Roblon

Annual Report 2023/24

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Contents

01 Overview

Highlights

The Group reports profit from continuing operations for 2023/24. Divestment process underway for Roblon's US subsidiary.

For its continuing operations, Roblon realised revenue of DKKm 245.4 and an operating profit (EBIT) before special items of DKKm 29.3, equalling an EBIT margin of 11.9%.

In Company Announcement no. 7 of 16 September 2024, Management announced the initiation of a process to divest Roblon's US subsidiary. Both demand and the competitive situation had deteriorated to such an extent that Management made the decision to initiate a divestment of the subsidiary.

At the end of 2023, the business intelligence company CRU (www.crugroup.com/), which covers the FOC industry, expected that the US market would in 2024 return to normal market conditions comparable to those of 2022. This did not happen, however, in part because the launch of government stimulus projects to fund the roll-out of broadband in the USA proceeded more slowly than expected. Also, the competitive conditions in a temporarily reduced addressable market have become significantly tougher, partly due to competition from the Far East.

Following the announcement of the divestment process for its US subsidiary, Roblon has received a number of enquiries from potential buyers. Management expects the divestment process to be finalised by the end of March 2025. Consequently, the US subsidiary is reported under discontinued operations in the annual report for 2023/24. Comparative figures for 2022/23 have been restated accordingly.

In the coming years, Roblon's activities will focus on the development of products and services for the primary market, comprising the EMEA countries and selected overseas customers and customer leads. Roblon's defined primary market is growing, boosted by the current and future expansion of international digitalisation and energy grid infrastructure.

During the 2023/24 financial year, the Board of Directors decided to downsize the Executive Management from three to two members in a bid to strengthen the Company's strategy execution. Accordingly, Roblon's CEO, Lars Østergaard, resigned his position on 13 May 2024. Kim Müller, who until 13 May 2024 held the position of CTO, took over the reins as CEO, and Carsten Michno, until 13 May 2024 the Company's CFO, took on the position of Co-CEO/CFO.

Selected financial highlights for the Group's continuing operations

- Order intake of DKKm 236.9 (DKKm 202.7)
- Revenue of DKKm 245.4 (DKKm 245.0)
- Gross profit of DKKm 149.3 (DKKm 127.5), equalling a gross margin of 60.8% (52.0%)
- Operating profit before depreciation, amortisation and impairment (EBITDA) and before special items of DKKm 44.9 (DKKm 27.3)
- Operating profit (EBIT) before special items of DKKm 29.3 (DKKm 10.0), equalling an EBIT margin of 11.9% (4.1%)
- Profit from continuing operations before tax of DKKm 27.2 (DKKm 24.6)
- Return on invested capital (ROIC) before tax of 16.1% (5.2%)
- Earnings per B share after tax of DKK 11.7 (DKK 11.3)
- Product development costs in 2023/24 totalled DKKm 7.6 (DKKm 6.1), corresponding to 3.1% (2.5%) of total revenue

Selected financial highlights for the Group's continuing and discontinued operations

- Loss after tax for continuing and discontinued operations of DKKm 9.6 (a loss of DKKm 4.6)
- Net cash inflow from operations for the period of DKKm 56.2 (DKKm 17.8)
- Net cash outflow for the year of DKKm 11.8 (net inflow of DKKm 21.4), mainly due to a DKKm 55.0 reduction of operating credits
- The Group worked purposefully to reduce its working capital in 2023/24 and succeeded during the period. This strengthened the Company's cash resources, which amounted to DKKm 101.9 at 31 October 2024 (DKKm 66.2)
- The equity ratio, positively affected by the reduction of total assets, amounted to 71.4% (57.0 %)

Roblon's revenue for the financial year 2023/24 was DKKm 245.4 (DKKm 245.0), in line with last year. Revenue for the Composite product group amounted to DKKm 185.4 (DKKm 154.0). The DKKm 31.4 improvement was due to a realised increase in deliveries of strength members for submarine cables, while deliveries to the offshore oil and gas industry were realised at the same level as last year. The FOC product group generated revenue of DKKm 60.0 (DKKm 91.0). The DKKm 31.0 decline reflected the continuing challenging market conditions for the FOC industry in EMEA in 2024.

EBIT before special items was an operating profit of DKKm 29.3 (DKKm 10.0), and the improvement was due to a favourable product mix and profitability improvements realised through technology and process enhancements. EBIT for 2023/24 was adversely affected by remuneration during the notice period for the parent company's former CEO and the General Manager of the Group's Czech subsidiary totalling DKKm 4.4.

EBIT after special items amounted to DKKm 29.3 (DKKm 27.9). The 2022/23 figure was positively affected by a profit of DKKm 17.9 from the sale of the former head office building in Frederikshavn.

Revenue for 2023/24 in Roblon's US subsidiary, recognised under discontinued operations, amounted to DKKm 102.2 (DKKm 110.0). The drop in revenue was attributable to the current US market conditions in the fibre optic cable industry and the fact that the competitive conditions became significantly tougher during 2023/24, partly due to competition from the Far East. Discontinued operations realised a loss before tax of DKKm 26.9 (a loss of DKKm 27.7), in line with Management's guidance.

Realised EBITDA and EBIT for continuing and discontinued operations for 2023/24 were in line with Management's guidance.

Roblon realised a net loss for the year for continuing and discontinued operations of DKKm 9.6 for 2023/24 (a loss of DKKm 4.6).

Based on the reported loss for the year 2023/24, the Board of Directors proposes to the shareholders at the general meeting that no dividend be distributed.

Guidance for 2024/25
In Company Announcement no. 11 of 18 November 2024, Roblon set out Management's revenue and earnings guidance for the 2024/25 financial year.

Management expects the challenging market conditions for the FOC product group to continue in the 2024/25 financial year. Management foresees a decrease in gross margin in 2024/25 compared with 2023/24, partly due to an expected change in product mix and partly due to expected stronger price competition.

Management's guidance with respect to continuing operations for FY 2024/25 is as follows:

- Revenue of DKKm 210-240 (realised 2023/24: DKKm 245.4).
- Operating profit before depreciation, amortisation and impairment (EBITDA) and before special items of DKKm 30-40 (realised 2023/24: DKKm 44.9).
- Operating profit (EBIT) before special items of DKKm 16-26 (realised 2023/24: DKKm 29.3).
- Special items relating to costs in connection with the divestment of the subsidiary are expected to be DKKm 2.5-4.

Revenue and results of the Company's US subsidiary in the process of being divested are reported as discontinued operations and are consequently not included in the above guidance for the 2024/25 financial year. As the Company is in the middle of an ongoing divestment process, Management is currently not in a position to calculate how the divestment of the US subsidiary will affect the financial statements.

The guidance for the year is subject to significant uncertainty, mainly related to the continuing geopolitical challenges and market conditions for the FOC product group, which are expected to continue to be impacted by the aftermath of the 2022 COVID-19 pandemic period.

Financial highlights

for the Group

	Unit	2023/24	2022/23	2021/22*	2020/21*	2019/20*
Orders						
Order intake	DKKm	236.9	202.7	415.4	301.7	242.4
Order book	DKKm	53.8	61.1	111.8	79.7	24.8
Income statement						
Revenue	DKKm	245.4	245.0	380.9	249.9	254.6
Gross profit	DKKm	149.3	127.5	181.2	116.7	131.1
Operating profit/loss before depreciation, amortisation and impairment (EBITDA) and before special items	DKKm	44.9	27.3	23.4	-12.6	53.7
Operating profit/loss (EBIT) before special items	DKKm	29.3	10.0	-3.8	-32.9	35.8
Net special items	DKKm	-	17.9	-6.8	-	-
Operating profit/loss (EBIT) after special items	DKKm	29.3	27.9	-10.6	-32.9	35.8
Net financial items	DKKm	-2.0	-3.3	9.3	3.6	-
Profit from continuing operations before tax	DKKm	27.2	24.6	-1.4	-29.3	35.8
Profit/loss for the year from continuing operations	DKKm	21.0	20.2	-1.8	-20.8	24.0
Profit/loss for the year from discontinued operations after tax	DKKm	-30.6	-24.8	-	-	-
Profit/loss for the year	DKKm	-9.6	-4.6	-1.8	-20.8	24.0
Balance sheet						
Cash and securities	DKKm	17.9	33.2	11.9	45.7	83.4
Assets	DKKm	276.5	368.1	373.1	279.8	284.5
Working capital	DKKm	76.5	141.1	155.9	100.2	73.7
Share capital	DKKm	35.8	35.8	35.8	35.8	35.8
Invested capital	DKKm	189.7	174.1	206.5	167.5	159.5
Equity	DKKm	197.3	209.6	218.8	217.3	238.2
Cash flows						
Cash flow from operating activities	DKKm	56.2	17.8	-27.0	-42.3	65.6
Cash flow from investing activities	DKKm	-7.4	5.5	-25.2	21.8	-51.7
Of which investment in marketable securities	DKKm	-	-	42.3	36.9	-25.1
Of which investment in property plant and equipment	DKKm	-7.2	6.2	-17.9	-11.1	-23.2
Cash flow from financing activities	DKKm	-60.6	-1.9	60.5	16.9	-9.3
Depreciation, amortisation and impairment, total	DKKm	-15.6	-17.4	-27.2	-20.3	-17.9
Cash flow for the year	DKKm	-11.8	21.4	8.3	-3.6	4.6

	Unit	2023/24	2022/23	2021/22*	2020/21*	2019/20*
Ratios						
Book-to-bill ratio	%	96.5	82.7	109.1	120.7	95.2
Revenue growth	%	0.2	-35.7	52.4	-1.8	-4.7
Gross margin	%	60.8	52.0	47.6	46.7	51.5
EBIT margin	%	11.9	4.1	-1.0	-13.2	14.1
ROIC/return on average invested capital	%	16.1	5.2	-2.0	-20.1	22.4
Equity ratio	%	71.4	57.0	58.7	77.7	83.7
Return on equity	%	-4.7	-2.2	-0.8	-9.1	10.6
Working capital, % of revenue	%	31.2	57.6	40.9	40.1	29.0
Employees						
Average no. of full-time employees	No.	182	193	279	191	193
Gross profit per full-time employee	DKKm	0.8	0.7	0.6	0.6	0.7
Per share ratios						
Earnings per DKK 20 share (EPS)	DKK	-5.4	-2.6	-1.3	-11.6	14.8
Price/earnings ratio (PE)	DKK	-17.8	-38.7	-108.5	-13.1	11.9
Cash flow from operations per DKK 20 share	DKK	31.4	9.9	-15.1	-23.7	36.7
Book value of shares	DKK	110.4	117.2	122.4	121.5	133.2
Quoted year-end market price	DKK	96.0	99.8	141.0	152.0	176.5
Price/book value		0.9	0.9	1.2	1.3	1.3

* Key figures and ratios for 2019/20-2021/22 have not been restated for discontinued operations.

The stated per share ratios relate to B shares.

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

Disclaimer
The English version of the Annual Report is a translation of the original in Danish and for information purposes only. In case of discrepancy, the Danish original will prevail.

Roblon at a glance

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

For decades, the Group has established itself as a strong and recognised brand fully focused on fibre-based reinforcement and strength element solutions that form part of end products in the telecommunications, offshore oil & gas and energy transmission industries (wind energy, electrification and green transition via submarine cables) as well as in other industries.

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

Roblon has its head office and production facilities in Gærum (Denmark) as well as a production entity in Žďár nad Sázavou (Czech Republic).

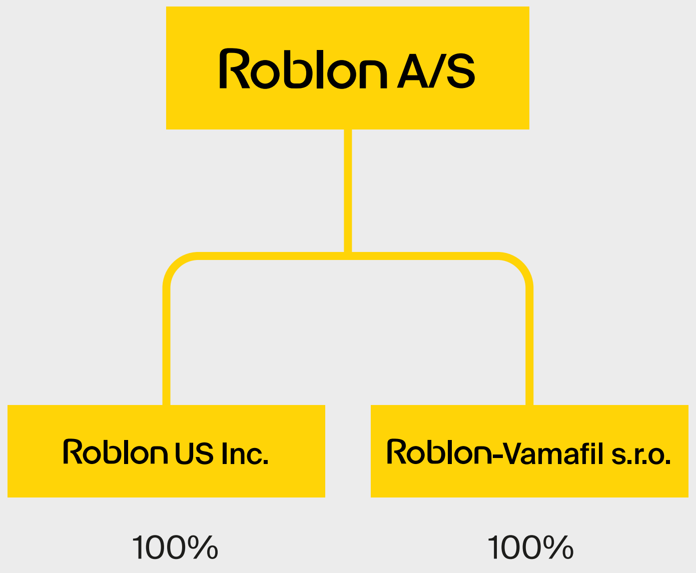
Roblon A/S has a branch in the Netherlands, whose employees mainly provide procurement and sales services.

Process to divest Roblon's US subsidiary

In Company Announcement no. 7 of 16 September 2024, the Company announced the initiation of a process to divest the Group's US subsidiary in Granite Falls, North Carolina (USA).

Following the announcement of the above divestment process, Roblon has received a number of enquiries from potential buyers - both American and potential buyers from other countries. Management currently expects the divestment process to be finalised by the end of March 2025.

Group chart



www.roblon.com

02 Business

Business scope

Highly processed synthetic fibres are a key element of Roblon's business and the cornerstone of the Group's development through its long history. Roblon is continually expanding its highly specialised knowledge about fibre properties and refining processes. This knowledge enables Roblon to offer advanced and customised products that benefit and create value for the Company's customers.

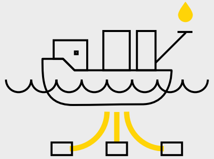
In their production, Roblon's production entities use both raw materials procured by the Company itself and raw materials supplied by its customers.

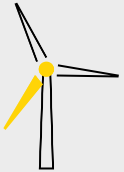
The business activities include the development, production and sale of coated and extruded fibre solutions used as reinforcement elements, primarily within the telecommunications and energy sectors, both of which are expected to enjoy global growth in the future. The materials used for these applications are adapted to current environmental and climate standards to the greatest possible extent in accordance with Roblon's capabilities and product offering.

Telecommunications – fibre optic cable industry

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

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





Energy, offshore oil and gas, energy transmission[2] and other industry

For many years, the Group has been a supplier of various types of fibre-reinforced strength members such as tapes and straps used in the offshore oil and gas industry. The products are used both as integral strength members in oil and gas cables and for fastening, stabilising and strengthening other elements used in offshore drilling for oil and gas from rigs or ships.

In recent years, Roblon has established itself in a new area of application, supplying fibre-based strength members for use in reinforcement of submarine cables for energy and data transmission. In this area, the Group's products among other things contribute to energy transmission (wind energy, electrification and green transition via submarine cables). Over the past few years, Roblon has intensified its product development in this area. The Group's products are typically developed in close collaboration with customers and in accordance with the specific requirements of the customers and public authorities.

The Group furthermore services a number of customers, including fibre manufacturers, with services related to the processing and refining of high-performance fibres.

The Group's products are made to order to the customer's exact specifications.

Roblon is a supplier to industries with stringent quality, environmental and documentation requirements, and this is supported by the Group's ISO 9001 and 14001 certifications.

[2] Wind power, electrification and green transition via submarine cables

Roblon's business model
Roblon is an international company aiming to be the preferred supplier of high-performance fibre solutions to selected customers.

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

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

Resources

Employees
179 employees with specific industry/professional experience and values focused on innovation and quality

Technology and process know-how
+65 years of experience in refining high-performance fibres and developing technology and production equipment and process know-how

Knowledge network
Value-adding partnerships with universities and key suppliers on ensuring innovation and competitiveness

Core business

High-performance fibre solutions

1. Raw materials

Aramid / Fibreglass / Polyester / Carbon fibre

2. Processing

Coating › Drying › Extrusion › Winding

3. Documentation and transportation

Testing › Certificates › Transportation

Customer segments

Fibre Optic Cables
Roblon offers a wide range of products to manufacturers of fibre optic telecommunication cables

Offshore Oil & Gas
Roblon's coated fibre products, including tapes, straps and ropes are used in connection with offshore exploration and production of oil and gas

Energy
Energy sector customers are increasingly replacing traditional steel reinforcement with fibre solutions

Wire & Cables
Roblon provides twisting services to a number of customers

Anchored in science.
Advanced by technology.
Applied by engineers.

Strategy

In recent years, the Group has developed and refocused its core business on high-performance fibre solutions and technologies for customers mainly within the telecommunications and energy sectors, which are expected to generate market growth in the coming years.

In the coming years, Roblon's activities will focus on the development of products and services for the primary market, comprising the EMEA countries and selected overseas customers and customer leads. Roblon's defined primary market is growing, boosted by the current and future expansion of international digitalisation and energy grid infrastructure.

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

The Roblon Group launched its current 2026 strategy, including its general financial goals, in the autumn of 2021. Since 2021, the prospects of achieving the strategy's financial targets have been challenged by "abnormal market and economic conditions". The 2021/22 financial year was marked by the aftereffects of the COVID-19 pandemic, inflation and interest rate increases. In 2022/23 and 2023/24, Roblon's business furthermore faced the challenge of a severe slowdown of the fibre optic cable industry (FOC).

Management expects the Group's financial targets to be achievable following the divestment of Roblon's US subsidiary and as market conditions in the FOC product group normalise and as Roblon's innovation and sales efforts are strengthened and focused on its core operations.

Mission

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

Vision

Roblon aims to be the preferred supplier of high-performance fibre solutions to selected customers.

Strategy

Core processes

→ Key Account Management
→ Operational Exellence
→ Innovation

Value proposition

Roblon delivers high-performance fibre solutions for the protection and reinforcement of important infrastructure to selected and leading customers in the telecommunications and energy sectors.

The cornerstone of Roblon's value proposition is the unique combination of knowledge about the synergies of coupling fibre technology with machine technology, the proximity to customers and Roblon's documented customer service and flexibility.

Roblon's financial targets

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

Average annual revenue growth of at least	15%
Average annual EBIT margin of at least	10%
Average annual EPS growth of at least	15%
Return on invested capital (ROIC) of at least	20%

Markets and products

Roblon has identified and addresses a market potential is around DKKm 2,600: DKKm 1,500 in the FOC product group and DKKm 900 in the Composite product group.

To this should be added a market potential of around DKKm 200 for Converting Services, which Roblon's Czech subsidiary offers. The identified market potential has been reduced as a consequence of the initiated process to divest Roblon's US subsidiary, which means that the market potential for supplies of cable materials to FOC customers in the North American market is no longer included.

Fibre optic cable industry (FOC) product group
Within fibre optic cable manufacturing, progress is driven by the need for more data transmission capacity. The need for data transmission capacity is driven by numerous areas of application within personal communications (e-mails, social media, messaging, etc.), business communications, Internet access, wireless communication systems, industry and automation, health services, streaming services, education and training, etc.

The expected future growth will be driven by the roll-out of infrastructure to support an expansion of telecommunications, including 5G, in order to provide the capacity required to support the ever-growing need for increasing data transmission.

Following a number of years of growth, the FOC market has been slowing down since the end of 2022, and the downward trend has escalated since the spring of 2023. The regions hardest hit by this global market downturn are the two largest FOC markets, China and the USA, but Europe is affected, too. The market slow-down was initially caused by large-scale stock building by cable producers, shifts in the value chain and resulting significant increases in the prices of raw materials and transportation. Most recently, the industry has been challenged by planned infrastructure projects being postponed or cancelled due to macroeconomic conditions and high interest rates, reducing global demand for fibre optic cables. The market decline in recent years continued into 2024, with CRU[3] predicting a 0.7% market decline for the full year in Europe, for example.

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

[3] CRU analyses various industries, including the FOC industry, and provides business intelligence services. For more information, go to www.crugroup.com/

Suppliers

Produce and sell materials for use in fibre optic cables

Roblon

- Other suppliers

Fibre optic cable manufacturers

Producing fibre optic cables

- AFL/FUJIKURA
- CommScope
- Nexans
- OFS/Furukawa
- Prysmian
- Superior Essex
- Corning Optical Communications

Telecommunications providers

Supplying Internet and telecommunications services

- AT&T
- British Telecom
- T-Mobile
- Verizon

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

The European fibre optic cable industry has consolidated in recent years, with manufacturers primarily in southern and eastern Europe and with increased focus on coordinated procurement across production entities. As a result of the downturn in the fibre optic cable industry, customers primarily focused on this industry are generally experiencing challenges, while manufactures with a broader product offering, including energy cables, are in a better position due in part to growing electrification.

Due to weakening demand in domestic markets in APAC, particularly Chinese and Indian cable material suppliers and cable manufacturers are using their excess capacity to service overseas markets, including EMEA, with low-cost materials. This has imposed growing competition on local cable and component manufacturers, and the price of optical fibres has fallen by up to 25%, for example (CRU). This increased competition from overseas component manufacturers is primarily affecting the Rod product group, which is the most price-sensitive and volume-based component in a fibre optic cable.

Market potential
The total annual market potential in EMEA is esti-mated at DKKm 1,500.

As illustrated by the market potential chart, Rod accounts for almost half of the overall market potential, and it is primarily this product group that is affected by stronger competition from Asian material manufacturers.

Based on the most recently updated business intelligence from CRU, the current situation is that activity in Europe has declined in recent years, and for Q1-Q3 2024 it was down 2.7% year-on-year.[4]

For EMEA, CRU expects a growth rate (CAGR) for the period to 2028 of around 3.0%[5].

Composite product group
In the Composite product group, Roblon is a supplier of high-performance strength members to selected key customers in, among others, the offshore oil & gas and energy transmission[6] industries.

In **the offshore oil and gas industry**, Roblon has for a number of years been a supplier of various types of coated high-strength products used as strength members in oil pipes in connection with offshore oil and gas drilling and exploration. The products are used both as integral strength members in oil and gas cables and for fastening,

[4] CRU Optical Fiber and Cable Monitor September 2024
[5] CRU, presentation at IWCS 2023
[6] Wind power, electrification and green transition via submarine cables

Market potential

The total annual market potential in EMEA is estimated to be DKKm 1,500. Breakdown by markets and product categories is illustrated in the chart below.

By product categories

Suppliers

Producing and selling composite products used in flexible risers and other offshore applications

Roblon

- Other suppliers

Manufacturers of offshore oil & gas equipment

Producing and selling completed solutions for oil companies

- Baker Hughes
- Balmoral
- National Oilwell Varco
- Technip
- Trelleborg
- Matrix
- Gearench

Energy companies

Establishing and owning drilling rigs

- Chevron
- Petrobras
- Shell
- Statoil

stabilising and strengthening other elements used in offshore drilling for oil and gas from rigs or ships. Roblon meets this segment's extensive safety and quality requirements.

Roblon's offshore Oil and Gas-related business is a niche area, and the Group collaborates with large, successful industry players and is exposed to the general conditions prevailing in this industry, including the impact of oil prices on decisions to launch new investment-intensive projects.

Since the second half of 2022, the Brazilian market has recovered, meaning growing order activity for Roblon on a par with the pre-pandemic level.

