

Robit

Half-Year Report

January-June 2022



ROBIT PLC STOCK EXCHANGE RELEASE 09/08/2022 at 11:00 am

ROBIT PLC HALF-YEAR REPORT 1 JANUARY–30 JUNE 2022: RECORD NET SALES, PROFITABILITY IMPROVED

In the text, 'review period' refers to 1 April–30 June 2022 (Q2), and 'H1' refers to 1 January–30 June 2022. Figures from the corresponding time period in 2021 are given in parentheses. All the figures presented are in euros. Percentages are calculated from thousands of euros.

1 April–30 June 2022 in brief

- Net sales EUR 31.0 million (25.1), increase 23.7%
- EBITDA EUR 4.1 million (1.9)
- EBITDA 13.1% of net sales (7.4%)
- EBITA EUR 2.8 million (0.7)
- EBIT 8.4% of net sales (1.8%)
- Review period net income EUR 2.1 million (-0.2)
- Net cash flow from operating activities EUR 1.4 million (-2.4)

1 January–30 June 2022 in brief

- Net sales EUR 57.3 million (48.1), increase 19.2%
- EBITDA EUR 5.0 million (3.4)
- EBITDA 8.7% of net sales (7.2%)
- EBITA EUR 2.6 million (1.0)
- EBIT 3.7% of net sales (1.2)
- Review period net income EUR 1.3 million (0.2)
- Net cash flow from operating activities EUR 1.0 million (-4.1)
- Equity ratio at the end of the review period 45.7% (44.2)

Key financials	Q2 2022	Q2 2021	Change %	H1 2022	H1 2021	Change %	2021
Net sales, EUR 1,000	31,025	25,088	23.7%	57,328	48,110	19.2%	100,755
EBITDA*, EUR 1,000	4,062	1,864	118%	4,984	3,441	44.8%	7,595
EBITDA, % of net sales	13.1%	7.4%		8.7%	7.2%		7.5%
EBITA, EUR 1,000	2,844	678	319.5%	2,571	1,015	153.4%	2,940
EBITA, % of net sales	9.2%	2.7%		4.5%	2.1%		2.9%
EBIT, EUR 1,000	2,619	462	466.6%	2,127	583	264.9%	2,080
EBIT, % of net sales	8.4%	1.8%		3.7%	1.2%		2.1%
Result for the period, EUR 1,000	2,082	-191	1,188.3%	1,333	224	495.0%	886
Result for the period, % of net sales	6.7%	-0.8%		2.3%	0.5%		0.9%
Earnings per share (EPS), EUR 1,000	0.09	-0.01		0.05	0.01		0.04
Return on equity (ROE), %**				4.5%	0.5%		1.8%
Return on capital employed (ROCE), %**				4.2%	1.5%		2.5%

*No items affecting comparability H1/2022 or H1/2021

**Calculation principles corrected to correspond to the formula defined for key figures

ROBIT'S OUTLOOK FOR 2022

Considering all identified risk factors, Robit estimates the demand in the global mining and construction industry to remain at the current level. The company has identified global factors, such as the war in Ukraine, cost inflation in raw materials and logistics and the potential global decline of economic development. They are unlikely to substantially affect the company's operations in 2022.

Demand in the construction industry is supported by the good work situation in the construction market areas that are relevant to Robit and the significant financing decided globally for the construction industry. General deterioration in the economic situation and high cost inflation may have the effect of suspending construction projects. For the time being, Robit is not accepting any new export orders from Russia and Belarus, which accounted for under 8% of the company's net sales in the 2021 financial period. To compensate for this revenue, the company seeks revenue growth from other global markets.

GUIDANCE FOR 2022

Robit estimates that net sales in 2022 will increase and comparable EBITDA profitability in euros will improve compared to 2021, assuming that there are no significant changes in the exchange rates from the level at the end of 2021.

