

Roblon downgrades profit guidance for 2020/21

Interim report – H1 2020/21 (the period 1 November 2020 – 30 April 2021)

The Board of Directors of Roblon A/S has today considered and approved the interim report for H1 2020/21.

Highlights of the interim report of the Roblon Group:

- As expected, revenue and earnings for the first half were adversely impacted by the COVID-19 pandemic.
- Revenue developed in line with expectations, albeit at the lower end of the range, while the loss before tax was bigger than expected due to an unfavourable product mix, a negative impact of global raw materials shortages and increased staff costs as a consequence of COVID-19.
- The order intake amounted to DKKm 150.4 (DKKm 155.3). Order intake grew in the FOC product group but declined in the Composite product group, primarily due to the adverse effects of the global pandemic.
- The order book at 30 April 2021 stood at DKKm 73.1 (DKKm 48.8). The increase related to the FOC product group – cable materials and cable machinery for the fibre optic cable industry.
- Revenue amounted to DKKm 103.0 (DKKm 142.0), against a guided level of DKKm 105.0. The FOC product group recorded revenue growth, whereas the Composite product group – composite materials for on-shore and offshore industries – recorded a decline compared with the year-earlier period.
- The realised product mix and increased costs due to the global raw materials situation resulted in a reduced gross margin of 44.8% (56.1%).
- The Group recognised an operating loss before amortisation, depreciation and impairment (EBITDA) of DKKm 18.6 (a profit of DKKm 59.7, and DKK 14.7 ex. Servion), against a guided loss of DKKm 14.0.
- The Group recognised an operating loss (EBIT) of DKKm 28.2 (an operating profit of DKKm 51.2, and DKKm 6.2 ex. Servion).
- The loss before tax was DKKm 27.0 (a profit of DKKm 50.8, and DKKm 6.1 ex. Servion), against a guided loss of DKKm 23.0.
- The loss for the period after tax amounted to DKKm 20.9 (a profit of DKKm 36.6).
- At 30 April 2021, Roblon's equity stood at DKKm 216.4 (DKKm 252.6).
- Cash flow from operations for the period was an outflow of DKKm 22.0 (an inflow of DKKm 9.3).

Guidance for full year 2020/21

Management assesses that the second half of 2020/21 will continue to be adversely affected by the COVID-19 situation. The current situation of global raw materials shortages and logistical challenges caused by the pandemic also poses increased risk. Either of these issues may have an adverse effect on revenue and earnings in the second half of 2020/21.

This primarily concerns the Composite product group, which has been hit by a prolonged and persistent reduced project order intake and a resulting drop in revenue and earnings. As most of these projects have been postponed, the Company expects them to materialise at a future date.

In the second half, Management expects to see increases in order intake and revenue for both Composite and FOC, although there is an increased risk of time lags in order intake due to COVID-19 and the global raw materials shortages and logistical challenges.

The FOC product group is expected to see continued growth and rising profit margins as a result of the investment and efficiency enhancement programme that has been ongoing since 2020.

On the basis of the financial performance for H1 2020/21 and the above-mentioned uncertainties, Management now expects revenue in the range of DKKm 240-260 (DKKm 254.6) against the earlier guidance of DKKm 260-280, an operating profit before depreciation, amortisation and impairment (EBITDA) in the range of DKKm 1-6 (DKKm 9.2 ex. Servion) against the earlier guidance of DKKm 5-13 and a loss before tax in the range of DKKm 26-21 (a loss of DKKm 8.4 ex. Servion) against the earlier guidance of a loss in the range of DKKm 19-11.

Head office building put up for sale

In 2018/19, Roblon decided to initiate a prospective sale of the Group's head office in Frederikshavn. After the sale, the Group's Danish activities will all be located at Roblon's facilities in Gærum, which currently house production and various administrative functions. As well as generating positive synergies in the day-to-day operations, this initiative is also

expected to have a positive impact on Roblon's results and equity going forward. There are still relevant prospective buyers showing an interest in the property.

