020/21	2021/22	2020/21
Work carried out for own account and capitalised as intangible assets, see note 13	694	1,422	694	1,422
Work carried out for own account and capitalised as property, plant and equipment, see note 14	1,527	870	1,527	870
Total	2,221	2,292	2,221	2,292

6. Other operating income

Amounts in DKK'000	Group		Parent company	
	2021/22	2020/21	2021/22	2020/21
Profit/loss from sale of non-current assets	975	2	801	2
Management fee, subsidiary	-	-	7,148	6,048
Public subsidies/other subsidies	-	729	-	-
Rental income	845	576	646	576
Total	1,820	1,307	8,595	6,626



Notes to the financial statements

7. Fees to auditors appointed in general meeting

Amounts in DKK'000	Group		Parent company	
	2021/22	2020/21	2021/22	2020/21
PwC				
Fee for statutory audit of financial statements	738	403	480	403
Fees for tax advice	64	-	-	-
Fees for other services	128	284	128	284
Total	930	687	608	687

Fees for tax advice and other services provided to the Group by PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab amounted to DKKt 192 (DKKt 284) and consisted in tax advice, etc. in connection with employment of staff abroad and other general accounting advice.

Fees for audit and other services for the subsidiary Roblon US Inc. amounted to DKKt 224 (DKKt 300). The audit was performed by a local audit firm, RH Accounting.

8. Staff costs

Amounts in DKK'000	Group		Parent company	
	2021/22	2020/21	2021/22	2020/21
Wages and salaries	104,911	87,156	58,901	58,775
Defined contribution plans	8,959	5,303	4,243	4,173
Other social security costs	10,307	7,956	1,577	1,567
Cost reimbursement received from public authorities	-1,127	-1,485	-1,127	-1,485
Total	123,050	98,930	63,594	63,030
Remuneration, parent company Board of Directors	1,210	1,210	1,210	1,210
Remuneration, parent company Executive Management	6,648	5,975	6,648	5,975
Pension contributions, parent company Executive Management	508	492	508	492
Total remuneration and pensions, parent company Executive Management	7,156	6,467	7,156	6,467
Total remuneration and pensions, parent company Board of Directors and Executive Management	8,366	7,677	8,366	7,677
Remuneration, senior employees	9,437	8,102	5,444	5,140
Pension contributions, senior employees	759	564	417	386
Total remuneration and pensions, senior employees	10,196	8,666	5,861	5,526
Total remuneration and pensions, Board of Directors, Executive Management and senior employees	18,592	16,343	14,227	13,203
The Group only has defined contribution plans and pays regular contributions to an independent pension company. Consequently, Roblon is not exposed to any risk in relation to future interest, inflation, mortality, disability rate developments, etc. in respect of the amount eventually payable to the employee.				
Average number of full-time employees	279	191	100	102



Notes to the financial statements

9. Financial income

Amounts in DKK'000	Group		Parent company	
	2021/22	2020/21	2021/22	2020/21
Other interest income	5	-	5	-
Interest income from subsidiaries	-	-	1,336	807
Foreign exchange gain and adjustment (net)	10,583	833	10,654	833
Financial income at amortised cost	10,588	833	11,995	1,640
Market value gain on securities	663	2,939	663	2,939
Return on securities	-	573	-	573
Financial income at fair value	663	3,512	663	3,512
Total financial income	11,251	4,345	12,658	5,152

10. Financial expenses

Amounts in DKK'000	Group		Parent company	
	2021/22	2020/21	2021/22	2020/21
Other interest expenses	1,037	148	1,054	131
Interest, credit institution	240	-	240	-
Interest, lease liability	365	379	8	15
Financial expenses at amortised cost	1,642	527	1,302	146
Market value loss on securities	351	247	351	247
Financial expenses at fair value	351	247	351	247
Total financial expenses	1,993	774	1,653	393

11. Tax on profit/loss for the year

Amounts in DKK'000	Group		Parent company	
	2021/22	2020/21	2021/22	2020/21
Tax for the year is specified as follows:				
Tax on profit/loss for the year from continuing operations	981	-8,535	1,735	-5,185
Tax regarding discontinued operations	150	-	150	-
Tax on profit/loss for the year	1,131	-8,535	1,885	-5,185
Tax on profit/loss for the year is calculated as follows:				
Current tax	3,251	18	1,881	-
Deferred tax	-2,210	-8,393	4	-5,025
Prior-year tax adjustments	90	-160	-	-160
	1,131	-8,535	1,885	-5,185
Calculated tax on profit/loss before tax	-148	-6,450	1,348	-4,913
Tax effect of:				
Non-deductible items	1,037	72	649	72
Other adjustments	280	-1,010	16	-183
Prior-year tax adjustments	90	-1,048	-	-61
Adjustment of deferred tax re. prior years	-128	-99	-128	-99
Total	1,131	-8,535	1,885	-5,184
Effective tax rate	168.1%	29.1%	30.8%	23.2%



Notes to the financial statements

12. Earnings per share

Amounts in DKK'000	Group	
	2021/22	2020/21
Profit/loss for the year after tax	-2,334	-20,781
Profit/loss for the year after tax, discontinued operations	530	-
Number of A shares of DKK 200 each	27,775	27,775
Number of B shares of DKK 20 each	1,510,400	1,510,400
Calculated total number of shares (A shares converted at a factor of 10 to 277,750 shares)	1,788,150	1,788,150
A shares in percent of calculated total number of shares	15.5%	15.5%
Earnings per A share, continuing operations	-13.0	-116.0
Earnings per A share, discontinued operations	3.0	-
Earnings per A share, continuing and discontinued operations	-10.1	-116.0
B shares in percent of calculated total number of shares	84.5%	84.5%
Earnings per B share, continuing operations	-1.3	-11.6
Earnings per B share, discontinued operations	0.3	-
Earnings per B share, continuing and discontinued operations (EPS)	-1.0	-11.6

13. Intangible assets

All intangible assets other than development projects in progress are considered to have determinable useful lives, over which they are amortised. See the description of the accounting policy in note 32 to the financial statements.

Development projects in progress are tested for impairment annually. The test is based on the discounted value in use of the expected cash flows from the assets over their expected useful lives. The cash flows were based on the budget and strategy plans approved by Management and a discount factor of 10% (10%). The write-down of the development project amounted to DKKm 0.2 (DKKm 0).

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

During the financial year 2021/22, development costs in the amount of DKKm 5.0 (DKKm 5.6) were recognised as expenses.

Management furthermore assessed that there was evidence of impairment of trademarks and customer relations in Roblon US Inc. Consequently, an impairment test of trademarks in Roblon US Inc. was performed at 31 October 2022. The cash flows in the impairment test were based on budgets and strategy plans approved by Management and a discount factor of 10%. The impairment test did not give rise to the recognition of impairment losses.

Other intangible assets comprise a cloud-based IT solution and software developed in-house and are tested for impairment in the same way as development projects in progress if there is evidence of impairment.