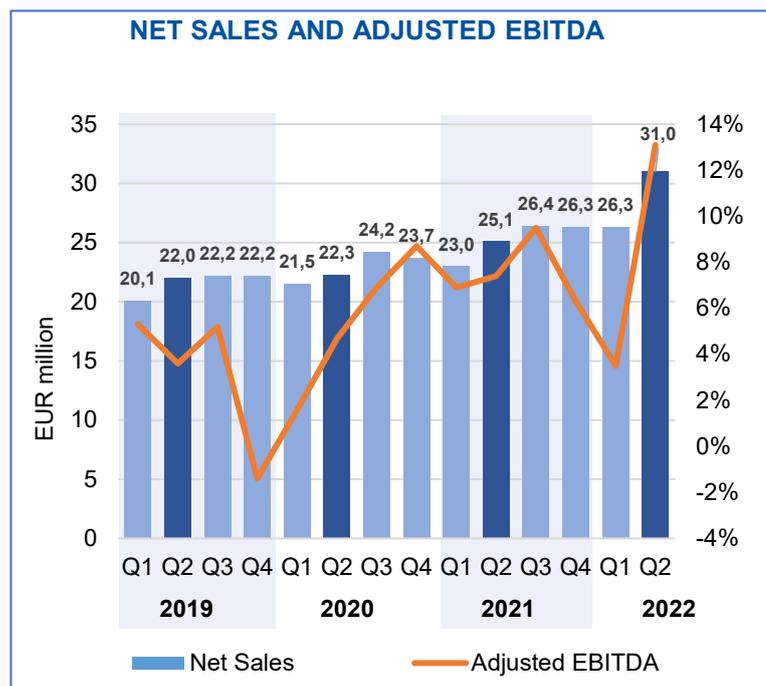
CEO ARTO HALONEN:

Robit experienced a record strong Q2 both in terms of growth and profitability. In Q2, for the first time, our net sales exceeded the EUR 30 million mark, with net sales totalling EUR 31 million (25.1). Orders received stood at EUR 26.4 million (26.5). The company's profitability improved on the comparison period. EBITDA was EUR 4.1 million (1.9), up 118% on the comparison period. A significant step in H1 was also our progress made towards the sustainability goals we have set. We achieved a clear improvement with Robit's emission intensity.

The company's priorities for 2022 are improved profitability, profitable growth and strengthening cash flow. We were successful in achieving these goals. To strengthen profitability, the measures will focus on three key areas: pricing management, procurement savings projects and remedial measures for low profitability customers. In all three areas where we seek to strengthen profitability, we succeeded in implementing our action plans. We were able to pass on the rise in costs, we completed a competitive tendering process in one of our key procurement categories and we took forward other procurement savings projects.

In Q2, growth was strong in both business units. Both the Top Hammer and the Down the Hole business unit grew 23.7% over the comparison period. During the quarter, we were able to complete a Top Hammer business investment programme. Our Top Hammer capacity has increased considerably, and we will also be able to adapt to the growth of the business in the future. In addition, we achieved growth in all markets. Growth was strongest in the East region, where we delivered from the existing orderbook. For the time being, we are not accepting any new export orders from Russia or Belarus, which is why H2 sales from these countries will experience a significant decrease. In the course of the review period, we sharpened the implementation of the growth projects to safeguard continued growth despite the effects caused by the war in Ukraine.

Net cash flow from the company's operating activities improved in the quarter as a result of strong profitability. Managing the company's working capital, and especially inventories, is key to strengthening cash flow further. In Q2, we did not witness any marked improvement in working capital. During the quarter,



we implemented the optimised inventory management parameters and took measures to cut the delivery times. The impacts of the measures taken will be visible in H2.

SUSTAINABILITY

Lost Time Incident Frequency (LTIF) developed negatively in the review period, and further measures to improve safety were added. Our factories are constantly working to increase safety awareness, and a new easy-to-use tool was taken into use for the purpose of reporting safety observations. With regard to emission intensity, clear improvement has been achieved, and in terms of a responsible and sustainable delivery chain we were able to reach our goals.

