

# Roblon reports better-than-expected revenue and earnings for Q1 2021/22.

## Roblon

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

### Interim report – Q1 2021/22 (the period 1 November 2021 – 31 January 2022)

#### Highlights of the interim report of the Roblon Group:

As expected, in Q1 2021/22 Roblon was adversely impacted by challenges owing to the COVID-19 pandemic with respect to transport and logistics, supply of raw materials and market impacts. Despite these challenges, the Group's reported revenue and earnings for Q1 2021/22 exceeded the guidance. The improvement was mainly driven by growth in the US subsidiary.

As described in company announcement no. 1/2022, the Group acquired the Czech company Vamafil spol. s.r.o at 3 January 2022. A preliminary purchase price allocation has been made in the amount of approximately EURm 7.3 (DKKm 54.6).

In Q1 2021/22, Roblon increased its long-term credit facilities by DKKm 75 to support the acquisition of Vamafil and the Group's growth strategy. In February 2022, Roblon took out a DKKm 10 mortgage on the Company's buildings in Gærum to further strengthen its long-term capital resources.

The analyses of the IFRIC agenda decision on the accounting treatment of customisation costs in a cloud computing arrangement, as mentioned in the 2020/21 annual report, have been completed. The conclusion is that the Group's accounting policies will not be affected by IFRIC's agenda decision.

The 2021/22 full-year guidance is unchanged compared with latest guidance.

- In Q1 2021/22, the order intake rose to DKKm 114.8 (DKKm 91.7) and the order book at 31 January 2022 was DKKm 116.8 (DKKm 73.8).
- Revenue amounted to DKKm 78.3 (DKKm 42.3). Both product groups, but particularly FOC, recorded improvements compared with the year-earlier period.
- The growth margin was in line with last year's at 46.6% (46.6%)

- Operating profit before depreciation, amortisation and impairment and special items (EBITDA) was DKKm 1.4 (a loss of DKKm 12.0).
- EBIT before special items was a loss of DKKm 4.7 (a loss of DKKm 16.6).
- Special items relating to the acquisition of Vamafil in the Czech Republic amounted to DKKm -3.1 (DKKm 0).
- Roblon's equity at 31 January 2022 stood at DKKm 214.3 (DKKm 225.2).
- Cash flow from operations for Q1 2021/22 was a net outflow of DKKm 16.9 (an outflow of DKKm 4.6), adversely affected by an increase of approximately DKKm 20 in working capital.

#### Guidance for full year 2021/22

The guidance is subject to uncertainty due to the adverse impact of COVID-19 in all the Group's markets, causing supply shortages of certain raw materials and components. The assessment is that the war in Ukraine could give rise to additional challenges.

Roblon has ceased all sales to Russia and Belarus as a result of the war in Ukraine. Historically, the Group has not had significant business activities in either Russia, Belarus or Ukraine.

After Q1 2021/22, Management maintains its full-year guidance for 2021/22 as follows:

- Revenue in the DKKm 330-370 range (2020/21: DKKm 249.9).
- Operating profit before depreciation, amortisation and impairment and special items (EBITDA) in the range of DKKm 8-27 (2020/21: a loss of DKKm 12.6).
- Operating profit/loss before special items (EBIT) in the range of a loss of DKKm 19 to a profit of DKKm 0 (2020/21: a loss of DKKm 32.9).
- Special items relating to restructuring costs of around DKKm 8 (2020/21: DKKm 0).

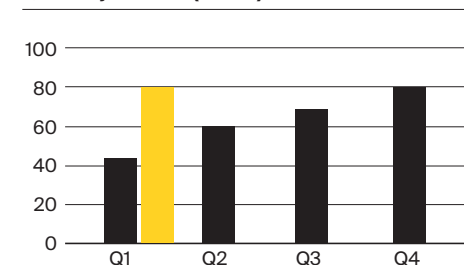
Frederikshavn, 16 March 2022  
Roblon A/S

