

Roblon reports improved performance after the first quarter of 2019/20

Roblon

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

Interim report – Q1 2019/20 (the period 1 November 2019 – 31 January 2020)

The Board of Directors of Roblon A/S has today considered and approved the interim report for Q1 2019/20

Highlights of the Q1 interim report of the Roblon Group:

- Order intake of DKKm 92.3 (DKKm 51.2). The FOC and Composite product groups saw growth.
- Order book at 31 January 2020 of DKKm 54.4 (DKKm 50.6).
- Revenue grew to DKKm 73.7 (DKKm 55.0).
- The gross margin increased to 54.7% (34.4%), mainly as a result of an improved product mix and due to the fact that the year-earlier period was adversely affected by the loss of productivity on Servion-related activities.
- Operating profit (EBIT) amounted to DKKm 4.1 (a loss of DKKm 10.7), positively affected by growing revenue and gross margin.
- Profit before tax was DKKm 4.9 (a loss of DKKm 10.5).
- Profit for the period after tax was DKKm 3.9 (a loss of DKKm 8.2).

The accounting policies have been changed due to the Company's implementation of IFRS 16. IFRS 16 was implemented using the modified retrospective method without restatement of comparative figures. The recognition of right-of-use assets at the beginning of the 2019/20 financial year increased total assets by DKKm 14.9.

Full-year guidance for 2019/20

In Q1 2019/20, Roblon's revenue and results outperformed expectations. Revenue for the quarter was positively affected by project sales which were projected to be realised later in the financial year.

After Q1, Management maintains its guidance for 2019/20 as set out in the annual report for 2018/19. For the financial year 2019/20, Management guides revenue in the DKKm 260-280 range and a profit before tax in the DKKm 20-25 range.

In relation to COVID-19, Roblon is complying with the Danish government's request that Danish companies take every possible precaution to limit infection. At this time, Management assesses that Roblon will be able to execute the business activities that form the basis of the full-year guidance. However, the COVID-19 situation could affect the revenue and performance in unforeseen ways.

As mentioned in Roblon's annual report for 2018/19, Roblon signed a conditional settlement agreement with wind turbine manufacturer Servion and its subsidiary Ria Blades on 20 December 2019. In January 2020, Siemens Gamesa Renewable Energy (SGRE) closed the acquisition of selected European assets from Servion. SGRE's conditional acquisition of Ria Blades is expected to be finalised in Q1 2020, after which Roblon will receive a settlement of USDm 6.6 (approx. DKKm 43). Due to the natural uncertainty attached to the closing of the conditional agreement between the two parties, Roblon finds that there are insufficient grounds to include the settlement amount in the guidance for 2019/20.

Sale of head office

Roblon has initiated the prospective sale of the Group's head office in Frederikshavn. The Company has signed an agreement with an external commercial real estate agent to explore the possibilities of selling the head office, which is listed at a cash price of DKKm 32.5.

After the sale, the Group's Danish activities will all be located at Roblon's facilities in Gærum, which currently house production and various administrative functions. As well as generating positive synergies in the day-to-day operations, this initiative is also expected to have a

positive impact on Roblon's results, liquidity and equity going forward. The potential sale of the head office has not been factored into the profit guidance for 2019/20.

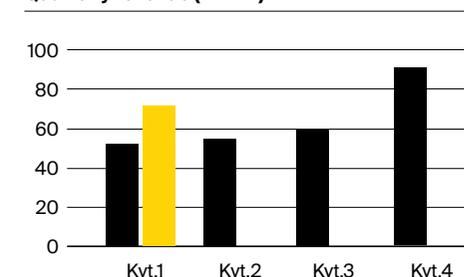
Roblon A/S

Jørgen Kjær Jacobsen
Chairman of the Board

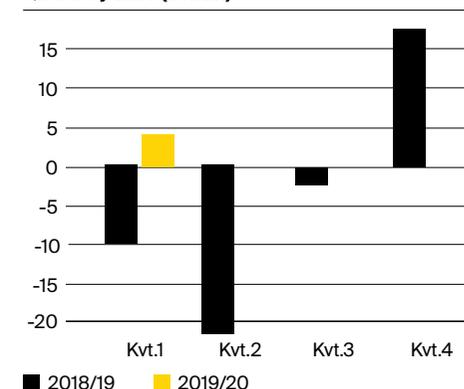
Lars Østergaard
Managing Director and CEO