	Emission intensity	Waste	Consultative sales hours per year	LTIF	Sustainable suppliers	Sustainable distributors
06/2022	-21.3%	88%	362 h	4.1	92%	76%
12/2021	-0.5%	87%	921 h	2.1	79%	38%
Target	-50.0%	>90%	>1,000 h	0.0	>90%	>90%

NET SALES

Net sales by product area

EUR thousand	Q2 2022	Q2 2021	Change %	H1 2022	H1 2021	Change %	2021
Top Hammer	17,126	13,848	23.7%	33,594	26,299	27.7%	56,287
Down the Hole	13,899	11,239	23.7%	23,734	21,811	8.8%	44,468
Total	31,025	25,088	23.7%	57,328	48,110	19.2%	100,755

The Group's net sales in Q2 totalled EUR 31 million (25.1). There was an increase of 23.7% over the comparison period. In constant currencies, the increase was 17.4%.

The Group's net sales in H1 totalled EUR 57.3 million (48.1). There was an increase of 19.2% over the comparison period. In constant currencies, the increase was 15.5%.

The Top Hammer business continued to grow strongly in Q2, growing 23.7%. In H1, Top Hammer net sales grew by 27.7% to EUR 33.6 million (26.3). The investments made last year in our production capacity continued to improve our delivery capacity, enabling strong growth also in the future.

In Q2, the Down the Hole business also experienced strong growth of 23.7%. In H1, net sales grew 8.8% to EUR 23.7 million. Growth was especially significant in North America. Sales in the East region also developed strongly, driven by sales in the very strong Geotechnical market segment.

Net sales by market area

EUR thousand	Q2 2022	Q2 2021	Change %	H1 2022	H1 2021	Change %	2021
EMEA	13,154	11,810	11.4%	23,906	22,576	5.9%	45,298
Americas	6,658	4,566	45.8%	13,260	8,274	60.3%	19,960
Asia	3,231	2,643	22.2%	6,083	5,016	21.3%	10,771
Australasia	3,686	3,590	2.7%	6,994	6,792	3.0%	14,001
East	4,296	2,479	73.3%	7,085	5,451	30.0%	10,725
Total	31,025	25,088	23.7%	57,328	48,110	19.2%	100,755

In Q2, the company's growth was strong in the Americas and the Asia region. In the Americas region, sales especially increased in North America. During Q2, there was a strong increase in sales, 73.3%, in the East region due to a significant number of deliveries made to our contract customers not on the sanction list scheduled on the review period. In Australia, sales increased by 2.7% in the review period. The EMEA region returned to a growth track, and sales increased by 11.4% in Q2.

In H1, all markets experienced growth. Growth was strongest in the Americas region, where net sales grew substantially 60.3%, while market demand remained good. The Asia and East regions also grew strongly in H1 and achieved over 20% growth. The Australasia and EMEA regions experienced growth in the review period.

PROFITABILITY

Key figures

EUR thousand	Q2 2022	Q2 2021	Change %	H1 2022	H1 2021	Change %	2021
EBITDA, EUR 1,000	4,062	1,864	118%	4,984	3,441	44.8%	7,595
EBITDA, % of net sales	13.1%	7.4%		8.7%	7.2%		7.5%
EBIT, EUR 1,000	2,619	462	466.6%	2,127	583	264.9%	2,080
EBIT, % of net sales	8.4%	1.8%		3.7%	1.2%		2.1%
Result for the period, EUR 1,000	2,082	-191	1,188.3%	1,333	224	495.0%	886
Result for the period, % of net sales	6.7%	-0.8%		2.3%	0.5%		0.9%

The company's profitability in the review period clearly improved. EBITDA for Q2 was EUR 4.1 million (1.9). EBITDA's share of net sales was at the strategy level, at 13.1% (7.4%). The company's EBIT was EUR 2.6 million (0.5). EBIT was 8.4% (1.8%) of the review period net sales.