According to market reports from Rystad Energy[8], the market outlook for the coming years remains strong. Rystad projects a 7% global CAGR from 2024 to 2027. The expected number of subsea tree installations[10], which reflects the level of activity in the industry correlated to the Group's products, exceeds 300 annually in 2024 and 2025 and exceeds 400 annually in 2026 and 2027. The market is primarily driven by activities in Brazil, Guyana and Norway.

Within the field of **Energy transmission**, Roblon has intensified its product development in recent years. In 2019 and 2020, Roblon supplied strength members for the Company's first major submarine energy cable project. Since then, other new products for similar applications have been developed in close collaboration with customers, and the market potential is considered to be strong and is expected to grow significantly in the coming years. In the period to 2030, annual growth rates of 27% are estimated for high-voltage subsea cables, independently of product design.[11]

Market potential

The market that Roblon addresses in the Composite product group is worth around DKKm 900. Energy transmission contributes to this to a limited extent only, as this is a new area for which the market potential is difficult to determine. This industry focuses strongly on electrification and green transition, and for that reason it is expected to see significant global growth rates in the coming years.

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

The Group also provides fibre manufacturers and others with services related to the processing and refining of high-performance fibres for a number of industrial uses. The market potential for these services is estimated at DKKm 200.

[7] Wind power, electrification and green transition via submarine cables

[8] Rystad Energy is an independent research and business intelligence company providing analyses of various industries, among other things. For more information, go to www.crugroup.com/

[9] Rystad Subsea Market Report Q3 2024 page 34

[10] Subsea tree installation relates to oil and gas fields under establishment.

[11] CRU, presentation at IWCS Cable & Connectivity Industry Forum, 2024

Innovation

Developing new products for strategic customers, developing processes and technology and making acquisitions within its core business area are Roblon's principal growth drivers.

Value chain and selected customers
Innovation is one of Roblon's most important core processes. Product development throughout the value chain in order to create value for key customers is vital to Roblon. To Roblon, innovation means new, more sustainable products for its customers manufactured using constantly evolving state-of-the-art technology.

The Group's selected strategic customers are its key focus and an important priority. Roblon undertakes development work in collaboration with the customers and based on their needs.

New products
In the 2023/24 financial year, Roblon developed and launched new products for customers in EMEA and the USA.

During the year, Roblon developed/enhanced two machines for implementation into fibre optic cable production lines.

Roblon developed a Traversing Precision Coiling Unit that eliminates the need for manual cable guidance, a feature that is in demand for both safety and financial reasons.

Roblon furthermore enhanced the technology behind its Low Tension Binder for even better performance in the production of future cable designs.

Roblon is also involved in several major product development projects for the FOC industry, building on existing competences and adapting products for use in other market segments, thereby increasing market potential. The Company is also developing an existing Composite product for alternative use in the Energy segment.

Technological development
During the year, Roblon further developed its upjacket rod technology (extruded fibre) and enhanced strength members for submarine cables. Production capacity has been expanded and the technology been made more efficient and thus more competitive.

Knowledge resources
The Group's innovation function, comprising the R&D department and technical support, has a total of 15 employees, eight of whom are engineers. Roblon collaborates with educational institutions and attends industry conferences in addition to collaborating with customers on a number of specific development projects. This ensures the retention and development of the Group's competencies, which are directed at the development of new products and processes as well as at optimising the Group's own production equipment.

Investments
During the financial year 2023/24, Roblon made investments in processes and technologies for the manufacture and coating of high-performance fibres. Investments were also made in digitalisation and automation processes, which form part of Roblon's key processes. These investments amounted to a total of DKKm 8.4 (DKKm 21.2).

The Group's product development costs in 2023/24 totalled DKKm 7.6 (DKKm 6.1), corresponding to 3.1% (2.5%) of total revenue.

Among the Group's recent innovations is Roblon's Traversing Precision Coiling Unit, a revolutionary solution designed to automate cable winding processes by eliminating the need for manual guidance on the take-up drum in precision winding. The solution can be implemented into any existing or new production or rewind line and thereby increases product quality both visually and functionally while also significantly improving safety and reducing labour costs in the rewinding process.

Risk management

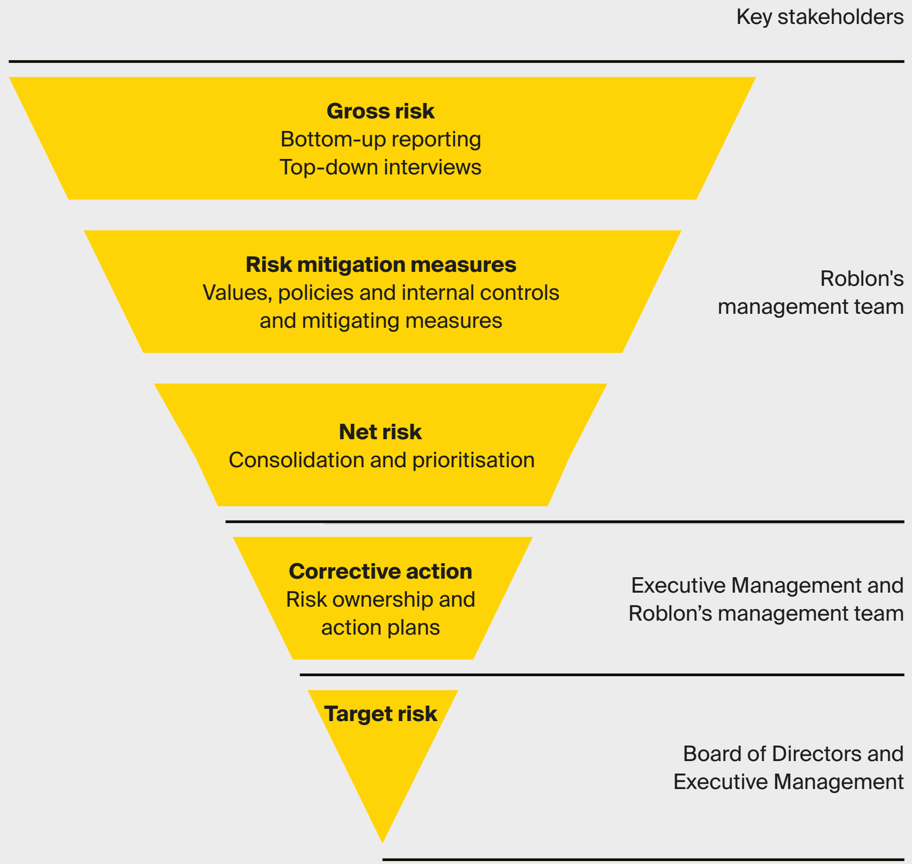
Roblon is exposed to a number of risks related to the Group's activities. Roblon's Management aims to ensure that risk factors are adequately exposed and handled. Outlined below are a number of risk factors that may influence the Group's future growth, operations, financial position and results of operations.

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

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

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

Roblon's governance structure – risk management



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

The Group is sensitive to economic developments in the countries where Roblon's products are sold.

The markets in which the Group operates are not subject to significant seasonality. 50-60% of Roblon's business, primarily in the Composite product group, is structurally based on project sales.

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

Supplier risk
Roblon relies on suppliers, mainly in Europe, the USA and Asia, and seeks to maintain long-term relationships with these to ensure stable supplies and consistent quality. The Group aims to secure supplies of critical raw materials through contracts and agreements and, wherever possible, in collaboration with more than one supplier to mitigate the risk of supply failure.

IT risk
The Group works continually to reduce IT risks through IT security guidelines and policies as well as technical security controls. Roblon has established a contingency plan based on ISO 27001. The plan is designed as an operational tool to ensure that the Group's business-critical processes can be restored and made operational following a critical event.

IT security and cyber security are items permanently on the agenda at the quarterly board meetings, and Roblon regularly conducts inhouse training programmes on cybercrime and IT security for all employees.

Roblon has recently started using AI solutions to further strengthen the Group's IT security.

Currency risk
The Group has established a currency policy to mitigate any currency risks. According to the policy, currency risks concerning expected future cash flows and expected future exchange rate developments may be hedged.

For a more detailed description of currency risk, see note 24 to the financial statements.

Interest rate risk
The Group's bank debt consists of current operating credits and floating-rate bank loans, whereas mortgage loans on the Group's Danish buildings are fixed-rate loans denominated in DKK with long maturities. The Group's loans overall are not assessed to be subject to material interest rate risk requiring hedging.

For a more detailed description of interest rate risk, see note 24 to the financial statements.

Credit risk
According to the Group's credit risk policy, all major customers are credit rated and insured on an ongoing basis. Credit risk management is based on internal credit limits for each customer. The Group's total trade receivables are distributed on several customers, countries and markets, ensuring adequate risk diversification.

Financial preparedness
The Group regularly assesses the need for adjustment of its financial resources. The Group has established satisfactory loan and credit facilities with its bankers. Against this background, the Group is considered to have sufficient liquidity to cover ongoing financing of its future operations and investments.

Insurance
It is Roblon's policy to take out insurance against risks that may significantly impact the Group's financial position. The policy provides guidelines for the Group's insurance matters. The Group's insurance risks are assessed annually with insurance brokers and are adjusted regularly according to recommendations based on analyses prepared in collaboration with the insurance brokers. In addition to mandatory insurances, the Group has taken out professional liability, product liability and cybercrime insurance, among others. Properties, tools and equipment and inventories are insured on an all-risk basis at replacement value. The Group is assessed to be adequately insured.

Environmental risk
With ISO 14001 (environmental management) and ISO 9001 (quality management) certifications, Roblon ensures that no significant environmental risks occur in connection with the Group's activities and products. The Group's environmental policy prevents accidents and is intended to ensure that no products leaving the company contain harmful substances.

03 Financial review

Financial Statements 2023/24

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

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

In the following, the financial commentary is based on the 2023/24 consolidated financial statement figures with comparative consolidated financial statement figures for 2022/23, unless otherwise indicated.

Discontinued and continuing operations

In Company Announcement no. 7 of 16 September 2024, Roblon announced the initiation of a process to divest the Company's US subsidiary. Following the announcement of the above divestment process, Roblon has received a number of enquiries from potential buyers - both American and potential buyers from other countries.

Management expects the divestment process to be finalised by the end of March 2025. Consequently, the US subsidiary is reported under discontinued operations in the annual report for 2023/24. Consolidated revenue, gross profit/loss, EBIT and profit/loss for the year reflect continuing operations. Profit/loss after tax for discontinued operations is presented as a single line item below profit/loss after tax for continuing operations. Comparative figures for 2022/23 have been restated.

Consolidated income statement

Q4 2023/24

The Group's order intake amounted to DKKm 47.8 in Q4 2023/24 (DKKm 54.2). The DKKm 6.4 decline breaks down into a DKKm 8.6 decline in Composite and a DKKm 2.2 improvement in FOC.

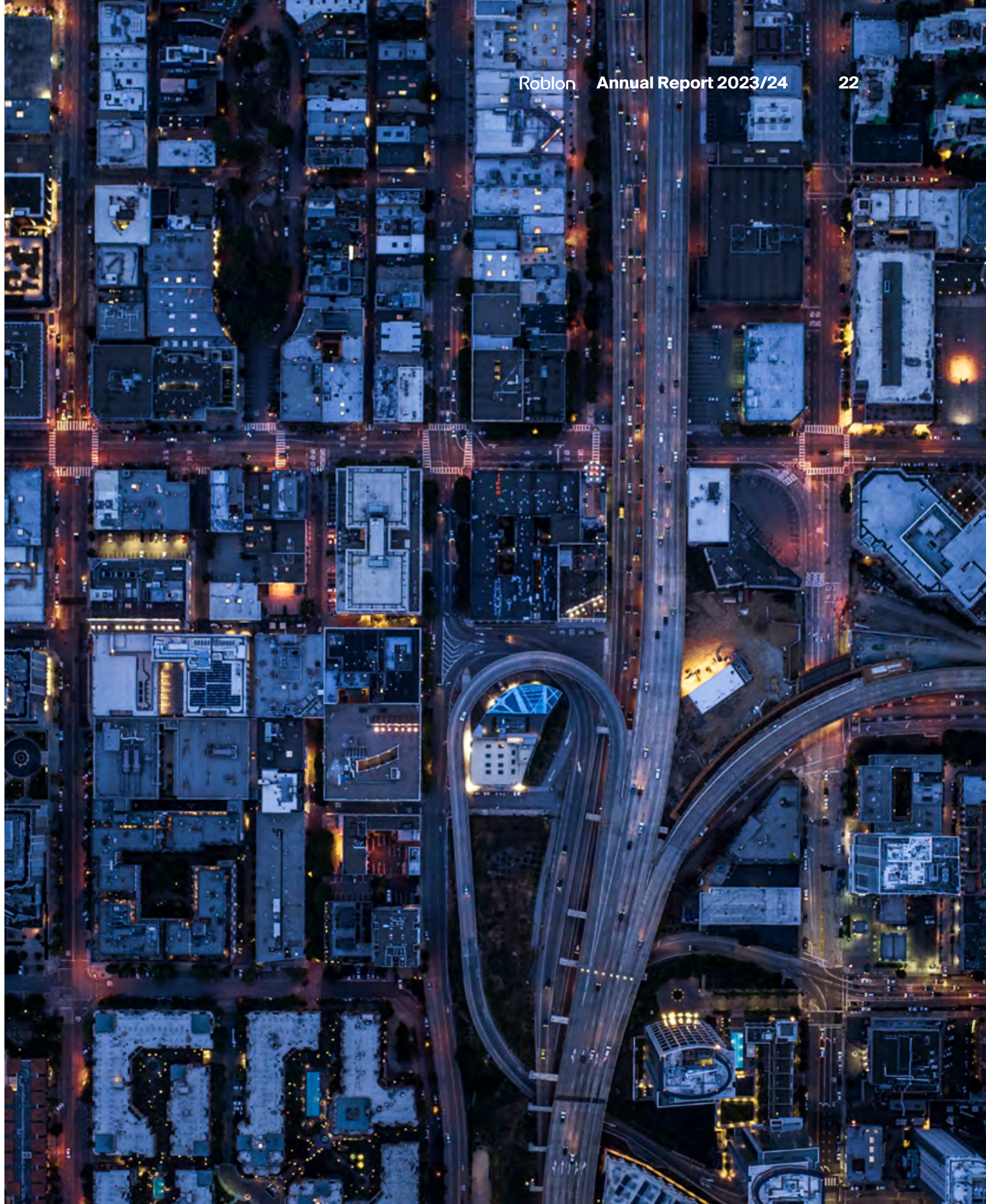
Total revenue amounted to DKKm 68.1 in Q4 2023/24 (DKKm 77.9), representing a continued increase over the first three quarters of the 2023/24 financial year.

The gross profit amounted to DKKm 44.2, up DKKm 3.3 compared with a gross profit of DKKm 40.9 in the year-earlier period. The gross margin in Q4 2023/24 was 64.9% (52.5%). The year-on-year improvement in gross profit and gross margin was due to the product mix and the fact that the year-earlier period was to some extent adversely affected by elevated costs of raw materials, components, freight and energy, which Roblon was not able to fully pass on to customers by adjusting selling prices.

Operating profit before depreciation, amortisation and impairment (EBITDA) and before special items amounted to DKKm 19.1 against DKKm 14.7 in the year-earlier period.

Operating profit (EBIT) before special items amounted to DKKm 15.5 (DKKm 10.7), equalling an EBIT margin of 22.8% against 13.7% the previous year.

Profit before tax from continuing operations amounted to DKKm 14.3 (DKKm 28.1). The decline was due to the year-earlier period being positively affected by the profit of DKKm 17.9 from the sale of the former head office in Frederikshavn.



2023/24

Revenue performance
Roblon's revenue for the financial year 2023/24 was DKKm 245.4 (DKKm 245.0), in line with last year.

Revenue for the Composite product group amounted to DKKm 185.4 (DKKm 154.0). The DKKm 31.4 improvement was due to a realised increase in deliveries of strength members for submarine cables, while deliveries to the offshore oil and gas industry were realised at the same level as last year. The Composite product group's improved performance was expected by Management in its guidance at the beginning of the financial year.

The FOC product group generated revenue of DKKm 60.0 (DKKm 91.0). The DKKm 31.0 decline reflected the continuing challenging market conditions for the FOC industry in EMEA in 2024. The reduced order intake in the FOC product group had been expected and related principally to the market downturn, driven by high inventories at fibre optic cable manufacturers and their customers.

The present causes still date back to the COVID-19 pandemic period in 2022. Several of Roblon's market-leading customers, including Corning, CommScope and Prysmian, have confirmed the explanation for the market downturn in the FOC industry. For example, in its annual report for 2023[12], Prysmian stated that: "Both the multimedia solutions business and the optical and copper cable business are suffering a slowdown due to overstocking in our customers' warehouses".

In the annual report for 2022/23, Management guided revenue of around DKKm 370 for 2023/24, and in Company Announcement no. 7 dated 16 September 2024, the Company specified its revenue guidance for 2023/24 as DKKm 250 for continuing operations and DKKm 120 for discontinued operations.

Realised revenue for continuing operations for 2023/24 amounted to DKKm 245.4, which was in line with Management's guidance.

Earnings
In the 2022/23 annual report, Management guided an operating profit before depreciation, amortisation and impairment (EBITDA) and before special items of around DKKm 25 and an operating profit (EBIT) before special items of around DKKm 0 for the financial year 2023/24.

In Company Announcement no. 7 dated 16 September 2024, the Company specified its EBITDA guidance for 2023/24 as DKKm 40 for continuing operations and a loss of DKKm 15 for discontinued operations. Management guided EBIT of DKKm 24 for continuing operations and a loss of DKKm 24 for discontinued operations.

Realised EBITDA before special items for 2023/24 was DKKm 44.9 (DKKm 27.3), and realised EBIT before special items was DKKm 29.30 (DKKm 10.0). Realised EBITDA and EBIT for continuing operations for 2023/24 were in line with Management's guidance.

The EBIT margin for 2023/24 was 11.9% (4.1%). The increase was in part due to the gross profit and gross margin improvements detailed below.

Roblon realised a profit before tax of DKKm 27.2 (DKKm 24.6) for 2023/24. The figure for 2022/23 was positively affected by a profit of DKKm 17.9 from the sale of the former head office in Frederikshavn.

Roblon realised a net profit for continuing operations of DKKm 21.0 for 2023/24 (DKKm 20.2).

Roblon realised a net loss for continuing and discontinued operations of DKKm 9.6 for 2023/24 (a loss of DKKm 4.6).

Gross profit and gross margin
Roblon's gross profit amounted to DKKm 149.3, an increase of DKKm 21.8 compared with a gross profit of DKKm 127.5 last year. The gross margin for the 2023/24 financial year was 60.8% (52.0%).

2023/24 gross profit and gross margin were positively affected by a favourable product mix and realised profitability improvements due to technology and process enhancements compared with the previous financial year. The improvement was also due to the fact that, for part of the 2022/23 financial year, the gross profit and gross margin were adversely affected by elevated costs of raw materials, components, freight and energy, which Roblon was not able to fully pass on to customers by adjusting selling prices. On top of this, production last year was hampered by complications related to the ramp-up of new production lines, which also had a negative impact on productivity and cost of sales.

Other external costs
Other external costs amounted to DKKm 22.9 (DKKm 28.0). The decrease was partially due to cost-cutting measures and general cost restraint.

Staff costs
Staff costs increased to DKKm 82.5 (DKKm 79.3), a year-on-year increase of DKKm 3.2, mainly due to remuneration during the notice period for the former CEO of Roblon A/S and the General Manager of the Group's Czech subsidiary totalling DKKm 4.4.

At 31 October 2024, the Group had 179 employees, against 195 at 31 October 2023. The employees are distributed among the Group's locations in Denmark and in the Czech Republic. At 31 October, there were 128 hourly-paid workers (139) and 51 salaried employees (56).

[12] www.prysmian.com/sites/www.prysmian.com/files/media/documents/investors/Integrated-Annual-Report-2023.pdf, page 66

Depreciation, amortisation and impairment

The Group's depreciation, amortisation and impairment was DKKm 15.6 (DKKm 17.4). The decrease compared with the previous year was mainly due to the sale in the autumn of 2023 of the head office building in Frederikshavn.

Net financial items

The Group's financial items amounted to a net expense of DKKm 2.0 (net expense of DKKm 3.3). The net amount mainly consisted of negative foreign exchange adjustments of DKKm 1.9.

Tax on profit/loss for the year

Tax on the profit/loss for the year amounted to DKKm 6.2 (DKKm 4.3), equalling a tax rate of 22.9% (17.7%).

Profit/loss for the year from discontinued operations

The Group's US subsidiary, which is reported under discontinued operations, realised revenue for 2023/24 of DKKm 102.2 (DKKm 110.0).

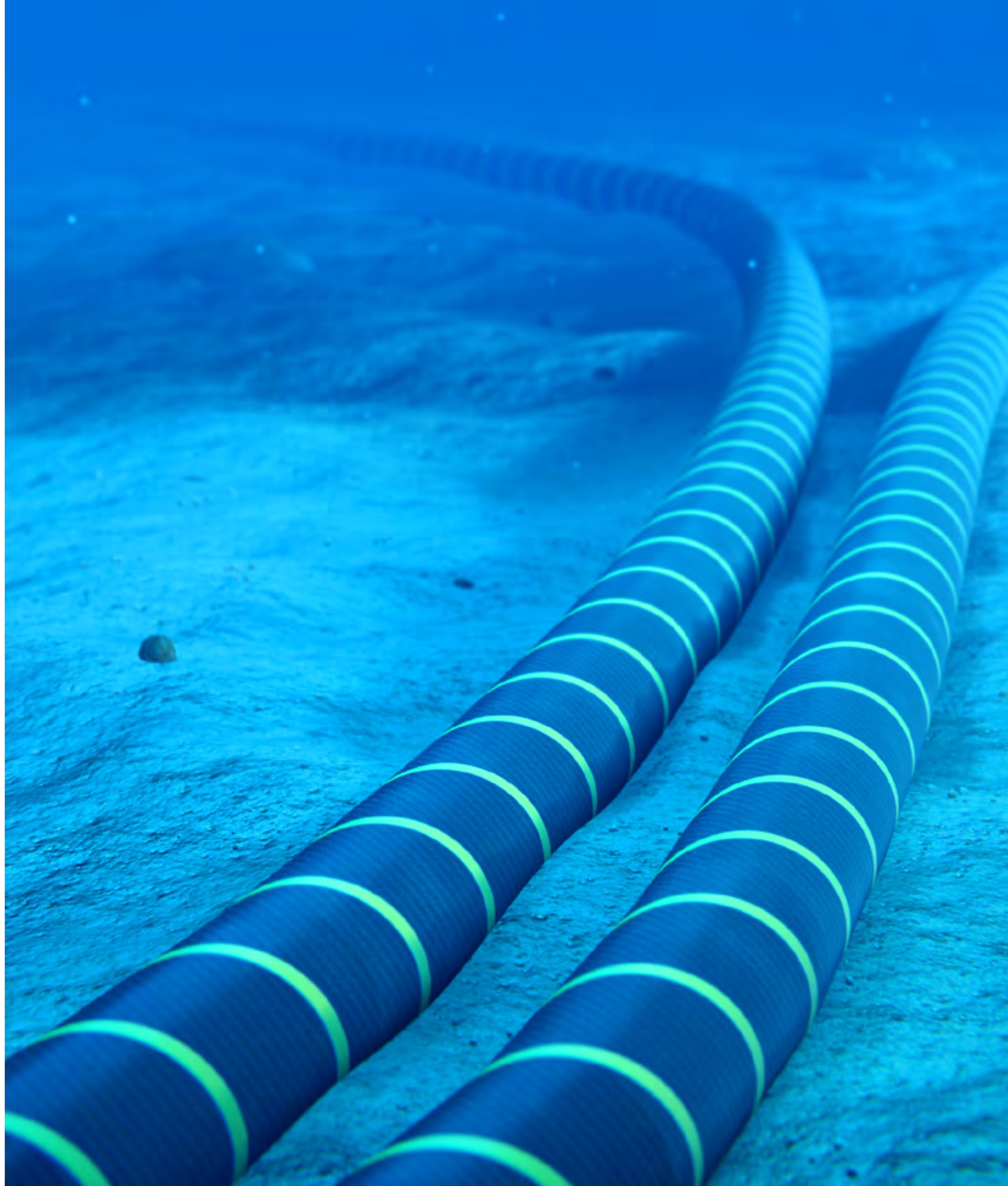
In Company Announcement no. 7 dated 16 September 2024 the Company guided revenue for 2023/24 of DKKm 120 for discontinued operations.