Frederikshavn, 24 June 2021
Roblon A/S

Jørgen Kjær Jacobsen
Chairman of the Board

Lars Østergaard
Managing Director and CEO

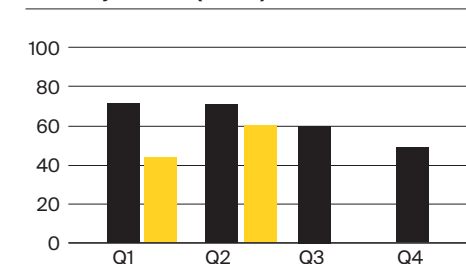
Enquiries regarding this announcement should be addressed to:

Managing Director and CEO Lars Østergaard, tel. +45 9620 3300

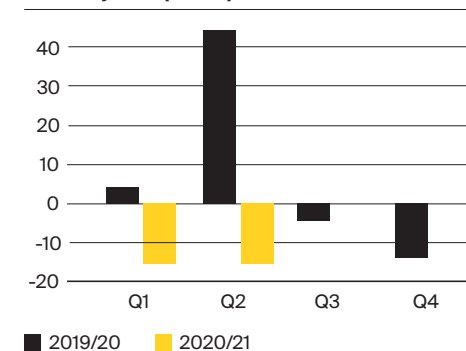
Roblon

Roblon A/S
Nordhavnsvej 1
DK-9900 Frederikshavn
CVR no. 57 06 85 15

Quarterly revenue (DKKm)



Quarterly EBIT (DKKm)



Financial highlights

for the Roblon Group

	Unit	Q2 2020/21 ¹	Q2 2019/20 ¹	Q1-Q2 2020/21 ¹	Q1-Q2 2019/20 ¹	FY 2019/20 ¹
Orders						
Order intake	DKKkm	58.7	63.0	150.4	155.3	242.4
Order book	DKKkm	73.1	48.8	73.1	48.8	24.8
Income statement						
Revenue	DKKkm	60.7	68.3	103.0	142.0	254.6
Gross profit	DKKkm	26.4	39.3	46.1	79.6	131.1
Operating profit/loss before depreciation, amortisation and impairment (EBITDA)	DKKkm	-6.6	51.6	-18.6	59.7	53.7
Operating profit/loss (EBIT)	DKKkm	-11.6	47.3	-28.2	51.2	35.8
Net financial items	DKKkm	0.5	-1.2	1.2	-0.4	-
Profit/loss before tax from continuing operations	DKKkm	-11.1	46.1	-27.0	50.8	35.8
Profit/loss for the period from continuing operations	DKKkm	-8.6	35.2	-20.9	38.9	26.5
Profit/loss for the period from discontinued operations	DKKkm	-	-2.3	-	-2.3	-2.4
Profit/loss for the period	DKKkm	-8.6	32.9	-20.9	36.6	24.0
Balance sheet						
Cash and securities	DKKkm	61.7	40.4	61.7	40.4	83.4
Assets	DKKkm	273.5	313.3	273.5	313.3	284.5
Working capital	DKKkm	72.9	133.8	72.9	133.8	73.7
Invested capital	DKKkm	150.8	218.6	150.8	218.6	159.5
Equity	DKKkm	216.4	252.6	216.4	252.6	238.2
Cash flows						
Cash flow from operating activities	DKKkm	-17.4	10.1	-22.0	9.3	65.6
Cash flow from investing activities	DKKkm	-0.7	-6.9	9.9	1.0	-51.7
Of which investment in marketable securities	DKKkm	4.4	-0.1	19.7	14.9	-25.1
Of which investment in property plant and equipment	DKKkm	-4.0	-5.7	-7.6	-11.4	-23.2
Cash flow from financing activities	DKKkm	9.2	-0.4	8.1	-7.6	9.3
Depreciation, amortisation and impairment, total	DKKkm	-5.0	-4.3	-9.6	-8.5	-17.8
Cash flow for the period	DKKkm	-8.9	2.8	-4.0	2.7	4.6