EBITDA for H1 was EUR 5 million (3.4) EBITDA's share of net sales was 8.7% (7.2%). The company's EBIT was EUR 2.1 million (0.6). EBIT was 3.7% (1.2%) of the review period net sales.

The improved operating profit was supported by sales that grew strongly as well as by more accurate pricing. The company's profitability improvement measures systematically progressed in the review period, and the results materialized in Q2. The positive development of profitability was also affected by the successful management of fixed costs.

Financial income and expenses in Q2 totalled EUR -0.5 million (-0.9), of which EUR -0.3 million (-0.3) was in interest expenses and EUR -0.1 million (-0.5) in exchange rate changes. The result for the quarter improved, being EUR 2.1 million (-0.2)

Financial income and expenses in H1 totalled EUR -1.0 million (-0.7), of which EUR -0.7 million (-0.6) was in interest expenses and EUR -0.2 million (0.0) in exchange rate changes. The review period results improved, being EUR 1.3 million (0.2)

CASH FLOW AND INVESTMENTS

Consolidated cash flow statement

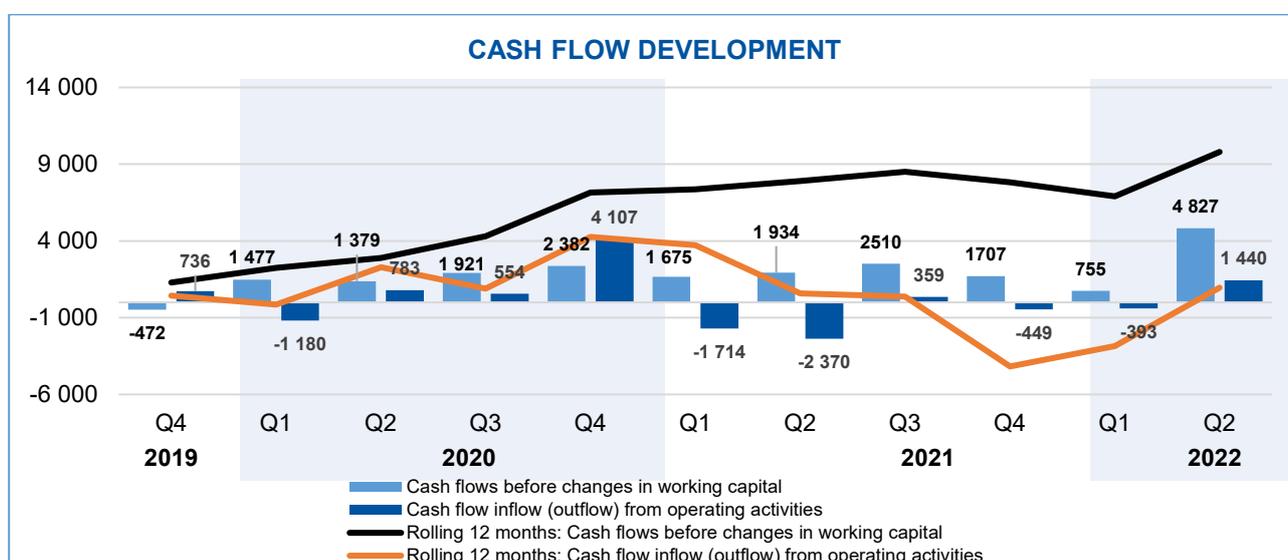
EUR thousand	Q2 2022	Q2 2021	H1 2022	H1 2021	2021
Net cash flows from operating activities					
Cash flows before changes in working capital	4,827	1,934	5,581	3,609	7,826
Cash flows from operating activities before financial items and taxes	1,739	-2,110	1,772	-3,271	-2,785
Net cash inflow (outflow) from operating activities	1,440	-2,370	1,047	-4,084	-4,174
Net cash inflow (outflow) from investing activities	-371	-492	-805	-1,287	-3,885
Net cash inflow (outflow) from financing activities	-1,617	-82	-3,111	292	3,091
Net increase (+)/decrease (-) in cash and cash equivalents	-549	-2,944	-2,869	-5,078	-4,968
Cash and cash equivalents at the beginning of the financial year	7,185	12,352	9,525	14,339	14,339
Exchange gains/losses on cash and cash equivalents	443	-37	422	111	154
Cash and cash equivalents at end of the year	7,079	9,372	7,079	9,372	9,525

