

Still challenged by the COVID-19 pandemic, Roblon lowers earnings guidance for 2020/21

Roblon

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

Interim report – Q3 (the period 1 November 2020 – 31 July 2021)

The Board of Directors of Roblon A/S has today considered and approved the interim report for Q3 2020/21.

Highlights of the interim report of the Roblon Group:

- As expected, revenue and earnings for the first three quarters were adversely impacted by the COVID-19 pandemic.
- The order intake amounted to DKKm 223.4 (DKKm 196.7), covering an increase in the FOC product group but a decline in the Composite product group, primarily due to the adverse effects of the pandemic.
- The order book at 31 July 2021 stood at DKKm 83.0 (DKKm 28.2). The increase related to the FOC product group – cable materials and cable machinery for the fibre optic cable industry.
- Revenue amounted to DKKm 169.4 (DKKm 204.8). The FOC product group recorded revenue growth, whereas the Composite product group – composite materials for onshore and offshore industries – saw 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 45.8% (54.5%).
- The Group recognised an operating loss before amortisation, depreciation and impairment (EBITDA) of DKKm 18.7 (a profit of DKKm 60.6 and DKKm 15.6 ex. Servion).
- The Group recognised an operating loss (EBIT) of DKKm 33.5 (a profit of DKKm 47.2 and DKKm 2.2 ex. Servion).
- The loss before tax amounted to DKKm 30.5 (a profit of DKKm 46.6 and DKKm 1.9 ex. Servion).
- The Group recognised a loss for the period after tax of DKKm 23.6 (a profit of DKKm 33.4).
- Roblon's equity at 31 July 2021 stood at DKKm 214.1 (DKKm 247.2).
- Cash flow from operations for the period was an outflow of DKKm 31.3 (an inflow of DKKm 65.3).

Guidance for full year 2020/21

In the interim financial statements for the first half of 2020/21, Management assessed that there was increased risk of time lags in order intake due to the COVID-19 pandemic and global raw materials shortages and logistical challenges. In the third quarter, these risks materialised even more severely than anticipated, and the Company expects the problems to persist in Q4 2020/21.

In the Composite product group, project sales have for some time been hit by timing uncertainties, several projects having been repeatedly postponed. This has meant that Roblon has not been able to estimate when orders would take effect, despite specific forecasts from customers. This will directly affect Management's guidance for Q4 2020/21 as indicated below.

In the interim financial statements for H1 2020/21, Management lowered its full year 2020/21 revenue guidance to DKKm 240-260 (DKKm 254.6) from its earlier guidance of DKKm 260-280.

After Q1-Q3 2020/21, Management maintains its full year 2020/21 revenue guidance of DKKm 240-260.

In the interim financial statements for H1 2020/21, Management lowered its guidance to an EBITDA loss of DKKm 6-1 (a profit of DKKm 9.2 ex. Servion) against a previously guided profit of DKKm 5-13, and a loss before tax of DKKm 26-21 (a loss of DKKm 8.4 ex. Servion) against a previously guided loss of DKKm 19-11.

Based on the realised results for Q1-Q3 2020/21 combined with the above-mentioned expected unfavourable product mix in Q4 and the raw materials shortages, Management now guides an EBITDA loss of around DKKm 16 against a previously guided loss of DKKm 6-1, and a loss before tax of around DKKm 33 against the previously guided loss before tax of DKKm 26-21. Management expects an operating loss (EBIT) of around DKKm 36, with expected net financial items for Q4 of around DKKm 0.

Frederikshavn, 15 September 2021

Roblon A/S

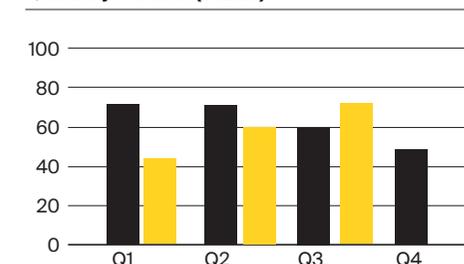
Jørgen Kjær Jacobsen
Chairman of the Board