Jørgen Kjær Jacobsen  
Chairman of the Board

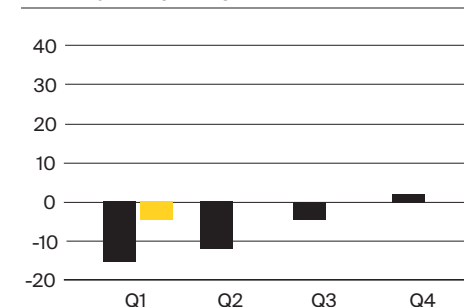
Lars Østergaard  
Managing Director and CEO

**Enquiries regarding this announcement should be addressed to:**  
Managing Director and CEO Lars Østergaard, tel. +45 9620 3300

Quarterly revenue (DKKm)



Quarterly EBIT (DKKm)



■ 2020/21 ■ 2021/22

# Financial highlights

for the Roblon Group

	Unit	Q1 2021/22 <sup>1</sup>	Q1 2020/21 <sup>1</sup>	FY 2020/21 <sup>1</sup>
<b>Orders</b>				
Order intake	DKKm	114.8	91.7	301.7
Order book	DKKm	116.8	73.8	79.7
<b>Income statement</b>				
Revenue	DKKm	78.3	42.3	249.9
Gross profit/loss	DKKm	36.5	19.7	116.7
Operating profit/loss before depreciation, amortisation and impairment and special items (EBITDA)	DKKm	1.4	-12.0	-12.6
Operating profit/loss before special items (EBIT)	DKKm	-4.7	-16.6	-32.9
Special items	DKKm	-3.1	-	-
Net financial items	DKKm	2.5	0.7	-
Profit/loss before tax from continuing operations	DKKm	-5.3	-15.9	-29.3
Profit/loss for the period from continuing operations	DKKm	-4.8	-12.3	-29.3
Profit/loss for the period from discontinued operations	DKKm	0.2	-	-
Profit/loss for the period	DKKm	-4.6	-12.3	-20.8
<b>Balance sheet</b>				
Cash and securities	DKKm	20.4	75.0	45.7
Assets	DKKm	326.1	269.4	279.8
Working capital	DKKm	112.4	65.2	100.2
Invested capital	DKKm	192.4	149.3	167.5
Equity	DKKm	214.3	225.2	217.3
<b>Cash flows</b>				
Cash flow from operating activities	DKKm	-16.9	-4.6	-42.3
Cash flow from investing activities	DKKm	-7.8	10.6	21.8
Of which investment in marketable securities	DKKm	42.3	15.3	36.9
Of which investment in property plant and equipment	DKKm	-1.9	-3.6	-11.1
Cash flow from financing activities	DKKm	41.4	-1.1	16.9
Depreciation, amortisation and impairment, total	DKKm	-6.1	-4.6	-20.3
Cash flow for the period	DKKm	16.7	4.9	-3.6

	Unit	Q1 2021/22 <sup>1</sup>	Q1 2020/21 <sup>1</sup>	FY 2020/21 <sup>1</sup>
<b>Ratios</b>				
Book-to-bill ratio	%	146.6	216.8	120.7
Revenue growth	%	85.1	-42.6	-1.9
Gross margin	%	46.6	46.6	46.7
EBIT margin	%	-6.0	-39.2	-13.2
ROIC/return on average invested capital <sup>2</sup>	%	-10.7	-9.9	-20.1
Equity ratio	%	65.7	83.6	77.7
Return on equity <sup>2</sup>	%	-8.0	-5.1	-9.1
<b>Employees</b>				
Average no. of full-time employees	No.	204	192	191
Gross profit per full-time employee	DKKm	0.2	0.1	0.6
<b>Per share ratios</b>				
Earnings per DKK 20 share (EPS) <sup>2</sup>	DKK	-2.6	-6.9	-11.6
Price/earnings ratio (PE)	DKK	-58.1	-26.1	-13.1
Cash flow from operations per DKK 20 share	DKK	-9.5	-2.6	-23.7
Book value of shares <sup>2</sup>	DKK	119.8	125.9	121.5
Market price per share	DKK	151.0	180.0	152.0
Price/book value		1.3	1.4	1.3

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

<sup>2</sup> The ratio is calculated on a full-year basis.

The ratios are defined in note 32 to the 2020/21 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)

Revenue from the acquired Czech business (Vamafil) falls under Composite.