The Group's Q2 cash flow before changes in working capital improved to EUR 4.8 million (1.9). Net cash flow for operating activities was EUR 1.4 million (-2.4). The changes in working capital had an impact of EUR -2.8 million (-4.0). The change in working capital was affected slightly positively by the EUR 0.2 million increase in accounts payable. The growth in account and other receivables had a negative impact of EUR 2.4 million on cash flow, and the growth of inventories had an impact of EUR 0.6 million. Increased invoicing increased the amount of account receivables.

Net cash inflow (outflow) from investing activities for Q2 was EUR -0.4 million (-0.5). Gross investments in production totalled EUR 0.4 million (0.6). The share of investments in net sales was 1.4% (2.3). The investments were mainly directed at the company's factories in South Korea and Lempäälä, Finland. The investments are aimed at responding to the growth of the Top Hammer business.

Net cash inflow (outflow) from financing activities for Q2 was EUR -1.6 million (-0.1). Net changes in loans totalled EUR -1.9 million (4.0). The change in bank overdrafts was EUR 0.8 million (-3.6). The repayment of lease liabilities reported in net cash flow from financing activities under IFRS 16 totalled EUR 0.5 million (0.5).

Depreciation, amortisation and write-downs totalled EUR 1.4 million (1.4). Of this, EUR 0.2 million related to the amortisation of customer relationships and brand value from business acquisitions.



FINANCIAL POSITION

	30 June 2022	30 June 2021	31 December 2021
Cash and cash equivalents, EUR thousand	7,079	9,372	9,525
Interest-bearing liabilities, EUR thousand	38,805	35,139	41,522
of which short-term interest-bearing financial liabilities:	8,066	3,758	10,500
Net interest-bearing liabilities, EUR thousand	31,726	25,767	31,996
Undrawn credit facility, EUR thousand	3,397	6,000	2,738
Gearing, %	60.2%	53.8%	65.1%
Equity ratio, %	45.7%	44.2%	42.2%

The Group had interest-bearing liabilities amounting to EUR 38.8 million (35.1), of which EUR 7 million (4.8) were IFRS 16 interest-bearing liabilities. The Group's liquid assets totalled EUR 7.1 million (9.4). Interest-bearing net liabilities amounted to EUR 31.7 million (25.8), and interest-bearing net bank liabilities excluding IFRS 16 liabilities stood at EUR 24.7 million (20.9).

The Group's equity at the end of the review period was EUR 52.7 million (47.9). The Group's equity ratio was 45.7% (44.2) and gearing stood at 60.2% (53.8).

PERSONNEL AND MANAGEMENT

The number of personnel decreased by 4 persons from the end of the comparison period, and at the end of the review period it was 268 (272). At the end of the review period, 72% of the company's personnel were located outside Finland.

The company's Management Team at the end of the review period was composed of Arto Halonen (CEO), George Apostolopoulos (VP Global Sales), Adam Baker (VP Down the Hole), Jorge Leal (VP Top Hammer), Ville Peltonen (Interim CFO), Ville Pohja (VP Geotechnical) and Jaana Rinne (Group HR Director).

FINANCIAL TARGETS

Robit's long-term target is to achieve organic net sales growth of 15% annually and comparable EBITDA profitability of 13%.