Lars Østergaard
Managing Director and CEO

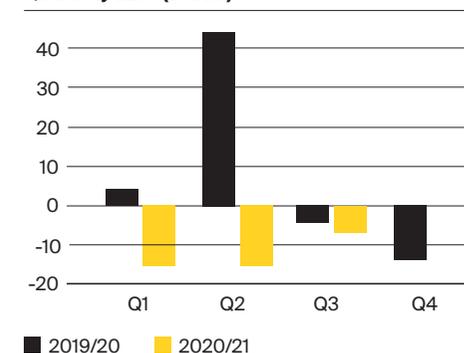
Enquiries regarding this announcement should be addressed to:

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

Quarterly revenue (DKKm)



Quarterly EBIT (DKKm)



Financial highlights

for the Roblon Group

	Unit	Q3 2020/21 ¹	Q3 2019/20 ¹	Q1-Q3 2020/21 ¹	Q1-Q3 2019/20 ¹	FY 2019/20 ¹
Orders						
Order intake	DKKm	75.0	41.4	223.4	196.7	242.4
Order book	DKKm	83.0	28.2	83.0	28.2	24.8
Income statement						
Revenue	DKKm	66.4	62.8	169.4	204.8	254.6
Gross profit	DKKm	31.5	32.0	77.6	111.6	131.1
Operating profit/loss before depreciation, amortisation and impairment (EBITDA)	DKKm	-0.1	0.9	-18.7	60.6	53.7
Operating profit/loss (EBIT)	DKKm	-5.3	-4.0	-33.5	47.2	35.8
Net financial items	DKKm	1.8	-0.2	3.0	-0.6	-
Profit/loss before tax from continuing operations	DKKm	-3.5	-4.2	-30.5	46.6	35.8
Profit/loss for the period from continuing operations	DKKm	-2.7	-3.2	-23.6	35.7	26.5
Profit/loss for the period from discontinued operations	DKKm	-	-	-	-2.3	-2.4
Profit/loss for the period	DKKm	-2.7	-3.2	-23.6	33.4	24.0
Balance sheet						
Cash and securities	DKKm	58.6	89.6	58.6	89.6	83.4
Assets	DKKm	278.2	301.7	278.2	301.7	284.5
Working capital	DKKm	82.9	77.7	82.9	77.7	73.7
Invested capital	DKKm	150.7	162.8	150.7	162.8	159.5
Equity	DKKm	214.1	247.2	214.1	247.2	238.2
Cash flows						
Cash flow from operating activities	DKKm	-9.3	55.8	-31.3	65.3	65.6
Cash flow from investing activities	DKKm	2.1	-46.8	12.0	-46.2	-51.7
Of which investment in marketable securities	DKKm	5.1	-39.9	24.8	-25.0	-25.1
Of which investment in property plant and equipment	DKKm	-2.8	-6.3	-10.4	-18.1	-23.2
Cash flow from financing activities	DKKm	8.3	-0.5	16.4	-8.0	9.3
Depreciation, amortisation and impairment, total	DKKm	-5.2	-4.9	-14.8	-13.4	-17.8
Cash flow for the period	DKKm	1.1	8.5	-2.9	11.1	4.6

	Unit	Q3 2020/21 ¹	Q3 2019/20 ¹	Q1-Q3 2020/21 ¹	Q1-Q3 2019/20 ¹	FY 2019/20 ¹
Ratios						
Book-to-bill ratio	%	113.0	65.9	131.9	96.0	95.2
Revenue growth	%	5.7	3.3	-17.3	18.4	-4.7
Gross margin	%	47.4	51.0	45.8	54.5	51.5
EBIT margin	%	-8.0	-6.4	-19.8	23.0	14.1
EBIT margin (ex. Servion)	%	-8.0	-6.4	-19.8	1.1	-3.4
ROIC/return on average invested capital ²	%	-13.6	-9.9	-28.7	39.1	22.4
ROIC/return on average invested capital ² (ex. Servion)	%	-13.6	-9.9	-28.7	1.8	-5.4
Equity ratio	%	77.0	81.9	77.0	81.9	83.7
Return on equity ²	%	-4.6	-5.1	-13.5	19.2	10.6
Return on equity ² (ex. Servion)	%	-4.6	-5.5	-13.5	1.1	-4.6
Working capital, % of revenue	%	124.8	123.7	48.9	37.9	29.0
Employees						
Average no. of full-time employees	No.	187	177	187	177	193
Gross profit per full-time employee	DKKm	0.2	0.2	0.4	0.6	0.7
Per share ratios						
Earnings per DKK 20 share (EPS) ²	DKK	-1.5	-1.8	-13.2	18.8	13.5
Price/earnings ratio (PE)	DKK	-112.3	-99.2	-12.8	9.5	13.1
Cash flow from operations per DKK 20 share	DKK	-5.2	31.2	-17.5	36.5	36.7
Book value of shares ²	DKK	119.7	138.2	119.7	141.8	133.2
Market price per share	DKK	169.5	178.5	169.5	178.5	176.5
Price/book value		1.4	1.3	1.4	1.3	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)