	Unit	Q2 2020/21 ¹	Q2 2019/20 ¹	Q1-Q2 2020/21 ¹	Q1-Q2 2019/20 ¹	FY 2019/20 ¹
Key figures						
Book-to-bill ratio	%	96.7	92.2	146.0	109.4	95.2
Revenue growth	%	-11.1	19.4	-27.5	26.6	-4.7
Gross margin	%	43.5	57.5	44.8	56.1	51.5
EBIT margin	%	-19.1	69.3	-27.4	36.1	14.1
EBIT margin (ex. Servion)	%	-19.1	3.4	-27.4	4.4	-3.4
ROIC/return on average invested capital ²	%	-29.8	99.6	-36.3	54.3	22.4
ROIC/return on average invested capital ² (ex. Servion)	%	-29.8	4.9	-36.3	6.5	-5.4
Equity ratio	%	79.1	80.6	79.1	80.6	83.7
Return on equity ²	%	-14.7	55.8	-17.9	31.0	10.6
Return on equity ² (ex. Servion)	%	-14.7	2.1	-17.9	4.4	-4.6
Working capital, % of revenue	%	120.1	195.9	70.8	94.2	29.0
Employment						
Average no. of full-time employees	No.	186	182	177	182	193
Gross profit per full-time employee	DKKkm	0.1	0.2	0.3	0.4	0.7
Per share ratios						
Earnings per DKK 20 share (EPS) ²	DKK	-4.8	18.4	-11.7	20.6	13.5
Price/earnings ratio (PE)	DKK	-38.1	9.1	-15.7	8.1	13.1
Cash flow from operations per DKK 20 share	DKK	-9.7	5.7	-12.3	5.2	36.7
Book value of shares ²	DKK	121.0	141.8	121.0	141.8	133.2
Market price per share	DKK	183.0	167.0	183.0	167.0	176.5
Price/book value		1.5	1.2	1.5	1.2	1.3

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

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

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

Management's review

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

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

Consolidated income statement

Consolidated revenue amounted to DKKm 103.0, against a guided level of DKKm 105.0. The Group recognised an operating loss (EBITDA) of DKKm 18.6, against a guided operating loss of DKKm 14.0, and a loss before tax of DKKm 27.0, against a guided loss of DKKm 23.0. The lower-than-expected results were attributable to an unfavourable product mix, the negative impact of global raw materials shortages and increased staff costs as a consequence of COVID-19.

Order intake

The Group's order intake amounted to DKKm 150.4 in H1 2020/21 (DKKm 155.3). The DKKm 4.9 net decline covered a DKKm 43.2 improvement in the FOC product group and a DKKm 48.1 decline in the Composite product group. The improvement in FOC was mainly achieved in the US market.

Revenue

For H1 2020/21, Roblon realised revenue of DKKm 103.0 (DKKm 142.0). The DKKm 39.0 net decline covered a DKKm 53.9 decline in the Composite product group and a DKKm 14.9 improvement in the FOC product group.

The substantial drop in revenue in the Composite product group was predominantly due to the negative impact of the global pandemic. In the second quarter and the beginning of the third quarter, the Company accepted new orders for delivery before summer 2021. In the second half of 2020/21, the Company expects increased order intake and revenue from all areas in the Composite product group comprising products for use in oil and gas offshore and energy and submarine energy transmission, including energy cables.

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

The USD/DKK exchange rate development had an adverse impact of DKKm 1.6 on reported revenue for H1 2020/21.

Gross profit and gross margin

The Group's gross profit amounted to DKKm 46.1 (DKKm 79.6) and the gross margin for H1 2020/21 was 44.8% (57.5%). The decline in gross margin in the first half relative to the year-earlier period was mainly ascribed to the product mix as well as to increased costs due to the global raw materials situation.