Notes to the financial statements

13. Intangible assets, continued

Amounts in DKK'000	Group				Parent company		
	Completed development projects	Development projects in progress	Trade-marks and customer relations	Other intangible assets	Completed development projects	Development projects in progress	Other intangible assets
Cost at 1 November 2021	10,600	2,321	9,458	16,299	10,600	2,321	12,637
Addition of assets developed in-house	-	694	-	-	-	694	-
Additions on acquisition of business	-	-	1,400	269	-	-	-
Other additions	-	1,593	-	456	-	1,593	-
Disposals/impairment	-	-381	-	-	-	-381	-
Foreign exchange adjustment	-	-	1,660	670	-	-	-
Transferred	562	-562	-	-	562	-562	-
Cost at 31 October 2022	11,162	3,665	12,518	17,694	11,162	3,665	12,637
Amortisation and impairment at 1 November 2021	3,030	-	4,335	6,277	3,030	-	5,690
Additions on acquisition of business	-	-	-	269	-	-	-
Reversal on disposal	-	-	-	-	-	-	-
Amortisation for the year	1,874	-	1,156	3,514	1,874	-	2,629
Impairment for the year	-	-	-	-	-	-	-
Foreign exchange adjustment	-	-	834	162	-	-	-
Amortisation and impairment at 31 October 2022	4,904	-	6,325	10,222	4,904	-	8,319
Carrying amount at 31 October 2022	6,258	3,665	6,193	7,472	6,258	3,665	4,318

Amounts in DKK'000	Group				Parent company		
	Completed development projects	Development projects in progress	Trade-marks and customer relations	Other intangible assets	Completed development projects	Development projects in progress	Other intangible assets
Cost at 1 November 2020	7,352	4,006	9,428	11,054	7,352	4,006	11,054
Addition of assets developed in-house	-	1,422	-	-	-	1,422	-
Other additions	-	953	-	4,291	-	953	771
Disposals/impairment	-	-	-	-	-	-	-
Foreign exchange adjustment	-	-	30	142	-	-	-
Transferred	3,248	-4,060	-	812	3,248	-4,060	812
Cost at 31 October 2021	10,600	2,321	9,458	16,299	10,600	2,321	12,637
Amortisation and impairment at 1 November 2020	1,509	-	3,382	3,339	1,509	-	3,339
Reversal on disposal	-	-	-	-	-	-	-
Amortisation for the year	1,521	-	922	2,926	1,521	-	2,351
Impairment for the year	-	-	-	-	-	-	-
Foreign exchange adjustment	-	-	31	12	-	-	-
Amortisation and impairment at 31 October 2021	3,030	-	4,335	6,277	3,030	-	5,690
Carrying amount at 31 October 2021	7,570	2,321	5,123	10,022	7,570	2,321	6,947



Notes to the financial statements

14. Property, plant and equipment

Amounts in DKK'000	Group					Parent company				
	Land and buildings	Plant and machinery	Other fixtures and fittings, tools and equipment	Property, plant and equipment in progress	Lease assets	Land and buildings	Plant and machinery	Other fixtures and fittings, tools and equipment	Property, plant and equipment in progress	Lease assets
Cost at 1 November 2021	65,794	133,897	7,148	1,255	15,609	65,794	105,040	6,405	217	1,255
Addition of assets developed in-house	-	1,527	-	-	-	-	1,527	-	-	-
Additions on acquisition of business	62,046	49,656	1,061	944	968	-	-	-	-	-
Other additions	165	6,172	1,153	9,650	321	165	2,268	768	8,582	321
Foreign exchange adjustment	-	5,326	156	340	2,526	-	-	-	-	-
Transfers	1,053	1,468	-110	-2,346	-65	-	1,573	-	-1,573	-
Disposals	-	-5,382	-679	-29	-907	-	-3,275	-668	-29	-907
Cost at 31 October 2022	129,058	192,664	8,729	9,814	18,452	65,959	107,133	6,505	7,197	669
Depreciation and impairment at 1 November 2021	47,888	95,178	5,635	-	4,856	47,888	81,346	5,511	-	751
Additions on acquisition of business	17,165	39,162	976	-	-	-	-	-	-	-
Reversal on disposal	-	-5,382	-679	-	-671	-	-3,275	-668	-	-671
Foreign exchange adjustment	-	2,921	30	-	865	-	-	-	-	-
Depreciation for the year	3,941	13,093	759	-	2,753	2,165	5,371	530	-	246
Depreciation and impairment at 31 October 2022	68,994	144,972	6,721	-	7,803	50,053	83,442	5,373	-	326
Carrying amount at 31 October 2022	60,064	47,692	2,008	9,814	10,649	15,906	23,691	1,132	7,197	343



Notes to the financial statements

14. Property plant and equipment – continued

Amounts in DKK'000	Group					Parent company				
	Land and buildings	Plant and machinery	Other fixtures and fittings, tools and equipment	Property, plant and equipment in progress	Lease assets	Land and buildings	Plant and machinery	Other fixtures and fittings, tools and equipment	Property, plant and equipment in progress	Lease assets
Cost at 1 November 2020	65,344	116,204	6,707	12,909	15,248	65,344	97,290	6,707	4,021	1,117
Addition of assets developed in-house	-	517	-	353	-	-	517	-	353	-
Other additions	450	2,970	119	3,568	305	450	2,970	119	891	138
Foreign exchange adjustment	-	241	21	-103	56	-	-	-	-	-
Transfers	-	14,750	722	-15,472	-	-	5,048	-	-5,048	-
Disposals	-	-785	-421	-	-	-	-785	-421	-	-
Cost at 31 October 2021	65,794	133,897	7,148	1,255	15,609	65,794	105,040	6,405	217	1,255
Depreciation and impairment at 1 November 2020	45,618	86,225	5,426	-	2,329	45,618	77,284	5,426	-	332
Reversal on disposal	-	-785	-421	-	-	-	-785	-421	-	-
Foreign exchange adjustment	-	146	2	-	62	-	-	-	-	-
Depreciation for the year	2,270	9,592	628	-	2,465	2,270	4,847	506	-	419
Depreciation and impairment at 31 October 2021	47,888	95,178	5,635	-	4,856	47,888	81,346	5,511	-	751
Carrying amount at 31 October 2021	17,906	38,719	1,513	1,255	10,753	17,906	23,694	894	217	504



Notes to the financial statements

15. Leases

Amounts in DKK'000	Group		Parent company	
	2021/22	2020/21	2021/22	2020/21
Roblon's lease assets comprise leased production and warehouse facilities in Roblon US and Vamafil and operating equipment in Roblon US. The parent company's lease assets comprise leased cars only.				
Income statement items relating to leases				
Lease costs for leases of short duration	172	138	172	138
Depreciation, leased buildings	3,030	1,870	-	-
Depreciation, other leased fixtures and fittings, tools and equipment	588	657	246	419
Interest expenses related to lease liabilities	365	379	8	15
Total	4,155	3,044	426	572

Including interest	Group		Parent company	
	2021/22	2020/21	2021/22	2020/21
Lease liabilities				
Less than one year	3,169	2,595	172	268
Between one and five years	8,775	9,016	187	85
More than five years	-	307	-	-
Total	11,944	11,918	359	353
Cash flows from leasing activities				
Lease liability raised	321	-	321	-
Lease liability settled	-110	-	-110	-
Payment of lease payments, including interest	-1,284	-2,387	-227	-303
Total	-1,073	-2,387	-16	-303