The drop in revenue was attributable to the current US market conditions in the fibre optic cable industry and the fact that the competitive conditions became significantly tougher during 2023/24, partly due to competition from the Far East.

The Group realised a loss before tax from discontinued operations of DKKm 26.9 (a loss of DKKm 27.7) and a loss for the year after tax of DKKm 30.6 (a loss of DKKm 24.8). Tax on profit/loss for the year included an expense of DKKm 3.7 regarding adjustment of a deferred tax asset.

A small part of the loss for the year from discontinued operations related to the divestment of a former business in 2017. See note 28 to the financial statements for further details.

Realised revenue, EBITDA and EBIT for discontinued operations for 2023/24 were in line with Management's guidance.



Consolidated balance sheet

In the balance sheet at 31 October 2024, the underlying assets of the Group's US subsidiary are presented as a single line items under assets – 'Assets held for sale'. Similarly, the liabilities of the subsidiary are presented as a single line items under equity and liabilities – 'Liabilities related to assets held for sale'. Comparative figures may not be restated, and the development of working capital and the individual financial statement items should therefore be viewed with this in mind.

Total consolidated assets amounted to DKKm 276.5 at 31 October 2024 (DKKm 368.1) – a 24.9% decrease compared with the previous year. Working capital was DKKm 76.5 (DKKm 141.1), equalling 31.2% (57.6%) of revenue for the year. Invested capital at 31 October 2024 amounted to DKKm 189.7, compared with DKKm 174.1 the previous year.

The DKKm 64.6 reduction of working capital was mainly due to a reduction of the Group's inventories and receivables. The Group regularly performs analyses and implements decisions and actions with a view to reducing working capital tied up in, among other things, inventories. These include initiatives targeting the commercial terms and conditions with customers and suppliers, optimisation of sales and operational processes and ongoing monitoring of slow-moving inventories.

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

Intangible assets

In total, the Group recognised intangible assets at a value of DKKm 7.0 at 31 October 2024 (DKKm 16.0). Intangible assets in the Group's US subsidiary, included in assets held for sale, amounted to DKKm 3.7 at 31 October 2024.

Completed product development projects and product development projects in progress at 31 October 2024 amounted to DKKm 5.5 (DKKm 7.6).

Property, plant and equipment

In the consolidated balance sheet at 31 October 2024, property, plant and equipment was recognised at DKKm 85.9 (DKKm 120.0). Property, plant and equipment in the Group's US subsidiary, included in assets held for sale, amounted to DKKm 20.1 at 31 October 2024.

Inventories

The Group's inventories amounted to DKKm 33.7 at 31 October 2024 (DKKm 98.0). Inventories in the Group's US subsidiary, included in assets held for sale, amounted to DKKm 19.4 at 31 October 2024. At the beginning of the 2023/24 financial year, Management's goal was to reduce the total capital tied up in inventories during the 2023/24 financial year, and this was achieved to a satisfactory degree.

Receivables

Total receivables at 31 October 2024 amounted to DKKm 60.2 (DKKm 87.2). Receivables in the Group's US subsidiary, included in assets held for sale, amounted to DKKm 14.6 at 31 October 2024. The reduction was due to lower revenue in Q4 2023/24 compared with the previous year.

Financing and capital resources

The Group's net cash flow from operating activities in 2023/24 was an inflow of DKKm 56.2 (an inflow of DKKm 17.8). Roblon's total investments in property, plant and equipment amounted to DKKm 8.4 (DKKm 21.2) and included minor upgrades of production equipment and construction costs in connection with the establishment of new office and meeting facilities following the consolidation of the Danish organisation at Fabriksvej 7 in Gærum.

Investments in intangible assets, including product development, amounted to DKKm 0.3 (DKKm 0.7).

At 31 October 2024, net cash deposits amounted to DKKm 17.9 (DKKm 33.2).

The Group's total credit facilities amounted to DKKm 84.0 (DKKm 88.0). Roblon had undrawn credit facilities at 31 October 2024 of DKKm 84.0 (DKKm 33.0). Total cash resources at 31 October 2024 amounted to DKKm 101.9 (DKKm 66.2).

Equity

The Group's equity at 31 October 2024 amounted to DKKm 197.3 (DKKm 209.6), and Roblon is financially sound. Equity accounted for 71.4% of total assets (57.0%) and the increase should be seen in the context of the reduced balance sheet total.

Dividends

Based on the reported loss for the year 2023/24, the Board of Directors proposes to the shareholders at the general meeting that no dividend be distributed.

Events after the balance sheet date

No material events have occurred after the balance sheet date of 31 October 2024 of significance to the annual report.

Parent company

In 2023/24, the parent company posted revenue of DKKm 186.2 (DKKm 201.5) and an operating profit (EBIT) before special items of DKKm 29.2 (DKKm 22.0).

Special items in the parent company amounting to an expense of DKKm 39.5 (income of DKKm 17.9) related to impairment of the value of the investment in Roblon's US subsidiary. For further details, see note 17 to the financial statements. The special items of DKKm 17.9 in 2022/23 related to the profit from the sale of the former head office building in Frederikshavn.

The loss for the year after tax amounted to DKKm 16.8 (a profit of DKKm 29.3).

The parent company financial statements do not comprise the profit/loss of the subsidiaries, which is the main difference relative to the consolidated financial statements. Due to the performance of the US subsidiary, an impairment test was performed at 31 October 2024, which resulted in a DKKm 39.5 impairment write-down of the stated values. See note 17 to the financial statements for further information.

At 31 October 2024, the parent company's equity ratio was 88.6% (72.0%).

Guidance for 2024/25

In Company Announcement no. 11 of 18 November 2024, Roblon set out Management's revenue and earnings guidance for the 2024/25 financial year.

Management expects the challenging market conditions for the FOC product group to continue in the 2024/25 financial year. Management foresees a decrease in gross margin in 2024/25 compared with 2023/24, partly due to an expected change in product mix and partly due to expected stronger price competition.

Management's guidance with respect to continuing operations for FY 2024/25 is as follows:

- Revenue of DKKm 210-240 (realised 2023/24: DKKm 245.4).
- Operating profit before depreciation, amortisation and impairment (EBITDA) and before special items of DKKm 30-40 (realised 2023/24: DKKm 44.9).
- Operating profit (EBIT) before special items of DKKm 16-26 (realised 2023/24: DKKm 29.3).
- Special items relating to costs in connection with the divestment of the subsidiary are expected to be DKKm 2.5-4.

Revenue and results of the Company's US subsidiary in the process of being divested are reported as discontinued operations and are consequently not included in the above guidance for the 2024/25 financial year. As the Company is in the middle of an ongoing divestment process, Management is currently not in a position to calculate how the divestment of the US subsidiary will affect the financial statements.

The guidance for the year is subject to significant uncertainty, mainly related to the continuing geopolitical challenges and market conditions for the FOC product group, which are expected to continue to be impacted by the aftermath of the 2022 COVID-19 pandemic period.

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

See also the risk management section on pages 18-19.

04

Sustainability and report on corporate social responsibility

ESG ambition

Roblon has been working on various elements of the ESG ambition for several years. One of the objectives of establishing the ESG ambition 2030 is to facilitate the Group's compliance with stricter requirements under the EU Corporate Sustainability Reporting Directive (CSRD).

Although Roblon's goal of halving total waste volumes from production processes by 2030 is very ambitious, it is supported by the Group's focus in recent years on optimising technology and production processes. To achieve the goal of halving total waste volumes, the Group will depend heavily on the robustness of its preventive system.

The Group uses the emissions calculation method set out in the internationally recognised standard of the Greenhouse Gas (GHG) Protocol, and the baseline has been determined according to the market-based method. Roblon's emissions targets for 2030, as defined according to the GHG Protocol's Scope 1 and 2, have been calculated using the Science-based Target Setting Tool model of the Science-Based Targets initiative.

Roblon has furthermore defined a 2050 net-zero GHG emissions target.

Roblon's base year for the defined targets is the financial year 2021/22. A new calculation will be made after the divestment of the US subsidiary.

The Group's current and future CSR work is governed by ever stricter market and regulatory requirements in relation to the green and sustainable development agenda. The 2030 ambition and related initiatives will support Roblon in meeting these requirements as well as the new statutory reporting requirements for companies and financial institutions, such as the EU Taxonomy and the Corporate Sustainability Reporting Directive (CSRD).

E Environment

We are committed to responsible production and process optimisation paving the way for decarbonisation.

- Reduce GHG Scope 1 & 2 emissions by 38% relative to the base year.
- Determine baseline and 2030 goal for GHG Scope 3 by 2025 at the latest.
- Reduce total waste volumes from production processes by 50% relative to the base year.

S Social

We are committed to ensuring the well-being of our employees by providing a safe, inspiring and engaging workplace.

- Achieve a Lost Time Injury Frequency Rate (LTIFR) of below 6 with no work-related fatalities or serious accidents.
- Achieve a high employee satisfaction score.
- Strengthen diversity and inclusion mindset.

G Governance

We are committed to operating our business based on responsible business practices and long-term partnerships.

- Establish a circular product development system.
- Improve governance procedures.
- Strengthen the Group's sustainability reporting and adapt it to the Taxonomy.

Preparation of sustainability reporting under CSRD[13]

The Group has prepared an implementation plan for the new reporting requirements under the CSRD and is, among other things, working on performing the double materiality assessment to identify and prioritise the Group's most significant sustainability impacts, risks and opportunities.

Following the divestment of the US subsidiary, Roblon will be subject to the new statutory reporting requirements under the EU Corporate Sustainability Reporting Directive (CSRD) and the EU Taxonomy as from the 2026/27 financial year.

Roblon's ESG ambition will serve to ensure the management of the Group's ESG impacts, actions and targets in the period until 2030. Year by year, the Group will ramp up its ESG-related measures and investments in order to deliver on its sustainability goals.

Organisation and management

The Roblon Group has established a CSR organisation with a steering committee reporting to the Executive Management. The primary responsibility for Roblon's CSR policy, ESG ambition and the underlying policies and the strategy rests with the Executive Management. The CSR steering committee follows up on the CSR strategy, drives the practical strategy work and ensures progress on the Group's CSR and ESG actions. The individual production entities (operations) are responsible for driving the progress of local initiatives and they report to the CSR organisation. The CSR organisation promotes visibility and benchmarking across the Group by implementing common systems, reporting and best practice principles.

The CSR organisation is also responsible for making risk assessments designed to identify risks and for introducing initiatives and systems to prevent unlawful or unethical conduct within the Roblon Group that could damage Roblon's business or reputation. Roblon has a whistleblowing scheme, under which employees, former employees, customers, suppliers, business partners, shareholders and other stakeholders can report suspected unlawful or unethical conduct within the Roblon Group. Additional information on the Group's whistleblowing scheme can be found in the section Anti-corruption and bribery.

[13] Corporate Sustainability Reporting Directive, for more information, go to the website: https://finance.ec.europa.eu/capital-markets-union-and-financial-markets/company-reporting-and-auditing/company-reporting/corporate-sustainability-reporting_en

Report on corporate social responsibility

The Company has chosen to integrate its statutory reporting on corporate social responsibility pursuant to section 99 a, b and d and section 107 d of the Danish Financial Statements Act in the Annual Report for 2023/24.

The Group's business model is described on page 10, to which reference is made.

CSR policy

Roblon acknowledges the Group's share in the global responsibility for making the world more sustainable. The Roblon Group considers corporate social responsibility to be a natural part of the Group's business and acknowledges a responsibility for Roblon's employees and the society which it is part of. Roblon has naturally integrated CSR into the Group's endeavours to execute the strategy. Roblon interacts with its customers and other stakeholders to maintain a CSR policy and implement measures that contribute to sustainable value creation.

Roblon participates in relevant partnerships and networks giving Roblon access to trends, the latest knowledge and tools that facilitate the continued fulfilment of its stakeholders' requirements and expectations.

While Roblon acknowledges all 17 UN Sustainable Development Goals, it has elected to focus its efforts on the following five SDGs, where Roblon believes it can make the biggest impact. For further information on the UN Sustainable Development Goals that the Group focuses on, see the section Roblon's progress towards achieving UN Sustainable Development Goals.

6	**Clean water and sanitation**	Ensure availability and sustainable management of water and sanitation for all.
7	**Affordable and clean energy**	Ensure access to affordable reliable, sustainable and modern energy for all.
8	**Decent work and economic growth**	Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.
12	**Responsible consumption and production**	Ensure sustainable consumption and production patterns.
17	**Partnerships for the goals**	Strengthen the means of implementation and revitalize the global partnership for Sustainable Development.

Environment and climate

Policy
Roblon is an environment-conscious group committed to ensuring an environmentally sound development through its operations, with due consideration for natural resources, statutory requirements and other relevant provisions.

Risks
Roblon's greatest environmental risks are related to resource consumption and wastage as well as damage to the environment.

The Group has analysed which environmental impacts it may be affected by and continually monitors these. Roblon prepares risk analyses and launches action plans in the financial and technical areas to minimise the risk of the Group impacting adversely on the environment.

Roblon periodically follows up on VOC emissions[16] to ensure that they comply with environmental approvals and that the production does not have an adverse impact on the local environment.

Roblon performs risk assessments of the use of chemicals on a regular basis to ensure compliance with the regulations that apply to the Group.

Activities
Roblon A/S employs an ISO 14001:2015-certified environmental management system.

In collaboration with its business partners, Roblon regularly monitors the development of new material and process technologies that can contribute to preventing and reducing its environmental impact, including the Group's energy consumption.

The Group's procedure for reporting environmental data ensures benchmarking and knowledge-sharing between production sites.

The Group has analysed its energy consumption and follows up on it on a regular basis to identify any irregularities and scope for optimising and minimising consumption.

Roblon has analysed its Scope 1 & 2 GHG emissions.

Roblon promotes sustainability and the green transition by focusing on waste minimisation and by stepping up the Group's waste recycling.

The Group's procedures for the management of chemicals, raw materials and finished goods ensure that it focuses on sustainable production that does not adversely impact Roblon's or its customers' local environment.

In the design and production of new products, it is the Group's ambition to consciously choose sustainable materials.

Results and initiatives
As in previous financial years, the analysis of environmental impacts, risk assessment and resulting action plans meant that the Group registered no critical environmental incidents.

During the financial year, various activities were carried out that successfully reduced waste from several production processes.

During the 2022/23 financial year, the Group conducted a mapping of Roblon's GHG Scope 1 & 2 emissions according to the emissions calculation methodology set out in the Greenhouse Gas Protocol and obtained external validation of the methodology applied. In 2023/24, the Company's GHG Scope 1 & 2 emissions were recalculated using the same calculation methodology. The Company has started work on mapping the Group's GHG Scope 3 emissions and will complete this work in 2024/25 in collaboration with an external partner. This will give the Group a comprehensive overview of its emissions, which will be used as a basis for future improvement actions and initiatives to reduce Roblon's direct and indirect carbon emissions on the path to delivering on the Company's ESG ambition towards 2030.

For the 2023/24 financial year, a general increase in the recycling rate was seen. The Danish and the Czech production units both increased their recycling rates by 3 percentage points, from 57% to 60% and from 47% to 50%, respectively. The US entity in Granite Falls increased its recycling rate by 6 percentage points, from 9% to 15%.

In the 2023/24 financial year, the Danish production entity implemented seven new waste fractions in production and transferred most of its fibreglass production to the subsidiary in the Czech Republic, as planned. As a result, fibreglass now accounts for just 9% of total waste for recycling in Denmark, compared with 27% last year. At the production entity in the Czech Republic, fibreglass for recycling now accounts for 35% of the total waste volume.

The Danish production entity also recycled a significantly higher amount of iron/metal in 2023/24, a percentage increase from 5% to 27%. In terms of volumes, this corresponded to an increase from some 15 tonnes annually to 85 tonnes in the

[16] European Sustainability Volatile organic compounds

2023/24 financial year. The increased amount of iron/metal came from the refurbishment of the facilities in Gærum, as decommissioned machinery, among other things was sent for recycling.

The Group will intensify its preventive measures to reduce total waste volumes from the production processes, as described in Roblon's ESG ambition.

The efforts to reduce the environmental impact of the Group's electricity consumption will remain focused on the most energy-intensive production equipment and on energy consumption for ventilation and heating purposes.

An energy screening of processes in the Danish production entity revealed several areas with scope for energy optimisation.

The Group phased out the use of natural gas in Roblon's Danish production in 2023/24 and invested in measures to phase out the use of natural gas for space heating in Roblon DK during 2024/25.

Social and employee relations

Policy
As part of the execution of Roblon's growth strategy, it is imperative for the Company to be able to continuously attract and retain skilled staff. Roblon therefore has an active employee strategy focused on employee satisfaction, training and skills development.

The Group continually strives to ensure that its working environment is attractive to current and future employees. Roblon aims to have a healthy workplace in which its employees find enjoyment in their work and feel satisfied and secure.

Roblon's working environment should be characterised by a spirit of mutual openness, initiative, tolerance and cooperativeness so that agreements and plans are respected.

Roblon strives to be a workplace characterised by diversity and a culture of inclusion. The Group opposes all forms of discrimination and treats all applicants and employees equally, regardless of gender, age, sexual preference, ethnic origin, handicaps, religion, etc.

The same mindset should be reflected in the employees' relationships with each other.

All employees are expected to comply with Roblon's ethical standards and to support a strong culture:

— Roblon's culture must help individual employees exploit their potential and value human diversity.

— The Group strives to support Roblon's employees and help them exploit their individual capabilities as much as possible in consideration of the company's possibilities and needs.

Risks
Roblon conducts regular internal audits to assess risks and identify ways of improving employee conditions and optimising production processes that improve the working environment.

Roblon monitors risks related to the employees through an active employee strategy, which includes following up on absence due to illness, job satisfaction and skills. This enables Roblon to take action to mitigate any risks at the right time and place.

Such risks include ergonomic strains in the production processes and employee well-being.

Activities
The Group's policy on social and employee-related matters is implemented in the individual operating companies with local employee handbooks and guidelines adjusted to reflect local conditions and legislation. Roblon seeks to develop and promote best practice in all operating companies.

Roblon DK and Roblon US conduct employee satisfaction surveys, and the results are used in an ongoing effort to enhance job satisfaction among individual employees, departments and in Roblon overall.

By taking methodical and prompt action when an employee is ill, Roblon seeks to make the employee feel secure and find a solution for the employee as soon as possible with due consideration for local regulations. Roblon offers employees health insurance with access to fast treatment and help in case of illness or problems such as addiction or low job satisfaction.

Roblon has implemented a separate diversity policy aimed at outlining the guiding principles of Roblon's views on and inclusion of diversity in the Group's operations and development.

Roblon does not tolerate any form of bullying or harassment, including sexism. Clear procedures are in place for where and how employees are to report instances of, for example, bullying, harassment or sexism against themselves or a colleague.

Roblon conducts regular staff appraisals to focus on up-to-date job descriptions, competence evaluations and employee development.

Roblon provides the necessary training and development, both in-house and through external courses.

Safety is very important to Roblon and is a significant part of both training and day-to-day work. Focus on this is maintained through the health and safety organisation and stand-up meetings. Roblon has implemented systems for the registration of near misses, observations and proposed improvements.

As a result, the Company is able to implement preventive health and safety improvements in order to reduce the risk of accidents. Roblon regularly invests in new equipment to minimise ergonomic strains in selected processes and implement improvements to office workstations.

Through its joint consultation committee and open door policy, which encourage co-operation between employees and management, Roblon focuses on co-operation in the workplace. The local employee handbooks set out guidelines and ways to seek help to resolve co-operation issues.

Results and initiatives

Roblon DK is conducting the employee satisfaction survey in its current form for the seventh year running, and the US subsidiary is conducting it for the second time. During the financial year, 12 pulse surveys are conducted, to which the employees respond on a scale of 1 to 5 (the higher the score, the greater the satisfaction). In Roblon DK, the response rate fell to 67% in the financial year 2023/24, and the response rate in Roblon US was 47%. Accordingly, the overall response rate for the Group was at 58%, against a target rate of 70%. The average score in Roblon DK and Roblon US remained high at 4.2 and 4.4 respectively, even with a slight increase in both locations. The average score for the entire Group was thus 4.3 against a target score of 3.8.

Despite the Company's challenges in certain market areas during the financial year, which naturally also affected employee satisfaction and employee engagement in the employee satisfaction survey, for example, the average score in particular must be said to be satisfactory. The declining response rate, and thus the employees' engagement, in the employee satisfaction survey was addressed at 1 November 2024 by updating the satisfaction survey with new questions focusing on specific conduct and the perception of community in the employees' daily working life. In the coming year, the Company will focus on following up on this.

The employee satisfaction survey will be rolled out in the Czech subsidiary, and this was initially planned for the start of the 2024/25 financial year. Management changes were implemented in June 2024, and a new Management team was established in the Czech subsidiary. The timing of the implementation of the employee satisfaction survey will be coordinated with the new Management, taking into account the resources to be allocated to the project. The employee satisfaction survey is expected to be launched before the end of the 2024/25 financial year.

At 1 November 2024, the employee satisfaction survey was updated with new questions focusing on specific conduct and the perception of community in the employees' daily working life.

In Roblon DK, World Mental Health Day was marked with a presentation by HR on Roblon's work to ensure mental well-being, including what options employees have if they experience unhappiness at work.

At Roblon DK, team-building activities were carried out with a focus on all employees gaining even more insight into and understanding of each other's tasks. Prior to the event, employees and managers in each department discussed how their department fits into Roblon's business and internal value chain. Concrete actions have subsequently been implemented based on suggestions and dialogue on the day. For example, product knowledge courses have been planned to give all employees a better understanding of the Company's products and their use.

The systematic collection of data on skills development needs and wishes provides a strengthened basis for strategic competence development for Roblon DK. Roblon US has implemented systematic and ongoing skills development and training of existing and new employees to ensure productivity and quality in all processes. In 2023/24, the Group continued its work based on the preventive system designed to minimise the risk of occupational accidents and strain injuries. The Group expects to see ongoing results of these preventive efforts.