The Company invested in production equipment to enhance capacity and production, primarily in the USA targeting the US FOC market. This investment programme totalling approximately DKKm 15 initiated early in the financial year 2019/20 has largely been completed. The first positive effects have started to appear, but are not expected to be fully realised until in the coming quarters. Moreover, the Company's measures to improve the productivity and profitability of FOC EMEA are also starting to show positive effects. Additional measures are expected to be initiated during the second half of 2020/21, but primarily in the first half of 2021/22.

Other external costs

Other external costs amounted to DKKm 16.9 (DKKm 19.6). The lower costs were mainly attrib-

utable to reduced travel and trade show activity in H1 2020/21.

Staff costs

Staff costs amounted to DKKm 49.1 (DKKm 47.7). The increase in total staff costs was mainly a result of recruitment within production management and sales and higher payroll costs regarding additional staff due to COVID-19. Overall payroll costs in production were down due to a lower level of activity in 2020/21 than in the same period of last year.

The Group received wage compensation related to absence due to COVID-19, but did not make use of any other available COVID-19 compensation packages in Denmark or the USA in the first half of 2020/21.

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

For H1 2020/21, EBITDA was a loss of DKKm 18.6 (a profit of DKKm 59.7, and DKKm 14.7 ex. Servion).

Depreciation, amortisation and impairment

Depreciation, amortisation and impairment for the Group amounted to DKKm 9.6 (DKKm 8.5). The increase over the year-earlier period was due to the above-mentioned investment in production equipment to enhance capacity and production, primarily in the USA.

Operating profit/loss (EBIT)

For H1 2020/21, EBIT was a loss of DKKm 28.2 (a profit of DKKm 51.2, and DKKm 6.2 ex. Servion).

Net financial items

The Group's net financial items for H1 2020/21 amounted to net income of DKKm 1.2 (net expense of DKKm 0.4). The net income covered a favourable development in returns on securities and a negative foreign exchange adjustment on loans to the US subsidiary.

Profit/loss before tax

For H1 2020/21, the Group posted a loss before tax of DKKm 27.0 (a profit of DKKm 50.8, and DKKm 6.1 ex. Servion).

Profit/loss after tax

The net loss for the period amounted to DKKm 20.9 (a net profit of DKKm 36.6). Tax is calculated at a rate of 22% of profit for the year before tax for the parent company and at a rate of 24% for the US subsidiary.

The USD/DKK exchange rate lifted the net results for H1 2020/21 by DKKm 0.1.

Consolidated balance sheet

The Group's total assets at 30 April 2021 amounted to DKKm 273.5 (DKKm 313.3).

Total investment in intangible assets for H1 2020/21 amounted to DKKm 2.2 (DKKm 2.5). Investments in property, plant and equipment

amounted to DKKm 7.6 (DKKm 11.7) in H1 2020/21.

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

Inventories at 30 April 2021 amounted to DKKm 67.1 (DKKm 71.2).

The Group's equity at 30 April 2021 amounted to DKKm 216.4 (DKKm 252.6). The equity ratio at 30 April 2020 was 79.1% (80.6%).

Consolidated cash flows

The Group's net cash flow from operating activities in H1 2020/21 was an outflow of DKKm 22.0 (an inflow of DKKm 9.3).

Total cash flow from investing activities was an inflow of DKKm 9.9 (an inflow of DKKm 1.0), covering a net outflow from investments in intangible assets and property, plant and equipment of DKKm 9.8 (DKKm 13.9) and a net inflow from sales of securities of DKKm 19.7 (DKKm 14.9).

Net cash flow from financing activities was an inflow of DKKm 8.1 (an outflow of DKKm 7.6).