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

Quarterly revenue (DKKm)



Quarterly EBIT (DKKm)



Financial highlights

for the Roblon Group

	Unit	Q1 2019/20 ¹	Q1 2018/19 ¹	FY 2018/19 ¹
Orders				
Order intake	DKKm	92.3	51.2	250.8
Order book	DKKm	54.4	50.6	35.8
Income statement				
Revenue	DKKm	73.7	55.0	267.2
Gross profit	DKKm	40.3	18.9	122.6
Operating profit/loss (EBIT)	DKKm	4.1	-10.7	-22.4
Financial income, net	DKKm	0.8	0.2	2.8
Profit/loss before tax	DKKm	4.9	-10.5	-19.7
Profit/loss after tax	DKKm	3.9	-8.2	-14.6
Balance sheet				
Cash and securities	DKKm	39.3	96.4	54.1
Assets	DKKm	271.2	262.4	271.6
Working capital	DKKm	91.9	51.4	87.2
Invested capital	DKKm	177.7	130.3	160.3
Equity	DKKm	219.9	223.9	216.0
Cash flows				
Cash flow from operating activities	DKKm	-0.8	-3.2	-35.8
Cash flow from investing activities	DKKm	7.9	22.7	38.3
Of which investment in marketable securities	DKKm	15.0	29.6	61.1
Of which investment in property plant and equipment	DKKm	-5.7	-3.4	-14.2
Cash flow from financing activities	DKKm	-7.2	-16.0	-11.2
Depreciation, amortisation and impairment, total	DKKm	-4.1	-2.8	-20.8
Cash flow for the period	DKKm	-0.1	3.5	8.5

	Unit	Q1 2019/20 ¹	Q1 2018/19 ¹	FY 2018/19 ¹
Ratios				
Book-to-bill ratio	%	125.2	93.1	93.9
Revenue growth	%	34.0	-13.9	20.5
Gross margin	%	54.7	34.4	45.9
EBIT margin	%	5.6	-19.5	-8.4
ROIC/return on average invested capital ²	%	9.7	-32.7	-15.4
Equity ratio	%	81.1	85.3	79.5
Return on equity ²	%	6.7	-13.9	-6.3
Working capital, % of revenue	%	124.7	93.5	32.6
Employees				
Average no. of full-time employees	No.	175	114	171
Gross profit per full-time employee	DKKm	0.2	0.2	0.7
Per share ratios				
Earnings per DKK 20 share (EPS) ²	DKK	2.2	-4.6	-8.2
Price/earnings ratio (PE)	DKK	95.0	-54.5	-19.7
Cash flow from operations per DKK 20 share		-0.4	-1.8	-19.9
Book value of shares ²	DKK	123.0	125.2	121.0
Market price per share	DKK	209.0	250.0	161.0
Price/book value		1.7	2.0	1.3

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

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

The ratios are defined in note 37 to the 2018/19 annual report, Financial ratio definitions and formulas.

Management's review

Consolidated income statement

The Roblon Group has the following two product groups:

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

The Group's revenue, gross margin and results for Q1 2019/20 outperformed expectations. Revenue for the quarter was positively affected by project sales which were projected to be realised later in the financial year.

The initiatives launched to improve profitability in the FOC product group are having positive effects. These initiatives are initially aimed at the US subsidiary and will continue throughout the 2019/20 financial year. The majority of the initiatives concern upgrades of production equipment in order to optimise production with fewer processes, increased production rates and capacity. The full effects are expected to be known over the course of financial year 2020/21.

There is a pressing need for increased production capacity in Roblon US, where the demand in the FOC market is great.

Order intake

The Group's order intake amounted to DKKm 92.3 in Q1 2019/20 (DKKm 51.2). The DKKm 41.1

improvement is distributed with DKKm 14.8 in FOC and DKKm 26.3 in Composite.

Revenue

For Q1 2019/20, Roblon realised revenue of DKKm 73.7 (DKKm 55.0). The DKKm 18.7 improvement was distributed with DKKm 8 in the FOC product group and DKKm 10.7 in the Composite product group.

The USD/DKK exchange rate development had a positive impact of DKKm 0.7 on reported revenue for Q1 2019/20.