Human rights

Policy
Roblon supports and respects the protection of international human rights. In countries with a heightened risk of infringement of human rights, the Group will strive to prevent any human rights abuse, and corrective action will be taken if Roblon should become involved in such abuse.

Roblon wants to help protect human rights in the countries in which it operates. For example, Roblon seeks to promote initiatives that generate respect for human rights, but also to mitigate any negative human rights impacts in Roblon's value chain, including at its sub-contractors.

Roblon condemns all forms of slavery, forced labour and child labour. Roblon respects its employees' freedom of association and right to collective bargaining.

Risks
Roblon is alert to any existing and potential human rights risks that the Roblon Group's production, operations and business partners may give rise to. Risks include the right to be heard, issues related to GDPR (processing of personal data), data ethics issues and the risk of discrimination.

The Group has introduced policies, measures, etc. to mitigate these risks and expect the same of its suppliers and other business partners.

Activities
Roblon obtains assurances from its suppliers that they recognise human and labour rights, do not use child labour, etc., afford their employees freedom of association, right to collective bargaining and that they unequivocally condemn the use of corruption and bribery.

The Group processes the personal data of employees, customers and other business associates in accordance with the statutory requirements on the protection of privacy and personal data. For this purpose, the Group has implemented security measures that protect data against misuse, leaks or destruction of personal data. As a supplement to the existing data protection and IT security policies as well as local statutes and guidelines, Roblon has adopted a data ethics policy.

Reporting on the data ethics policy is detailed on page 43.

Results and initiatives
To the best of Management's knowledge, Roblon was not involved in or experienced any human rights abuse within the Group or among Roblon's suppliers in 2023/24.

In the coming years, Roblon will continue to focus on improving its procedures and management systems to ensure that all the Group's suppliers respect human rights. In accordance with the social ESRSs under CSRD, Roblon will communicate even more clearly its analysis of risks and opportunities that could potentially impact human rights. This will form the basis for future prevention initiatives and due diligence processes.

Anti-corruption and bribery

Policy
Roblon expects all external relations to maintain a high level of integrity and responsibility, and the Group does not take part in in corruption or bribery. The Group does not offer, promise or give any form of bribe for the purpose of exerting undue influence on external relations, whether public or private. Roblon also does not receive or accept any form of bribes.

Risks
Roblon's principal internal risks relate to possible misappropriation of e.g. sales expenses and use of funds for private purposes and/or the granting/receiving of benefits on a non-objective basis (nepotism). The Group's internal control system ensures that no granted benefits, funds or rights are abused.

Roblon's principal external risks relate to possible corruption and use of bribes in connection with the use of agents abroad. The obligation not to be a party to corruption or bribery extends to the Group's agents or others acting on Roblon's behalf. Tenders and supplier agreements are entered into on market terms.

Elements of Roblon's Supplier Code of Conduct aim to ensure that Roblon does not take part, directly or indirectly, in corruption or bribery.

When new customers are set up in the Company's system, any relevant risk factors in the customer relationship are identified.

Activities
The Group's internal finance controls ensure that internal processes are monitored on an ongoing basis.

Internal controls have been implemented in Roblon's business systems, including the ERP system. These controls include access rights, workflow approval and pre-designed reports. There are internal controls on budgets, expense items and outlays. This reduces the risk of, for example, misappropriation of sales expenses and use of funds for private purposes and/or the granting/receiving of benefits on a non-objective basis (nepotism).

With the Group's whistleblowing scheme, employees, former employees, customers, suppliers, business partners, shareholders and other stakeholders can report suspected unlawful or unethical conduct within the Roblon Group. Examples of such conduct include suspected financial crime, bribery, corruption, breach of competition law or environmental and climate regulation, discrimination, bullying, threats or sexism.

Results and initiatives
The whistleblowing scheme can be accessed via Roblon's website. No concerns were reported during the financial year.

To the best of Management's knowledge, Roblon was not involved in corruption or bribery, either in the Group or in the supply chain, in 2023/24.

More than 90% of the Group's suppliers have endorsed Roblon's Supplier Code of Conduct in writing or otherwise or have implemented corresponding systems themselves.

During the financial year 2024/25, Roblon will continue to focus on maintaining high standards as to the number of suppliers endorsing Roblon's Supplier Code of Conduct.

Also, Roblon will improve its corporate governance procedures and systems as well as the risk assessment forming the basis of future preventive measures and due diligence processes. These measures and processes are to prevent corruption or bribery within the Group or among its suppliers. The measures will be aligned with the ESRS G1 standard on business conduct under the CSRD.

UN Sustainable Development Goals and global environmental information systems

Each employee plays an important part in Roblon's progress towards realising its targets of actively contributing to a more sustainable world and achieving the selected Sustainable Development Goals. Roblon therefore regularly conducts information campaigns and training programmes on the subject of its targeted initiatives and activities.

Several of Roblon's suppliers are already reporting on their progress towards achieving the 17 UN Sustainable Development Goals. By way of Roblon's Code of Conduct, the Group has made it very clear to all suppliers that the Group expects them to embark on their own sustainability journey.

Sustainable Development Goals	Target	Roblon's initiatives and activities	Key figures in report
6 Clean water and sanitation	6.3	The use of chemicals and materials is managed through risk assessments and preventive action plans to ensure that the Company does not adversely impact on the local environment.	– Extraordinary environmental incidents (#) – Very serious environmental incidents (#) – Serious environmental incidents (#)
	6.4	Increased water-use efficiency and reduced consumption.	– Water consumption (m^3)
7 Affordable and clean energy	7.3	Increased energy efficiency and reduced energy consumption.	– Electricity consumption (kwh) – Electricity consumption/produced material (kwh/kg) – Natural gas consumption (m^3) – Natural gas consumption/produced material (m^3/kg)
		Analysis of CO_2e emissions and reduction of emissions.	– Scope 1 and 2 location-based GHG emissions – Scope 1 and 2 market-based GHG emissions
8 Decent work and economic growth	8.7	Clear and communicable human rights policy and action plans ensuring effective measures to eradicate forced labour, modern slavery and child labour throughout Roblon's supply chain.	– The Group's suppliers that have endorsed Roblon's Supplier Code of Conduct in writing or otherwise or have implemented corresponding systems themselves (%)
	8.8	Upholding of labour rights and improvement of working environment for all employees and others working on behalf of Roblon.	– Employee satisfaction (%) – Response rate – employee satisfaction (%) – Lost Time Injury Frequency Rate (LTIFR) – Work-related fatalities (#) – Serious accidents (#) – Minor accidents (#)
12 Responsible consumption and production	12.4	Risk assessment and preventive action plans to ensure correct treatment of hazardous waste and focus on substitution of chemicals.	– Extraordinary environmental incidents (#) – Very serious environmental incidents (#) – Serious environmental incidents (#)
	12.5	Reduction of waste generation and increased recycling rate.	– Waste volumes from production processes (kg) – Waste fractions – Recycling (%)
	12.6	Open and clear reporting on the Group's sustainability initiatives and areas of focus.	
17 Partnerships for the goals	17.6 17.8	Roblon's strategy is focused on developing and selling fibre-based strength members for the fibre optic cable industry.	
	17.16 17.17	Roblon continually seeks to establish new shared-value partnerships and other networks that are expected to contribute positively to sustainable value creation. Roblon's customers are increasingly concerned about the products they buy being produced under sustainable conditions throughout the supply chain. Through these partnerships and networks, Roblon gains access to trend insights, the latest knowledge and tools that help the Company meet the requirements and expectations of its stakeholders.	

Global environmental information systems and corporate sustainability assessments

As stated in Roblon's ESG ambition, the Group participates in long-term partnerships and other networks that may contribute positively to the Group's sustainability work.

EcoVadis

EcoVadis is one of the world's most trusted and well-known providers of business sustainability ratings. These enable Roblon to monitor the Group's own and its suppliers' progress and to share EcoVadis' sustainability profile of the Group with Roblon's customers and other stakeholders.

The Group's EcoVadis Scorecard has been completed and published on the EcoVadis platform.

Roblon's rating of 80 and a score of 63/100 places the Company in the top 35% of the businesses rated by EcoVadis. This was an improvement compared with a score of 59/100 for the 2022/23 financial year.

CDP

CDP is a not-for-profit charity that assesses the sustainability of businesses and organisations. The CDP scoring method is fully aligned with the Task Force on Climate-related Financial Disclosures (TCFD) recommendations and with material environmental standards and, as such, provides a comparable dataset on environmental information across businesses and industries. The system scores companies from D- (minus) to A. The CDP score provides a snapshot of a company's environmental performance and shows its customers and other stakeholders where the company is on the road towards operating in line with the objective of the 2015 Paris Agreement to limit global warming to 1.5°C.

This is the second year running that Roblon has reported under the CDP system. Roblon reports on the areas of Climate Change and Water Security. Roblon's 2023 score reflects the Company's inexperience in reporting under the new system. Roblon's 2023 Climate Change score was D compared with D- (minus) last year, and its Water Security score was D against last year's score of D.

Roblon's use of EcoVadis and CDP supports the Group's compliance with the new statutory reporting requirements under the CSRD and enables the Group's customers and other stakeholders to access relevant ESG data and sustainability assessments in an appropriate manner.

Report on diversity policy and Management's gender composition

This statutory report on diversity policy pursuant to section 107 d of the Danish Financial Statements Act is incorporated in the report on Management's gender composition pursuant to section 99 b of the Danish Financial Statements Act for the financial year 2023/24.

Roblon sees a diverse and versatile employee composition as a strength, and this includes gender equality, as described in the Group's diversity policy. Diversity helps create an innovative organisation and a positive working environment, which in turn strengthens the Company's competitiveness and profitability. The Group's diversity policy is available on the Company's website: www.roblon.com/diversitypolicy

The overriding goal of the diversity policy is to promote a diverse workplace and an inclusive working environment. The Group opposes all forms of discrimination and treats all applicants and employees equally, regardless of gender, age, sexual preference, ethnic origin, handicaps, religion, etc.

Roblon has long focused on being a diverse workplace whose employees have a wide variety of backgrounds, qualifications and conditions of life, not just in terms of gender, age and background, but equally in terms of education, experience and personality. The goal is for Management to reflect the same degree of diversity as that of Roblon's employees. The diversity policy is implemented through day-to-day management and co-operation, the Company's recruitment process and systematic employee satisfaction efforts.

In the financial year 2023/24, the diversity policy for example led to vacant positions being posted internally, externally and widely. All eligible candidates were considered without regard to gender, age, sexual orientation, ethnicity, disabilities or religion.

Roblon DK also conducted a team building event focusing on gaining a greater understanding of colleagues' work areas and processes, which has supported our understanding of each other and the diversity within the organisation.

The Company's continuous focus on employee wellbeing and access to help for issues such as mental health has also helped attract and retain a diverse and versatile employee group.

The members of the parent company Board of Directors represent a broad spectrum of business experience from Denmark as well as internationally. This composition is considered appropriate, as it ensures diversity in the board members' approach to their tasks, which helps to ensure informed considerations and decisions. It is the Board of Directors' ambition to ensure gender diversity in line with the Group's targets for the under-represented gender on the Board. The definition of gender in this report is taken directly from the statutory reporting requirements in this respect, including the definition of "gender" as male/female, and does not reflect Roblon's opinions, as the Company's diversity policy is based on a broader, more diverse understanding of gender.

The Company has a goal for the under-represented gender on the Board of Directors and other management levels to meet the Danish Business Authority's[15] definitions of equal gender distribution.

The Board of Directors, which is the supreme governing body, currently has six members, four of whom are elected by the shareholders. According to the Danish Business Authority's Guidelines, a 25/75 gender distribution is considered to constitute gender equality for board members. As the board members elected by the shareholders currently have a gender distribution of 25/75

[15] See the Danish Business Authority's 'Guidelines on target figures, policies and reporting on the gender composition of management'. www.erhvervsstyrelsen.dk/vejledning-maltal-og-politikker-den-konsmaessige-sammensaetning-af-ledelsen-og-afrapportering-herom

(one woman and three men at 31 October 2024), the target of an equal gender distribution for the supreme governing body, the Board of Directors, has been achieved. The two board members elected by the employees, who are not included in the reporting, are both women.

At 31 October 2024, the Group's other management levels consisted of three women and 10 men, equivalent to a share of the under-represented gender of 23%.

In accordance with new regulatory requirements, targets and policies have been developed to increase the proportion of the under-represented gender.

A target has been set for the under-represented gender to reach 30% by the end of 2027/28. This target is considered to be ambitious and realistic for Roblon to achieve.

Roblon endeavours to increase the proportion of the under-represented gender at other management levels by actively working on initiatives that support the established target figure, including the following initiatives:

- In the recruitment process, Roblon will:
    - strive to have at least one candidate of each gender among the final three candidates when new employees are recruited.
    - in connection with in-house promotions to management positions, the goal is to put forward at least one candidate of the under-represented gender.
    - post all positions internally, externally and widely.
- Roblon supports a decent work-life balance for the individual to ensure that management positions are also attractive. Roblon A/S is committed to promoting a healthy work-life balance by offering flexibility and varying career opportunities as a natural topic of discussion/focus area during a long working life.
- Roblon ensures opportunities for internal hands-on management sparring and leadership development.
- Roblon creates a framework for employees with management potential and individual managers' career development by offering the opportunity to participate in external professional networks in which employees with management potential and newly appointed managers can share their experience, considerations and any challenges they experience.
- Roblon assesses and minimises bias in its communications, profiling and physical environment.
- The immediate superior ensures that the employees maintain a connection to the workplace during their maternity/paternity leave, for instance by holding maternity/paternity leave interviews, or by agreeing that the manager will keep the employee informed about what happens in the Company while the employee is on leave.
- In connection with every new management appointment, Roblon assesses whether the recruitment process has contributed to strengthening gender equality or whether the process needs to be adjusted.

5-year highlights

	2023/24	2024/25	2025/26	2026/27	2027/28
Supreme governing body	4				
Total number of members	4				
Percentage of under-represented gender	25				
Target figure (%)					
Target figure met in year	Met				
Other Management levels					
Total number of members	13				
Percentage of under-represented gender	23				
Target figure (%)	30				
Target figure met at 31 October in year	2028				

Key ESG data

	Unit	2023/24	2022/23	2021/22	2020/21	2019/20
Environmental data						
Roblon Group						
Scope 1 and 2 location-based GHG emissions	Tonnes CO_2e	2,992	3,111	3,471	0	0
Scope 1 and 2 market-based GHG emissions	Tonnes CO_2e	4,016	3,952	4,342	0	0
Total waste volumes from production processes	kg	1,515,292	1,166,766	1,783,467	–	–
Roblon A/S						
Extraordinary environmental incidents	#	0	0	0	0	0
Very serious environmental incidents	#	0	0	0	0	0
Serious environmental incidents	#	0	0	0	0	0
Waste fractions – Recycling	%	60	57	66	73	76
Waste volumes from production processes	kg	320,017	311,636	440,469	–	–
Electricity consumption	kWh	1,568,680	1,484,344	2,059,101	2,190,279	2,211,735
Electricity consumption/ produced material*	kwh/kg	0.98	1.00	0.70	0.71	0.77
Natural gas consumption	m^3	72,786	100,331	114,056	108,833	96,983
Natural gas consumption/ produced material*	m^3/kg	0.045	0.068	0.039	0.036	0.033
Water consumption	m^3	687	781	1,153	974	1,031

* Produced materials have been adjusted to include resins and granulates, and calculated figures for prior years have been restated accordingly.

	Unit	2023/24	2022/23	2021/22	2020/21	2019/20
Roblon US Inc.						
Extraordinary environmental incidents	#	0	0	0	0	0
Very serious environmental incidents	#	0	0	0	0	0
Serious environmental incidents	#	0	0	0	0	0
Waste fractions – Recycling	%	15	9	9	15	9
Waste volumes from production processes	kg	858,013	692,784	974,996	–	–
Electricity consumption	kWh	3,926,400	3,909,120	4,545,120	4,870,080	5,016,960
Electricity consumption/ produced material*	kwh/kg	1.39	1.47	1.19	1.17	1.85
Natural gas consumption	m^3	283,792	355,889	355,512	351,681	371,703
Natural gas consumption/ produced material*	m^3/kg	0.101	0.134	0.093	0.090	0.137
Water consumption	m^3	1,139	1,779	1,627	1,632	1,159
ROBLON-VAMAFIL, s.r.o.						
Extraordinary environmental incidents	#	0	0	0	–	–
Very serious environmental incidents	#	0	0	0	–	–
Serious environmental incidents	#	0	0	0	–	–
Waste fractions – Recycling	%	50	47	47	–	–
Waste volumes from production processes	kg	337,262	213,934	368,002	–	–
Electricity consumption	kWh	2,161,000	1,775,000	1,922,000	–	–
Electricity consumption/ produced material	kwh/kg	0.55	0.51	–	–	–
Natural gas consumption	m^3	61,883	38,298	58,072	–	–
Natural gas consumption/ produced material	m^3/kg	0.016	0.011	–	–	–
Water consumption	m^3	734	705	589	–	–

See financial ratio definitions and formulas on pages 44-45.

Social data

	Unit	2023/24	2022/23	2021/22	2020/21	2019/20
Roblon Group						
Average no. of full-time employees	#	254	271	279	191	174
Lost Time Injury frequency rate (LTIFR)		6	5	19	–	–
Employee satisfaction	Score	4.2	4.2	–	–	–
Response rate – employee satisfaction	%	58	68	–	–	–
Roblon A/S						
Average no. of full-time employees	#	79	85	100	102	100
Employee satisfaction	Score	4.2	4.1	4.0	4.1	4.2
Response rate – employee satisfaction	%	67	75	72	81	66
Work-related fatalities	#	0	0	0	0	0
Serious accidents	#	0	0	3	0	1
Minor accidents	#	3	2	1	2	1
Roblon US Inc.						
Average no. of full-time employees	#	72	78	92	89	74
Employee satisfaction	Score	4.4	4.4	–	–	–
Response rate – employee satisfaction	%	47	62	–	–	–
Work-related fatalities	#	0	0	0	0	0
Serious accidents	#	0	0	0	0	0
Minor accidents	#	0	0	1	1	0
ROBLON-VAMAFIL, s.r.o.						
Average no. of full-time employees	#	103	108	87	–	–
Employee satisfaction	Score	–	–	–	–	–
Response rate – employee satisfaction	%	–	–	–	–	–
Work-related fatalities	#	0	0	0	–	–
Serious accidents	#	0	0	2	–	–
Minor accidents	#	0	1	4	–	–

Governance data

	Unit	2023/24	2022/23	2021/22	2020/21	2019/20
Roblon Group						
Gender diversity, Board of Directors	%	25	25	25	25	25
Gender diversity, other management levels	%	23	19	20	20	20

See financial ratio definitions and formulas on pages 44-45.

Report on Roblon's data ethics policy

Roblon is responsible for handling the data which the Company receives, registers, processes and stores regarding employees, customers, suppliers and other business partners.

The Group has a data ethics policy with the aim of ensuring that all data are processed in an ethically responsible manner. The data ethics policy cannot stand alone and should be considered as a supplement to local statutes and guidelines as well as Roblon's existing data protection and IT security policies.

Roblon primarily processes data in connection with HR, interaction with customers and contact with suppliers. Roblon controls that data are collected for specific and legitimate purposes and processed in a lawful and fair manner, including that only data that are strictly necessary for a given purpose are processed. The Group moreover endeavours to ensure that the collected data are always sufficient, relevant and accurate. Data controllers ensure that personal data are not stored for longer than necessary, that data are processed with respect for the individual data subject's privacy and that stored data are protected against being wrongfully destroyed, altered or published. Roblon enters into data processing agreements with third parties and does not sell data.

All relevant employees receive instruction in the secure, lawful and ethical processing of data. Instruction is provided by means of external courses and internal information campaigns.

Non-compliance with the data ethics policy or the Group's in-house procedures may be reported via Roblon's whistleblowing scheme. No non-compliance was reported during 2023/24.

The Board of Directors approves the data ethics policy annually.

Roblon's data ethics policy is available at:
www.roblon.com/Dataethicspolicy

Tax policy

Roblon has established a tax policy outlining the general basis and guidelines for the Group's application of current tax rules and to provide openness and transparency about these matters.

The Group's tax payments are arranged with a view to complying with rules, practices and the intention of the legislation in all applicable areas of tax. This also implies that the tax policy is designed to ensure – in accordance with the legislator's intentions – that the Group avoids double taxation while also ensuring fair competition.

This contributes to ensuring that Roblon is considered a responsible taxpayer, without the Group's competitiveness being weakened.

Roblon's tax policy is available at:
www.roblon.com/taxpolicy

Definitions of ratios and formulas – ESG

ESG key figures in the table on pages 41-42 are calculated as follows:

	Definition	Unit
Environmental data		
Scope 1 and 2 location-based GHG emissions	Scope 1 covers direct emissions from sources that are controlled by the enterprise, such as emissions from owned vehicles and owned furnaces or boilers (e.g. gas or oil for production or heating). Scope 2 covers indirect emissions from the generation of purchased energy, i.e. electricity or heating. Here, emissions occur elsewhere, such as at the local power plant or district heating plant. The location-based method calculates emissions based on the electricity actually generated and imported within a geographical location and over a given time period on an annual basis. The average emissions from fossil fuel and renewable energy sources within the geographical area provide an emission factor, which is multiplied by the enterprise's electricity consumption in the chosen year. Carbon emissions from electricity depend on the mix of fossil fuels and renewable energy sources.	Tonnes CO_2e
Scope 1 and 2 market-based GHG emissions	Scope 1 covers direct emissions from sources that are controlled by the enterprise, such as emissions from owned vehicles and owned furnaces or boilers (e.g. gas or oil for production or heating). Scope 2 covers indirect emissions from the generation of purchased energy, i.e. electricity or heating. Here, emissions occur elsewhere, such as at the local power plant or district heating plant. The market-based method calculates the emission factor according to the same method as the location-based method, with the notable exception that it allows enterprises to purchase guarantees of origin, also known as green certificates. The portion of renewable energy purchased via certificates is detracted from the total mix of electricity from fossil fuel and renewable energy sources. Accordingly, the share of renewable energy in the total mix on the basis of which average emissions are calculated is reduced, and the carbon emissions per kWh are therefore increased for the consumption of electricity not offset by certificates.	Tonnes CO_2e

	Definition	Unit
Total waste volumes from production processes	Total waste fractions from production processes	kg
Extraordinary environmental incidents	Extremely critical consequences e.g.: • Closure of site • Irreversible damage to external environment (e.g. plants, water & water organisms, land)	#
Very serious environmental incidents	Critical consequences e.g.: • risk of losing current permit to operate • strong negative impact on local surroundings including nearest residential zone • long-term damage to external environment with risk of irreversible damage	#
Serious environmental incidents	Important or serious consequences e.g.: • repeated complaints from neighbours • health effects or risk of health effects on surrounding life • short-term damage to external environment, e.g. spillage affecting natural animal life.	#
Waste fractions – Recycling	# of waste fractions – recycling / total # of waste fractions*100	%
Electricity consumption	Electricity consumption according to utility bills	kWh
Electricity consumption/ produced materials	Electricity consumption according to utility bills / Produced volume	kwh/kg
Natural gas consumption	Natural gas consumption according to utility bills	m^3
Natural gas consumption/ produced materials	Natural gas consumption according to utility bills / produced volume	m^3/kg
Water consumption	Water consumption according to utility bills	m^3

Definitions of ratios and formulas – ESG – continued

ESG key figures in the table on pages 41-42 are calculated as follows:

	Definition	Unit
Social data		
Average no. of full-time employees	Total ATP contribution / ATP rate for a full-time employee	#
Lost Time Injury frequency rate (LTIFR)	Lost Time Injury: Any injury sustained on the job by an employee that results in the loss of at least one day's work. Calculating Lost Time Injury Frequency Rate ([Number of lost time injuries during reporting period] x 1.000.000) / (Total number of working hours during reporting period).	#
Employee satisfaction	Employees respond on a scale of 1 to 5 (the higher the score, the greater the satisfaction)	Score
Response rate – employee satisfaction	Proportion of employees responding to the theme/question of the month	%
Work-related fatalities	Death	#
Serious accidents	Days away from work => 21 days	#
Minor accidents	Days away from work >1-20 days	#

	Definition	Unit
Governance data		
Gender diversity, Board of Directors	Proportion of the under-represented gender	%
Gender diversity, other management levels	Proportion of the under-represented gender	%
Suppliers that have endorsed Roblon's Supplier Code of Conduct in writing or otherwise or have implemented corresponding systems themselves	Total number of suppliers / number of suppliers that have endorsed Roblon's Supplier Code of Conduct in writing or otherwise or have implemented corresponding systems themselves*100	%

05 Corporate governance

Corporate governance

Corporate Governance
Roblon complies with the rules applicable to companies listed on Nasdaq Copenhagen, which include a corporate governance code in the form of Recommendations on corporate governance issued by the Danish Corporate Governance Committee.