## Matters of note

As expected, in Q1 2021/22 Roblon experienced adverse impacts from the COVID-19 pandemic in the form of supply shortages of raw materials, logistics challenges and market impacts. Despite this, the Group's reported revenue and earnings for Q1 2021/22 exceeded the guidance for the quarter. The main driver of the improvement was growth in the US subsidiary.

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 preliminary purchase price allocation has been made as presented in note 5.

## Consolidated income statement

### Order intake

The Group's order intake amounted to DKKm 114.8 in Q1 2021/22 (DKKm 91.7). The DKKm 23.1 net increase covered a DKKm 5.1 improvement in the FOC product group and a DKKm 18.0 improvement in the Composite product group, of which DKKm 8.0 stemmed from the acquired

Vamafil business.

### Revenue

For Q1 2021/22, Roblon realised revenue of DKKm 78.3 (DKKm 42.3). The DKKm 36.0 net increase covered a DKKm 27.1 improvement in the FOC product group and a DKKm 8.9 improvement in the Composite product group, of which DKKm 2.8 related to Vamafil.

The revenue increase in FOC was largely driven by the expansion of production capacity in Roblon US and the favourable market conditions in the USA. Both Roblon's customers and Roblon's own production are affected by supply shortages of necessary raw materials and components. Management nevertheless expects continued revenue and earnings growth in the coming quarters relative to the year-earlier periods.

Management also expects to see revenue growth from a central product (Rod) for cable manufacturers in FOC Europe in the upcoming quarters, in part due to an expected rise in sales based on the same production technology, which Roblon developed for the US market and rolled out in the Danish factory towards the end of 2020.

The USD/DKK exchange rate development had a favourable impact of DKKm 2.6 on reported revenue for Q1 2021/22.

### Gross profit and gross margin

The Group's gross profit amounted to DKKm 36.5 (DKKm 19.7) and the gross margin for Q1 2021/22 was 46.6% (46.6%), as expected.

### Other external costs

Other external costs amounted to DKKm 9.4 (DKKm 8.6) in Q1 2021/22. The increase was due to a higher level of activity, including travel activity, in addition to which Vamafil's costs are included as from 3 January 2022.

### Staff costs

Staff costs increased to DKKm 27.2 (DKKm 23.6) in Q1 2021/22. The increase was due to an increased level of activity in the subsidiary Roblon US, including production management recruitments, and the effects of the appreciation of the USD exchange rate. Another contributing factor was staff costs from Vamafil in the Czech Republic.

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

For Q1 2021/22, EBITDA amounted to DKKm 1.4 (a loss of DKKm 12.0).

### Depreciation, amortisation and impairment

The Group's depreciation, amortisation and impairment was an expense of DKKm 6.1 (an expense of DKKm 4.6). The increase over the previous year was due to increased investments in production equipment to enhance capacity and production, primarily in the USA. Another contributing factor was depreciation and amortisation in Vamafil.

### Operating profit/loss before special items (EBIT)

For Q1 2021/22, EBIT before special items was a loss of DKKm 4.7 (a loss of DKKm 16.6).

### Special items

Special items comprises DKKm 3,0 regarding transaction costs in connection with the acquisition of the Czech business Vamafil at 3 January 2022 and DKKm 0.1 regarding other costs in connection with the relocation of production facilities from Denmark to the Czech Republic.

### Net financial items

The Group's net financial items for Q1 2021/22 amounted to DKKm 2.5 (DKKm 0.7). The net amount covers a positive foreign exchange adjustment concerning a loan to the US subsidiary and a gain on the sale of the securities portfolio.

### Profit/loss before tax from continuing operations

For Q1 2021/22, the Group posted a loss before tax from continuing operations of DKKm 5,3 (a loss of DKKm 15.9).

### Profit/loss from discontinued operations

The profit of DKKm 0.2 (DKKm 0) from discontinued operations comprises repayment on a loan issued to the buyer of a former Roblon division. The loan to this buyer was written off in the 2019/20 financial year.

### Profit/loss after tax

Roblon realised a net loss for the period of DKKm 4,6 (a net loss of DKKm 12.3). Tax is calculated at a rate of 22% of profit for the year before tax for the parent company, at 24% for the US subsidiary and at 19% for the Czech subsidiary.