	Long-term target	2020	2021	H1 2022
Net sales growth, p.a.	15%	6%	10%	19.2%
Comparable EBITDA, % of net sales	13%	5.6%	7.5%	8.7%

RESOLUTIONS OF THE ANNUAL GENERAL MEETING 2022

Robit Plc's Annual General Meeting on 22 March 2022 adopted the financial statements presented for 1 January–31 December 2021 and resolved that no dividend would be paid based on the adopted balance sheet for the 2021 financial year.

The General Meeting resolved to discharge the members of the Board of Directors and the Chief Executive Officer from liability for the financial year ending 31 December 2021

The General Meeting decided to approve the Remuneration Report for Governing Bodies. The decision was advisory.

The General Meeting resolved that the Board of Directors consists of six (6) members. Kim Gran, Mikko Kuitunen, Anne Leskelä and Harri Sjöholm were re-elected as members of the Board of Directors. Markku Teräsvasara and Eeva-Liisa Virkkunen were elected as new members of the Board of Directors.

The annual remuneration for the Chairman of the Board of Directors is EUR 50,000, of which 40% is paid in shares and the remaining 60% is an advance tax withheld and paid to the Finnish Tax Administration by the company. There is also a meeting fee of EUR 500 per meeting. The fee is paid for meetings attended by the Chairman of the Board. Other costs such as travel, and lodging expenses will also be compensated.

The annual remuneration for the Board members is EUR 30,000, of which 40% is paid in shares and the remaining 60% is an advance tax withheld and paid to the Finnish Tax Administration by the company. There is also a meeting fee of EUR 500 per meeting. The fee is paid for meetings attended by the member of the Board. Other costs, such as travel and lodging expenses, will also be compensated.

Members of the Working Committee, Personnel Committee and Audit Committee are paid a financial compensation of EUR 500 per meeting attended. Other costs such as travel, and lodging expenses will also be compensated.

The annual remuneration of the Chairman of the Board and Board members for the entire term of office will be paid in December 2022. The part of the remuneration paid in shares may be paid by issuing new shares in the company or by acquiring shares by the authorisation given to the Board of Directors by the General Meeting. The receiver of the remuneration pays the transfer tax.

Ernst & Young Oy, an audit firm, was re-elected as the company's auditor for a term that will continue until the end of the next Annual General Meeting. Ernst & Young Oy has notified the company that Authorised Public Accountant Toni Halonen will serve as the company's principal responsible auditor.

The General Meeting resolved to pay the auditor's remuneration in accordance with an invoice approved by the company.

The General Meeting resolved to authorise the Board of Directors to resolve on the acquisition of a maximum of 2,117,990 shares of the company and/or accepting the same number of the company's shares as a pledge, in one or several tranches by using funds in the unrestricted shareholders' equity. The maximum total of shares that will be acquired and/or accepted as a pledge corresponds to 10% of all the shares in the company as of the date of the notice to the General Meeting. However, the company cannot, together with its subsidiary companies, own or accept as a pledge altogether more than 10% of its own shares at any point in time. The company's shares may be purchased under this authorisation solely by using unrestricted shareholders' equity.

The shares will be acquired other than in proportion to the share ownership of the shareholders via public trading arranged by Nasdaq Helsinki Ltd at the market price on the date on which the acquisition is made or at a price formed on the market. The authorisation is proposed to be used for the purposes of implementing the company's share-based incentive schemes or for other purposes as decided by the Board of Directors, for example.

It was resolved that the authorisation revokes the authorisation granted by the General Meeting on 25 March 2021 to decide on the acquisition of treasury shares.

The authorisation is valid until the closing of the next Annual General Meeting, but no longer than until 30 June 2023.

The Annual General Meeting resolved to authorise the Board of Directors to resolve on a share issue and on the issuance of special rights entitling to shares as referred to in Chapter 10, Section 1 of the Finnish Limited Liability Companies Act, in one or more tranches, either against or without consideration.