In 2023/24, Roblon complied with the corporate governance recommendations, with the exception of the recommendations that board committees should solely consist of members of the Board of Directors and that the majority of board committee members should be independent, and with the exception that shareholders should have the option of attending the general meeting digitally.

- Roblon's governance, nomination and remuneration committee is made up of one independent member and one non-independent member. The innovation and product development committee furthermore comprises one member who is not a member of the Board of Directors. Roblon does not comply owing to its size and the assessment that the composition of the Company's board committees generates value for Roblon.
- In financial years 2021/22 and 2022/23, the Company's shareholders had the option of attending the general meeting digitally. Very few shareholders used this option, and the Company finds the cost of offering live digital transmission excessive in view of the low digital attendance. Consequently, Roblon no longer offers the option of attending general meetings via digital transmission.

Corporate governance report
Roblon has prepared a statutory report on corporate governance for the 2023/24 financial year in accordance with section 107 b of the Danish Financial Statements Act. The report is available on the Company's website: www.roblon.com/corporategovernance-2024

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

The report is structured in three sections:

- A description of the Company's management structure, including its governing bodies, their committees and the functions these fulfil
- A description of the main elements of the Group's reporting process and its internal risk management and internal control systems concerning financial reporting
- A corporate governance report for 2023/24.

In addition, the report provides a more in-depth description of each member of the Board of Directors and Executive Management as a supplement to the descriptions in the annual report for 2023/24.

During the 2023/24 financial year, the Board of Directors decided to downsize the Executive Management from three to two members in a bid to strengthen the strategy execution. Accordingly, Roblon's CEO, Lars Østergaard, resigned his position on 13 May 2024. Kim Müller, who until 13 May 2024 held the position of CTO, took over the reins as CEO, and Carsten Michno, until 13 May 2024 the Company's CFO, took on the position of Co-CEO/CFO.

Remuneration policy and report
Roblon's remuneration policy, most recently approved at the annual general meeting on 25 January 2024 sets out general guidelines for remuneration of the Board of Directors and the Executive Management.

Pursuant to section 139b of the Danish Companies Act, Roblon has prepared a statutory remuneration report for 2023/24, which is available at the Company's website: www.roblon.com/renumerationreport-2024

06 Board of Directors and Executive Management

Board of Directors

CEO

Jørgen Kjær Jacobsen
Born in 1952

Chairman (independent), joined the board in 2014

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

Other executive functions: [16] Gabriel Holding A/S (C), Raskier A/S (D) and (B), Raskier Ejendomme ApS (D) and (B).

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

No. of shares: 50,000 (47,000)

Corporate adviser

Ole Lønsmann Andersen
born in 1959

Deputy Chairman (non-independent), joined the board in 2018

Chairman of the Governance, Nomination and Remuneration Committee.

Other executive functions: None

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

No. of shares: 6,725 (5,425), related party Nina Schou 2,990 (2,990)

Group Senior Vice President Corporate Finance

Randi Toftlund Pedersen
born in 1963

Board member (independent), joined the board in 2016

Chairman of the Audit Committee.

Other executive functions: Group Senior Vice President Corporate Finance, Salling Group A/S, Salling Group Ejendomme A/S (B),Salling Group Ejendomme II ApS (B), Salling Group Captiveforsikringsselskab A/S (C), Glunz & Jensen Holding A/S (DC and chairman of audit committee), Gabriel Holding A/S (B and chairman of audit committee), Ejendomsselskabet Olav de Linde A/S (B)

Specialised skills: Management experience from listed and global companies, in finance and economy, and board experience from listed companies.

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

Group CEO

Mikael Staal Axelsen
Born in 1965

Board member (independent), joined the board in 2024

Chairman of the Innovation and Product Development Committee.

Other executive functions: Group CEO Fibertex Personal Care, Hosta Industries (C), EDANA (Nonwovens industry association) (C).

Specialised skills: General industrial top management, strategic development, production and product development.

No. of shares: 0 (0)

Key Account Assistant

Anita Skovgaard Pedersen
Born in 1966

Employee representative (non-independent), joined the board in 2023

No. of shares: 35 (35)

Sales support

Anette Frost Hansen
Born in 1969

Employee representative (non-independent), joined the board in 2023

No. of shares: 0 (0)

[16] (C) = Chairman, (DC) = Deputy Chairman, (B) = board member and (D) = director

Executive Management

CEO

Kim Müller
Born in 1969

Joined the Company in 1992, appointed to the Executive Management in 2016.

Other executive functions:
Erhvervsservice Nord ApS (B)

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

Co-CEO/CFO

Carsten Michno
Born in 1970

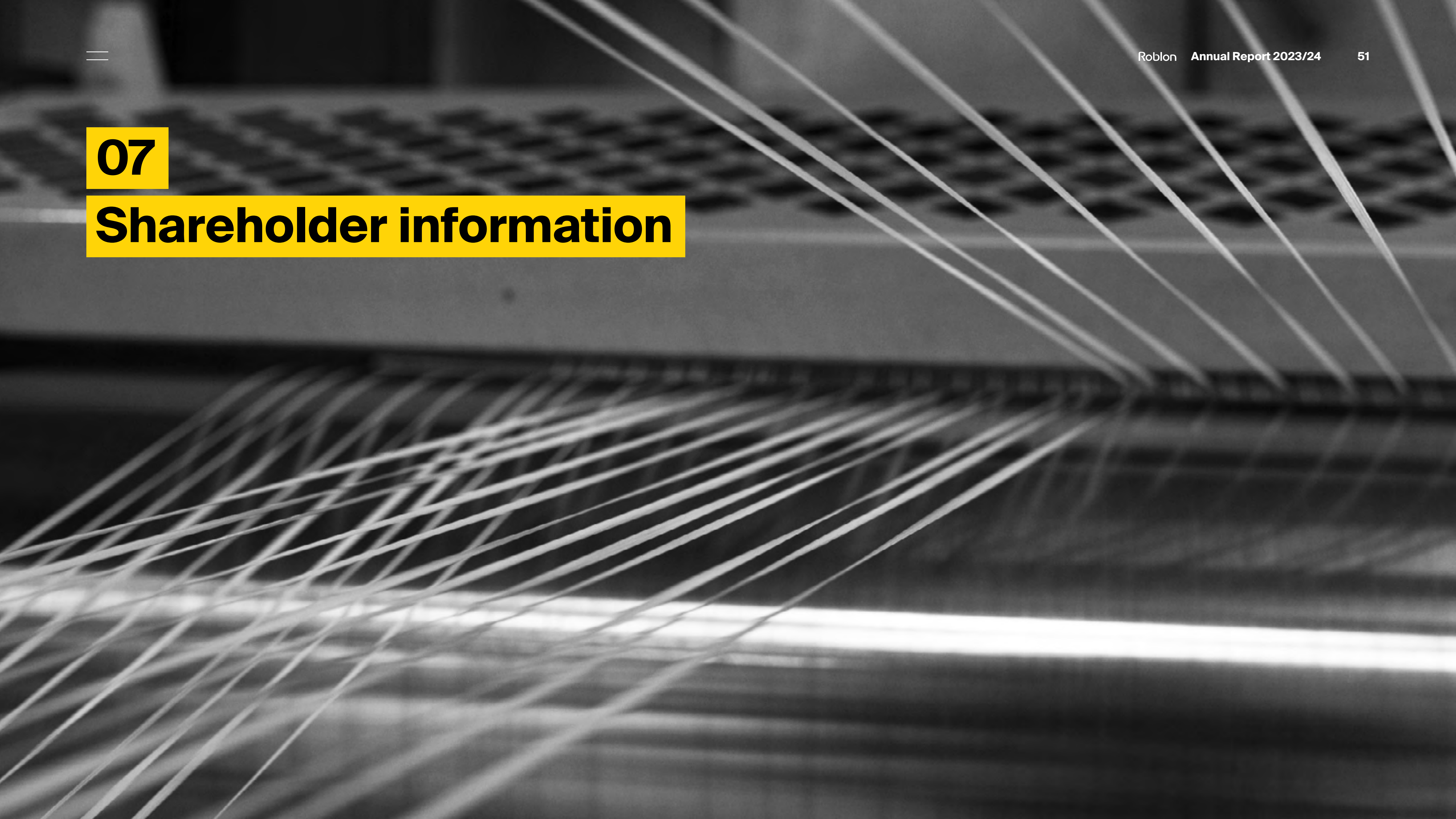
Appointed in 2015.

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

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

The report is available at www.roblon.com/corporategovernance-2024.

07
Shareholder information



Shareholder information

Capital and share structure
Roblon A/S has two share classes: A shares and B shares. The Company's share capital has a nominal value of DKKm 35.763 and consists of 27,775 A shares of DKK 200 each and 1,510,400 B shares of DKK 20 each.

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

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

Voting rights attached to shares acquired through transfer may only be exercised if the shareholder concerned is listed in the Company's register of shareholders or has reported and documented their acquisition before the notice date for the annual general meeting.

Management regularly assesses any need to adjust the capital structure and prioritises a high equity ratio to maintain the greatest possible latitude in all situations. The Group's equity ratio at 31 October 2024 was 72.1%. The Group endeavours to provide its shareholders with a regular return on their investment while also considering the necessary consolidation of equity to support the future development of the business. The Board of Directors proposes that no dividend be paid for 2023/24. Based on these considerations, the present capital resources are considered adequate in the Company's current financial situation.

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

Shareholder structure
Roblon had 1,734 shareholders registered by name at 31 October 2024 (2,018), together representing approx. 90.8% (88.8%) of the Company's share capital.

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

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

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

At 31 October 2024, the members of the Board of Directors and the Executive Management and their related parties held 77,749 (88,396) of the Company's B shares, corresponding to 4.3% (4.9%) of the share capital and 5.1% (5.9%) of the listed capital.

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

Under the authority of the shareholders in general meeting, the Company may purchase treasury shares representing up to 10% of the share capital. The authority is valid until 30 June 2025 to purchase treasury shares of up to 10% of the share capital at a price that may deviate by no more than 10% from the most recently calculated price of all trades prior to the purchase.

The Board of Directors will request a renewed authorisation at the annual general meeting to be held on 30 January 2025.

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

Investor relations policy

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

Each financial year, Roblon hosts two to four investor presentations for small groups of investors. These investor presentations are published on the Company's website as soon as possible after the event.

It is the Company's policy that Management does not participate in meetings with investors or analysts or make statements to the press for a period of three weeks prior to the publication of interim or annual reports.

Roblon also uses the website, www.roblon.com, as a tool of communication with the stock market. On the website, additional information on the Group and Roblon's business.

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

www.roblon.com

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

Financial calendar

19 December 2024	Annual report
30 January 2025	Annual general meeting
13 March 2025	Interim report for Q1 2024/25
18 June 2025	Interim report for Q2 2024/25
16 September 2025	Interim report for Q3 2024/25
18 December 2025	Annual report
29 January 2026	Annual general meeting

Company announcements

During the period 20 December 2023 to 19 December 2024, the Company sent the following announcements to NASDAQ Copenhagen; these can be found on the Company's website, www.roblon.com.

14	20 December 2023	Annual report 2022/23
15	22 December 2023	Notice convening AGM
16	28 December 2023	Reporting of related party transactions in Roblon A/S shares
1	26 January 2024	Minutes of the annual general meeting in Roblon A/S
2	13 March 2024	Interim report for Q1 2023/24
3	27 March 2024	Roblon to terminate market maker agreement with Danske Bank
4	13 May 2024	Roblon announces changes to the Executive Management
5	18 June 2024	Interim report for H1 2023/24
6	4 July 2024	Reporting of related party transactions in Roblon A/S shares
7	16 September 2024	Initiation of process to divest Roblon's US subsidiary
8	17 September 2024	Interim report for Q3 2023/24
9	25 September 2024	Jørgen Kjær Jacobsen, Chairman of Roblon A/S, is not seeking re-election
10	6 November 2024	Major Shareholder Announcement
11	18 November 2024	Status of divestment of Roblon's US subsidiary, preliminary financial results for FY 2023/24 and guidance for FY 2024/25

Dividend policy

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

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

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

According to the Company's articles of association, holders of B shares have a preferential right to dividend of 8% of their nominal shareholding, if dividend is declared. Any remaining dividend accrues to the holders of A shares until they have received dividend equalling 8% of their nominal shareholding. Any remaining dividend thereafter is distributed evenly among all shareholders, regardless of share class.

Based on the reported loss for the year 2023/24, the Board of Directors proposes to the shareholders at the general meeting that no dividend be distributed.

Share price development

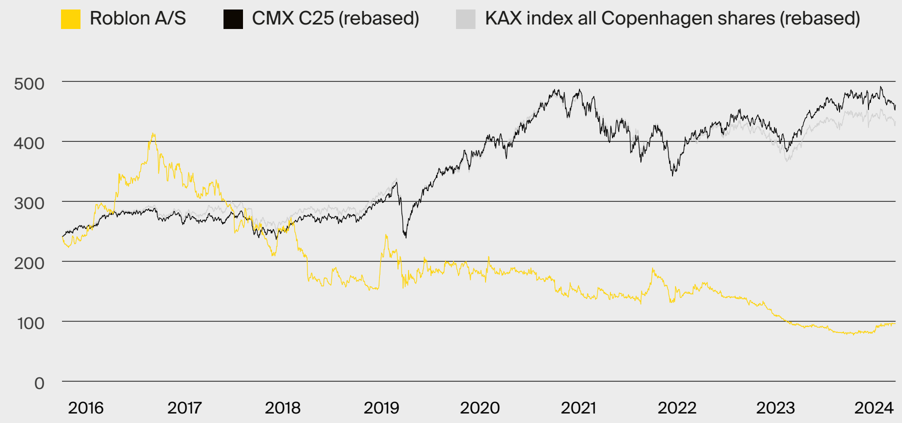
The Roblon B share opened the financial year at a price of 99.8 and closed at 96.0 at 31 October 2024, which was a drop of 3.8% (2022/2023: a drop of 29.2%).

The overall market cap of the Company's listed shares at the end of the financial year was approx. DKKm 145, against approx. DKKm 151 at 31 October 2023.

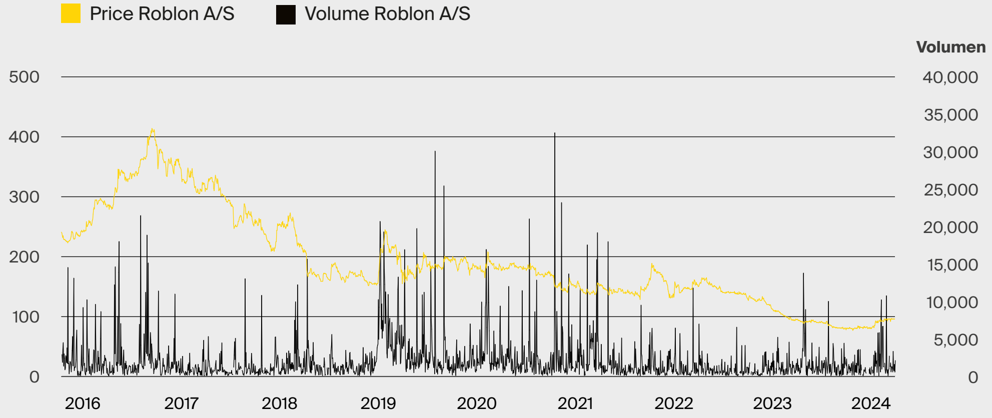
At 31 October 2024, the free float[17] in listed Roblon B shares was approx. 83.5%, against approx. 83.0% at the end of October 2023.

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

Share price development



Price index



08
Statement and report

Statement by Management

The Board of Directors and the Executive Management have today discussed and adopted the annual report of Roblon A/S for the financial year 1 November 2023 to 31 October 2024.

The consolidated financial statements and parent company financial statements have been prepared in accordance with the International Financial Reporting Standards as adopted by the EU and additional requirements in the Danish Financial Statements Act. The management's review has been prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent company's financial statements give a true and fair view of the Group's and the parent company's assets, liabilities and financial position at 31 October 2024 and of the results of the Group's and the parent company's operations and cash flows for the financial year 1 November 2023 – 31 October 2024.

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

In our opinion, the annual report of Roblon A/S for the financial year 1 November 2023 to 31 October 2024 with the file name Roblon-2024-10-31-da.zip has been prepared, in all material respects, in compliance with the ESEF Regulation.

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

Frederikshavn, 19 December 2024

Executive Management

Kim Müller
CEO

Carsten Michno
Co-CEO/CFO

Board of Directors

Jørgen Kjær Jacobsen,
Chairman

Ole Lønsmann Andersen
Deputy Chairman

Randi Toftlund Pedersen

Mikael Staal Axelsen

Anita Skovgaard Pedersen
Employee representative

Anette Frost Hansen
Employee representative

Independent Auditor's Reports

To the shareholders of Roblon A/S

Report on the audit of the Financial Statements

Our opinion

In our opinion, the Consolidated Financial Statements and the Parent Company Financial Statements give a true and fair view of the Group's and the Parent Company's financial position at 31 October 2024 and of the results of the Group's and the Parent Company's operations and cash flows for the financial year 1 November 2023 to 31 October 2024 in accordance with IFRS Accounting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act.

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

What we have audited
The Consolidated Financial Statements and Parent Company Financial Statements of Roblon A/S for the financial year 1 November 2023 to 31 October 2024 comprise income statement, statement of comprehensive income, balance sheet, statement of changes in equity, cash flow statement and notes, including material accounting policy information for the Group as well as for the Parent Company. Collectively referred to as the "Financial Statements".

Basis for opinion

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

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

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

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

Appointment
We were first appointed auditors of Roblon A/S on 25 January 2018 for the financial year 2017/18. We have been reappointed annually by shareholder resolution for a total period of uninterrupted engagement of 7 years including the financial year 2023/24. We were reappointed following a tendering procedure at the General Meeting on 25 January 2024.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Financial Statements for 2023/24. These matters were addressed in the context of our audit of the Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter

Measurement and presentation of Roblon US Inc. in the Consolidated Financial Statements
Measurement and presentation of Roblon US Inc. in the Consolidated Financial Statements

Roblon A/S has initiated a divestment process of Roblon US Inc. and Management expects the divestment to be completed before the end of March 2025.

Due to the divestment process, all activity regarding Roblon US Inc. is presented as a result of discontinued operations in the consolidated income statement and as assets held for sale/liabilities associated with assets held for sale in the consolidated balance sheet.

Assets held for sale are measured at the lower of carrying amount and fair value less costs to sell for the total value of the assets.

Management has tested the value of the net assets of Roblon US Inc. for impairment. The impairment test did not indicate a need for impairment in the Consolidated Financial Statements.

The impairment test is based on the discounted value in use of the expected cash flows of Roblon US Inc. The cash flows are based on budgets approved by Management and Management's best estimate of the future cash flows.

We focused on the measurement of Roblon US Inc. because the measurement of net assets is based on significant assumptions, including Management's expectations for growth rates and coverage ratios in Roblon US Inc. and the discount rate.

In addition, we focused on the presentation of Roblon US Inc., due to the special presentation of the activity as a discontinued operation and assets held for sale.

We refer to note 2 and note 28 in the Financial Statements.

How our audit addressed the key audit matter

We obtained an understanding of the parent company's accounting policies and procedures for measuring and presenting Roblon US Inc. in the Consolidated Financial Statements.

We evaluated Management's assessments for the accounting presentation of Roblon US Inc., as a result of discontinued operations and as assets held for sale/liabilities associated with assets held for sale in the consolidated income statement and balance sheet, respectively, by reviewing Management's assessment of compliance with IFRS 5's criteria for the presentation.

We evaluated Management's impairment test of the net assets of Roblon US Inc. by comparing it to budgets approved by Management. We assessed the growth rates and contribution ratios used, e.g. by applying historical data, external data and evaluation of the measures taken to improve profitability.

We used our internal specialist for an assessment of the discount rate.

We challenged Management as regards its assessment of growth rates, contribution margins and discount rate and evaluated the sensitivity analyses performed

We tested the calculations for mathematical accuracy.

We reconciled the information presented in the notes.

Key audit matter

Measurement of the Parent Company's equity interest in Roblon US Inc. and Roblon-Vamafil, s.r.o
The Parent Company measures investments in subsidiaries at cost. If cost exceeds the recoverable amount, the asset is written down to its lower value. Management has tested the value of the shares in Roblon US Inc. and Roblon-Vamafil, s.r.o for impairment.

The impairment test is based on the discounted value in use of the expected cash flows of Roblon US Inc. and Roblon-Vamafil, s.r.o. The cash flows are based on budgets and strategic plans approved by Management. The impairment tests performed showed an impairment requirement on the Parent Company's investment in Roblon US Inc. and Management has recognised an impairment of TDKK 39,520.

We focused on the measurement of the Parent Company's investments in Roblon US Inc. and Roblon-Vamafil, s.r.o, because the measurement of the investments is based on significant assumptions, including Management's expectations as regards growth rates and contribution margins of Roblon US Inc. and Roblon-Vamafil, s.r.o, as well as the discount rate.

We refer to note 2 and note 17 in the Financial Statements.