The USD/DKK exchange rate lifted the Group's net profit for Q1 2021/22 by DKKm 0.1.

## Consolidated balance sheet

The Group's total assets at 31 January 2022 amounted to DKKm 326,1 (DKKm 269.4).

Total investments in intangible assets for Q1 2021/22 amounted to DKKm 0.9 (DKKm 1.1), comprising a DKKm 0.8 investment in development projects and a DKKm 0.1 investment in the Group's ERP solution. Investments in property plant and equipment amounted to DKKm 2.7 (DKKm 3.6) in Q1 2021/22, mainly comprising investment projects to strengthen production capacity in the FOC business. Property, plant and equipment sold amounted to DKKm 0.8 (DKKm 0).

Inventories amounted to DKKm 86.3 (DKKm 63.0) at 31 January 2022. The rising level of activity throughout the Group requires larger inventories of raw materials and components. The increase in inventories was furthermore attributable to additions from the acquired Czech business Vama-fil as well as to rising raw materials prices and freight rates. Another factor is that the challenges in obtaining a steady supply of raw materials and components lead to temporary accumulations of inventories.

The Group has launched a number of activities with a view to reducing working capital, comprising trade receivables, inventories and trade payables.

The Group's equity at 31 January 2022 amounted to DKKm 214,3 (DKKm 225.2). The equity ratio at 31 January 2022 was 65.7% (83.6%).

## Consolidated cash flows

The Group's net cash flow from operating activ-

ities in Q1 2021/22 was an outflow of DKKm 16.9 (an outflow of DKKm 4.6).

Total cash flow from investing activities was a net outflow of DKKm 7,8 (an inflow of DKKm 10.6), covering a outflow from net investments in intangible assets and property, plant and equipment of DKKm 2.8 (an outflow of DKKm 4.7), an inflow from net sales of securities of DKKm 42.3 (DKKm 15.3) and an outflow from the acquisition of the Czech subsidiary of DKKm 47,3.

Net cash flow from financing activities in Q1 2021/22 was an inflow of DKKm 41.4 (an outflow of DKKm 1.1), mainly consisting of drawing on operating credits.

## Capital resources

At 31 January 2022, net deposits of cash and securities amounted to DKKm 20.4 (DKKm 75.0). 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 Vama-fil and the Group's growth strategy in general. After this, the Group's total credit facilities amounted to DKKm 80 (DKKm 10). Roblon had an undrawn credit facility at 31 January 2022 of DKKm 18.9 (DKKm 10.0).

Total cash resources at 31 January 2022 amounted to DKKm 39.3 (DKKm 85).

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

## Product development

In Q1 2021/22, the Group incurred product development costs of DKKm 1.9 (DKKm 2.2).

## Full-year guidance for 2021/22

The guidance is subject to uncertainty due to the adverse impact of COVID-19 in all the Group's markets, causing supply shortages of certain raw materials and components. The assessment is that the war in Ukraine could give rise to additional challenges.

Roblon has ceased all sales to Russia and Belarus as a result of the war in Ukraine. Historically, the Group has not had significant business activities in either Russia, Belarus or Ukraine.

After Q1 2021/22, Management maintains its full-year guidance for 2021/22 as follows:

- Revenue in the DKKm 330-370 range (2020/21: DKKm 249.9).
- Operating profit before depreciation, amortisation and impairment and special items (EBITDA) in the range of DKKm 8-27 (2020/21: a loss of DKKm 12.6).
- Operating profit/loss before special items (EBIT) in the range of a loss of DKKm 19 to a profit of DKKm 0 (2020/21: a loss of DKKm 32.9).
- Special items relating to restructuring costs of around DKKm 8 (2020/21: DKKm 0).

## Head office building put up for sale

In early 2020, the Group decided to put its head office in Frederikshavn up for sale. There are currently no potential buyers of the buildings, but the sales process continues. 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.

## 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. The war in Ukraine raises further uncertainty regarding the supply and transport of raw materials etc.