Matters of note

The Group's performance in 2020/21 has been heavily affected by the COVID-19 pandemic in both the Composite and the FOC product groups.

Roblon's Composite business, which is the product group with the highest earnings, is primarily based on project sales, a large part of which is to the offshore oil & gas industry, mainly in Brazil, but also the UK, Denmark and the USA. Over time, these projects are affected by oil prices as well as by domestic affairs in Brazil. For more than a year, the pandemic has affected projects, causing uncertainty as to the timing of known and expected orders that are highly likely to go ahead. Several of these projects have been repeatedly postponed in the past year, which has meant that Roblon has not been able to estimate when orders would take effect, despite specific forecasts from customers.

Roblon's FOC business has also been se-

verely affected by the COVID-19 pandemic. In the Group's US subsidiary, the pandemic has delayed the implementation of investment projects to expand production capacity, thereby also affecting the Company's ability to take full advantage of the current market growth and fully implement productivity and profitability improvements. Procuring raw materials and recruiting staff have also been a challenge. The latter is a general challenge faced by US companies due to the US government providing financial aid to the unemployed, which has affected the general availability of manpower for many companies and industries. Despite these challenges, Roblon has in the past six months seen increasing revenue and improved operating results, and this trend is expected to continue in the coming quarters.

In addition to the above, Roblon has implemented measures to increase the productivity and profitability of FOC EMEA. The product and customer portfolios have been overhauled, and the first improvements have been realised. Several other measures have been launched, which are expected to further improve profitability in the 2021/22 financial year.

Consolidated income statement

Order intake

The Group's order intake amounted to DKKm 223.4 in Q1-Q3 2020/21 (DKKm 196.7). The DKKm 26.7 net increase covered a DKKm 66.9 improvement in the FOC product group and a

DKKm 40.2 decline in the Composite product group. In Q3 2020/21, the order intake was DKKm 75.0 (DKKm 41.4). Both product groups recorded improvement; DKKm 25.6 in FOC and DKKm 8.0 in Composite.

The improvement in FOC was mainly achieved in the US market, which is enjoying significant growth. If the US infrastructure bill is passed in the autumn of 2021, this will further stimulate market growth in the coming years. The infrastructure bill includes USD 65 bn for expanding broadband networks across the USA.

Revenue

For Q1-Q3 2020/21, Roblon realised revenue of DKKm 169.4 (DKKm 204.8). The DKKm 35.4 net decline covered a DKKm 58.4 decline in the Composite product group and a DKKm 23.0 improvement in the FOC product group.

The significant decline in revenue in the Composite product group is particularly due to the negative impact of the pandemic, which has meant that a number of known projects in the offshore oil & gas industry, particularly in Brazil, have yet to go ahead.

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.

In Q3 2020/21, the Group's revenue was DKKm 66.4 (DKKm 62.8). The DKKm 3.6 increase covered a DKKm 8.1 increase in the FOC product group and a DKKm 4.5 decline in the Composite product group.

The USD/DKK exchange rate development had an adverse impact of DKKm 2.5 on reported revenue for Q1-Q3 2020/21.

Gross profit and gross margin

The Group's gross profit amounted to DKKm 77.6 (DKKm 111.6) and the gross margin for Q1-Q3 2020/21 was 45.8% (54.5%). The decline in gross margin in the first three quarters of the year relative to the same period last year was mainly ascribed to the product mix as well as to increased costs of materials due to the global raw materials situation.