Amounts in DKK'000	Group		Parent company
	Land and buildings	Other fixtures and fittings, tools and equipment	
Balance sheet items relating to leases			
Cost at 1 November 2021	13,197	2,412	1,255
Additions	-	321	321
Additions on acquisition of business	968	-	-
Disposals	-	-907	-907
Transfers	-65	-	-
Foreign exchange adjustment	2,324	202	-
Cost at 31 October 2022	16,424	2,028	669
Depreciation at 1 November 2021	3,727	1,129	751
Reversal on disposal	-	-671	-671
Depreciation for the year	2,245	508	246
Foreign exchange adjustment	785	80	-
Depreciation at 31 October 2022	6,757	1,046	326
Carrying amount at 31 October 2022	9,667	982	343
Cost at 1 November 2020	13,151	2,097	1,117
Additions	-	305	138
Foreign exchange adjustment	46	10	-
Cost at 31 October 2021	13,197	2,412	1,255
Depreciation at 1 November 2020	1,857	472	332
Depreciation for the year	1,814	651	419
Foreign exchange adjustment	56	6	-
Depreciation at 31 October 2021	3,727	1,129	751
Carrying amount at 31 October 2021	9,470	1,283	504



Notes to the financial statements

15. Leases - continued

The useful lives of lease assets are assessed based on the terms and conditions of the lease. If the lease includes an option to extend the lease term, Management assesses the period for which it reasonably expects the lease to be extended. For Roblon's lease of office and factory premises in the USA, the useful life is assessed to be the remaining term of the lease plus an agreed three-year extension period. At 31 October 2022, the total useful life of the lease is six years. Roblon's lease of warehouse facilities in the Czech Republic has a useful life of three years in accordance with the lease.

The scope of the Group's leases, exposure to potential cash flows and the Group's process for determining the discount rate are described in the accounting policies, note 32.

16. Investment in subsidiary

Amounts in DKK'000	Parent company	
	2021/22	2020/21
Cost at 1 November	27,796	27,796
Additions	54,441	-
Cost at 31 October	82,237	27,796

Name	Registered office	Ownership	Share capital
Roblon US Inc.	North Carolina	100%	USD 0.1
Varnafil, spol. s r.o.	Czech Republic	100%	CZK 1,202

17. Inventories

Amounts in DKK'000	Group		Parent company	
	2021/22	2020/21	2021/22	2020/21
Raw materials and consumables	73,421	40,473	32,139	22,913
Work in progress	17,413	15,638	15,858	13,377
Finished goods	23,633	18,878	11,846	14,937
Total	114,467	74,989	59,843	51,227
Inventory write-downs:				
Write-downs at 1 November	5,297	5,987	4,352	5,393
Write-downs for the year	1,550	-690	232	-1,041
Write-downs at 31 October	6,847	5,297	4,584	4,352

In total, the Group's write-downs for obsolescence amounted to DKKm 6.8 (DKKm 5.3), equalling a write-down ratio of 5.6% (6.6%) of the calculated gross value of the inventories.

In total, the parent company's write-downs for obsolescence amounted to DKKm 4.6 (DKKm 4.4), equalling a write-down ratio of 7.1% (7.8%) of the calculated gross value of the inventories.



Notes to the financial statements

18. Trade receivables

Amounts in DKK'000	Group		Parent company	
	2021/22	2020/21	2021/22	2020/21
Trade receivables	83,618	55,530	58,154	35,656
Trade receivables	83,618	55,530	58,154	35,656
Of total trade receivables, DKKm 58.7 (DKKm 41.3) were secured by letter of credit, other third-party security or by credit insurance.				
Provision for impairment of trade receivables is made based on an expected credit loss model. The calculated impairment was DKKt 740 (DKKt 38). Trade receivables are written down to net realisable value. See also the section on credit risk in note 23 Financial risks.				
Provisions at 1 November	38	38	38	38
Adjustment on acquisition	209	-	-	-
Reversed provisions	-41	-38	-38	-38
Losses recorded for the year	24	-	24	-
Provisions for losses for the year	510	38	510	38
Provisions at 31 October	740	38	534	38

19. Share capital

	Number		Nominal value, DKK'000	
	2021/22	2020/21	2021/22	2020/21
Share capital				
A shares of DKK 200 each	27,775	27,775	5,555	5,555
B shares of DKK 20 each	1,510,400	1,510,400	30,208	30,208
Total			35,763	35,763

Each A share of DKK 200 carries 100 votes

Each B share of DKK 20 carries 1 vote

In a stock split on 25 March 2013, the denomination of the B share was changed from DKK 100 to DKK 20 in order to improve the liquidity of the share.

The share capital has been fully paid up.

The A shares are not listed.

The B shares are listed. If a dividend is declared, holders of B shares have a preferential right to dividend of 8% of their nominal shareholding.

Any remaining dividend accrues to the holders of A shares until they have received dividend equalling 8% of their nominal shareholding. Any remaining dividend thereafter is distributed evenly among all shareholders, regardless of share class.



Notes to the financial statements

20. Deferred tax assets and liabilities

Amounts in DKK'000	Group		Parent company	
	2021/22	2020/21	2021/22	2020/21
Deferred tax at 1 November	4,039	-4,509	-191	-5,315
Adjustment, beginning of year/adjustment on acquisition	-3,346	99	128	99
Deferred tax for the year recognised in profit/loss for the year	594	8,393	-1,699	5,025
Foreign exchange adjustment	723	56	-	-
Deferred tax at 31 October	2,010	4,039	-1,762	-191
Deferred tax assets	6,886	4,230	-	-
Deferred tax liabilities	-4,876	-191	-1,762	-191
Net deferred tax at 31 October	2,010	4,039	-1,762	-191
The provision for deferred tax relates to:				
Current assets	794	761	794	761
Intangible assets	2,744	3,443	3,134	3,705
Property, plant and equipment	6,658	5,187	880	2,171
Tax loss carry-forward	-11,277	-12,587	-2,117	-5,603
Non-current liabilities	-929	-843	-929	-843
Total	-2,010	-4,039	1,762	191

The Group's deferred tax assets at 31 October 2022 mainly consisted of tax losses carried forward in the parent company and the US subsidiary. It is deemed highly probable that the Group will generate sufficient earnings within a few years for the deferred tax asset to be recovered.

As expected, the parent company generated positive earnings in 2021/22 and was therefore able to utilise a large part of the tax losses carried forward from previous years. The same is expected to be the case in the coming financial years.

Roblon's US subsidiary is expected to see increased revenue in the FOC product group in the 2022/23 financial year. The FOC market in general is enjoying growth, and Roblon is well positioned in the USA as one of only a few local suppliers of cable components. The Group has previously implemented a major investment programme and has launched additional initiatives which are expected to be completed in the spring of 2023. This will increase the total production capacity of the US subsidiary by more than 50%, and further improvement of production profitability is considered likely. This is expected to result in positive earnings in 2022/23, supporting the expectation that tax losses carried forward from previous years will be utilised.

21. Debt to credit institution

Amounts in DKK'000	Group		Parent company	
	2021/22	2020/21	2021/22	2020/21
Less than one year	381	-	381	-
Between one and five years	1,622	-	1,622	-
More than five years	7,437	-	7,437	-
Total carrying amount	9,440	-	9,440	-

22. Other provisions

Amounts in DKK'000	Group		Parent company	
	2021/22	2020/21	2021/22	2020/21
Other provisions at 1 November	-	320	-	320
Additions during the period	357	-	357	-
Used during the period	-	-320	-	-320
Other provisions at 31 October	357	-	357	-

Other provisions comprise warranty obligations expected to be used within one year.