Gross profit and gross margin

The Group's gross profit at amounted to DKKm 40.3 (DKKm 18.9). The gross margin for Q1 2019/20 was 54.7% (34.4%). The improvement in Q1 relative to the year-earlier period was mainly explained by an improved product mix and by the fact that last year was adversely affected by the loss of productivity on Servion-related activities.

Other external costs

Other external costs amounted to DKKm 11.6 (DKKm 10.1), which was an increase of DKKm 1.5 compared with last year. The increase was among others attributable to higher operating costs related to licences and support after implementation of a new ERP system in mid-2018/19.

All previous agreements with an external service partner on operating and production assistance in the USA have been cancelled. Roblon US has expanded its lease to support the growth plans

and now disposes of the entire building of 13,000 sqm.

Staff costs

Staff costs amounted to DKKm 21.7 (DKKm 18.7). The DKKm 3.0 increase was primarily due to recruitment of production staff. Effective as of 6 November 2019, the Group took over all remaining staff at the US factory, a total of 16 employees.

Depreciation, amortisation and impairment

The Group's depreciation, amortisation and impairment amounted to DKKm 4.1 (DKKm 2.8). The DKKm 1.3 increase was due to increased investments and the effects of the implementation of IFRS 16, which resulted in DKKm 0.6 depreciation of right-of-use assets.

Operating profit/loss (EBIT)

For Q1 2019/20, EBIT was DKKm 4.1 (a loss of DKKm 10.7).

Net financial items

Financial items amounted to net income of DKKm 0.8 (DKKm 0.2).

Profit/loss before tax

For Q1 2019/20, the Group posted a profit before tax of DKKm 4.9 (a loss of DKKm 10.5).

Profit/loss after tax

The profit after tax was DKKm 3.9 (a loss of DKKm 8.2). Tax is calculated at a rate of 22% of profit for the year before tax.

Consolidated balance sheet

The Group's total assets amounted to DKKm 271.2 (DKKm 262.4).

IFRS 16 was implemented using the modified retrospective method without restatement of comparative figures. The recognition of right-of-use assets at the beginning of the 2019/20 financial year increased total assets by DKKm 14.9.

Total investment in intangible assets amounted to DKKm 1.4 for Q1 2019/20 (DKKm 3.5). Investments in property, plant and equipment increased to DKKm 5.7 (DKKm 3.4) in Q1 2019/20.

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

The Group's equity at 31 January 2020 amounted to DKKm 219.9 (DKKm 223.9). The equity ratio at 31 January 2020 was 81.1% (85.3%).

The recognition of right-of-use assets and lease obligations respectively in the balance sheet in accordance with IFRS 16 reduced the equity ratio at 31 January 2020 by 4.5 percentage points.

Consolidated cash flows

The Group's net cash flow from operating activities in Q1 2019/20 was an outflow of DKKm 0.8 (an outflow of DKKm 3.2).

Total cash flow from investing activities was an

inflow of DKKm 7.9 (an inflow of DKKm 22.7). In Q1 2019/20 and last year, securities were sold, which supported a positive cash flow from investing activities.

Cash outflow from financing activities was DKKm 7.2 (an outflow of DKKm 16.0). No dividend was distributed in Q1 2019/20.

Capital resources

At the reporting date, marketable securities and net cash amounted to DKKm 39.3 (DKKm 96.4). In addition to this, Roblon has an undrawn credit facility of DKKm 10.0 with the Group's bankers.

Full-year guidance for 2019/20

In Q1 2019/20, Roblon's revenue and results outperformed expectations. Revenue for the quarter was positively affected by project sales which were projected to be realised later in the financial year. After Q1, Management maintains its guidance for 2019/20 as set out in the annual report for 2018/19. For the financial year 2019/20, Management guides revenue in the DKKm 260-280 range and a profit before tax in the DKKm 20-25 range.

In relation to COVID-19, Roblon is complying with the Danish government's request that Danish companies take every possible precaution to limit infection. At this time, Management assesses that Roblon will be able to execute the business

activities that form the basis of the full-year guidance. However, the COVID-19 situation could affect the revenue and performance in unforeseen ways.

As mentioned in Roblon's annual report for 2018/19, Roblon signed a conditional settlement agreement with wind turbine manufacturer Servion and its subsidiary Ria Blades on 20 December 2019. In January 2020, Siemens Gamesa Renewable Energy (SGRE) closed the acquisition of selected European assets from Servion. SGRE's conditional acquisition of Ria Blades is expected to be finalised in Q1 2020, after which Roblon will receive a settlement of USDm 6.6 (approx. DKKm 43). Due to the natural uncertainty attached to the closing of the conditional agreement between the two parties, Roblon finds that there are insufficient grounds to include the settlement amount in the guidance for 2019/20.