Other external costs

Other external costs amounted to DKKm 25.5 (DKKm 27.9). The reduction was mainly due to lower travel and trade fair activities.

Staff costs

Despite the lower revenue, staff costs increased to DKKm 72.7 (DKKm 71.0). The increase in total staff costs was mainly due to higher payroll costs for additional staff due to COVID-19 and recruitment within production management and sales. The latter was necessary to support the growth prospects of the FOC product group.

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

For Q1-Q3 2020/21, EBITDA was a loss of DKKm 18.7 (a profit of DKKm 60.6, and DKKm 15.6 ex. Servion).

Depreciation, amortisation and impairment

Depreciation, amortisation and impairment for the Group amounted to DKKm 14.8 (DKKm 13.4). 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 Q1-Q3 2020/21, EBIT was a loss of DKKm 33.5 (a profit of DKKm 47.2, and DKKm 2.2 ex. Servion).

Net financial items

The Group's net financial items for Q1-Q3 2020/21 amounted to net income of DKKm 3.0 (a net expense of DKKm 0.6). 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 Q1-Q3 2020/21, the Group posted a loss before tax of DKKm 30.5 (a profit of DKKm 46.6, and DKKm 1.9 ex. Servion).

For Q3 2020/21, the loss before tax was DKKm 3.5 (a loss of DKKm 4.2).

Profit/loss after tax

The loss after tax for Q1-Q3 amounted to DKKm 23.9 (a profit of DKKm 33.4). 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 Q1-Q3 2020/21 by DKKm 0.1.

Consolidated balance sheet

The Group's total assets at 31 July 2021 amounted to DKKm 278.2 (DKKm 301.7).

Total investments in intangible assets for Q1-Q3 2020/21 amounted to DKKm 2.4 (DKKm 3.1), comprising a DKKm 1 investment in development projects and a DKKm 1.4 investment in the Group's ERP solution. Investments in property plant and equipment amounted to DKKm 10.4 (DKKm 18.1) in Q1-Q3 2020/21, mainly comprising investment projects to lift production capacity in the FOC business.

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

Inventories amounted to DKKm 69.0 (DKKm 68.0) at 31 July 2021.

The Group's equity at 31 July 2021 amounted to DKKm 214.1 (DKKm 247.2). The equity ratio at 31 July 2020 was 77.0% (81.9%).

Consolidated cash flows

The Group's net cash flow from operating activities in Q1-Q3 2020/21 was an outflow of DKKm 31.3 (an inflow of DKKm 65.3).

Total cash flow from investing activities was an inflow of DKKm 12.0 (an outflow of DKKm 46.2), covering a net outflow from investments in intangible assets and property, plant and equipment of DKKm 12.8 (a net outflow of DKKm 21.2) and a net inflow from sales of securities of DKKm 24.8 (DKKm a net outflow of 25.0).

Net cash flow from financing activities was an inflow of DKKm 16.4 (an outflow of DKKm 8.0).

Capital resources

At 31 July 2021, marketable securities and net cash amounted to DKKm 58.6 (DKKm 89.6). In Q3 2020/21, Roblon increased its total credit facilities, which subsequently amount to DKKm 25 (DKKm 10). Roblon has an undrawn credit facility at 31 July 2021 of DKKm 6.6 (DKKm 10.0).

Product development

In the first three quarters of 2020/21, the Group has had expenses for DKKm 6.1 (DKKm 4.5) to product development, corresponding to 3.6% (2.6%) of total revenue.

In the first three quarters of 2020/21, revenue from new products released within the past five years accounted for 23% (43%). The year-on-year decline was due to the sharp drop in revenue in the Composite product group.

Outlook for 2020/21

In the interim financial statements for the first half of 2020/21, Management assessed that there was increased risk of time lags in order intake due to the COVID-19 pandemic and global raw materials shortages and logistical challenges. In the third quarter, these risks materialised even more severely than anticipated, and the Company expects the problems to persist in Q4 2020/21.

In the Composite product group, project sales have for some time been hit by timing uncertainties, several projects having been repeatedly postponed. This has meant that Roblon has not been able to estimate when orders would take effect, despite specific forecasts from customers. This will directly affect Management's guidance for Q4 2020/21 as indicated below.