Warranty obligations relate to goods sold with a warranty. The provision is based on individual assessments of the remedial costs.



Notes to the financial statements

23. Financial risk

Amounts in DKK'000	Group	
	31.10.2022	31.10.2021
Specification of financial assets and liabilities		
Trade receivables	83,618	55,530
Other receivables	1,970	1,406
Cash and cash equivalents	11,884	3,677
Financial assets at amortised cost	97,472	60,613
Marketable securities	-	42,035
Financial assets at fair value through profit or loss	-	42,035
Lease liability	11,299	11,073
Debt to credit institution	9,440	-
Operating credits	82,781	19,328
Advance payments	5,401	1,630
Trade payables	25,531	19,958
Financial liabilities at amortised cost	134,452	51,989

As a consequence of its operations and investments, the Group is exposed to a number of financial risks, including market risk (currency and interest rate risk) and credit risk.

The Group's cash reserve comprises cash and unutilised credit facilities.

Schedule of maturities of financial liabilities.

Amounts in DKK'000	Group	
	31.10.2022	31.10.2021
Less than one year	117,217	43,511
Between one and five years	9,798	8,478
More than five years	7,437	-
Total	134,452	51,989

Roblon's policy is to maintain a low risk profile so that currency, interest rate and credit risks arise only in commercial relations. It is Group policy not to engage in active speculation in financial risks.

Relevant matters relating to the Group's risk management are described in the following section.

Currency risk

A large proportion of Roblon's revenue, production and capacity costs are invoiced and settled in foreign currencies, principally EUR and USD. Transactions in the Group's subsidiaries mainly take place in USD, EUR and CZK. All assets and liabilities in the subsidiaries' balance sheets are denominated in USD and CZK.

Roblon's foreign exchange policy is to ensure that, whenever possible, transactions are made in DKK and EUR, as transactions in EUR are not considered to involve risk due to the fixed exchange rate policy. Roblon's results and financial position may be affected by fluctuations in USD and CZK against DKK.

The Group's foreign exchange policy allows for hedging of currency risks by means of forward exchange contracts or other relevant instruments. In view of the level of the Group's total exposures, Management has not deemed it appropriate to enter into hedging transactions.

The Group's currency positions at 31 October 2022 stated in DKK:

Amounts in DKK'000	Receivables/ cash and cash equivalents	Debt	Net position
Currency			
EUR	61,875	-10,623	51,252
USD	108,400	-5,223	103,177
GBP	781	-21	760
CZK	470	-2,544	-2,074
Total	171,526	-18,411	153,115

A 10% depreciation of the USD/DKK exchange rate at the balance sheet date would negatively affect profit and equity by approximately DKKm 10.3 (DKKm 5.3). A 10% appreciation of the USD/DKK exchange rate at the balance sheet date would positively affect profit/loss and equity by approximately DKKm 10.3 (DKKm 5.3).

A 10% depreciation of the CZK/DKK exchange rate at the balance sheet date would positively affect profit/loss and equity by approximately DKKm 0.2 (DKKm 0). A 10% appreciation of the CZK/DKK exchange rate at the balance sheet date would negatively affect profit and equity by approximately DKKm 0.2 (DKKm 0).



Notes to the financial statements

23. Financial risk – continued

The Group's currency positions at 31 October 2021 stated in DKK:

Amounts in DKK'000	Receivables/ cash and cash equivalents	Liabilities	Net position
Currency			
EUR	28,430	-6,014	22,416
USD	25,802	-24,772	1,030
GBP	75	-3	72
Total	54,307	-30,789	23,518

The Group's trade receivables and trade payables normally fall due within three months of delivery.

Risks related to securities

The Group previously placed excess liquidity in securities. In the 2021/22 financial year, all securities were sold to finance the acquisition of Vamafil, spol. s r.o., as described in note 28 below. A repo financing arrangement secured against securities was also settled as the securities were sold.

Interest rate risk

The Group has three credit facilities. In addition, the Group has a limited guarantee of DKKm 3.

Amounts in DKK'000	Currency	Interest rate	Credit max in DKK	Draw-down at 31/10/2022
Operating credit	DKK	Danske BOR + margin	5,000	-
Operating credit	DKK	Cibor + margin	100,000	82,781
Operating credit (EURt 400)	EUR	EURIBOR + margin	2,978	-
Total			107,978	82,781

Amounts in DKK'000	Currency	Interest rate	Principal	Outstanding at 31/10/2022
Debt to credit institution	DKK	Fixed interest	9,861	9,440
Total			9,861	9,440

Amounts in DKK'000	Currency	Interest rate	Credit max	Draw-down at 31/10/2021
Operating credit	DKK	Danske BOR + margin	10,000	4,328
Repo arrangement	DKK	Cibor + margin	15,000	15,000
Total			25,000	19,328

The operating credit facilities carry interest at 3-month floating market rate plus a fixed margin. In 2021/22, the aggregate interest rate was below 3% (below 1.5%).

As the Group has interest-bearing debt in the form of the above credit facilities, its risk exposure to market rate fluctuations is of some significance.

A one percentage point p.a. increase in the market rate relative to the interest rate level at the balance sheet date would have a negative effect of DKKm 0.8 (DKKm 0.2) before tax on the Group's results and equity related to an interest expense on operating credits. The calculation is based on actual credit draw-down at 31 October 2022.

A one percentage point p.a. decrease in the market rate relative to the interest rate level at the balance sheet date would have a positive effect of DKKm 0.8 (DKKm 0.2) before tax on the Group's results and equity related to an interest expense on operating credits. The calculation is based on actual credit draw-down at 31 October 2022.



Notes to the financial statements

23. Financial risk – continued

Liquidity risk:

The Group ensures sufficient cash resources through cash management and establishment of credit facilities.

The Group's cash reserve consists of the following:

Amounts in DKK'000	2021/22	2020/21
Marketable securities	-	42,035
Cash and cash equivalents	11,884	3,677
Unutilised credit facilities	25,197	5,672
Total	37,081	51,384

Credit risk

The Group's principal credit risk relates to trade receivables. The Group performs credit assessments of new customers and regularly reassesses the credit rating of existing customers. Roblon individually assesses any need to take out credit insurance via the established credit insurance scheme, to require full or partial advance payment or to obtain any other security for payment.

At 31 October 2022, receivables were partially credit insured and a significant portion of the Group's receivables were secured by alternative means. Based on the Group's knowledge of the customers in question and its internal credit rating procedures, the credit quality of non-impaired receivables is considered high and the risk of losses low.

Historically, the Group has suffered relatively minor losses on trade receivables, and the risk of significant losses on total receivables is considered to be limited. See also note 18, Trade receivables.

Of total trade receivables, DKKm 58.7 (DKKm 41.3) were secured by letter of credit, other third-party security or by credit insurance.

The parent company's receivable with the subsidiary Roblon US Inc. results from continuous operating losses, investment in improvement of the subsidiary's production facilities and implementation of a new ERP system matching that of the parent company.

These investments are necessary for Roblon US Inc. to be able to accommodate the growth in demand for Roblon's products in the FOC market. The expectations of future earnings in the subsidiary will form the basis of the repayment of the amount owed by the subsidiary. The receivable with the subsidiary carries interest on market terms and has not yet fallen due.