Capital resources

At 30 April 2021, marketable securities and net cash amounted to DKKm 61.7 (DKKm 39.3). At 30

April 2021, Roblon had drawn down an operating credit facility with the Group's bankers by DKKm 9.7, leaving an undrawn credit facility of DKKm 0.3 (DKKm 10.0).

Outlook for 2020/21

Management assesses that the second half of 2020/21 will continue to be adversely affected by the COVID-19 situation. The current situation of global raw materials shortages and logistical challenges caused by the pandemic also poses increased risk. Either of these issues may have an adverse effect on revenue and earnings in the second half of 2020/21.

This primarily concerns the Composite product group, which has been hit by a prolonged and persistent reduced project order intake and a resulting drop in revenue and earnings. As most of these projects have been postponed, the Company expects them to materialise at a future date.

In the second half, Management expects to see increases in order intake and revenue for both Composite and FOC, although there is an increased risk of time lags in order intake due to COVID-19 and the global raw materials shortages and logistical challenges.

The FOC product group is expected to see continued growth and rising profit margins as a result of the investment and efficiency enhancement

programme that has been ongoing since 2020.

On the basis of the financial performance for H1 2020/21 and the above-mentioned uncertainties, Management now expects revenue in the range of DKKm 240-260 (DKKm 254.6) against the earlier guidance of DKKm 260-280, an operating profit before depreciation, amortisation and impairment (EBITDA) in the range of DKKm 1-6 (DKKm 9.2 ex. Servion) against the earlier guidance of DKKm 5-13 and a loss before tax in the range of DKKm 26-21 (a loss of DKKm 8.4 ex. Servion) against the earlier guidance of a loss in the range of DKKm 19-11.

Head office building put up for sale

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

Forward-looking statements

Please note that short-term forecasts are subject to a high degree of uncertainty in light of all markets being affected by COVID-19.

Roblon's sales structure is based on project sales. This makes it difficult at any given time to forecast future revenue for a specific period, i.e. three-month, six-month or 12-month periods.

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

Financial calendar

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

Announcements – NASDAQ Copenhagen

During the period 1 November 2020 to 24 June 2021, the Company sent the following announcements to NASDAQ Copenhagen; these can be found on the Company's website, www.roblon.com.

No. 11	22/12/2020	Preliminary statement 2019/20
No. 12	23/12/2020	Notice convening AGM
No. 13	23/12/2020	Leading employees' transactions
No. 1	08/01/2021	Major Shareholder Announcement
No. 2	28/01/2021	Decisions of the Annual General Meeting
No. 3	21/03/2021	Interim report for Q1 2020/21

Statement by Management

The Board of Directors and Executive Management have today considered and approved the interim report of Roblon A/S for H1 2020/21 (the period 1 November 2020 to 30 April 2021).

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

It is our opinion that the interim financial statements provide a true and fair view of the Group's assets, liabilities and financial position as of 30 April 2021 as well as of the results of the Group's activities and cash flows for the period 1 November 2020 to 30 April 2021.

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

Frederikshavn, 24 June 2021

Executive Management

Lars Østergaard
Managing Director and CEO

Carsten Michno
Chief Financial Officer (CFO)

Kim Müller
Chief Technology Officer (CTO)