In the interim financial statements for H1 2020/21, Management lowered its full year 2020/21 revenue guidance to DKKm 240-260 (DKKm 254.6) from the earlier guidance of DKKm 260-280.

After Q1-Q3 2020/21, Management maintains its full-year revenue guidance of DKKm 240-260 for 2020/21.

In the interim financial statements for H1

2020/21, Management lowered its guidance to an EBITDA loss of DKKm 6-1 (a profit of DKKm 9.2 ex. Servion) against a previously guided profit of DKKm 5-13, and a loss before tax of DKKm 26-21 (a loss of DKKm 8.4 ex. Servion) against a previously guided loss of DKKm 19-11.

Based on the realised results for Q1-Q3 2020/21 combined with the above-mentioned expected unfavourable product mix in Q4 and the raw materials shortages, Management now guides an EBITDA loss of around DKKm 16 against a previously guided loss of DKKm 6-1, and a loss before tax of around DKKm 33 against the previously guided loss before tax of DKKm 26-21. Management expects an operating loss (EBIT) of around DKKm 36, with expected net financial items for Q4 of around DKKm 0.

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.

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 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

21/12 2021:	Preliminary statement 2020/21
27/1 2022:	Annual General Meeting

Announcements – NASDAQ Copenhagen

During the period 1 November 2020 to 15 September 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
No. 4	24/06/2021	Interim report for Q2 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 Q1-Q3 2020/21 (the period 1 November 2020 to 31 July 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 31 July 2021 as well as of the results of the Group's activities and cash flows for the period 1 November 2020 to 31 July 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, 15 September 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 31 July 2021

DKKkm	Note	Q3 2020/21	Q3 2019/20	Q1-Q3 2020/21	Q1-Q3 2019/20	FY 2019/20
Revenue	4	66.4	62.8	169.4	204.8	254.6
Cost of sales		-34.9	-30.8	-91.8	-93.2	-123.6
Gross profit		31.5	32.0	77.6	111.6	131.1
Work carried out for own account and capitalised		0.5	0.4	1.5	1.7	2.7
Other operating income		0.1	0.1	0.4	46.2	51.3
Other external costs		-8.6	-8.3	-25.5	-27.9	-35.5
Staff costs		-23.6	-23.3	-72.7	-71.0	-95.8
Operating profit/loss before depreciation, amortisation and impairment (EBITDA)		-0.1	0.9	-18.7	60.6	53.7
Depreciation, amortisation and impairment		-5.2	-4.9	-14.8	-13.4	-17.8
Operating profit/loss (EBIT)		-5.3	-4.0	-33.5	47.2	35.8
Net financial items		1.8	-0.2	3.0	-0.6	0.0
Profit/loss before tax (PBT)		-3.5	-4.2	-30.5	46.6	35.8
Tax on profit/loss for the period		0.8	1.0	6.9	-10.9	-9.4
Profit/loss for the period from continuing operations		-2.7	-3.2	-23.6	35.7	26.5
Profit/loss for the period from discontinued operations	5	-	-	-	-2.3	-2.4
Profit/loss for the period		-2.7	-3.2	-23.6	33.4	24.0
Earnings per share (DKK)						
Earnings per share (EPS), continuing and discontinued operations		-1.5	-1.8	-13.2	18.8	13.5
Earnings per share, diluted (EPS-D), continuing and discontinued operations		-1.5	-1.8	-13.2	18.8	13.5

Consolidated statement of comprehensive income

for the period 1 November 2020 to 31 July 2021

DKKkm	Note	Q2 2020/21	Q2 2019/20	Q1-Q2 2020/21	Q1-Q2 2019/20	FY 2019/20
Profit/loss for the period		-2.7	-3.2	-23.6	33.4	24.0
<i>Items that may be recycled to profit or loss:</i>						
Foreign exchange adjustment of foreign subsidiaries		0.4	-	-0.5	-2.2	-1.9
Comprehensive income		-2.3	-3.2	-24.1	31.2	22.2