The parent company's receivable with the subsidiary Vamafil, spol. s r.o. is a loan taken out to repay a loan by the previous owners. During the financial year, the subsidiary has serviced the loan according to agreement, as is expected to be the case going forward.

Based on this, the risk of losses in accordance with the expected credit loss model is assessed to be low for both subsidiaries, at around 0-0.5%, which is assessed to be immaterial to the parent company's balance sheet. Consequently, no loss has been recognised with respect to the parent company's receivable with the subsidiary.

Trade receivables with subsidiaries are specified as follows:

Amounts in DKK'000	Group		Parent company	
	31 October 2022	31 October 2021	31 October 2022	31 October 2021
Not yet due	77,805	51,926	133,623	84,525
Overdue by up to one month	4,692	3,379	3,440	3,138
Overdue by between one and three months	594	130	398	2
Overdue by between three and six months	-	88	-	24
Overdue by more than six months	527	7	527	7
Total	83,618	55,530	137,988	87,696

The Group's maximum credit risk exposure to receivables corresponds to their carrying amount.

Specifically in respect of the Group's overdue receivables, a loss provision of DKKt 740 (DKKt 38) was made at 31 October 2022.

Optimisation of capital structure

Management regularly considers whether Roblon's capital structure best serves the Group's and its shareholders' interests. The overriding goal is to ensure a capital structure that supports long-term financial growth and at the same time maximises the return for Roblon's stakeholders. The Group's overall strategy is unchanged compared to the previous year.

The Group's capital structure consists of cash and equity, including share capital, other reserves and retained earnings.

The Group has substantial equity and robust capital resources, which are considered to be a significant strength with regard to any future activity expansions. With the current ownership structure, the Group has no immediate plans to propose a merger of the two share classes, which is considered an obstacle to raising capital on the stock exchange. Accordingly, the Group needs stronger capital resources than would otherwise be the case.

It is the Company's intention to distribute dividends annually corresponding to 50% of the nominal value of the B share, equivalent to DKK 10 per B share. In addition to this, the Board of Directors may propose an interim dividend distribution to the shareholders for a given financial year.



Notes to the financial statements

24. Contingent liabilities

Bank guarantees have been provided in the amount of DKKm 1.4 as security for advance payments received (DKKm 1.3).

Roblon A/S is taxed jointly in Denmark with ES Holding Frederikshavn ApS as the administration company. Pursuant to the relevant provisions of the Danish Corporation Tax Act, the Company is liable for income taxes etc. for the jointly taxed companies, and as from 1 July 2012 for any obligations to withhold tax at source on interest, royalties and dividends for the jointly taxed companies.

During the 2021/22 financial year, the Group took out a 20-year cash mortgage loan on the Gærum property. The carrying amount of the property is DKKm 6.6. At 31 October 2022, the outstanding debt on the loan was DKKm 9.4.

25. Adjustment for non-cash items

Amounts in DKK'000	Group		Parent company	
	2021/22	2020/21	2021/22	2020/21
Profit/loss from sale of property, plant and equipment	-975	-2	-801	-2
Depreciation, amortisation and impairment	27,245	20,324	12,970	11,914
Provisions	357	-320	357	-320
Foreign exchange adjustment	7,221	-180	10,654	-
Total	33,848	19,822	23,180	11,592

26. Change in working capital

Amounts in DKK'000	Group		Parent company	
	2021/22	2020/21	2021/22	2020/21
Change in inventories	-36,645	-13,582	-11,449	-4,154
Change in receivables	-23,955	-19,890	-40,899	-25,798
Change in current liabilities	9,038	4,554	2,292	4,276
Total	-51,562	-28,918	-50,056	-25,676

27. Discontinued operations

Amounts in DKK'000	Group		Parent company	
	2021/22	2020/21	2021/22	2020/21
As part of the agreement to sell Roblon Lighting on 30 April 2017, the Group provided a loan of DKKm 2.6. Due to elevated repayment risk, Roblon has made a DKKm 3.1 loss provision for the full amount of the loan, including accrued interest. During the 2021/22 financial year, Roblon received total repayments of DKKm 0.7.				
Income statement, discontinued operations				
Net proceeds from divestment of operations	680	-	680	-
Tax on this amount	-150	-	-150	-
Profit/loss for the year	530	-	530	-
Receivable regarding sale of discontinued operation				
Receivable from buyer of divested operation	3,102	3,102	3,102	3,102
Reversed impairment, beginning of year	-680	-	-680	-
Impairment write-down	-2,422	-3,102	-2,422	-3,102
Total	-	-	-	-



Notes to the financial statements

28. Business acquisition

In company announcement no. 7/2021, the Group announced its acquisition of the company Vamafil spol. s.r.o. in the Czech Republic as part of Roblon's growth strategy within its core business, the fibre optic cable industry.

As described in company announcement no. 1/2022, the Group obtained control of the Czech company Vamafil spol. s.r.o. at 3 January 2022 by acquiring voting rights. Vamafil is an established company specialising in supplying high-performance fibre converting services to European customers. Roblon intends to continue the development of Vamafil's existing business area. In addition, the acquisition of Vamafil will facilitate Roblon's growth in its core business area within the fibre optic cable industry and strengthen competitiveness and profitability.

The agreed purchase price for the shares was EURm 8 (DKKm 59.6) less net debt and normalisation of working capital calculated at EURm 0.7. The preliminary purchase price of EURm 7.3 (DKKm 54.4) was paid in cash.

The acquisition of Vamafil, spol. s r.o. in the Czech Republic was financed by the sale of a securities portfolio and raising of a loan and an operating credit with Nordjyske Bank.

In connection with the acquisition of Vamafil, Roblon took over a loan of EURm 1.5 which the former principal shareholders had extended to Vamafil. In the calculation of the purchase price, adjustment has been made for this loan, which was repaid in full at 1 January 2022.

In relation to the acquisition, the Group incurred transaction costs of DKKm 3.1 million related to legal and financial advisers. These costs were recognised in the income statement item Net special items. In addition to these, special items comprise restructuring costs.

Provisional takeover balance sheet:

Amounts in DKK'000	Recognised value at takeover
Intangible assets	1.4
Buildings	44.4
Plant and machinery	11.4
Lease assets	1.0
Inventories	2.8
Receivables	4.8
Cash and cash equivalents	7.3
Deferred tax	-3.5
Non-current debt	-0.1
Lease debt	-1.0
Trade payables	-1.4
Amount owed to seller	-11.3
Other payables	-1.4
Acquired net assets	54.4
Of which cash and cash equivalents	-7.3
Cash consideration	47.1



Notes to the financial statements

29. Related parties

Roblon's related parties exercising significant influence are the Group's Board of Directors, Executive Management and senior employees and their close family members.

Related parties also include major shareholders exercising control over the Group and its subsidiaries Roblon US Inc. and Vamafil spol.s.r.o.

Roblon A/S is comprised by the consolidated financial statements of ES Holding Frederikshavn ApS.

Board of Directors and Executive Management

Management's remuneration is disclosed in note 8.

Shareholders exercising control over the Group ES Holding Frederikshavn ApS, Prøvestens Alle 1, DK-3450 Allerød owns the A shares in Roblon A/S and exercises control over the Group.

There were no transactions with ES Holding Frederikshavn ApS other than joint taxation contributions of DKKm 2.1 (DKKm 0.9).