Sale of head office

Roblon has initiated the prospective sale of the Group's head office in Frederikshavn. The Company has signed an agreement with an external commercial real estate agent to explore the possibilities of selling the head office, which is listed at a cash price of DKKm 32.5.

After the sale, the Group's Danish activities will all be located at Roblon's facilities in Gærum, which currently house production and various administrative functions. As well as generating

positive synergies in the day-to-day operations, this initiative is also expected to have a positive impact on Roblon's results, liquidity and equity going forward. The potential sale of the head office has not been factored into the profit guidance for 2019/20.

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

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

Financial calendar

24/6 2020:	Interim report for Q2 2019/20
17/9 2020:	Interim report for Q3 2019/20
22/12 2020:	Preliminary statement 2019/20
28/1 2021:	Annual general meeting

Announcements – NASDAQ Copenhagen

During the period 1 November 2019 to 13 March 2020, the Company sent the following announcements to NASDAQ Copenhagen; these can be found on the Company's website, www.roblon.com.

No. 11/2019:	Preliminary Statement 2018/19
No. 12/2019:	Notice convening AGM
No. 13/2019:	Managers' transactions
No. 14/2019:	Managers' transactions
No. 15/2019:	Managers' transactions
No. 1/2020:	Managers' transactions
No. 2/2020:	Decisions of the Annual General Meeting

Statement by the Management

The Board of Directors and Executive Management today considered and approved the interim report of Roblon A/S for Q1 2019/20 (the period 1 November 2019 to 31 January 2020).

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

In our opinion, the interim financial statements give a true and fair view of the Group's assets, liabilities and financial position at 31 January 2020 and of the results of the Group's operations and cash flows for Q1 2019/20.

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

Frederikshavn, 13 March 2020

Executive Management

Lars Østergaard
Managing Director and CEO

Carsten Michno
Chief Financial Officer (CFO)

Kim Müller
Chief Technology Officer (CTO)

Board of Directors

Jørgen Kjær Jacobsen
Chairman

Ole Lønsmann Andersen
Deputy Chairman

Peter Sloth Vagner Karlsen

Randi Toftlund Pedersen

Nita Svendsen
Employee representative

Flemming Nielsen
Employee representative

Consolidated income statement

for the period 1 November 2019 to 31 January 2020

DKKkm	Note	Q1 2019/20	Q1 2018/19	FY 2018/19
Revenue	4	73.7	55.0	267.2
Cost of sales		-33.4	-36.1	-144.6
Gross profit		40.3	18.9	122.6
Work carried out for own account and capitalised		0.8	1.3	4.1
Other operating income		0.4	0.7	1.5
Other external costs		-11.6	-10.1	-42.8
Staff costs		-21.7	-18.7	-87.0
Depreciation, amortisation and impairment		-4.1	-2.8	-20.8
Operating profit/loss (EBIT)		4.1	-10.7	-22.4
Financial income, net		0.8	0.2	2.8
Profit/loss before tax (PBT)		4.9	-10.5	-19.6
Tax on profit/loss for the period		-1.0	2.3	5.0
Profit/loss after tax		3.9	-8.2	-14.6
Earnings per share (DKK)				
Earnings per share (EPS)		2.2	-4.6	-8.2
Diluted earnings per share (EPS-D),		2.2	-4.6	-8.2

Consolidated statement of comprehensive income

for the period 1 November 2019 to 31 January 2020

DKKkm	Note	Q1 2019/20	Q1 2018/19	FY 2018/19
Profit/loss after tax		3.9	-8.2	-14.6
<i>Items that may be recycled to profit or loss:</i>				
Fair value adjustment of available-for-sale financial assets		-	0.2	-
Foreign exchange adjustment of foreign subsidiaries		-	-0.5	0.1
Comprehensive income		3.9	-8.5	-14.5