Board of Directors

Jørgen Kjær Jacobsen
Chairman

Ole Lønsmann Andersen
Deputy Chairman

Peter Sloth Vagner Karlsen

Randi Toftlund Pedersen

Nita Svendsen
Employee representative

Flemming Nielsen
Employee representative

Consolidated income statement

for the period 1 November 2020 to 30 April 2021

Consolidated statement of comprehensive income

for the period 1 November 2020 to 30 April 2021

DKKm	Note	Q2 2020/21	Q2 2019/20	Q1-Q2 2020/21	Q1-Q2 2019/20	FY 2019/20
Revenue	4	60.7	68.3	103.0	142.0	254.6
Cost of sales		-34.3	-29.0	-56.9	-62.4	-123.6
Gross profit		26.4	39.3	46.1	79.6	131.1
Work carried out for own account and capitalised		0.6	0.6	1.0	1.3	2.7
Other operating income		0.2	45.7	0.3	46.1	51.3
Other external costs		-8.3	-9.5	-16.9	-19.6	-35.5
Staff costs		-25.5	-24.5	-49.1	-47.7	-95.8
Operating profit/loss before depreciation, amortisation and impairment (EBITDA)		-6.6	51.6	-18.6	59.7	53.7
Depreciation, amortisation and impairment		-5.0	-4.3	-9.6	-8.5	-17.8
Operating profit/loss (EBIT)		-11.6	47.3	-28.2	51.2	35.8
Net financial items		0.5	-1.2	1.2	-0.4	0.0
Profit/loss before tax (PBT)		-11.1	47.3	-27.0	51.2	35.8
Tax on profit/loss for the period		2.5	-10.9	6.1	-11.9	-9.4
Profit/loss for the period from continuing operations		-8.6	35.2	-20.9	38.9	26.5
Profit/loss for the period from discontinued operations		-	-2.3	-	-2.3	-2.4
Profit/loss for the period		-8.6	32.9	-20.9	36.6	24.0
Earnings per share (DKK)						
Earnings per share (EPS), continuing and discontinued operations		-4.8	18.4	-11.7	20.6	13.5
Earnings per share, diluted (EPS-D), continuing and discontinued operations		-4.8	18.4	-11.7	20.6	13.5

DKKm	Note	Q2 2020/21	Q2 2019/20	Q1-Q2 2020/21	Q1-Q2 2019/20	FY 2019/20
Profit/loss for the period		-8.6	32.9	-20.9	36.6	24.0
<i>Items that may be recycled to profit or loss:</i>						
Foreign exchange adjustment of foreign subsidiaries		-0.2	-	-0.9	-	-1.9
Comprehensive income		-8.8	32.9	-21.8	36.6	22.2

Consolidated balance sheet

at 30/04/2021

DKKm	Note	30/04/2021	30/04/2020	31/10/2020
ASSETS				
Completed development projects		5.2	0.6	5.8
Development projects in progress		5.1	9.8	4.0
Trademarks, licenses and customer relations		5.4	7.0	6.0
Other intangible assets		9.8	8.1	7.7
Intangible assets		25.5	25.5	23.6
Land and buildings		19.0	20.8	19.7
Plant and machinery		35.9	26.7	30.0
Other fixtures and fittings, tools and equipment		1.5	1.3	1.3
Property, plant and equipment in progress		5.9	10.3	12.9
Right-of-use assets		11.6	14.1	12.9
Property, plant and equipment		73.9	73.2	76.8
Deferred tax assets		0.8	0.2	0.8
Financial assets		0.8	0.2	0.8
Total non-current assets		100.2	98.9	101.2
Inventories		67.1	71.2	61.4
Trade receivables		33.5	54.6	35.7
Corporation tax receivable		8.4	-	1.2
Other receivables		2.6	48.2	1.5
Securities		58.5	34.8	76.2
Cash and cash equivalents		3.2	5.6	7.2
Total current assets		173.3	214.4	183.2
TOTAL ASSETS		273.5	313.3	284.5

DKKm	Note	30/04/2021	30/04/2020	31/10/2020
EQUITY AND LIABILITIES				
Share capital		35.8	35.8	35.8
Other reserves		-4.3	-1.5	-3.4
Retained earnings		184.9	218.4	205.8
Equity		216.4	252.6	238.2
Deferred tax		5.3	5.8	5.3
Lease liabilities		9.3	11.7	10.5
Non-current liabilities		14.6	17.5	15.8
Short-term portion of lease liability		2.5	2.5	2.6
Operating credit		9.7	-	-
Other provisions		-	0.2	0.3
Advance payments from customers		-	1.8	0.5
Trade payables		18.6	26.7	10.5
Income tax		-	0.5	0.2
Other interest-bearing debt		2.9	-	2.8
Other payables		8.8	11.5	13.6
Current liabilities		43.2	30.7	49.7
Total liabilities		57.1	60.7	46.3
TOTAL EQUITY AND LIABILITIES		273.5	313.3	284.5