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**

21/6 2022:	Interim report for Q2 2021/22
15/9 2022:	Interim report for Q3 2021/22
20/12 2022:	Preliminary statement 2021/22
26/1 2023:	Annual General Meeting

**Announcements – NASDAQ Copenhagen**

During the period 21 December 2021 to 16 March 2022, the Company sent the following announcements to NASDAQ Copenhagen; these can be found on the Company's website, [www.roblon.com](http://www.roblon.com).

No. 8/2021:	21 December 2021	Preliminary statement 2020/21
No. 9/2021:	22 December 2021	Reporting on leading employees' transactions
No. 10/2021:	27 December 2021	Reporting on leading employees' transactions
No. 1/2022:	3 January 2022	Roblon completes acquisition of company
No. 2/2022:	4 January 2022	Notice convening AGM
No. 3/2022:	12 January 2022	Reporting of related party transactions in Roblon A/S shares
No. 4/2022:	13 January 2022	Reporting of related party transactions in Roblon A/S shares
No. 5/2022:	17 January 2022	Reporting of related party transactions in Roblon A/S shares
No. 6/2022:	18 January 2022	Reporting of related party transactions in Roblon A/S shares
No. 7/2022:	27 January 2022	Minutes of the annual general meeting in Roblon A/S

# Statement by Management

The Board of Directors and Executive Management have today considered and approved the interim report of Roblon A/S for Q1 2021/22 (the period 1 November 2021 to 31 January 2022).

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

It is our opinion that the interim financial statements provide a true and fair view of the Group's assets, liabilities and financial position as of 31 January 2022 as well as of the results of the Group's activities and cash flows for the period 1 November 2021 to 31 January 2022.

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, 16 March 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

# Consolidated income statement

for the period 1 November 2021 to 31 January 2022

DKKkm	Note	Q1 2021/22	Q1 2020/21	FY 2020/21
Revenue	4	78.3	42.3	249.9
Cost of sales		-41.8	-22.6	-133.1
<b>Gross profit/loss</b>		<b>36.5</b>	<b>19.7</b>	<b>116.7</b>
Work carried out for own account and capitalised		0.5	0.4	2.3
Other operating income		1.0	0.1	1.3
Other external costs		-9.4	-8.6	-34.0
Staff costs		-27.2	-23.6	-98.9
<b>Operating profit/loss before depreciation, amortisation and impairment and special items (EBITDA)</b>		<b>1.4</b>	<b>-13.0</b>	<b>-20.9</b>
Depreciation, amortisation and impairment		-6.1	-4.6	-20.3
<b>Operating profit/loss before special items (EBIT)</b>		<b>-4.7</b>	<b>-16.6</b>	<b>-32.9</b>
Special items	5	-3.1	-	-
Net financial items		2.5	0.7	3.6
<b>Profit/loss before tax (PBT)</b>		<b>-5.3</b>	<b>-15.9</b>	<b>-29.3</b>
Tax on profit/loss for the period		0.5	3.6	8.5
<b>Profit/loss for the period from continuing operations</b>		<b>-4.8</b>	<b>-12.3</b>	<b>-20.8</b>
Profit/loss for the period from discontinued operations	6	0.2	-	-
<b>Profit/loss for the period</b>		<b>-4.6</b>	<b>-12.3</b>	<b>-20.8</b>
<b>Earnings per share (DKK)</b>				
Earnings per share (EPS), continuing and discontinued operations		-2.6	-6.9	-11.6
Earnings per share, diluted (EPS-D), continuing and discontinued operations		-2.6	-6.9	-11.6

# Consolidated statement of comprehensive income

for the period 1 November 2021 to 31 January 2022

DKKkm	Note	Q1 2021/22	Q1 2020/21	FY 2020/21
<b>Profit/loss for the period</b>		<b>-4.6</b>	<b>-12.3</b>	<b>-20.8</b>
<i>Items that may be recycled to profit or loss:</i>				
Foreign exchange adjustment of foreign subsidiaries		1.6	-0.7	-0.1
<b>Comprehensive income</b>		<b>-3.0</b>	<b>-13.0</b>	<b>-20.9</b>