Balance sheet

at 31/01/2020

DKKm	31/01/2020	31/01/2019	31/10/2019
ASSETS			
Completed development projects	0.7	0.8	0.9
Development projects in progress	8.1	5.3	7.3
Trademarks, licenses and customer relations	7.2	16.4	7.4
Other intangible assets	9.2	7.9	9.1
Intangible assets	25.2	30.4	24.7
Land and buildings	20.6	22.1	21.2
Plant and machinery	27.1	22.0	25.8
Other fixtures and fittings, tools and equipment	1.0	0.8	1.3
Right-of-use assets	14.3	-	-
Property, plant and equipment in progress	7.4	3.5	4.5
Property, plant and equipment	70.4	48.4	52.8
Non-current receivable regarding sale of discontinued operation	2.2	-	2.4
Deferred tax assets	9.0	-	8.9
Financial assets	11.2	-	11.3
Total non-current assets	106.8	78.8	88.8
Inventories	59.6	45.6	55.8
Trade receivables	62.9	33.6	69.4
Current receivable regarding sale of discontinued operation	0.5	-	0.7
Corporation tax receivable	-	1.9	-
Other receivables	2.1	6.1	2.8
Securities	36.5	81.4	51.1
Cash and cash equivalents	2.8	15.0	3.0
Total current assets	164.4	183.6	182.8
TOTAL ASSETS	271.2	262.4	271.6

DKKm	31/01/2020	31/01/2019	31/10/2019
EQUITY AND LIABILITIES			
Share capital	35.8	35.8	35.8
Other reserves	-1.5	-1.9	-1.5
Retained earnings	185.6	190.0	181.7
Equity	219.9	223.9	216.0
Deferred tax	5.8	4.6	5.9
Lease liabilities	11.9	-	-
Total non-current liabilities	17.7	4.6	5.9
Operating credit	-	-	6.7
Other provisions	0.2	0.7	0.1
Short-term lease liabilities	2.5	-	-
Advance payments from customers	1.1	2.4	2.8
Trade payables	20.5	24.5	28.7
Income tax	0.4	-	1.5
Other payables	8.9	6.3	9.9
Total current liabilities	33.6	33.9	49.7
Total liabilities	51.3	38.5	55.6
TOTAL EQUITY AND LIABILITIES	271.2	262.4	271.6

Consolidated statement of changes in equity

DKKkm	Share capital	Currency translation reserve	Reserve for available-for-sale financial assets	Retained earnings	Proposed dividends	Total equity
Q1 2019/20						
Equity at 01/11/2019	35.8	-1.5	-	181.7	-	216.0
Comprehensive income for the period						
Profit/loss for the period	-	-	-	3.9	-	3.9
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	3.9	-	3.9
Transactions with owners						
Dividends paid	-	-	-	-	-	-
Equity at 31/01/2020	35.8	-1.5	-	185.6	-	219.9
Q1 2018/19						
Equity at 1 November 2018	35.8	-1.6	-	196.3	17.9	248.4
Comprehensive income for the period						
Profit/loss for the period	-	-	-	-8.2	-	-8.2
Other comprehensive income	-	-0.5	0.2	-	-	-0.3
Total comprehensive income for the period	-	-0.5	0.2	-8.2	-	-8.5
Transactions with owners						
Dividends paid	-	-	-	-	-16.0	-16.0
Equity at 31/01/2019	35.8	-2.1	0.2	188.1	1.9	223.9

DKKkm	Share capital	Currency translation reserve	Reserve for available-for-sale financial assets	Retained earnings	Proposed dividends	Total equity
2018/19						
Equity at 1 November 2018	35.8	-1.6	-	196.3	17.9	248.4
Comprehensive income for the period						
Profit/loss for the period	-	-	-	-14.6	-	-14.6
Other comprehensive income	-	0.1	-	-	-	0.1
Total comprehensive income for the period	-	0.1	-	-14.6	-	-14.5
Transactions with owners						
Dividends paid	-	-	-	-	-17.9	-17.9
Equity at 31/10/2019	35.8	-1.5	-	181.7	-	216.0