Amounts in DKK'000	Parent company	
	2021/22	2020/21
Transactions with the subsidiaries Roblon US Inc. and Vamafil, spol. s r.o.		
Sale of goods to subsidiaries	8,206	6,020
Purchase of goods from subsidiaries	9,918	1,576
Management fees from subsidiaries	5,049	4,188
Reinvoiced expenses from parent company	4,543	4,339
Reinvoiced expenses from subsidiaries	408	934
Interest income from subsidiaries	1,337	807
Amount owed by subsidiaries	79,834	52,040
Loan to subsidiary	10,339	-

30. Shareholder information

	Ownership %		Voting share %	
	31.10. 2022	31.10. 2021	31.10. 2022	31.10. 2021
The Group has registered the following shareholders holding more than 5% of the voting rights or nominal value of the share capital:				
ES Holding Frederikshavn ApS CVR-no. 2932 Allé 1, DK-3450 Allerød	25.1	25.1	68.8	68.8
ATP, CVR no. 43405810, Kongens Vænge 8, DK-3400 Hillerød	7.2	6.3	3.0	2.6

31. Events after the balance sheet date

No significant events have occurred after the balance sheet date of 31 October 2022 of significance to the annual report.



Notes to the financial statements

32. Accounting policies

In addition to the description in note 1, the accounting policies are set out below.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable that future economic benefits will flow to the Group/the parent company and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when, as a result of a past event, the Group/the parent company has a legal or constructive obligation, and it is probable that an outflow of economic benefits will be required to settle the obligation and the value of the obligation can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Recognition and measurement take into consideration any gains, losses and risks that arise before the presentation of the annual report and that confirm or invalidate matters existing at the balance sheet date.

Income is recognised as earned, including value adjustments of financial assets and liabilities measured at fair value or amortised cost. In addition, expenses incurred to generate the income for the year are recognised, including depreciation, amortisation, impairment losses and provisions as well as reversals of amounts previously recognised in the income statement as a result of changed accounting estimates.

Segment information

Based on the internal reporting to Roblon's parent company Board of Directors, the segment reporting comprises a single segment. Additional information is provided on external revenue by product groups:

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

Business combinations

Newly acquired or newly formed businesses are recognised in the consolidated financial statements from the acquisition date. Sold or liquidated businesses are recognised in the consolidated financial statements up until the date of disposal. Comparative figures are not corrected for newly acquired businesses.

On acquisition of new businesses in which Roblon A/S assumes control over the acquired business, the purchase method is applied. The identifiable assets, liabilities and contingent liabilities of the acquired business are measured at fair value at the acquisition date. Deferred tax is recognised on the basis of the revaluations made.

The takeover date is the date on which Roblon A/S actually assumes control of the acquired business.

Any excess of the consideration transferred, the amount of any non-controlling interests in the acquired company and the fair value of any previously held equity interest over the fair value of the identifiable assets acquired and liabilities and contingent liabilities incurred is recognised as goodwill under intangible assets. Goodwill is not amortised, but is tested for impairment at least once a year. The first impairment test is performed before the end of the acquisition year.

On acquisition, goodwill is allocated to the cash-generating units that will subsequently form the basis for impairment testing. Any goodwill arising and any fair value adjustments made on the acquisition of a foreign entity whose functional currency is not the same as the Group's presentation currency are accounted

for as assets and liabilities of the foreign entity and are on initial recognition translated to the foreign entity's functional currency at the exchange rate at the transaction date.

Any negative difference (negative goodwill) is recognised in the income statement at the date of acquisition.

The purchase price in a business combination consists of the fair value of the agreed consideration in the form of assets transferred, liabilities incurred and equity instruments issued. If part of the purchase price is contingent on future events occurring or on agreed conditions being met, that part of the consideration is recognised at fair value at the acquisition date. Contingent consideration that is not an equity instrument is subsequently measured at fair value through profit or loss.

Costs attributable to business combinations are recognised directly in profit/loss for the year as incurred.

In case of uncertainty at the acquisition date about the identification or measurement of assets acquired or liabilities or contingent liabilities incurred or about the determination of the purchase price, initial recognition will be made on the basis of provisional values. If the identification or measurement of the consideration, acquired assets, liabilities or contingent liabilities incurred subsequently proves to have been incorrect on initial recognition, the calculation is adjusted retrospectively, including goodwill, until 12 months after the acquisition, and comparative figures restated. Subsequently, goodwill is not adjusted. Changes in estimates of contingent consideration are recognised in profit or loss for the year.

Gains or losses on disposal of subsidiaries and associates are stated as the difference between the disposal amount and the carrying amount of net assets including goodwill at the date of disposal plus disposal costs.

Discontinued operations and non-current assets held for sale

Discontinued operations are significant business areas that have been sold or are held for sale in accordance with a single, co-ordinated plan.

The profit/loss from discontinued operations is presented as a separate income statement item consisting of operating profit/loss after tax of the operations in question and any profit or loss on fair value adjustment or sale of the assets and liabilities related to the activity.

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

Liabilities directly related to the assets in question are presented as current liabilities in the balance sheet.

Non-current assets held for sale are not depreciated or amortised but are written down to fair value less expected costs to sell where this is lower than the carrying amount.

Consolidated financial statements

The consolidated financial statements comprise the parent company, Roblon A/S, and any subsidiaries in which Roblon A/S has control over the company's financial and operating policies so as to obtain returns or other benefits from its activities. Control is achieved by directly or indirectly owning or having disposal of more than 50% of the voting rights or otherwise having control of the company in question.

The Group exercises control over a company if the Group is exposed to or has rights to variable returns from its involvement with the company and has the ability to affect those returns through the power over the company.



Notes to the financial statements

32. Accounting policies – continued

When assessing whether Roblon A/S has control or significant influence, de-facto control and potential voting rights that are real and substantive at the balance sheet date are taken into account.

The consolidated financial statements are prepared by consolidating the parent company's and the individual subsidiaries' financial statements, prepared in accordance with the Group's accounting policies with elimination of intra-group income and costs, shareholdings, balances and dividends as well as realised and unrealised profits on transactions between the consolidated businesses.

Financial statement items of subsidiaries are recognised 100% in the consolidated financial statements.

Foreign currency translation

A functional currency is determined for each of the reporting entities in the Group. The functional currency is the currency used in the primary economic environment in which the reporting entity in question operates. Transactions in currencies other than the functional currency are transactions in foreign currency.

On initial recognition, transactions in foreign currency are translated to the functional currency at the exchange rate at the transaction date. Foreign exchange differences arising between the exchange rate at the transaction date and the exchange rate at the payment date are recognised in the income statement as financial income or expenses.

Receivables, payables and other monetary items in foreign currency are translated to the functional currency at the exchange rate at the balance sheet date. The difference between the exchange rate at the balance sheet date and the exchange rate at the time the receivable or debt arose or the exchange rate in the most recent annual report is recognised in the income statement as financial income or expenses.

On recognition in the consolidated financial statements of subsidiaries with another functional currency than DKK, income statement and other comprehensive income items are translated at the exchange rates at the transaction date and balance sheet items are translated at the exchange rates at the balance sheet date. The average exchange rate for the individual month is used as the exchange rate at the transaction date to the extent that this does not produce a significantly different outcome.

Foreign exchange differences arising on translation of these businesses' opening equity to the exchange rate at the balance sheet date and on translation of income statements from the exchange rate at the transaction date to the exchange rate at the balance sheet date are recognised in other comprehensive income as a separate currency translation reserve under equity.