How our audit addressed the key audit matter

We obtained an understanding of the Parent Company's accounting policies and procedures for the measurement of the Parent Company's investment in Roblon US Inc. and Roblon-Vamafil, s.r.o.

We evaluated Management's assessments relating to impairment losses recognised on the Parent Company's investment in Roblon US Inc. and Roblon-Vamafil, s.r.o through comparison with budgets approved by Management. We assessed the growth rates and contribution ratios applied, e.g. by applying historical data, evaluation of the measures taken to improve profitability as well as contribution ratios realised after the balance sheet date.

We used our internal specialist for an assessment of the discount rate.

We challenged Management as regards its assessment of growth rates, contribution margins and discount rate and evaluated the sensitivity analyses performed. We compared Management's impairment test on Roblon US Inc. with the recognised impairment.

We tested the mathematical accuracy of the calculations.

Statement on Management's Review

Management is responsible for Management's Review.

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

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

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

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

Management's responsibilities for the Financial Statements

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

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

Auditor's responsibilities for the audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Parent Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

- Conclude on the appropriateness of Management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Parent Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group or the Parent Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that gives a true and fair view.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

Report on compliance with the ESEF Regulation

As part of our audit of the Financial Statements we performed procedures to express an opinion on whether the annual report of Roblon A/S for the financial year 1 November 2023 to 31 October 2024 with the filename Roblon-2024-10-31-da.zip is prepared, in all material respects, in compliance with the Commission Delegated Regulation (EU) 2019/815 on the European Single Electronic Format (ESEF Regulation) which includes requirements related to the preparation of the annual report in XHTML format and iXBRL tagging of the Consolidated Financial Statements including notes.

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

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

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

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

In our opinion, the annual report of Roblon A/S for the financial year 1 November 2023 to 31 October 2024 with the file name Roblon-2024-10-31-da.zip is prepared, in all material respects, in compliance with the ESEF Regulation.

Aalborg, 19 December 2024

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR no 33 77 12 31

Rune Kjeldsen	**Line Borregaard**
State Authorised Public Accountant	State Authorised Public Accountant
mne34160	mne34353

09 Financial Statements

Income statement

for the period 1 November - 31 October

		Group		Parent company	
Amounts in DKK'000	**Note**	**2023/24**	**2022/23**	**2023/24**	**2022/23**
Revenue	3	245,440	245,015	186,208	201,468
Cost of sales	4	-96,139	-117,531	-71,295	-106,344
Gross profit		**149,301**	**127,484**	**114,913**	**95,124**
Work carried out for own account and capitalised	5	976	3,220	976	3,220
Other operating income	6	40	717	8,206	19,158
Other external costs	7	-22,895	-24,796	-21,249	-23,111
Staff costs	8	-82,541	-79,312	-63,442	-60,220
Operating profit/loss before depreciation, amortisation and impairment (EBITDA) and before special items		**44,881**	**27,313**	**39,404**	**34,171**
Depreciation, amortisation and impairment of property, plant and equipment and intangible assets		-15,630	-17,350	-10,161	-12,201
Operating profit/loss (EBIT) before special items		**29,251**	**9,963**	**29,243**	**21,970**
Special items	9	-	17,912	-39,520	17,912
Operating profit/loss (EBIT) after special items		**29,251**	**27,875**	**-10,277**	**39,882**
Financial income	10	57	854	2,820	2,334
Financial expenses	11	-2,090	-4,177	-3,431	-6,295
Profit from continuing operations before tax		**27,218**	**24,552**	**-10,888**	**35,921**
Tax on profit/loss for the year from continuing operations	12	-6,220	-4,347	-5,869	-6,670
Profit/loss for the year from continuing operations		**20,998**	**20,205**	**-16,757**	**29,251**
Profit/loss for the year from discontinued operations after tax	28	-30,628	-24,814	524	-
Profit/loss for the year		**-9,630**	**-4,609**	**-16,233**	**29,251**
Earnings per share (DKK)	13				
Earnings per share (EPS), continuing operations		11.7	11.3		
Diluted earnings per share (EPS-D). continuing operations		11.7	11.3		

Statement of comprehensive income

for the period 1 November - 31 October

		Group		Parent company	
Amounts in DKK'000	**Note**	**2023/24**	**2022/23**	**2023/24**	**2022/23**
Profit/loss for the year		**-9,630**	**-4,609**	**-16,233**	**29,251**
Other comprehensive income					
Items that will be recycled to profit or loss					
Foreign exchange adjustment on translation of foreign subsidiary		-1,329	456	-	-
Foreign exchange adjustment on translation of discontinued operations	28	-1,323	-5,071	-	-
Other comprehensive income		**-2,652**	**-4,615**	**0**	**0**
Comprehensive income for the year		**-12,282**	**-9,224**	**-16,233**	**29,251**

Balance sheet

At 31 October

Amounts in DKK'000	Note	Group 2024	Group 2023	Parent company 2024	Parent company 2023
ASSETS					
Completed product development projects		3,107	5,223	3,107	5,223
Product development projects in progress		2,441	2,361	2,441	2,361
Trademarks and customer relations		1,003	4,698	-	-
Other intangible assets		442	3,707	442	1,689
Intangible assets	14	**6,993**	**15,989**	**5,990**	**9,273**
Land and buildings	15	50,567	48,234	11,078	5,657
Plant and machinery	15	32,346	47,492	19,860	19,109
Other fixtures and fittings, tools and equipment	15	237	1,035	234	444
Property, plant and equipment in progress	15	1,693	15,740	566	8,223
Lease assets	16	1,065	7,466	785	331
Property, plant and equipment		**85,908**	**119,967**	**32,523**	**33,764**
Investments in subsidiaries	17	-	-	54,441	119,655
Amount owed by subsidiaries		-	-	-	34,180
Deferred tax assets	21	3,310	13,640	-	-
Financial assets		**3,310**	**13,640**	**54,441**	**153,835**
Total non-current assets		**96,211**	**149,596**	**92,954**	**196,872**
Inventories	18	**33,689**	**98,007**	**24,017**	**49,144**

Amounts in DKK'000	Note	Group 2024	Group 2023	Parent company 2024	Parent company 2023
ASSETS					
Trade receivables	19	56,919	83,585	49,052	66,668
Amount owed by subsidiaries		-	-	69,615	20,949
Prepaid income tax		380	1,140	-	-
Other receivables		2,077	1,457	395	389
Prepayments		832	1,032	473	607
Receivables		**60,208**	**87,214**	**119,535**	**88,613**
Cash and cash equivalents		**17,904**	**33,235**	**14,706**	**28,430**
Assets held for sale	28	**68,458**	**-**	**25,694**	**-**
Total current assets		**180,259**	**218,456**	**183,952**	**166,187**
Total assets		**276,470**	**368,052**	**276,906**	**363,059**

Balance sheet

At 31 October

		Group		Parent company	
Amounts in DKK'000	**Note**	**2024**	**2023**	**2024**	**2023**
EQUITY AND LIABILITIES					
Share capital		35,763	35,763	35,763	35,763
Other reserves		-7,413	-4,761	2,504	3,959
Retained earnings		168,983	178,613	207,044	221,822
Total equity	20	**197,333**	**209,615**	**245,311**	**261,544**
Deferred tax liabilities	21	6,462	8,057	2,709	3,706
Lease liabilities		559	5,201	521	164
Debt to credit institutions	22	31,821	35,870	8,269	8,669
Total non-current liabilities		**38,842**	**49,128**	**11,499**	**12,539**
Current portion of lease liabilities		534	2,891	284	166
Current portion of debt to credit institutions	22	4,000	3,990	400	390
Operating credits		-	54,973	-	54,973
Other provisions	23	106	590	106	162
Advance payments		1,339	2,829	435	2,479
Trade payables		4,662	23,690	3,330	15,512
Income tax		7,500	4,479	7,500	4,479
Other payables		10,867	15,867	8,041	10,815
Current liabilities		**29,008**	**109,309**	**20,096**	**88,976**
Liabilities related to assets held for sale	28	**11,287**	**-**	**-**	**-**
Total current liabilities		**40,295**	**109,309**	**20,096**	**88,976**
Total liabilities		**79,137**	**158,437**	**31,595**	**101,515**
Total equity and liabilities		**276,470**	**368,052**	**276,906**	**363,059**

Statement of changes in equity

Amounts in DKK'000	Group Share capital	Currency translation reserve	Retained earnings	Total equity
Equity at 1 November 2023	**35,763**	**-4,761**	**178,613**	**209,615**
Profit/loss for the year			-9,630	-9,630
Foreign exchange adjustment on translation of foreign subsidiary		-1,329	-	-1,329
Foreign exchange adjustment on translation of discontinued operations		-1,323	-	-1,323
Comprehensive income for the financial year		**-2,652**	**-9,630**	**-12,282**
Equity at 31 October 2024	**35,763**	**-7,413**	**168,983**	**197,333**
Equity at 1 November 2022	**35,763**	**-146**	**183,222**	**218,839**
Profit/loss for the year			-4,609	-4,609
Foreign exchange adjustment on translation of foreign subsidiary		456	-	456
Foreign exchange adjustment on translation of discontinued operations		-5,071	-	-5,071
Comprehensive income for the financial year		**-4,615**	**-4,609**	**-9,224**
Equity at 31 October 2023	**35,763**	**-4,761**	**178,613**	**209,615**

Amounts in DKK'000	Parent company Share capital	Reserve for develop-ment costs	Retained earnings	Total equity
Equity at 1 November 2023	**35,763**	**3,959**	**221,822**	**261,544**
Profit/loss for the year			-16,233	-16,233
Change in reserve		-1,455	1,455	-
Comprehensive income for the financial year		**-1,455**	**-14,778**	**-16,233**
Equity at 31 October 2024	**35,763**	**2,504**	**207,044**	**245,311**
Equity at 1 November 2022	**35,763**	**4,935**	**191,595**	**232,293**
Profit/loss for the year			29,251	29,251
Change in reserve		-976	976	-
Comprehensive income for the financial year		**-976**	**30,227**	**29,251**
Equity at 31 October 2023	**35,763**	**3,959**	**221,822**	**261,544**

Statement of cash flows

for the period 1 November - 31 October

Amounts in DKK'000	Note	Group 2023/24	Group 2022/23	Parent company 2023/24	Parent company 2022/23
Operating profit/loss (EBIT) after special items		29,251	27,875	-10,277	39,882
Operating profit/loss (EBIT) from discontinued operations	28	-23,862	-25,993	672	0
Operating profit/loss (EBIT)		**5,389**	**1,882**	**-9,605**	**39,882**
Adjustment for non-cash items	26	22,467	7,455	47,871	-17,414
Change in working capital	27	35,393	14,579	22,939	62,177
Cash generated from operations		**63,249**	**23,916**	**61,205**	**84,645**
Financial income received		57	54	2,837	2,363
Financial expenses paid		-2,731	-3,742	-1,362	-3,482
Income tax paid		-4,396	-2,537	-4,080	-561
Income tax received		-	88	-	88
Cash flow from operating activities		**56,179**	**17,779**	**58,600**	**83,053**
Purchase of intangible assets		-250	-749	-250	-707
Sale of intangible assets		-	-	-	1,017
Purchase of property, plant and equipment		-8,423	-21,196	-6,682	-14,244
Sale of property, plant and equipment		1,263	27,439	1,010	47,823
Capital injection in subsidiary	17	-	-	-	-37,418
Cash flow from investing activities		**-7,410**	**5,494**	**-5,922**	**-3,529**

Amounts in DKK'000	Note	Group 2023/24	Group 2022/23	Parent company 2023/24	Parent company 2022/23
Loans to subsidiaries		-	-	-11,466	-23,841
Repayment of operating credit	22	-54,973	-27,808	-54,973	-27,808
Lease payments	16	-2,452	-3,458	445	-25
Raising of debt with credit institutions	22	-	29,754	-	-
Repayment of debt to credit institutions	22	-3,131	-381	-390	-381
Cash flow from financing activities		**-60,556**	**-1,893**	**-66,384**	**-52,055**
Change in cash and cash equivalents		-11,787	21,380	-13,706	27,469
Cash and cash equivalents at beginning of year		33,235	11,884	28,430	990
Value adjustment of cash and cash equivalents		-138	-29	-18	-29
Cash and cash equivalents at end of year		**21,310**	**33,235**	**14,706**	**28,430**
Of which cash and cash equivalents at end of year included in assets held for sale		3,406	-	-	-
Cash and cash equivalents at end of year in continuing operations		**17,904**	**33,235**	**14,706**	**28,430**

Overview of notes to financial statements

Notes to the financial statements

1. Accounting policies

Roblon A/S is a public limited company domiciled in Denmark. The financial statements part of the annual report for the period 1 November 2023 – 31 October 2024 comprises the consolidated financial statements of Roblon A/S and its subsidiaries (the Group) and the financial statements of the parent company. Roblon A/S presents its annual report under the rules applying to reporting class D.

The consolidated and parent company financial statements of Roblon A/S for 2023/24 have been prepared in accordance with International Financial Reporting Standards as adopted by the EU and additional Danish disclosure requirements for annual reports of listed companies.

On 19 December 2024, the Board of Directors and Executive Management considered and approved the annual report of Roblon A/S for 2023/24.

The annual report will be submitted to Roblon A/S' shareholders for adoption at the annual general meeting to be held on 30 January 2025.

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

The accounting policies, which are set out below and in note 32 to the financial statements, have been applied consistently for the financial year and for the comparative figures. The comparative figures have been reclassified for a few items. Such reclassifications affect neither profit/loss nor equity. For standards implemented prospectively, comparative figures are not restated.

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

Implementation of new standards and interpretations
Roblon A/S has implemented the standards and interpretations that are effective for 2023/24, which has not resulted in significant changes to the accounting policies. New and amended standards are implemented when they come into force.

IASB has issued new standards, amendments to existing standards and interpretations, which are not yet in force but will come into force in 2024/25 or later.

In April 2024, the IASB issued IFRS 18 Presentation and Disclosure in Financial Statements, which superseded IAS 1. The standard sets out new requirements for the presentation of the income statement. These include new requirements for the presentation of totals and subtotals and for the classification of income statement items.

The standard also introduces Management-defined Performance Measures and new requirements for aggregation and disaggregation of information in the primary financial statements and accompanying notes.

IFRS 18 is expected to affect the financial reporting of Roblon A/S when the standard becomes effective for financial years beginning on or after 1 January 2027. Roblon does not yet know the consequences of implementing IFRS 18 for the parent company and consolidated financial statements.

Notes to the financial statements

2. Estimates and judgments

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

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

Recognition and measurement of assets and liabilities often depend on future events subject to some uncertainty. In that connection, it is necessary to assume e.g. a course of events that reflects Management's assessment of the most probable course of events. In the 2023/24 consolidated financial statements, the following key assumptions and uncertainties should be noted:

Significant accounting estimates

Inventories

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

The value of inventories recognised in the balance sheet at 31 October 2024 was DKKm 33.7 (DKKm 98.0). Total inventory write-down at 31 October 2024 was DKKm 4.7 (DKKm 6.5).

Assets held for sale

Accounting estimates have been made in connection with the measurement of assets held for sale and liabilities related to assets held for sale. The value of net assets has been measured at fair value, as described in note 28 – Discontinued operations.

Investments in subsidiaries

Subsidiaries are tested for impairment if events or changed circumstances indicate that the carrying amount may not be recoverable. The measurement of subsidiaries is subject to significant estimates related to the determination of various assumptions, such as expected future cash flows, discount factor and growth rates in the terminal period. The sensitivity to changes to the assumptions applied – in aggregate or separately – may be substantial.

Following impairment testing, Management has written down the value of the parent company's investment in Roblon US Inc. by DKKm 39.5, after which the value of the investment is recognised in the balance sheet at DKKm 25.7 at 31 October 2024 (DKKm 65.2). The value of the parent company's non-current receivable from Roblon US Inc., which is considered part of the net investment, was recognised in the balance sheet in the amount of DKKm 45.6 at 31 October 2024 (DKKm 34.2).

Based on the earnings development in 2023/24, Management assessed that there was evidence of impairment of the investment in ROBLON-VAMAFIL, s.r.o. Consequently, an impairment test was performed at 31 October 2024, which did not give rise to the recognition of impairment losses.

The value of the parent company's investment in ROBLON-VAMAFIL, s.r.o. recognised in the balance sheet at 31 October 2024 was DKKm 54.4 (DKKm 54.4).

Deferred tax assets

Accounting estimates have been made in connection with the valuation of deferred tax assets, as described in note 21 regarding deferred tax assets and liabilities and in note 28 regarding discontinued operations.

For further details, see the notes to the financial statements.

Significant accounting judgments

Lease extension options

The useful lives of lease assets are assessed based on the terms and conditions of the lease. If the lease includes an option to extend the lease term, Management assesses the period for which it reasonably expects the lease to be extended.

Notes to the financial statements

3. Revenue and segment information

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

	Group		Parent company	
Amounts in DKK'000	**2023/24**	**2022/23**	**2023/24**	**2022/23**
Revenue from external customers:				
By product group				
FOC	59,962	90,985	29,536	80,472
Composite	185,478	154,030	156,672	120,996
Total	**245,440**	**245,015**	**186,208**	**201,468**
By geographical market				
Denmark	12,657	9,540	11,836	8,827
United Kingdom	46,252	58,075	43,354	56,454
Finland	33,173	7,525	32,174	7,335
Rest of Europe	84,016	95,780	40,111	59,141
Asia	21,981	24,000	11,926	19,684
Brazil	39,529	35,558	39,529	35,558
Latin America	-	889	-	889
USA	7,832	13,648	7,278	13,580
Total	**245,440**	**245,015**	**186,208**	**201,468**

Of the Group's non-current assets, DKKm 38.5 (DKKm 43.0) were located in Denmark, DKKm 0 (DKKm 31.4) in the USA and DKKm 54.4 (DKKm 61.5) in the Czech Republic.

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

Of the Group's total revenue, three individual customers each accounted for more than 10%.

Revenue relating to these customers was DKKm 53.1, DKKm 45.0 and DKKm 25.9, respectively. Last year, two individual customers each accounted for more than 10% of the Group's total revenue. Revenue relating to these customers was DKKm 55.1 and DKKm 26.7, respectively.

The CZK/DKK exchange rate development adversely affected the Group's reported revenue by DKKm 0.5 relative to the expected CZK/DKK exchange rate of 30.

4. Cost of sales

	Group		Parent company	
Amounts in DKK'000	**2023/24**	**2022/23**	**2023/24**	**2022/23**
Cost of sales	96,006	117,530	71,162	106,343
Change in inventory write-down	4,446	-3,672	4,446	-3,672
Reversed inventory write-downs	-4,313	3,673	-4,313	3,673
Total	**96,139**	**117,531**	**71,295**	**106,344**

5. Work carried out for own account and capitalised

	Group		Parent company	
Amounts in DKK'000	**2023/24**	**2022/23**	**2023/24**	**2022/23**
Work carried out for own account and capitalised as intangible assets, see note 14	187	384	187	384
Work carried out for own account and capitalised as property, plant and equipment, see note 15	789	2,836	789	2,836
Total	**976**	**3,220**	**976**	**3,220**

6. Other operating income

	Group		Parent company	
Amounts in DKK'000	**2023/24**	**2022/23**	**2023/24**	**2022/23**
Profit/loss from sale of non-current assets	-35	103	-285	8,705
Management fee, subsidiary	-	-	8,420	9,843
Rental income	75	614	71	610
Total	**40**	**717**	**8,206**	**19,158**

Notes to the financial statements

7. Fees to auditors appointed in general meeting

	Group		Parent company	
Amounts in DKK'000	**2023/24**	**2022/23**	**2023/24**	**2022/23**
PwC				
Fee for statutory audit of financial statements	1,097	690	648	418
Fees for tax advice	65	68	-	-
Fees for other services	63	-	63	-
Total	**1,225**	**758**	**711**	**418**

Fees for tax advice and other services provided to the Group by PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab amounted to DKKt 128 (DKKt 68) and consisted in AI-based IT security surveillance and tax advice.

8. Staff costs

	Group		Parent company	
Amounts in DKK'000	**2023/24**	**2022/23**	**2023/24**	**2022/23**
Wages and salaries	72,536	69,766	57,990	55,470
Defined contribution plans	9,112	8,954	4,990	4,569
Other social security costs	1,637	1,627	1,206	1,216
Cost reimbursement received from public authorities	-744	-1,035	-744	-1,035
Total	**82,541**	**79,312**	**63,442**	**60,220**
Remuneration, parent company Board of Directors	1,210	1,210	1,210	1,210
Remuneration, parent company Executive Management	6,263	6,442	6,263	6,442
Pension contributions, parent company Executive Management	546	526	546	526
Remuneration during the notice period for the parent company's outgoing CEO	3,221	-	3,221	-
Total remuneration and pensions, parent company Executive Management	10,030	6,968	10,030	6,968
Total remuneration and pensions, parent company Board of Directors and Executive Management	11,240	8,178	11,240	8,178
Remuneration, senior employees	10,264	8,984	8,198	6,893
Pension contributions, senior employees	1,464	1,241	785	610
Remuneration during the notice period for the outgoing General Manager of the Czech subsidiary	1,151	-	-	-
Total remuneration and pensions, senior employees	12,879	10,225	8,983	7,503
Total remuneration and pensions, Board of Directors, Executive Management and senior employees	24,119	18,403	20,223	15,681
The Group only has defined contribution plans and pays regular contributions to an independent pension company. Consequently, Roblon is not exposed to any risk in relation to future interest, inflation, mortality, disability rate developments, etc. in respect of the amount eventually payable to the employee.				
Average number of full-time employees	182	193	79	85

The increase in 'Total remuneration and pensions, senior employees' for the parent company and the Group relates to the full-year effect of the expansion of the parent company's management team and the management team in the Czech subsidiary in 2022/23.

Notes to the financial statements

9. Special items

	Group		Parent company	
Amounts in DKK'000	**2023/24**	**2022/23**	**2023/24**	**2022/23**
Impairment of investments in subsidiaries	-	-	-39,520	-
Profit from sale of head office in Frederikshavn	-	17,912	-	17,912
Total	**0**	**17,912**	**-39,520**	**17,912**

10. Financial income

	Group		Parent company	
Amounts in DKK'000	**2023/24**	**2022/23**	**2023/24**	**2022/23**
Other interest income	57	25	57	25
Interest income from subsidiaries	-	-	2,763	2,309
Foreign exchange gain and adjustment (net)	-	829	-	-
Financial income at amortised cost	57	854	2,820	2,334
Total financial income	**57**	**854**	**2,820**	**2,334**

11. Financial expenses

	Group		Parent company	
Amounts in DKK'000	**2023/24**	**2022/23**	**2023/24**	**2022/23**
Other interest expenses	88	129	88	6
Interest, credit institutions	17	2,150	1,274	3,476
Interest, lease liability	43	31	30	10
Foreign exchange loss and adjustment (net)	1,942	1,867	2,039	2,803
Financial expenses at amortised cost	2,090	4,177	3,431	6,295
Total financial expenses	**2,090**	**4,177**	**3,431**	**6,295**

12. Tax on profit/loss for the year

	Group		Parent company	
Amounts in DKK'000	**2023/24**	**2022/23**	**2023/24**	**2022/23**
Tax for the year is specified as follows:				
Tax on profit/loss for the year from continuing operations	6,220	4,347	5,869	6,670
Tax regarding discontinued operations	3,576	-547	148	-
Tax on profit/loss for the year	**9,796**	**3,800**	**6,017**	**6,670**
Tax on profit/loss for the year is calculated as follows:				
Current tax	7,151	4,441	7,151	4,726
Tax, comprehensive income	-198	-547	-	-
Deferred tax	3,136	51	-893	1,944
Prior-year tax adjustments	-293	-145	-241	0
	9,796	**3,800**	**6,017**	**6,670**
Calculated tax on profit/loss before tax	80	4,854	-2,248	7,903
Tax effect of:				
Non-deductible items	9,266	9	8,694	9
Other adjustments	885	-1,331	-188	-1,518
Prior-year tax adjustments	-85	145	-137	-
Adjustment of deferred tax re. prior years	-378	162	-104	276
Difference in tax rates	28	-39	-	-
Total	**9,796**	**3,800**	**6,017**	**6,670**
Effective tax rate, continuing operations	22.9%	17.7%	-53.9%	18.6%

The Roblon Group companies operate in countries with tax rates of at least 15%.