# Consolidated balance sheet at 31/01/2022

DKKm	31/01/2022	31/01/2021	31/10/2021
<b>ASSETS</b>			
Completed development projects	7.1	5.5	7.6
Development projects in progress	3.2	4.5	2.3
Trademarks, licenses and customer relations	6.5	5.6	5.1
Other intangible assets	9.3	10.5	10.0
<b>Intangible assets</b>	<b>26.1</b>	<b>26.1</b>	<b>25.0</b>
Land and buildings	62.2	19.2	17.9
Plant and machinery	48.4	34.0	38.7
Other fixtures and fittings, tools and equipment	1.4	1.4	1.5
Property, plant and equipment in progress	3.6	6.5	1.3
Right-of-use assets	11.4	11.9	10.8
<b>Property, plant and equipment</b>	<b>127.0</b>	<b>73.0</b>	<b>70.1</b>
Deferred tax assets	4.4	0.8	4.2
<b>Financial assets</b>	<b>4.4</b>	<b>0.8</b>	<b>4.2</b>
<b>Total non-current assets</b>	<b>157.5</b>	<b>99.9</b>	<b>99.4</b>
Inventories	86.3	63.0	75.0
Trade receivables	57.9	24.4	55.5
Corporation tax receivable	0.8	5.4	2.5
Other receivables	3.2	1.7	1.6
Securities	-	62.9	42.0
Cash and cash equivalents	20.4	12.1	3.7
<b>Total current assets</b>	<b>168.6</b>	<b>169.5</b>	<b>180.4</b>
<b>TOTAL ASSETS</b>	<b>326.1</b>	<b>269.4</b>	<b>279.8</b>

DKKm	31/01/2022	31/01/2021	31/10/2021
<b>EQUITY AND LIABILITIES</b>			
Share capital	35.8	35.8	35.8
Other reserves	-1.9	-4.1	-3.5
Retained earnings	180.4	193.5	185.0
<b>Equity</b>	<b>214.3</b>	<b>225.2</b>	<b>217.3</b>
Deferred tax	3.7	5.3	0.2
Lease liabilities	8.9	9.6	8.5
Non-current liabilities	0.2	-	-
<b>Total non-current liabilities</b>	<b>12.8</b>	<b>14.9</b>	<b>8.7</b>
Short-term portion of lease liability	2.9	2.5	2.6
Operating credit	61.1	-	19.3
Other provisions	0.1	-	-
Advance payments from customers	3.1	0.8	1.6
Trade payables	22.2	13.0	20.0
Other interest-bearing debt	-	2.9	-
Other payables	9.6	10.1	10.3
<b>Total current liabilities</b>	<b>99.0</b>	<b>29.3</b>	<b>53.8</b>
<b>Total liabilities</b>	<b>111.8</b>	<b>44.2</b>	<b>62.5</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>326.1</b>	<b>269.4</b>	<b>279.8</b>



# Consolidated statement of changes in equity

DKKkM	Share capital	Currency translation reserve	Reserve for available-for-sale financial assets	Retained earnings	Proposed dividends	Total equity
<b>Q1 2021/22</b>						
Equity at 01/11/2021	35.8	-3.5	-	185.0	-	217.3
<b>Comprehensive income for the period</b>						
Profit/loss for the period	-	-	-	-4.6	-	-4.6
Other comprehensive income	-	1.6	-	-	-	1.6
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>1.6</b>	<b>-</b>	<b>-4.6</b>	<b>-</b>	<b>-3.0</b>
<b>Equity at 31/01/2022</b>	<b>35.8</b>	<b>-1.9</b>	<b>-</b>	<b>180.4</b>	<b>-</b>	<b>214.3</b>
<b>Q1 2020/21</b>						
Equity at 01/11/2020	35.8	-3.4	-	205.8	-	238.2
<b>Comprehensive income for the period</b>						
Profit/loss for the period	-	-	-	-12.3	-	-12.3
Other comprehensive income	-	-0.7	-	-	-	-0.7
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-0.7</b>	<b>-</b>	<b>-12.3</b>	<b>-</b>	<b>-13.0</b>
<b>Equity at 31/01/2021</b>	<b>35.8</b>	<b>-4.1</b>	<b>-</b>	<b>193.5</b>	<b>-</b>	<b>225.2</b>