Consolidated balance sheet

at 31/07/2021

DKK m	Note	31/07/2021	31/07/2020	31/10/2020
ASSETS				
Completed development projects		8.0	0.5	5.8
Development projects in progress		1.0	9.1	4.0
Trademarks, licenses and customer relations		5.3	6.2	6.0
Other intangible assets		10.6	8.3	7.7
Intangible assets		24.9	24.1	23.6
Land and buildings		18.4	20.3	19.7
Plant and machinery		33.9	26.1	30.0
Other fixtures and fittings, tools and equipment		1.5	1.4	1.3
Property, plant and equipment in progress		7.7	12.6	12.9
Right-of-use assets		11.2	13.4	12.9
Property, plant and equipment		72.7	73.8	76.8
Deferred tax assets		0.8	1.0	0.8
Financial assets		0.8	1.0	0.8
Total non-current assets		98.4	98.9	101.2
Inventories		69.0	68.0	61.4
Trade receivables		42.6	43.8	35.7
Corporation tax receivable		9.3	-	1.2
Other receivables		0.3	1.4	1.5
Securities		54.3	75.9	76.2
Cash and cash equivalents		4.3	13.7	7.2
Total current assets		179.8	202.8	183.2
TOTAL ASSETS		278.2	301.7	284.5

DKK m	Note	31/07/2021	31/07/2020	31/10/2020
EQUITY AND LIABILITIES				
Share capital		35.8	35.8	35.8
Other reserves		-3.9	-3.7	-3.4
Retained earnings		182.2	215.2	205.8
Equity		214.1	247.2	238.2
Deferred tax		5.3	5.8	5.3
Lease liabilities		8.9	10.4	10.5
Non-current liabilities		14.2	16.2	15.8
Short-term portion of lease liability		2.5	2.4	2.6
Operating credit		18.4	-	-
Other provisions		-	0.2	0.3
Advance payments from customers		1.3	0.4	0.5
Trade payables		16.6	15.3	10.5
Income tax		-	0.4	0.2
Other interest-bearing debt		-	-	2.8
Other payables		11.1	19.6	13.6
Current liabilities		49.9	38.3	30.5
Total liabilities		64.1	54.5	46.3
TOTAL EQUITY AND LIABILITIES		278.2	301.7	284.5

Consolidated statement of changes in equity

DKKkm	Share capital	Currency translation reserve	Retained earnings	Proposed dividends	Total equity
Q3 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	-	-	-23.6	-	-23.6
Other comprehensive income	-	-0.5	-	-	-0.5
Total comprehensive income for the period	-	-0.5	-23.6	-	-24.1
Equity at 31/07/2021	35.8	-3.9	182.2	-	214.1
Q3 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	-	-	33.4	-	33.4
Other comprehensive income	-	-2.2	-	-	-2.2
Total comprehensive income for the period	-	-2.2	33.4	-	31.2
Equity at 31/07/2020	35.8	-3.7	215.2	-	247.2

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 – 31 July 2021

DKKkm	Spec.	Q3 2020/21	Q3 2019/20	Q1-Q3 2020/21	Q1-Q3 2019/20	FY 2019/20
Operating profit/loss (EBIT) from continuing operations		-5.3	-4.0	-33.5	47.4	35.8
Operating profit/loss (EBIT) from discontinued operations		-	-	-	-3.0	-3.1
Operating profit/loss (EBIT)		-5.3	-4.0	-33.5	44.4	32.7
Adjustment for non-cash items	A	5.1	4.9	15.0	12.5	17.0
Change in working capital	B	-9.9	56.1	-11.7	11.9	18.4
Cash generated from operations		-10.1	57.0	-30.2	68.8	68.1
Financial income received		-0.1	0.8	0.6	2.7	1.0
Financial expenses paid		1.0	-1.9	-0.2	-2.8	-0.1
Income tax paid		-0.1	-0.2	-1.9	-3.5	-3.5
Income tax received		-	0.1	0.4	0.1	0.1
Cash flow from operating activities		-9.3	55.8	-31.3	65.3	65.6
Purchase of intangible assets		-0.2	-0.6	-2.4	-3.1	-3.4
Purchase of property, plant and equipment		-2.8	-6.3	-10.4	-18.4	-23.6
Sale of property, plant and equipment		-	-	-	0.3	0.5
Purchase of securities		-0.6	-40.0	-4.9	-41.3	-41.4
Sale of securities		5.7	0.1	29.7	16.3	16.3
Cash flow from investing activities		2.1	-46.8	12.0	-46.2	-51.7
Operating credits used		8.7	-	18.4	-6.7	-6.7
Lease payments		-0.4	-0.5	-2.0	-1.3	-2.5
Cash flow from financing activities		8.3	-0.5	16.4	-8.0	-9.3
Change in cash and cash equivalents		1.1	8.5	-2.9	11.1	4.6
Cash and cash equivalents at beginning of period		3.2	5.6	7.2	3.0	3.0
Value adjustment of cash and cash equivalents		-	-0.4	-	-0.4	-0.4
Cash and cash equivalents at end of period		4.3	13.7	4.3	13.7	7.2