Notes to the financial statements

13. Earnings per share (DKK)

	Group	
Amounts in DKK'000	**2023/24**	**2022/23**
Profit/loss for the year from continuing operations	**20,998**	**20,205**
Profit/loss for the year from discontinued operations after tax	**-30,628**	**-24,814**
Number of A shares of DKK 200 each	27,775	27,775
Number of B shares of DKK 20 each	1,510,400	1,510,400
Calculated total number of shares (A shares converted at a factor of 10 to 277,750 shares)	1,788,150	1,788,150
A shares in percent of calculated total number of shares	15.5%	15.5%
Earnings per A share, continuing operations	117.2	112.8
Earnings per A share, discontinued operations	-170.9	-138.5
Earnings per A share, continuing and discontinued operations	-53.7	-25.7
B shares in percent of calculated total number of shares	84.5%	84.5%
Earnings per B share, continuing operations	11.7	11.3
Earnings per B share, discontinued operations	-17.1	-13.9
Earnings per B share, continuing and discontinued operations (EPS)	-5.4	-2.6

14. Intangible assets

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

Product development projects in progress are tested for impairment annually. The test is based on the discounted value in use of the expected cash flows from the assets over their expected useful lives. The cash flows were based on the budget and strategy plans approved by Management and a discount factor of 11% (11%).

The write-down of product development projects amounted to DKKm 0.0 (DKKm 0.0).

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

In the financial year 2023/24, development costs in the amount of DKKm 7.3 (DKKm 5.4) were expensed.

Management furthermore assessed that there was evidence of impairment of customer relations in ROBLON-VAMAFIL, s.r.o. in the Czech Republic. Consequently, an impairment test of customer relations in ROBLON-VAMAFIL, s.r.o. was performed at 31 October 2024. In the impairment test, cash flows were based on budgets and strategy plans approved by Management and a discount factor of 11%. The impairment test did not give rise to the recognition of impairment losses.

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

Notes to the financial statements

14. Intangible assets, continued

	Group				Parent company		
Amounts in DKK'000	**Completed product development projects**	**Product development projects in progress**	**Trademarks and customer relations**	**Other intan-gible assets**	**Completed product development projects**	**Product development projects in progress**	**Other intangible assets**
Cost at 1 November 2023	12,085	2,432	11,808	17,427	12,085	2,432	12,637
Addition of assets developed in-house	-	187	-	-	-	187	-
Other additions	-	63	-	-	-	63	-
Disposals/impairment	-	-71	-	-	-	-71	-
Foreign exchange adjustment	-	-	-258	-112	-	-	-
Transferred	-	-170	-	170	-	-170	170
Transferred to assets held for sale	-	-	-10,150	-4,409	-	-	-
Cost at 31 October 2024	**12,085**	**2,441**	**1,400**	**13,076**	**12,085**	**2,441**	**12,807**
Amortisation and impairment at 1 November 2023	6,862	71	7,110	13,720	6,862	71	10,948
Reversal on disposal	-	-71	-	-	-	-71	-
Amortisation for the year	2,116	-	1,036	2,242	2,116	-	1,417
Impairment for the year	-	-	-	-	-	-	-
Foreign exchange adjustment	-	-	-169	-60	-	-	-
Transferred to assets held for sale		-	-7,580	-3,268	-	-	-
Amortisation and impairment at 31 October 2024	**8,978**	**0**	**397**	**12,634**	**8,978**	**0**	**12,365**
Carrying amount at 31 October 2024	**3,107**	**2,441**	**1,003**	**442**	**3,107**	**2,441**	**442**

Notes to the financial statements

14. Intangible assets, continued

	Group				Parent company		
Amounts in DKK'000	**Completed product development projects**	**Product development projects in progress**	**Trademarks and customer relations**	**Other intangible assets**	**Completed product development projects**	**Product development projects in progress**	**Other intangible assets**
Cost at 1 November 2022	11,162	3,665	12,518	17,694	11,162	3,665	12,637
Addition of assets developed in-house	-	384	-	-	-	384	-
Other additions	-	323	-	38	-	323	-
Disposals/impairment	-	-1,017	-	-	-	-1,017	-
Foreign exchange adjustment	-	-	-710	-305	-	-	-
Transferred	923	-923	-	-	923	-923	-
Cost at 31 October 2023	**12,085**	**2,432**	**11,808**	**17,427**	**12,085**	**2,432**	**12,637**
Amortisation and impairment at 1 November 2022	4,904	-	6,325	10,222	4,904	-	8,319
Reversal on disposal	-	-	-	-	-	-	-
Amortisation for the year	1,958	-	1,167	3,589	1,958	-	2,629
Impairment for the year	-	71	-	-	-	71	-
Foreign exchange adjustment	-	-	-382	-91	-	-	-
Amortisation and impairment at 31 October 2023	**6,862**	**71**	**7,110**	**13,720**	**6,862**	**71**	**10,948**
Carrying amount at 31 October 2023	**5,223**	**2,361**	**4,698**	**3,707**	**5,223**	**2,361**	**1,689**

Notes to the financial statements

15. Property, plant and equipment

	Group					Parent company				
Amounts in DKK'000	Land and buildings	Plant and machinery	Other fixtures and fittings, tools and equipment	Property, plant and equipment in progress	Lease assets	Land and buildings	Plant and machinery	Other fixtures and fittings, tools and equipment	Property, plant and equipment in progress	Lease assets
Cost at 1 November 2023	95,989	202,429	8,085	15,740	17,210	32,321	95,580	5,867	8,223	499
Addition of assets developed in-house	-	-	-	789	-	-	-	-	789	-
Other additions	-	1,464	-	5,142	1,028	-	1,464	-	3,720	708
Foreign exchange adjustment	-1,730	-2,693	-61	-194	-390	-	-	-	-	-
Transfers	6,509	12,128	74	-18,711	-	6,399	5,767	-	-12,166	-
Disposals	-	-26,913	-404	-	-315	-	-26,395	-203	-	-
Transferred to assets held for sale	-	-41,758	-1,035	-1,073	-15,340	-	-	-	-	-
Cost at 31 October 2024	**100,768**	**144,657**	**6,659**	**1,693**	**2,193**	**38,720**	**76,416**	**5,664**	**566**	**1,207**
Depreciation and impairment at 1 November 2023	47,755	154,937	7,050	-	9,744	26,664	76,471	5,423	-	168
Reversal on disposal	-	-25,619	-324	-	-315	-	-25,101	-203	-	-
Foreign exchange adjustment	-658	-1,854	-46	-	-213	-	-	-	-	-
Depreciation for the year	3,104	12,652	488	-	2,469	978	5,186	210	-	254
Transferred to assets held for sale	-	-27,805	-746	-	-10,557	-	-	-	-	-
Depreciation and impairment at 31 October 2024	**50,201**	**112,311**	**6,422**	**0**	**1,128**	**27,642**	**56,556**	**5,430**	**0**	**422**
Carrying amount at 31 October 2024	**50,567**	**32,346**	**237**	**1,693**	**1,065**	**11,078**	**19,860**	**234**	**566**	**785**

Notes to the financial statements

15. Property plant and equipment – continued

	Group					Parent company				
Amounts in DKK'000	**Land and buildings**	**Plant and machinery**	**Other fixtures and fittings, tools and equipment**	**Property, plant and equipment in progress**	**Lease assets**	**Land and buildings**	**Plant and machinery**	**Other fixtures and fittings, tools and equipment**	**Property, plant and equipment in progress**	**Lease assets**
Cost at 1 November 2022	129,058	192,664	8,729	9,814	18,452	65,959	107,133	6,505	7,197	669
Addition of assets developed in-house	-	-	-	2,836	-	-	-	-	2,836	-
Other additions	40	2,089	59	17,598	176	40	2,089	59	8,244	176
Foreign exchange adjustment	-19	-2,533	-77	48	-1,072	-	-	-	-	-
Transfers	588	13,877	90	-14,556	-	-	10,054	-	-10,054	-
Disposals	-33,678	-3,668	-716	-	-346	-33,678	-23,696	-697	-	-346
Cost at 31 October 2023	**95,989**	**202,429**	**8,085**	**15,740**	**17,210**	**32,321**	**95,580**	**5,867**	**8,223**	**499**
Depreciation and impairment at 1 November 2022	68,994	144,972	6,721	-	7,803	50,053	83,442	5,373	-	326
Reversal on disposal	-25,199	-1,320	-397	-	-346	-25,199	-12,088	-378	-	-346
Foreign exchange adjustment	-46	-1,360	-10	-	-440	-	-	-	-	-
Depreciation for the year	4,006	12,645	736	-	2,727	1,810	5,117	428	-	188
Depreciation and impairment at 31 October 2023	**47,755**	**154,937**	**7,050**	**0**	**9,744**	**26,664**	**76,471**	**5,423**	**0**	**168**
Carrying amount at 31 October 2023	**48,234**	**47,492**	**1,035**	**15,740**	**7,466**	**5,657**	**19,109**	**444**	**8,223**	**331**

Notes to the financial statements

16. Leases

Roblon's leasing activities for continuing operations consist in a lease for warehouse facilities in the Czech subsidiary, ROBLON-VAMAFIL, s.r.o. The parent company's lease assets only comprise leased cars and operating equipment.

Lease assets under assets held for sale consist in the leased office and factory premises and operating equipment in the US subsidiary, Roblon US.

Income statement items relating to leases

	Group		Parent company	
Amounts in DKK'000	**2023/24**	**2022/23**	**2023/24**	**2022/23**
Lease costs for leases of short duration	540	232	540	232
Depreciation, leased buildings	251	247	-	-
Depreciation, other leased fixtures and fittings, tools and equipment	254	188	254	188
Interest expenses related to lease liabilities	43	31	30	10
Total	**1,088**	**698**	**824**	**430**

Balance sheet items relating to leases

	Group		Parent company
Amounts in DKK'000	**Land and buildings**	**Other fixtures and fittings, tools and equipment**	**Other fixtures and fittings, tools and equipment**
Cost at 1 November 2023	15,439	1,771	499
Additions	-	1,028	708
Disposals	-	-315	-
Foreign exchange adjustment	-358	-32	-
Transferred to assets held for sale	-14,095	-1,245	-
Cost at 31 October 2024	**986**	**1,207**	**1,207**
Depreciation at 1 November 2023	8,457	1,287	168
Reversal on disposal	-	-315	-
Depreciation for the year	1,991	479	254
Foreign exchange adjustment	-198	-15	-
Transferred to assets held for sale	-9,544	-1,014	-
Depreciation at 31 October 2024	**706**	**422**	**422**
Carrying amount at 31 October 2024	**280**	**785**	**785**
Cost at 1 November 2022	16,424	2,028	669
Additions	-	176	176
Disposals	-	-346	-346
Foreign exchange adjustment	-985	-87	-
Cost at 31 October 2023	**15,439**	**1,771**	**499**
Depreciation at 1 November 2022	6,757	1,046	326
Reversal on disposal	-	-346	-346
Depreciation for the year	2,100	622	188
Foreign exchange adjustment	-400	-35	-
Depreciation at 31 October 2023	**8,457**	**1,287**	**168**
Carrying amount at 31 October 2023	**6,982**	**484**	**331**

Notes to the financial statements

16. Leases – continued

The useful lives of lease assets are assessed based on the terms and conditions of the lease. If the lease includes an option to extend the lease term, Management assesses the period for which it reasonably expects the lease to be extended. Roblon's lease of warehouse facilities in the Czech Republic has a useful life of three years in accordance with the lease.

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

Lease liabilities
Including interest

	Group		Parent company	
Amounts in DKK'000	**2023/24**	**2022/23**	**2023/24**	**2022/23**
Lease liabilities				
Less than one year	3,042	2,911	328	174
Between one and five years	3,402	5,510	509	172
Total	**6,444**	**8,421**	**837**	**346**
Cash flows from leasing activities				
Lease liabilities raised	708	176	708	176
Value adjustment of lease liabilities	499	251	-	-
Interest, lease liabilities	-230	-287	-30	-10
Lease payments	-2,930	-3,347	-233	-191
Total	**-1,953**	**-3,207**	**445**	**-25**

17. Investments in subsidiaries

	Parent company	
Amounts in DKK'000	**2023/24**	**2022/23**
Cost at 1 November	119,655	82,237
Additions	-	37,418
Impairment	-39,520	-
Transferred to assets held for sale	-25,694	-
Cost at 31 October	**54,441**	**119,655**

Name	**Registered office**	**Ownership**	**Share capital**
Roblon US Inc. (held for sale)	North Carolina	100%	USD 78
ROBLON-VAMAFIL, s.r.o.	Czech Republic	100%	CZK 1,202

Investment in the subsidiary Roblon US Inc.
As stated in Company Announcement no. 7 of 16 September 2024, Roblon decided to commence a process to divest the US subsidiary, Roblon US Inc.

Based on the divestment decision and the company's performance in 2023/24, Management finds that there are indications of impairment of the investment in Roblon US Inc. An impairment test was performed at 31 October 2024.

The impairment test indicated that the investment was impaired. As the cost of Roblon's investment in the subsidiary exceeds the recoverable amount of Roblon US Inc., the investment has been written down to the present value of future cash flows less expected costs to sell. These calculations are supported by indicative offers for the subsidiary which form part of the current process to divest the subsidiary.

A discount factor of 11% has been applied, and following an impairment write-down of DKKm 39.5, the investment is recognised at DKKm 25.7.

The DKKm 39.5 impairment write-down has been recognised under special items, see note 9.

Investment in subsidiary ROBLON-VAMAFIL, s.r.o.
Based on the earnings development in 2023/24, Management assessed that there was evidence of impairment of the investment in ROBLON-VAMAFIL, s.r.o.

Consequently, an impairment test was performed at 31 October 2024, which did not give rise to the recognition of impairment losses.

Notes to the financial statements

18. Inventories

	Group		Parent company	
Amounts in DKK'000	**2023/24**	**2022/23**	**2023/24**	**2022/23**
Raw materials and consumables	26,579	52,027	11,307	25,176
Work in progress	9,668	22,857	6,878	18,610
Finished goods	16,872	23,123	5,832	5,358
Transferred to assets held for sale	-19,430	-	-	-
Total	**33,689**	**98,007**	**24,017**	**49,144**
Inventories, continuing operations				
Raw materials and consumables	17,119	52,027	11,307	25,176
Work in progress	8,729	22,857	6,878	18,610
Finished goods	7,841	23,123	5,832	5,358
Total	**33,689**	**98,007**	**24,017**	**49,144**
Inventory write-downs:				
Write-downs at 1 November	6,483	6,849	4,585	4,586
Reversal of previous write-downs	-4,501	-4,179	-4,313	-3,673
Impairment for the year	5,405	3,813	4,446	3,672
Transferred to assets held for sale	-2,670	-	-	-
Write-downs at 31 October	**4,717**	**6,483**	**4,718**	**4,585**
Inventory write-downs, continuing operations				
Write-downs at 1 November	4,584	6,849	4,585	4,586
Reversal of previous write-downs	-4,313	-4,179	-4,313	-3,673
Impairment for the year	4,446	3,813	4,446	3,672
Write-downs at 31 October	**4,717**	**6,483**	**4,718**	**4,585**

In total, the Group's write-downs for obsolescence amounted to DKKm 4.7 (DKKm 6.5), equalling a write-down ratio of 12.3% (6.2%) of the calculated gross value of the inventories.

In total, the parent company's write-downs for obsolescence amounted to DKKm 4.7 (DKKm 4.6), equalling a write-down ratio of 16.4% (8.5%) of the calculated gross value of the inventories.

Reversal of write-downs relates to goods used in production to sell inventories previously written down.

19. Trade receivables

	Group		Parent company	
Amounts in DKK'000	**2023/24**	**2022/23**	**2023/24**	**2022/23**
Trade receivables	71,288	83,585	49,052	66,668
Transferred to assets held for sale	-14,369	-	-	-
Trade receivables	**56,919**	**83,585**	**49,052**	**66,668**

Of the amount of total trade receivables including discontinued operations, DKKm 58.7 (DKKm 58.0) was secured by letter of credit, other third-party security or by credit insurance.

Provision for impairment of trade receivables is made based on an expected credit loss model. The calculated impairment was DKKt 444 (DKKt 614). Trade receivables are written down to net realisable value. See also the section on credit risk in note 24 Financial risks.

	Group 2023/24	Group 2022/23	Parent company 2023/24	Parent company 2022/23
Provisions at 1 November	614	740	614	534
Reversed provisions	-132	-258	-132	-52
Losses recorded for the year	-38	-	-38	-
Provisions for losses for the year	19	132	-	132
Transferred to assets held for sale	-19	-	-	-
Provisions at 31 October	**444**	**614**	**444**	**614**

Notes to the financial statements

20. Share capital

	Number		Nominal value, Amounts in DKK'000	
	2023/24	2022/23	2023/24	2022/23
Share capital				
A shares of DKK 200 each	27,775	27,775	5,555	5,555
B shares of DKK 20 each	1,510,400	1,510,400	30,208	30,208
Total			**35,763**	**35,763**

Each A share of DKK 200 carries 100 votes
Each B share of DKK 20 carries 1 vote

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

The share capital has been fully paid up.

The A shares are not listed.

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

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

Capital management
Management regularly assesses any need to adjust the capital structure and prioritises an equity ratio of 40% or above to maintain the greatest possible latitude in all situations. The Group's equity ratio at 31 October 2024 was 71.4% (57.0%).

The Group endeavours to provide its shareholders with a regular return on their investment while also considering the necessary consolidation of equity to support the future development of the business. The Board of Directors proposes that no dividend be paid for 2023/24.

Based on these considerations, the present capital resources are considered adequate in the Company's current financial situation.

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

21. Deferred tax assets and liabilities

	Group		Parent company	
Amounts in DKK'000	**2023/24**	**2022/23**	**2023/24**	**2022/23**
Deferred tax at 1 November	5,583	2,010	-3,706	-1,762
Adjustment, beginning of year	176	-	104	-
Deferred tax for the year recognised in profit/loss for the year	-2,952	4,012	893	-1,944
Foreign exchange adjustment	-238	-439	-	-
Transferred to assets held for sale	-5,721	-	-	-
Deferred tax at 31 October	**-3,152**	**5,583**	**-2,709**	**-3,706**
Deferred tax assets	10,496	13,640	-	-
Deferred tax liabilities	-7,927	-8,057	-2,709	-3,706
Transferred to assets held for sale	-5,721	-	-	-
Net deferred tax at 31 October	**-3,152**	**5,583**	**-2,709**	**-3,706**
The provision for deferred tax relates to:				
Current assets	778	595	778	595
Intangible assets	1,556	1,602	1,318	2,040
Property, plant and equipment	3,725	4,757	1,489	1,861
Tax loss carry-forward	-7,620	-11,499	-	-
Current liabilities	-132	-248	-	-
Non-current liabilities	-876	-790	-876	-790
Transferred to assets held for sale	5,721	-	-	-
Total	**3,152**	**-5,583**	**2,709**	**3,706**

The Group's deferred tax assets at 31 October 2024 mainly consisted of tax losses carried forward in the Group's Czech subsidiary. The tax losses concern accumulated operating losses and investments in connection with the relocation of the FOC business from the parent company to the Czech subsidiary.

It is deemed highly probable that the Group will generate sufficient earnings within a few years for the deferred tax asset to be utilised.

Notes to the financial statements

22. Debt to credit institutions

	Group		Parent company	
Amounts in DKK'000	**2023/24**	**2022/23**	**2023/24**	**2022/23**
Debt to credit institutions relates to:				
Mortgage debt, mortgage credit institutions	8,669	9,059	8,669	9,059
Debt, bank	27,152	30,801	-	-
Operating credits	-	54,973	-	54,973
Total carrying amount	**35,821**	**94,833**	**8,669**	**64,032**
Debt to credit institutions is recognised in the balance sheet as follows:				
Non-current liabilities	31,821	35,870	8,269	8,669
Current liabilities	4,000	3,990	400	390
Current liabilities – operating credits	-	54,973	-	54,973
Total carrying amount	**35,821**	**94,833**	**8,669**	**64,032**
The contractual cash flows of debt to credit institutions fall due as follows:				
Less than one year	5,689	60,857	722	55,700
Between one and five years	20,799	21,581	2,836	2,857
More than five years	18,141	22,972	8,216	8,917
Total carrying amount	**44,628**	**105,410**	**11,774**	**67,474**

The maturity analysis is based on all undiscounted cash flows, including estimated interest payments. Interest payments are estimated on the basis of current market conditions.

	Group		Parent company	
Amounts in DKK'000	**2023/24**	**2022/23**	**2023/24**	**2022/23**
Cash flows from debt				
Raising of debt with credit institution	-	29,754	-	-
Value adjustment regarding debt to credit institutions	-908	666	-	-
Repayment of debt to credit institutions	-3,131	-381	-390	-381
Repayment of operating credit	-54,973	-27,808	-54,973	27,808
Interest expenses related to credit institutions	-2,780	-3,596	-1,274	-3,476
Total	**-61,792**	**-1,365**	**-56,637**	**23,951**

23. Other provisions

	Group		Parent company	
Amounts in DKK'000	**2023/24**	**2022/23**	**2023/24**	**2022/23**
Other provisions at 1 November	590	357	162	357
Additions during the period	543	428	-	-
Used during the period	-484	-195	-56	-195
Transferred to liabilities related to assets held for sale	-543	-	-	-
Other provisions at 31 October	**106**	**590**	**106**	**162**

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

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

Notes to the financial statements

24. Financial risk

As a consequence of its operations and investments, Roblon is exposed to a number of financial risks, including market risk (currency and interest rate risk), liquidity risk and credit risk. The financial risk management framework is set out in the Group's currency, liquidity, finance and credit policy.

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

Roblon's financial risk management is monitored by the Group's Management, and policies are updated when needed and approved by the Board of Directors.