DKKkM	Share capital	Currency translation reserve	Reserve for available-for-sale financial assets	Retained earnings	Proposed dividends	Total equity
<b>2020/21</b>						
Equity at 01/11/2020	35.8	-3.4	-	205.8	-	238.2
<b>Comprehensive income for the period</b>						
Profit/loss for the period	-	-	-	-20.8	-	-20.8
Other comprehensive income	-	-0.1	-	-	-	-0.1
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-0.1</b>	<b>-</b>	<b>-20.8</b>	<b>-</b>	<b>-20.9</b>
<b>Equity at 31/10/2021</b>	<b>35.8</b>	<b>-3.5</b>	<b>-</b>	<b>185.0</b>	<b>-</b>	<b>217.3</b>

# Statement of cash flows

for the period 1 November 2021 – 31 January 2022

DKKm	Spec.	Q1 2021/22	Q1 2020/21	FY 2020/21
Operating profit/loss (EBIT) from continuing operations		-7.8	-16.6	-32.9
Operating profit/loss (EBIT) from discontinued operations		0.2	-	-
<b>Operating profit/loss (EBIT)</b>		<b>-7.6</b>	<b>-16.6</b>	<b>-32.9</b>
Adjustment for non-cash items	A	4.7	5.0	19.8
Change in working capital	B	-18.5	8.9	-28.9
<b>Cash generated from operations</b>		<b>-21.4</b>	<b>-2.7</b>	<b>-42.0</b>
Financial income received		2.5	0.1	1.4
Financial expenses paid		-0.1	-1.1	-0.1
Income tax paid		-	-1.3	-2.0
Income tax received		2.1	0.4	0.4
<b>Cash flow from operating activities</b>		<b>-16.9</b>	<b>-4.6</b>	<b>-42.3</b>
Purchase of intangible assets		-0.9	-1.1	-3.9
Purchase of property, plant and equipment		-2.7	-3.6	-11.1
Sale of property, plant and equipment		0.8	-	-
Purchase of securities		-	-1.7	-5.3
Sale of securities		42.3	17.0	42.1
Acquisition of subsidiary		-47.3	-	-
<b>Cash flow from investing activities</b>		<b>-7.8</b>	<b>10.6</b>	<b>21.8</b>
Operating credits used		41.7	-	19.3
Lease payments		-0.3	-1.1	-2.4
<b>Cash flow from financing activities</b>		<b>41.4</b>	<b>-1.1</b>	<b>16.9</b>
Change in cash and cash equivalents		16.7	4.9	-3.6
Cash and cash equivalents at beginning of period		3.7	7.2	7.2
Value adjustment of cash and cash equivalents		-	-	0.1
<b>Cash and cash equivalents at end of period</b>		<b>20.4</b>	<b>12.1</b>	<b>3.7</b>

DKKm	Q1 2021/22	Q1 2020/21	FY 2020/21
<b>Spec. A: Adjustments for non-cash items</b>			
Profit/loss from sale of property, plant and equipment	-0.6	-	-
Depreciation, amortisation and impairment	6.1	4.6	20.3
Provisions	0.1	-0.3	-0.3
Foreign exchange adjustment	-0.9	0.7	-0.2
	<b>4.7</b>	<b>5.0</b>	<b>19.8</b>
<b>Spec. B: Change in working capital</b>			
Change in inventories	-8.5	-1.6	-13.6
Change in receivables	0.8	11.1	-19.9
Change in current liabilities	-10.8	-0.6	4.6
	<b>-18.5</b>	<b>8.9</b>	<b>-28.9</b>

# Notes to the financial statements

1. Accounting policies
2. Estimates
3. Seasonality
4. Revenue
5. Business acquisition
6. Discontinued operations

## 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 2020/21, 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 2020/21.

The Company’s acquisition of a company at 3 January 2022 is accounted for using the acquisition method in accordance with IFRS 3.

The acquired business is recognised in the consolidated financial statements as of the acquisition date, which is the date at which Roblon obtained control of the acquired company.

The purchase price is the fair value of the consideration. Costs incurred in completing the acquisition are not included in the purchase price but are recognised in the income statement as incurred.

Identifiable assets, liabilities and contingent liabilities in the acquired company are measured at fair value at the acquisition date using appropriate valuation methods. Identifiable intangible assets are recognised if they are separable or if they arise from a contractual right. Deferred tax relating to identifiable tax assets is recognised at the relevant tax rate of the acquired company’s country of incorporation.