Consolidated statement of changes in equity

DKKkm	Share capital	Currency translation reserve	Retained earnings	Proposed dividends	Total equity
H1 2020/21					
Equity at 01/11/2020	35.8	-3.4	205.8	-	238.2
Comprehensive income for the period					
Profit/loss for the period	-	-	-20.9	-	-20.9
Other comprehensive income	-	-0.9	-	-	-0.9
Total comprehensive income for the period	-	-0.9	-20.9	-	-21.8
Equity at 30/04/2021	35.8	-4.3	184.9	-	216.4
H1 2019/20					
Equity at 01/11/2019	35.8	-1.5	181.8	-	216.0
Comprehensive income for the period					
Profit/loss for the period	-	-	36.6	-	36.6
Total comprehensive income for the period	-	-	36.6	-	36.6
Equity at 30/04/2020	35.8	-1.5	218.4	-	252.6

DKKkm	Share capital	Currency translation reserve	Retained earnings	Proposed dividends	Total equity
2019/20					
Equity at 01/11/2019	35.8	-1.5	181.8	-	216.0
Comprehensive income for the period					
Profit/loss for the period	-	-	24.0	-	24.0
Other comprehensive income	-	-1.9	-	-	-1.9
Total comprehensive income for the period	-	-1.9	24.0	-	22.2
Equity at 31/10/2020	35.8	-3.4	205.8	-	238.2

Statement of cash flows

for the period 1 November 2020 – 30 April 2021

DKKkm	Spec.	Q2 2020/21	Q2 2019/20	Q1-Q2 2020/21	Q1-Q2 2019/20	FY 2019/20
Operating profit/loss (EBIT) from continuing operations		-11.6	47.3	-28.2	51.4	35.8
Operating profit/loss (EBIT) from discontinued operations		-	-3.0	-	-3.0	-3.1
Operating profit/loss (EBIT)		-11.6	44.3	-28.2	48.4	32.7
Adjustment for non-cash items	A	4.9	3.9	9.9	7.6	17.0
Change in working capital	B	-10.7	-37.5	-1.8	-44.5	18.4
Cash generated from operations		-17.4	10.7	-20.1	11.5	68.1
Financial income received		0.6	0.8	0.7	2.0	1.0
Financial expenses paid		-0.1	-0.2	-1.2	-0.9	-0.1
Income tax paid		-0.5	-1.2	-1.8	-3.3	-3.5
Income tax received		-	-	0.4	-	0.1
Cash flow from operating activities		-17.4	10.1	-22.0	9.3	65.6
Purchase of intangible assets		-1.1	-1.1	-2.2	-2.5	-3.4
Purchase of property, plant and equipment		-4.0	-5.7	-7.6	-11.7	-23.6
Sale of property, plant and equipment		-	-	-	0.3	0.5
Purchase of securities		-2.6	-0.6	-4.3	-1.3	-41.4
Sale of securities		7.0	0.5	24.0	16.2	16.3
Cash flow from investing activities		-0.7	-6.9	9.9	1.0	-51.7
Operating credits used		9.7	-	9.7	-6.7	-6.7
Lease payments		-0.5	-0.4	-1.6	-0.9	-2.5
Cash flow from financing activities		9.2	-0.4	8.1	-7.6	-9.3
Change in cash and cash equivalents		-8.9	2.8	-4.0	2.7	4.6
Cash and cash equivalents at beginning of period		12.1	2.8	7.2	3.0	3.0
Value adjustment of cash and cash equivalents		-	-	-	-0.1	-0.4
Cash and cash equivalents at end of period		3.2	5.6	3.2	5.6	7.2