	Group	
Amounts in DKK'000	**31.10. 2024**	**31.10. 2023**
Specification of financial assets and liabilities		
Trade receivables	71,546	83,585
Other receivables	2,077	1,457
Cash and cash equivalents	21,310	33,235
Financial assets at amortised cost	**94,933**	**118,277**
Lease liability	6,139	8,092
Debt to credit institutions	35,821	39,860
Operating credits	-	54,973
Advance payments	1,339	2,829
Trade payables	7,681	23,690
Financial liabilities at amortised cost	**50,980**	**129,444**

Financial assets and liabilities include activities held for sale.

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

Schedule of maturities of financial liabilities:

	Group	
Amounts in DKK'000	**31.10. 2024**	**31.10. 2023**
Less than one year	22,796	142,785
Between one and five years	24,170	22,015
More than five years	18,141	22,972
Total	**65,107**	**187,772**

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

Currency risk

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

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

The Group's foreign exchange policy allows for hedging of currency risks by means of forward exchange contracts or other relevant instruments. In view of the level of the Group's total exposures, Management has not deemed it appropriate to enter into hedging transactions. Management regularly assesses the need for hedging of currency risk, and no such need was found during the financial year.

The Group's currency positions at 31 October 2024 stated in DKK:

Amounts in DKK'000	**Receivables/ cash and cash equivalents**	**Debt***	**Net position**
Currency			
EUR	65,224	-2,699	62,525
USD	45,600	-2,283	43,317
GBP	160	-	160
CZK	357	-692	-335
Total	**111,341**	**-5,674**	**105,667**

Currency positions comprise receivables/cash and cash equivalents and liabilities related to continuing operations and to assets held for sale.

A 10% depreciation of the USD/DKK exchange rate at the balance sheet date would negatively affect comprehensive income and equity by approximately DKKm 4.3 (DKKm 6.1).

A 10% appreciation of the USD/DKK exchange rate at the balance sheet date would positively affect comprehensive income and equity by approximately DKKm 4.3 (DKKm 6.1).

A 10% depreciation of the CZK/DKK exchange rate at the balance sheet date would positively affect comprehensive income and equity by approximately DKKm 0.3 (DKKm 0.1).

A 10% appreciation of the CZK/DKK exchange rate at the balance sheet date would negatively affect comprehensive income and equity by approximately DKKm 0.3 (DKKm 0.1).

Notes to the financial statements

24. Financial risk – continued

The Group's currency positions at 31 October 2023 stated in DKK:

Amounts in DKK'000	Receivables/ cash and cash equivalents	Debt	Net position
Currency			
EUR	69,410	-11,233	58,177
USD	67,272	-6,045	61,227
GBP	1,010	-	1,010
CZK	274	-1,017	-743
Total	**137,966**	**-18,295**	**119,671**

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

Interest rate risk

In connection with the financing of investments and operations, Roblon is exposed to interest rate fluctuations. Roblon does not hedge interest rate risk. Its primary exposure is to CIBOR and EURIBOR fluctuations.
24.2% of the Group's total loan financing consists of fixed-rate loans. Roblon assesses the need for refinancing on an ongoing basis.

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

Amounts in DKK'000	Currency	Interest rate	Credit max in DKK	Draw-down at 31/10/2024
Operating credit	DKK	Danske BOR 3 mths. + margin	1,000	-
Operating credit	DKK	CIBOR 3 mths. + margin	80,000	-
Operating credit (EURt 400)	EUR	EURIBOR 1 mth. + margin	2,984	-
Total			**83,984**	**0**

Amounts in DKK'000	Currency	Interest rate	Principal	Outstanding at 31/10/2024
Debt to credit institution	DKK	Fixed interest	9,861	8,669
Debt to credit institution	EUR	EURIBOR 1 mth. + margin	12,418	10,628
Debt to credit institution	EUR	EURIBOR 1 mth. + margin	18,383	16,524
Total			**40,662**	**35,821**

Amounts in DKK'000	Currency	Interest rate	Credit max in DKK	Draw-down at 31/10/2023
Operating credit	DKK	Danske BOR 3 mths. + margin	5,000	-
Operating credit	DKK	CIBOR 3 mths. + margin	80,000	54,973
Operating credit (EURt 400)	EUR	EURIBOR 1 mth. + margin	2,986	-
Total			**87,986**	**54,973**

Amounts in DKK'000	Currency	Interest rate	Principal	Outstanding at 31/10/2023
Debt to credit institution	DKK	Fixed interest	9,861	9,059
Debt to credit institution	EUR	EURIBOR 1 mth. + margin	12,418	12,418
Debt to credit institution	EUR	EURIBOR 1 mth. + margin	18,383	18,383
Total			**40,662**	**39,860**

The operating credit facilities carry interest at one to three-months floating market rate plus a fixed margin. In 2023/24, the aggregate interest rate was less than 5.3% (less than 6%).

Floating-rate debt to credit institutions carries interest at one-month floating market rate plus a fixed margin. In 2023/24, the aggregate interest rate was 5.2% (5.2%).

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

A one percentage point p.a. increase in the market rate relative to the interest rate level at the balance sheet date would have a negative effect of DKKm 0.3 (DKKm 0.9) before tax on the Group's results and equity related to an interest expense on operating credits and debt to credit institutions. The calculation is based on actual credit draw-down at 31 October 2024.

A one percentage point p.a. decrease in the market rate relative to the interest rate level at the balance sheet date would have a positive effect of DKKm 0.3 (DKKm 0.9) before tax on the Group's results and equity related to an interest expense on operating credits and debt to credit institutions. The calculation is based on actual credit draw-down at 31 October 2024.

Notes to the financial statements

24. Financial risk – continued

Liquidity risk:
The Group ensures sufficient cash resources by establishing the required credit facilities. This is done through ongoing monitoring and forecasting of the liquidity requirement for the Group's operations to ensure ongoing financing of its future operations and investments.

The Group's cash reserves consist of:

Amounts in DKK'000	2023/24	2022/23
Cash and cash equivalents, continuing operations	17,904	33,235
Unutilised credit facilities	83,984	33,013
Total	**101,888**	**66,248**

The amount comprises cash and cash equivalents of DKKm 3.4 in the US subsidiary at 31 October 2024 included in the item Assets held for sale.

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

At 31 October 2024, receivables were partially credit insured and a significant portion of the Group's receivables were secured by alternative means. Based on the Group's knowledge of the customers in question and its internal credit rating procedures, the credit quality of non-impaired receivables is considered high and the risk of losses low.

Historically, the Group has suffered relatively minor losses on trade receivables, and the risk of significant losses on total receivables is considered to be limited. See also note 19, Trade receivables.

Of the amount of total trade receivables, DKKm 58.7 (DKKm 58.0) was secured by letter of credit, other third-party security or by credit insurance.

The parent company has a receivable of DKKm 67.7 in the subsidiary Roblon US Inc., which is classified as held for sale. The impairment testing of the investment in the subsidiary Roblon US Inc. comprised an assessment of the value of the investment and of the parent company's total receivables from the subsidiary.

Following the write-down of the value of the parent company's investment in Roblon US Inc., the receivable is not assessed to be subject to risk of further losses. See note 17 for additional information.

The parent company's receivable from the subsidiary ROBLON-VAMAFIL, s.r.o. grew to DKKm 1.9 (DKKm 1.7) at 31 October 2024.

The risk of losses on the Czech subsidiary in accordance with the expected credit loss model is assessed to be low at around 0-1%, which is assessed to be immaterial to the parent company's balance sheet. Consequently, no loss has been recognised with respect to the parent company's receivables from the subsidiary.

Receivables from subsidiaries carry interest on market terms and have not yet fallen due.

Trade receivables in subsidiaries are specified as follows:

	Group			Parent company		
Amounts in DKK'000	**Loss rate**	**31.10. 2024**	**31.10. 2023**	**Loss rate**	**31.10. 2024**	**31.10. 2023**
Not yet due	0.5%	63,011	61,135	0.5%	113,560	69,445
Overdue by up to one month	1.0%	5,725	18,036	1.0%	2,562	14,864
Overdue by between one and three months	2.0%	2,106	3,260	2.0%	2,099	2,282
Overdue by between three and six months	4.0%	-	447	4.0%	-	319
Overdue by more than six months	8.0%	446	707	8.0%	446	707
Total		**71,288**	**83,585**		**118,667**	**87,617**

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

Specifically with respect to overdue receivables, a loss provision of DKKt 444 (DKKt 614) was made for the Group at 31 October 2024.

Notes to the financial statements

25. Contingent liabilities

Bank guarantees have been provided in the amount of DKKm 0 (DKKm 1.4) as security for advance payments received.

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

The Group has taken out a 20-year cash mortgage loan on the property in Gærum, Denmark.
At 31 October 2024, the outstanding debt on the loan was DKKm 8.7 (DKKm 9.1). The carrying amount of the property is DKKm 11.1 (DKKm 5.7).

The Group has taken out a 7-year cash loan. At 31 October 2024, the outstanding debt on the loan was DKKm 10.6 (DKKm 12.4).
The Group has taken out a 10-year cash loan. At 31 October 2024, the outstanding debt on the loan was DKKm 16.5 (DKKm 18.4).
Both loans are secured against the property located in Žďár nad Sázavou, the Czech Republic for an amount of CZKm 100, corresponding to DKKm 29.5 (DKKm 30.4). The carrying amount of the property is DKKm 32.3 (DKKm 35.1).

26. Adjustment for non-cash items

	Group		Parent company	
Amounts in DKK'000	**2023/24**	**2022/23**	**2023/24**	**2022/23**
Profit/loss from sale of property, plant and equipment	-8	-18,015	285	-26,617
Impairment of investments in subsidiaries	-	-	39,520	-
Depreciation, amortisation and impairment of property, plant and equipment and intangible assets	24,109	26,899	10,161	12,201
Provisions	59	233	-56	-195
Foreign exchange adjustment	-1,693	-1,662	-2,039	-2,803
Total	**22,467**	**7,455**	**47,871**	**-17,414**

27. Change in working capital

	Group		Parent company	
Amounts in DKK'000	**2023/24**	**2022/23**	**2023/24**	**2022/23**
Change in inventories	44,888	16,460	25,127	10,699
Change in receivables	11,702	-300	14,724	50,834
Change in current liabilities	-21,197	-1,581	-16,912	644
Total	**35,393**	**14,579**	**22,939**	**62,177**

28. Discontinued operations

In Company Announcement no. 7 – 2024 of 16 September 2024, Roblon announced the commencement of a process to divest the Group's US subsidiary.

The subsidiary's results of operations for the financial year are reported under discontinued operations in the income statement, and value adjustment after tax of associated assets and liabilities is reported under discontinued operations in the statement of comprehensive income. Furthermore, cash flows from activities classified as held for sale are reported separately in the statement of cash flows. Comparative figures have been restated. Balance sheet items for the subsidiary are reported as assets held for sale and liabilities related to assets held for sale.

The income statement item discontinued operations also comprises payment of the first instalment of DKKm 0.7 of the amount due from Roblon Lighting. As part of the agreement to sell Roblon Lighting in 2017, the Group provided a loan of DKKm 2.6. Due to elevated repayment risk, Roblon made a DKKm 3.1 loss provision for the full amount of the loan, including accrued interest.

In 2024, Roblon entered into an agreement with the buyer of Roblon Lighting that the agreed payment of DKKm 1.6 may be made in full and final settlement of the total amount due. The first instalment of this payment was received in 2024. Due to uncertainty with respect to further payments, a full loss provision remains with respect to the outstanding receivable, which falls due for payment in 2027.

Tax on profit/loss for the year included an expense of DKKm 3.7 regarding adjustment of a deferred tax asset.

Notes to the financial statements

28. Discontinued operations – continued

	Group		Parent company	
Amounts in DKK'000	**2023/24**	**2022/23**	**2023/24**	**2022/23**
Income statement, discontinued operations				
Revenue	102,159	110,040	-	-
Cost of sales	-65,413	-68,226	-	-
Gross profit	**36,746**	**41,814**	**0**	**0**
Other operating income	43	-	-	-
Other external costs	-14,447	-15,876	-	-
Staff costs	-38,397	-42,382	-	-
Net proceeds from divestment of operation	672	-	672	-
EBITDA	**-15,383**	**-16,444**	**672**	**0**
Depreciation, amortisation and impairment of property, plant and equipment and intangible assets	-8,479	-9,549	-	-
EBIT	**-23,862**	**-25,993**	**672**	**0**
Financial expenses	-2,992	-1,719	-	-
Profit/loss before tax	**-26,854**	**-27,712**	**672**	**0**
Tax on profit/loss for the year	-3,774	2,898	-148	-
Profit/loss for the year from discontinued operations after tax	**-30,628**	**-24,814**	**524**	**0**

	Group		Parent company	
Amounts in DKK'000	**2023/24**	**2022/23**	**2023/24**	**2022/23**
Earnings per share (DKK)				
Earnings per share (EPS), discontinued operations	-17.1	-13.9		
Diluted earnings per share (EPS-D), discontinued operations	-17.1	-13.9		
Other comprehensive income, discontinued operations				
Foreign exchange adjustments on translation of invested capital in subsidiary	-900	-2,488		
Foreign exchange adjustment on translation of foreign subsidiary	-621	-3,130		
Tax on other comprehensive income	198	547		
Other comprehensive income from discontinued operations	**-1,323**	**-5,071**		
Comprehensive income for the year from discontinued operations	**-31,951**	**-29,885**		
Discontinued operations affected the statement of cash flows as follows:				
Cash flow from operating activities	-8,635	-25,243		
Cash flow used for investing activities	-1,299	-8,465		
Cash flow from financing activities	8,779	30,975		
Total cash flow from discontinued operations	**-1,155**	**-2,733**		

Notes to the financial statements

28. Discontinued operations – continued

	Group		Parent company	
Amounts in DKK'000	**2023/24**	**2022/23**	**2023/24**	**2022/23**
Assets held for sale				
Intangible assets	3,711		-	
Property, plant and equipment	20,098		-	
Financial assets	7,186		25,694	
Inventories	19,430		-	
Receivables	14,627		-	
Cash and cash equivalents	3,406		-	
Total assets held for sale	**68,458**		**25,694**	
Deferred tax	1,465		-	
Lease liabilities	5,046		-	
Trade payables	3,019		-	
Other payables	1,757		-	
Total liabilities related to assets held for sale	**11,287**		**0**	

The deferred tax asset at 31 October 2024 recognised in financial assets mainly relates to tax losses for future utilisation in the US company. The tax losses are due to accumulated operating losses and investments.

Under the current rules, tax losses in the USA can be carried forward indefinitely and set off against future positive taxable income. However, there is a built-in limitation providing an 80% cap on tax loss carryforwards being offset in a single year. The total tax loss carried forward amounts to DKKm 18.0, of which DKKm 6.0 was recognised in the balance sheet at 31 October 2024.

Management has assessed the Company's earning capacity and future cash flows. Based on this, it is deemed highly probable that the Group will generate sufficient earnings within a few years for the deferred tax asset to be utilised.

Management has estimated the price of the US subsidiary on the basis of an assessment of the subsidiary's earning capacity and future cash flows less direct costs in connection with a sale. These calculations – based on a discounted cash flow using a discount factor of 11%, indicate a value that exceeds the carrying amount of the subsidiary. These calculations are supported by indicative offers for the subsidiary which form part of the current process to divest the subsidiary.

Consequently, the subsidiary is recognised in the consolidated financial statements at the lower value, i.e. the carrying amount of Roblon US at 31 October 2024.

Assets held for sale in the parent company comprise investments in the subsidiary Roblon US Inc. The value of the investment, DKKm 25.7, is set out in note 17 Investments in subsidiaries.

Notes to the financial statements

29. Related parties

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

Related parties also include major shareholders exercising control over the Group and its two subsidiaries, Roblon US Inc. and ROBLON-VAMAFIL, s.r.o.

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

Board of Directors and Executive Management
Management's remuneration is disclosed in note 8.

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

There were no transactions with ES Holding Frederikshavn ApS other than joint taxation contributions of DKKm 3.9 (DKKm 0.1).

	Parent company	
Amounts in DKK'000	**2023/24**	**2022/23**
Transactions with the subsidiaries Roblon US Inc. and ROBLON-VAMAFIL, s.r.o.		
Sale of goods to subsidiaries	1,981	4,476
Purchase of goods from subsidiaries	3,379	13,009
Management fees from subsidiaries	5,507	7,162
Reinvoiced expenses from parent companies	3,721	8,530
Reinvoiced expenses from subsidiaries	274	241
Interest income from subsidiaries	2,763	2,309
Sale of FOC business area	-	21,241
Amount owed by subsidiaries	23,969	21,034
Loan to subsidiary	45,646	34,180

30. Shareholder information

	Ownership %		Voting share %	
	31.10. 2024	**31.10. 2023**	**31.10. 2024**	**31.10. 2023**
The Group has registered the following shareholders holding more than 5% of the voting rights or nominal value of the share capital:				
ES Holding Frederikshavn ApS CVR-no. 29325731, Prøvestens Allé 1, DK-3450 Allerød	25.1	25.1	68.8	68.8
ATP, CVR no. 43405810, Kongens Vænge 8, DK-3400 Hillerød	7.2	7.2	3.0	3.0

31. Events after the balance sheet date

No significant events have occurred after the balance sheet date of 31 October 2024 of significance to the annual report.

Notes to the financial statements

32. Accounting policies

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

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

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

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

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

Income is recognised as earned, including value adjustments of financial assets and liabilities measured at fair value or amortised cost.

In addition, expenses incurred to generate the income for the year are recognised, including depreciation, amortisation, impairment losses and provisions as well as reversals of amounts previously recognised in the income statement as a result of changed accounting estimates.

The annual report is presented in accordance with the existing requirements under the European Single Electronic Format (ESEF). The annual report's primary statements have been tagged, as have the notes.

iXBRL tagging has been made in accordance with the ESEF Taxonomy, which forms part of the ESEF Regulation and was developed on the basis of the IFRS taxonomy issued by the IFRS.

The annual report filed with the Danish authorities consists of a special technical zip file containing an XHTML document.

Segment information
Based on the internal reporting to Roblon's parent company Board of Directors, the segment reporting comprises a single segment.

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

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

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

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

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

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

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

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

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

If there are discontinued operations, such elimination is only made in discontinued operations.

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

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

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

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

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

Foreign exchange adjustment at the exchange rates at the balance sheet date of balances that are considered part of the

Notes to the financial statements

32. Accounting policies – continued

net investment is recognised via other comprehensive income as a separate translation reserve under equity.

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

Income statement

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

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

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

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

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

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

Other operating income and expenses
Other operating income and expenses comprise items secondary to the principal objective of the Company. Material public subsidies are included in other operating income.

Public subsidies comprise remissible loans granted by public authorities. Remissible loans are recognised in liabilities until it is highly probable that the conditions for remission of the debt are met.

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

Development projects for own account
Development costs for own account are incurred where a project is launched before an agreement is reached with a third party to co-fund the development project.

Development costs are generally recognised in the income statement when incurred. Development projects are capitalised if they meet the requirements defined in the accounting policy on intangible assets.

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

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

Distributions of profits in subsidiaries are recognised in the parent company's income statement in the financial year in which the dividend is declared.

If the distributed amount exceeds the comprehensive income of the subsidiary for the period, an impairment test is performed.

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

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

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

Balance sheet

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

Development costs comprise costs, wages and salaries directly attributable to the Group's development activities. Any interest expenses on loans to finance development projects are included in cost if they relate to the development period.

Development projects that are clearly defined and identifiable, and where the technical utilisation degree, sufficient resources and potential future market or development opportunities in the Group are evidenced, and where the Group intends to produce, market or use the project, are recognised as intangible assets if it is probable that the product or the process will generate future economic benefits for the Group and the development costs of the individual asset can be measured reliably.

Those of the Group's development costs that do not meet the above capitalisation criteria are taken to profit/loss during the year in which they are incurred.

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

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

Notes to the financial statements

32. Accounting policies – continued

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

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

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

Other intangible assets are amortised on a straight-line basis over three to ten years.

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

Property, plant and equipment

Land and buildings, plant and machinery and other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment. Land is not depreciated.

The useful lives and residual values of property, plant and equipment are reassessed annually.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is ready for use. The cost of assets manufactured by the Group comprises direct and indirect costs of materials, components, sub-suppliers and labour.

Any interest expenses on loans to finance the manufacture of property, plant and equipment are recognised in cost if such expenses relate to the production period.

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

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

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

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

Impairment testing of non-current assets

The carrying amount of non-current intangible assets and property, plant and equipment is tested for indications of impairment at least annually.

When there is evidence that an asset may be impaired, the recoverable amount of the asset is determined.

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

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

Lease assets and liabilities

A right-of-use asset (lease asset) and a lease liability are recognised in the balance sheet when, under a lease, a specific identifiable asset is made available for the Group's use for the lease term and when the Group obtains substantially all of the economic benefits from the use, and the right to direct the use, of the identified asset. Lease assets are initially recognised at cost, corresponding to the recognised lease liability adjusted for any upfront payments. Lease liabilities are measured at the present value of lease payments, discounted over the lease term. The discount factor is determined as the interest rate implicit in the lease. A rate of 3.0% is applied if no interest rate implicit in the lease can be determined.

If the lease includes an option to extend the lease term, Management assesses the period for which it reasonably expects the lease to be extended.

Leases with a total term of less than 12 months are not recognised, unless they contain an extension option that is expected to be exercised.

On subsequent recognition, the asset is measured at cost less any accumulated depreciation and impairment. The lease liability is recalculated if changes are made to the lease or if the Group changes its assessment of the lease term.

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

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

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

Investments in subsidiaries in the annual report of the parent company

Investments in subsidiaries are measured at cost. If cost exceeds the recoverable amount, the asset is written down to its lower value.

Inventories

Inventories are measured at cost in accordance with the FIFO method. If the net realisable value is lower than the cost, the asset is written down to its lower value.

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

The cost of finished goods and work in progress comprises the cost of raw materials, consumables, direct labour and production overheads.

Indirect production costs comprise indirect materials and labour costs as well as maintenance and depreciation of production machinery, buildings and equipment.

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

Receivables

Receivables comprise trade receivables as well as other receivables.

Notes to the financial statements

32. Accounting policies – continued

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

Equity

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

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

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

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

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

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

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

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

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

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

Deferred tax assets are recognised in the amount at which they are expected to be utilised as set-off against deferred tax liabilities. Deferred tax is measured on the basis of the tax regulations and rates that, according to the applicable legislation at the balance sheet date, will apply at the time the deferred tax is expected to crystallise as current tax. With regard to changes in deferred tax resulting from changes in tax rates, the part relating to profit/loss for the year is recognised in the income statement, and the part relating to items recognised in other comprehensive income is recognised in other comprehensive income.

Statement of cash flows
The statement of cash flows is prepared according to the indirect method based on operating profit/loss (EBIT) as set out in the income statement.

The statement of cash flows indicates how the three activities set out below have impacted cash and cash equivalents for the year.

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

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

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

Cash and cash equivalents comprises cash and bank deposits.

Notes to the financial statements

33. Key figure definitions and formulas

The key figures and ratios set out in Financial highlights on page 6 are calculated as follows:

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

The financial ratios above have been calculated in accordance with ‘Recommendations & Ratios’ issued by the Danish Finance Society.

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