Statement of cash flows

for the period 1 November 2019 – 31 January 2020

DKKm	Spec.	Q1 2019/20	Q1 2018/19	FY 2018/19
Operating profit/loss (EBIT)		4.1	-10.7	-22.4
Adjustment for non-cash items	A	3.7	3.1	20.2
Change in working capital	B	-7.0	4.3	-33.4
Cash generated from operations		0.8	-3.3	-35.6
Financial income received		1.2	0.2	1.7
Financial expenses paid		-0.7	-0.1	-0.1
Income tax paid		-2.1	-	-3.5
Income tax received		-	-	1.9
Cash flow from operating activities		-0.8	-3.2	-35.6
Purchase of intangible assets		-1.4	-3.5	-8.6
Purchase of property, plant and equipment		-6.0	-3.4	-14.2
Sale of property, plant and equipment		0.3	-	-
Purchase of securities		-0.7	-2.5	-3.9
Sale of securities		15.7	32.1	65.0
Cash flow from investing activities		7.9	22.7	38.3
Operating credits used		-6.7	-	6.7
Repayment of lease liability		-0.5	-	-
Dividends paid		-	-16.0	-17.9
Cash flow from financing activities		-7.2	-16.0	-11.2
Change in cash and cash equivalents		-0.1	3.5	-8.5
Cash and cash equivalents at beginning of period		3.0	11.5	11.5
Value adjustment of cash and cash equivalents		-0.1	-	-
Cash and cash equivalents at end of period		2.8	15.0	3.0

DKKm	Q1 2019/20	Q1 2018/19	FY 2018/19
Spec. A: Adjustments for non-cash items			
Depreciation and amortisation	4.1	2.8	20.8
Provisions	-0.1	0.2	-0.3
Foreign exchange adjustment	-0.3	0.1	-0.3
	3.7	3.1	20.2
Spec. B: Change in working capital			
Change in inventories	-3.8	-4.1	-14.4
Change in receivables	7.5	12.1	-23.5
Change in current liabilities	-10.7	-3.7	4.5
	-7.0	4.3	-33.4

Notes to the financial statements

1. Accounting policies
2. Estimates
3. Seasonality
4. Segment information

Note 1 – Accounting policies

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

The accounting policies have been changed following the implementation of IFRS 16. As described in note 1 to the financial statements in Annual Report 2018/19, Roblon implemented IFRS 16 Leases in Q1 2019/20. Under the standard, all leases, regardless of type – with a few exceptions – must be recognised in the lessee's balance sheet as a right-of-use asset with a corresponding lease liability. The lessee recognises depreciation of the right-of-use asset over the lease term and accrual of interest on the lease liability in the income statement.

On implementation, Roblon applied the modified retrospective method without restatement of comparative figures.

In December 2019, the subsidiary, Roblon US Ltd., entered into a lease for additional production facilities. With the implementation of IFRS 16, this expansion was recognised in the balance sheet at DKKm 14.9, against the DKKm 3.4 stated in the annual report, which was based on existing leases in force at 31 October 2019

The implementation reduced the profit for Q1 2019/20 by DKKm 0.2. Assets and liabilities were increased by DKKm 14.9 at the beginning of the 2019/20 financial year.

Except for the changes set out above, the accounting policies applied in the interim report are consistent with those applied in Roblon's annual report for 2018/19, which was prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the EU and additional Danish disclosure requirements for annual reports of listed companies.

For a more detailed description of the accounting policies, see the annual report for 2018/19.

Note 2 – Estimates

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

The most significant estimates made by Management in applying the Group's accounting policies and the most significant uncertainties associated therewith in preparing the condensed interim report are identical to those applying to the preparation of the annual report for 2018/19.

Note 3 – Seasonality

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

Note 4 – Revenue

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

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

DKKm	Q1 2019/20	Q1 2018/19	FY 2018/19
4. Revenue (continued)			
Revenue from external customers:			
By product groups			
FOC	36.7	28.3	147.8
Composite	37.0	26.7	119.4
Total	73.7	55.0	267.2
By geographical markets			
Denmark	1.0	0.5	3.4
United Kingdom	8.3	5.2	29.5
Rest of Europe	11.8	31.6	88.8
Asia	4.3	2.7	23.5
Brazil	23.3	0.1	49.6
Latin America	4.6	4.3	16.4
USA	20.4	10.6	56.0
Total	73.7	55.0	267.2

Of the Group's non-current assets, DKKm 43.5 (DKKm 52.5) were located in Denmark and DKKm 26.9 (DKKm 26.3) in the USA.

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

Of the Group's total revenue at the end of Q1 2019/20, DKKm 29.2 related to two major customers. Revenue from each of these customers thus account for more than 10% of the Group's total revenue. In Q1 2018/19, revenue from one customer (DKKm 21.7) accounted for more than 10% of the Group's total revenue.