Income statement

Revenue

Revenue from the sale of finished goods for both product groups, FOC and Composite, is recognised in profit/loss when control with the goods is obtained by the customer, typically upon delivery.

The terms of payment in the Group's sales agreements with customers depend on the product, the performance obligation and the underlying customer relationship. Typically, the terms of payment are current month plus 30-90 days.

The Group generally does not have any return obligations and only ordinary warranty obligations in connection with sale of goods.

Revenue is measured excluding VAT, taxes and duties and other charges by third parties.

Expenses incurred in connection with sales and securing contracts are recognised in the income statement as incurred.

Other operating income and expenses

Other operating income and expenses comprise items secondary to the principal objective of the Company. Material public subsidies are included in other operating income. Public subsidies comprise remissible loans granted by public authorities. Remissible loans are recognised in liabilities until it is highly probable that the conditions for remission of the debt are met.

Cost of sales

Costs comprise raw materials and consumables used in the manufacturing process to generate revenue. Raw materials and consumables used in development projects are recognised in other external costs, and in assets when relating to capitalisable development projects.

Other external costs

Other external costs mainly comprise selling and distribution costs, maintenance costs, costs of premises and administrative expenses. Other external costs also comprise external costs relating to development projects for own account that do not qualify for capitalisation.

Development projects for own account

Development costs for own account are incurred where a project is launched before an agreement is reached with a third party to co-fund the development project. Development costs are generally recognised in the income statement when incurred. Development projects are capitalised if they meet the requirements defined in the accounting policy on intangible assets.

Staff costs

Staff costs comprise wages and salaries, including pensions and social security costs, for production staff as well as sales, procurement, development and administrative staff.

Financial income and expenses

Financial income and expenses comprise interest, foreign exchange gains and losses and impairment losses on debt and transactions in foreign currencies, amortisation of financial assets and liabilities and surcharges and allowances under the tax prepayment scheme, etc.

Distributions of profits in subsidiaries are recognised in the parent company's income statement in the financial year in which the dividend is declared. If the distributed amount exceeds the comprehensive income of the subsidiary for the period, an impairment test is performed.

Tax

Tax on the profit/loss for the year comprises the year's current tax and changes in deferred tax. The tax expense relating to the profit/loss for the year is recognised in the income statement, and the tax expense relating to items recognised in other comprehensive income is recognised in other comprehensive income.

The current tax charge for the year is calculated based on the tax rates and rules applicable at the balance sheet date.

Roblon A/S is jointly taxed with the parent company. The current Danish income tax liability is allocated among the jointly taxed companies in proportion to their taxable income (full absorption with refunds for tax losses).

Balance sheet

Intangible assets

Intangible assets are measured at the lower of cost less accumulated amortisation and impairment and the recoverable amount.

Development costs comprise costs, wages and salaries directly attributable to the Group's development activities. Any interest



Notes to the financial statements

32. Accounting policies – continued

expenses on loans to finance development projects are included in cost if they relate to the development period.

Development projects that are clearly defined and identifiable, and where the technical utilisation degree, sufficient resources and potential future market or development opportunities in the Group are evidenced, and where the Group intends to produce, market or use the project, are recognised as intangible assets if it is probable that the product or the process will generate future economic benefits for the Group and the development costs of the individual asset can be measured reliably. Those of the Group's development costs that do not meet the above capitalisation criteria are taken to profit/loss during the year in which they are incurred.

Once completed, development projects are amortised on a straight-line basis over their estimated economic lives. The amortisation period of capitalised projects has been set at five years.

The value of development projects in progress is tested for impairment annually.

Trademarks and customer relations acquired in business combinations are measured at cost less accumulated amortisation and impairment losses.

Trademarks and customer relations are amortised on a straight-line basis over ten years.

Other intangible assets, comprising ERP and other software supporting the business, are measured at cost less accumulated amortisation and impairment losses.

Other intangible assets are amortised on a straight-line basis over 3-10 years.

Completed development projects, trademarks and other intangible assets are tested for impairment if there is evidence that their value may be impaired in excess of the amortised amounts.

Property, plant and equipment

Land and buildings, plant and machinery and other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment. Land is not depreciated. The useful lives and residual values of property, plant and equipment are reassessed annually.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is ready for use. The cost of assets manufactured by the Group comprises direct and indirect costs of materials, components, sub-suppliers and labour. Any interest expenses on loans to finance the manufacture of property, plant and equipment are recognised in cost if such expenses relate to the production period.

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

The basis of depreciation is cost less residual value. Depreciation is calculated on a straight-line basis over the expected useful lives, which are as follows:

Buildings	25-30 years
Significant modifications to buildings	5 years
Plant and machinery	3-10 years
Other fixtures and fittings, tools and equipment	3-5 years

Profits and losses on the sale of property, plant and equipment are determined as the difference between the selling price less costs to sell and the carrying amount at the selling date. Profits or losses are recognised in the income statement under other operating income and expenses.

Impairment testing of non-current assets

The carrying amount of non-current intangible assets and property, plant and equipment is tested for evidence of impairment at least annually. When there is evidence that an asset may be impaired, the recoverable amount of the asset is determined.

The recoverable amount is the higher of an asset's fair value less expected costs to sell and its value in use. Value in use is the present value of the future cash flows expected to be derived from an asset or the cash-generating unit to which the asset belongs.

An impairment loss is recognised where the carrying amount of an asset or a cash-generating unit exceeds the recoverable amount of the asset or cash-generating unit.

Lease assets and liabilities

A right-of-use asset (lease asset) and a lease liability are recognised in the balance sheet when, under a lease, a specific identifiable asset is made available for the Group's use for the lease term and when the Group obtains substantially all of the economic benefits from the use, and the right to direct the use, of the identified asset. On initial recognition, lease assets are recognised in the balance sheet at the present value of lease payments discounted over the lease term, with recognition of a corresponding lease liability.

If the lease includes an option to extend the lease term, Management assesses the period for which it reasonably expects the lease to be extended. Leases with a total term of less than 12 months are not recognised, unless they contain an extension option that is expected to be exercised. On subsequent recognition, the asset is measured at cost less any accumulated depreciation and impairment. The lease liability is recalculated if changes are made to the lease or if the Group changes its assessment of the lease term.

The useful lives of lease assets are assessed based on the terms and conditions of the lease. For Roblon's lease of office and factory premises in the USA, the useful life is assessed to be the remaining term of the lease plus an agreed three-year extension period. At 31 October 2022, the total useful life of the lease is six years.

The lease liability is reduced by regular lease payments, and in the income statement, depreciation of the lease asset is recognised, calculated on the basis of the useful life of the lease asset and the interest expense on the lease liability.

The basis of depreciation is the cost of the asset, equalling the discounted value plus any upfront payment. Depreciation is calculated according to the straight-line method over the estimated useful life.

Cars	1-5 years
Other fixtures and fittings, tools and equipment	5 years
Buildings	4-7 years

Investments in subsidiaries in the annual report of the parent company

Investments in subsidiaries are measured at cost. Where the recoverable amount is lower than cost, the investments are written down to this lower value.

Inventories

Inventories are measured at cost in accordance with the FIFO method. Where the net realisable value is lower than cost, inventories are written down to this lower value.

The cost of raw materials and consumables comprises the purchase price plus delivery costs.