DKKkm	Q2 2020/21	Q2 2019/20	Q1-Q2 2020/21	Q1-Q2 2019/20	FY 2019/20
Spec. A: Adjustments for non-cash items					
Profit/loss from sale of property, plant and equipment	-	-	-	-	-0.3
Depreciation, amortisation and impairment	5.0	4.3	9.6	8.4	17.9
Provisions	-	-	-0.3	-0.1	0.2
Foreign exchange adjustment	-0.1	-0.4	0.6	-0.7	-0.8
	4.9	3.9	9.9	7.6	17.0
Spec. B: Change in working capital					
Change in inventories	-4.2	-11.5	-5.8	-15.3	-5.6
Change in receivables	-12.2	-35.0	-1.1	-27.5	38.0
Change in current liabilities	5.7	9.0	5.1	-1.7	-14.1
	-10.7	-37.5	-1.8	-44.5	18.4

Notes to the financial statements

Note 1 – Accounting policies

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

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

Note 2 – Estimates

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

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

Note 3 – Seasonality

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

Note 4 – Revenue

DKKkm	Q2 2020/21	Q2 2019/20	Q1-Q2 2020/21	Q1-Q2 2019/20	FY 2019/20
Revenue from external customers:					
By product groups					
FOC	52.5	40.9	92.5	77.6	159.7
Composite	8.2	27.4	10.5	64.4	95.0
Total	60.7	68.3	103.0	142.0	254.6
By geographical markets					
Denmark	0.6	1.7	0.8	2.7	2.5
United Kingdom	5.4	14.8	7.8	23.1	35.4
Italy	2.2	10.1	3.0	16.4	25.7
Rest of Europe	12.5	8.1	20.2	13.6	28.7
Asia	3.7	5.3	6.9	9.6	19.2
Brazil	2.6	1.8	4.0	25.1	37.7
Latin America	0.4	6.3	1.0	10.9	14.9
USA	33.3	20.2	59.3	40.6	90.5
Total	60.7	68.3	103.0	142.0	254.6

Of the Group's non-current assets, DKKm 62.9 (DKKm 62.8) were located in Denmark and DKKm 36.5 (DKKm 36.5) in the USA.

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

Of the Group's total revenue, three individual customers accounted for more than 10% in the first half of 2020/21. Revenue from each of these customers amounted to DKKm 21.8, DKKm 17.3 and DKKm 15.0, respectively. Last year, three individual customers accounted for more than 10% of the Group's total revenue for the first half of 2019/20. Revenue relating to these customers was DKKm 24.7, DKKm 20.6 and DKKm 15.6, respectively.

Note 5 – Discontinued operations

DKKkm	Q2 2020/21	Q2 2019/20	Q1-Q2 2020/21	Q1-Q2 2019/20	FY 2019/20
Consolidated income statement					
Other external costs	-	-3.0	-	-3.0	-3.1
Tax on profit/loss for the year	-	0.7	-	0.7	0.7
Profit/loss for the period	-	-2.3	-	-2.3	-2.4

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 3.0 loss provision for the full amount of the loan, including accrued interest.

Note 6 – Results, Roblon Group (continuing operations) ex. Servion

In 2017/18, the Group entered into a project contract with Servion, following which the German wind turbine manufacturer suffered financial difficulties. A settlement agreement was signed with Servion on 30 April 2020, and Roblon subsequently received cash compensation in the amount of DKKm 6.6.

DKKkm	Roblon Group		Servion share		Results ex. Servion	
	H1 2020/21	H1 2019/20	H1 2020/21	H1 2019/20	H1 2020/21	H1 2019/20
Revenue	103.0	142.0	-	-	103.0	142.0
EBITDA	-18.6	59.7	-	45.0	-18.6	14.7
EBIT	-28.8	51.2	-	45.0	-28.2	6.2
Profit/loss before tax	-27.0	50.8	-	44.7	-27.0	6.1