DKKkm	Q3 2020/21	Q3 2019/20	Q1-Q3 2020/21	Q1-Q3 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	5.2	4.9	14.8	13.3	17.9
Provisions	-	0.1	-0.3	-	0.2
Foreign exchange adjustment	-0.1	-0.1	0.5	-0.8	-0.8
	5.1	4.9	15.0	12.5	17.0
Spec. B: Change in working capital					
Change in inventories	-1.9	3.2	-7.7	-12.1	-5.6
Change in receivables	-6.6	57.5	-5.6	30.0	38.0
Change in current liabilities	-1.4	-4.6	1.6	-6.0	-14.1
	-9.9	56.1	-11.7	11.9	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

DKKm	Q3 2020/21	Q3 2019/20	Q1-Q3 2020/21	Q1-Q3 2019/20	FY 2019/20
Revenue from external customers:					
By product groups					
FOC	51.0	42.9	143.5	120.5	159.7
Composite	15.4	19.9	25.9	84.3	95.0
Total	66.4	62.8	169.4	204.8	254.6
By geographical markets					
Denmark	5.2	0.6	6.2	3.3	2.5
United Kingdom	6.6	8.6	14.4	31.7	35.4
Italy	1.5	6.1	4.5	22.5	25.7
Rest of Europe	9.5	8.1	29.9	21.7	28.7
Asia	4.7	5.1	11.6	14.7	19.2
Brazil	3.7	6.7	7.7	31.8	37.7
Latin America	0.8	1.8	1.8	12.7	14.9
USA	34.4	25.8	93.3	66.4	90.5
Total	66.4	62.8	169.4	204.8	254.6

Of the Group's non-current assets, DKKm 61.4 (DKKm 62.8) were located in Denmark and DKKm 37.0 (DKKm 36.1) 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 three quarters of 2020/21. Revenue from each of these customers amounted to DKKm 33.8, DKKm 23.9 and DKKm 23.3, respectively. Last year, four individual customers accounted for more than 10% of the Group's total revenue for the first three quarters of 2019/20. Revenue relating to these customers was DKKm 36.3, DKKm 27.1 DKKm 26.0, and DKKm 20.9, respectively.

Note 5 – Discontinued operations

DKKm	Q3 2020/21	Q3 2019/20	Q1-Q3 2020/21	Q1-Q3 2019/20	FY 2019/20
Consolidated income statement					
Other external costs	-	-	-	-3.0	-3.1
Tax on profit/loss for the year	-	-	-	0.7	0.7
Profit/loss for the period	-	-	-	-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 USDm 6.6.

DKKm	Roblon Group		Servion share		Results ex. Servion	
	Q1-Q3 2020/21	Q1-Q3 2019/20	Q1-Q3 2020/21	Q1-Q3 2019/20	Q1-Q3 2020/21	Q1-Q3 2019/20
Revenue	169.4	204.8	-	-	169.4	204.8
EBITDA	-18.7	60.6	-	45.0	-18.7	15.6
EBIT	-33.5	47.2	-	45.0	-33.5	2.2
Profit/loss before tax	-30.5	46.6	-	44.7	-30.5	1.9

Note 7 – Securities

In the third quarter of 2020/21, Roblon entered into a repo financing arrangement. Roblon entered into an agreement for a DKKm 15 operating facility secured against securities with a carrying amount of DKKm 29.4 at 31 July 2021.