Notes to the financial statements

32. Accounting policies – continued

The cost of finished goods and work in progress comprises the cost of raw materials, consumables, direct labour and production overheads. Indirect production costs comprise indirect materials and labour costs as well as maintenance and depreciation of production machinery, buildings and equipment.

The net realisable value of inventories is determined as the selling price less costs of completion and costs necessary to make the sale and is determined taking into account marketability, obsolescence and developments in the expected selling price.

Receivables

Receivables comprise trade receivables as well as other receivables.

On initial recognition, receivables are measured at fair value and subsequently at amortised cost, usually corresponding to the nominal value less provision for bad debts applying the expected credit loss model.

Marketable securities

Marketable securities comprise listed bonds and equities.

On initial recognition, the item is measured at fair value at the settlement date with the addition of costs directly attributable to the purchase. The assets are subsequently measured at fair value at the balance sheet date (equal to market price), and changes in the fair value are recognised in profit or loss.

Fair value measurement

The Group uses the fair value convention in connection with certain disclosure requirements and for the recognition of

financial instruments. Fair value is defined as the price obtainable when selling an asset, or payable when transferring a liability, in an arm's length transaction between market participants (exit price).

Fair value is a market-based, not a company-specific, valuation. The Company uses the assumptions that market participants would apply in pricing the asset or liability based on the prevailing market conditions, including assumptions relating to risk. Accordingly, the Company's intentions with owning the asset or settling the liability are not considered when determining fair value.

Fair value measurement is based on the primary market. If no primary market exists, fair value is based on the most advantageous market, defined as the market that maximises the price of the asset or liability less transaction and transport costs.

All assets and liabilities that are measured at fair value, or whose fair value is disclosed, are categorised under the fair value hierarchy as described below:

- Level 1: Value determined on the basis of the market value of similar assets/liabilities in an active market.
- Level 2: Value determined according to recognised valuation methods based on observable market inputs.
- Level 3: Value determined according to recognised valuation methods and reasonable estimates (unobservable market inputs).

Equity

Currency translation reserve

The currency translation reserve comprises the Group's share of foreign exchange differences on translation of the assets and liabilities of subsidiary with another functional currency than DKK and foreign exchange adjustments relating to foreign exchange transactions hedging the Group's net investments in subsidiary.

The reserve is dissolved when the hedged transaction is realised if the hedged cash flows are no longer expected to be realised or if the hedge is no longer effective.

Reserve for development costs

Reserve for development costs in the parent company comprises capitalised development costs adjusted for the tax effect of amortisation and impairment.

The reserve is dissolved if the capitalised development costs are sold or otherwise decommissioned. The reserve decreases as a result of regular amortisation or any impairment. If an impairment loss is subsequently reversed, the reserve is restored.

Dividends

Dividends are recognised as a liability at the date when they are adopted at the annual general meeting. The proposed dividend payment for the year is disclosed as a separate item under equity until adopted in general meeting.

Other provisions

Provisions are recognised when, as a consequence of an event occurring before or at the balance sheet date, the Company has a legal or constructive obligation, and it is probable that there may be an outflow of economic benefits to meet the obligation.

Financial liabilities

Financial liabilities are recognised at the date of borrowing at fair value less transaction costs paid. In subsequent periods, financial liabilities are measured at amortised cost according to the effective interest method. Accordingly, the difference between the proceeds and the nominal value is recognised in the income statement under financial expenses over the term of the loan. Financial liabilities also include the capitalised residual lease liability under finance leases, measured at amortised cost.

Other liabilities are measured at net realisable value.

Liabilities

Current liabilities, which comprise trade payables, advance payments received from customers and other payables, are measured at amortised cost, usually corresponding to nominal value.

Income tax

Current tax payable and receivable is recognised in the balance sheet as the tax charge on the taxable income for the year, adjusted for tax paid on account.

Deferred tax

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities.

Deferred tax assets are recognised in the amount at which they are expected to be utilised as set-off against deferred tax liabilities. Deferred tax is measured on the basis of the tax regulations and rates that, according to the applicable legislation at the balance sheet date, will apply at the time the deferred tax is expected to crystallise as current tax. With regard to changes in



Notes to the financial statements

32. Accounting policies – continued

deferred tax resulting from changes in tax rates, the part relating to profit/loss for the year is recognised in the income statement, and the part relating to items recognised in other comprehensive income is recognised in other comprehensive income.

Statement of cash flows

The statement of cash flows is prepared according to the indirect method based on operating profit/loss (EBIT) as set out in the income statement. The statement of cash flows indicates how the three activities set out below have impacted cash and cash equivalents for the year.

Cash flow from operating activities comprises EBIT, adjusted for non-cash operating items, changes for the year in working capital and income tax paid.

Cash flow from investing activities comprises cash flows from purchase and sale of intangible assets, property, plant and equipment and financial assets.

Cash flow from financing activities comprises cash flows from e.g. shareholder dividends, payment of instalments and interest on lease liabilities and overdraft facilities, purchase and sale of treasury shares and subscription of employee shares.

Cash and cash equivalents comprises cash and bank deposits.



Notes to the financial statements

33. Key figure definitions and formulas

The financial ratios have been calculated in accordance with 'Recommendations & Ratios', issued by the Danish Finance Society.

The key figures and ratios set out in Financial highlights are calculated as follows:

Order book	The value of orders received that will generate revenue in subsequent financial years	Working capital	Inventories + receivables - current liabilities (adjusted for tax operating credit and leases)
Order intake	Order book at year end + revenue - order book at beginning of year	Working capital, % of revenue	Working capital * 100 / revenue
Book-to-bill ratio	Order intake / revenue	Average no. of full-time employees	Total ATP contribution / ATP rate for a full-time employee (or similar)
Revenue growth	(Revenue in year n - revenue in year n-1) * 100 / revenue in year n-1	Gross profit per full-time employee	Gross profit / average no. of full-time employees
Gross profit	Revenue less cost of sales	Earnings per DKK 20 share (EPS)	Profit/loss after tax / average number of shares (ex. treasury shares), calculated in accordance with IAS 33
Gross margin	Gross profit/loss * 100 / revenue	Price/earnings ratio (PE)	Market price / earnings per DKK 20 share
EBIT margin	Operating profit/loss * 100 / revenue	Payout ratio	Total dividend payment * 100 / profit/loss after tax
EBIT margin (ex. Servion)	Operating profit/loss (ex. Servion) ¹ * 100 / revenue (ex. Servion) ¹	Cash flow from operations per DKK 20 share	Cash flows from operating activities / average number of shares (ex. treasury shares)
ROIC/return on average invested capital	Operating profit/loss (EBIT) * 100 / average invested capital Invested capital comprises equity and income tax less cash and securities	Book value of shares	Equity / number of shares at year end (ex. treasury shares)
ROIC/return on average invested capital (ex. Servion)	Operating profit/loss (EBIT) (ex. Servion) ¹ * 100 / average invested capital Invested capital comprises equity and income tax less cash and securities	Price/book value	Quoted year-end market price / book value of shares
Equity ratio	Equity * 100 / total assets at year end		
Return on equity	Profit/loss after tax * 100 / average equity		
Return on equity (ex. Servion)	Profit/loss after tax (ex. Servion) ¹ * 100 / average equity		

¹ Items ex. Servion are disclosed on p. 22 of Annual Report 2019/20



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