Any amount not allocated is recognised as goodwill on consolidation.

A preliminary purchase price allocation may be adjusted for up to 12 months of the acquisition date.

As mentioned in the 2020/21 annual report, IFRIC in 2021 issued an agenda decision on the accounting treatment of customisation costs in a cloud computing arrangement. Roblon carried out and completed 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 accounting policy in this respect therefore remains unchanged.

## 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 2020/21.

## Note 3 – Seasonality

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

## Note 4 – Revenue

DKKkm	Q1 2021/22	Q1 2020/21	FY 2020/21
<b>Revenue from external customers:</b>			
<b>By product groups</b>			
FOC	671	40.0	207.2
Composite	11.2	2.3	42.7
<b>Total</b>	<b>78.3</b>	<b>42.3</b>	<b>249.9</b>
<b>By geographical markets</b>			
Denmark	2.4	0.2	9.7
United Kingdom	4.7	2.4	20.7
Italy	3.7	0.8	6.0
Rest of Europe	11.1	7.7	42.4
Asia	6.9	3.2	19.1
Brazil	1.8	1.4	15.8
Latin America	1.8	0.6	2.0
USA	45.9	26.0	134.2
<b>Total</b>	<b>78.3</b>	<b>42.3</b>	<b>249.9</b>

Of the Group’s non-current assets, DKKm 59.1 (DKKm 62.7) were located in Denmark, DKKm 35.4 (DKKm 36.4) in the USA and DKKm 69.4 in the Czech Republic.

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

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, three individual customers accounted for more than 10% in the first quarter of 2021/22. Revenue from each of these customers amounted to DKKm 16.5, DKKm 14.0 and DKKm 11.2, respectively. Last year, three individual customers accounted for more than 10% of the Group's total revenue for the first quarter of 2020/21. Revenue relating to these customers amounted to DKKm 11.8, DKKm 6.7 and DKKm 4.8, respectively.

#### Note 5 – 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 all 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 amounting to EURm 0.7 according to a preliminary calculation. The preliminary consideration of EURm 7.3 (DKKm 54.6) was paid in cash.

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 consideration, adjustment has been made on this loan, which was repaid in full at 1 January 2022.

In relation to the acquisition, the Group incurred transaction costs of DKKm 3.0 million related to legal and financial advisors. These costs were recognised in the income statement item special items.

The takeover balance sheet has been provisionally calculated as follows:

DKKm	Recognised value at takeover
Intangible assets	1.4
Buildings	44.4
Plant and machinery	11.4
Right-of-use assets	1.0
Inventories	2.8
Receivables	4.7
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	-1.1
<b>Acquired net assets</b>	<b>54.6</b>
Of which cash and cash equivalents	-7.3
<b>Cash consideration</b>	<b>47.3</b>

The above calculation is preliminary and will not be finalised until audited financial statements have been prepared in the Czech Republic. The preliminary calculation is not expected to change significantly, however.

In connection with the acquisition of Vamafil, the Group calculated identifiable intangible assets such as trademarks and customer relations and determined their fair values by discounting cash flows using, among other things, the relief from royalty method.

The fair value of buildings is based on general market valuations and an evaluation of the properties' market values by an external pan-European valuation expert.

The fair value of production facilities and machinery is estimated using the depreciated replacement cost method.

**Note 6 – Discontinued operations**

DKKm	Note	Q1 2021/22	Q1 2020/21	FY 2020/21
<b>Consolidated income statement</b>				
Net proceeds from divestment of operations		0.2	-	-
Tax on profit/loss for the year		-	-	-
<b>Profit/loss for the period</b>		<b>0.2</b>	-	-

As part of the agreement to sell Roblon Lighting on 30 April 2017, the Group provided a loan of DKKm 2.6. In the financial year 2019/20, due to elevated repayment risk, Roblon made a DKKm 3.0 loss provision for the full amount of the loan, including accrued interest.

In Q1 2021/22, Roblight repaid DKKm 0.2 of the debt. As further repayment of the loan is still considered to be uncertain, Roblon maintains a loss provision for the residual value of the loan.