The number of shares to be issued, including shares to be issued on the basis of special rights, may not exceed 2,117,990, which amounts to 10% of all shares in the company as at the date of the notice to the Annual General Meeting. The Board of Directors may decide to either issue new shares or to transfer any treasury shares held by the company.

The authorisation entitles the Board of Directors to decide on all terms that apply to the share issue and to the issuance of special rights entitling to shares, including the right to derogate from the shareholders' pre-emptive right. The authorisation will be used, for example, for the purposes of strengthening the company's balance sheet and improving its financial status, implementing the company's share-based incentive systems or for other purposes as decided by the Board of Directors.

The authorisation is valid until the closing of the next Annual General Meeting, but no longer than until 30 June 2023. The authorisation will revoke all the previously granted, unused authorisations to decide on a share issue and the issuance of options or other special rights entitling to shares.

SHARES AND SHARE TURNOVER

On 30 June 2022, the company had 21,179,900 shares and 4,399 shareholders. Trading volume in January–June was 1,767,980 shares (3,624,890).

The company held 88,464 treasury shares (0.42% of total shares). On 30 June 2022, the market value of the company's shares was EUR 48.3 million. The closing price of the share was EUR 2.28. The highest price in January–June was EUR 4.55 and the lowest price was EUR 2.13.

RISKS AND BUSINESS UNCERTAINTIES

The geopolitical situation, which is growing tenser, poses a risk to the company's business. The war in Ukraine and the sanctions imposed on Russia affect the development of net sales and profitability especially in Russia, Belarus and Ukraine, which account for under 8% of the company's sales in the 2021 financial year. The crisis has also significantly increased the prices of raw materials, to which Robit reacted by introducing a premium in customer prices. Furthermore, the effects of the sanctions on the smooth flow of Russian payment transactions pose a risk to the company's cash flow and treasury management. Robit complies with all the imposed sanctions and continuously monitors the situation.

Robit closely monitors the impact of COVID-19 on demand in the sector. In general, customer operations have returned to normal levels. The effects on Robit's operations are now limited and only affect individual countries or regions. Robit will continue actions to protect the health of its personnel and to ensure the continuity of the company's operations. At the time of reporting, all of the company's factories were operating at the planned capacity. No disruptions in the supply chain have been identified that cannot be managed, for example, with current inventory levels and supplier cooperation.

Other uncertainty factors include exchange rate development, the functioning of information systems, integration of corporate acquisitions, risks related to the security of supply and logistics, and IPR risks. Fully transferring the increase in raw material costs to customer prices may pose a financial risk. Changes in export countries' tax and customs legislation may adversely impact the company's export trade or its profitability. Risks related to information security and cyber threats may also have a detrimental effect on Robit's business. Potential changes in the business environment may adversely impact the payment behaviour of the Group's customers and increase the risk of litigation, legal claims and disputes related to Robit's products and other operations.

CHANGES IN GROUP STRUCTURE

There were no changes in the Group structure during the review period.

OTHER EVENTS IN JANUARY–JUNE 2022

On 20 January 2022, the company announced the proposals of Robit Plc's Shareholders' Nomination Committee regarding the Board members and Board fees for the Annual General Meeting. The Nomination Committee's proposals were included in the notice to the General Meeting. Timo Sallinen (Director, Head of Listed Securities, Varma Mutual Pension Insurance Company) acted as the Chairman of the Shareholder Nomination Committee, with Harri Sjöholm (Chairman of the Board, Five Alliance Oy), Tuomas Virtala (CEO, Asset Management, OP Corporate Bank Plc) and Jukka Vähäpesola (Head of Equities, Elo Mutual Pension Insurance Company) as the other members.

On 15 February 2022, Robit Plc's Board of Directors decided on a performance-based share reward scheme for key personnel. The purpose of the share scheme is to align the owners' and the key persons' goals in order to increase the value of the company in the long term, to commit the key persons to the company and to encourage them to achieve the company's key strategic goals as well as to provide them with a competitive long-term incentive scheme. The share scheme includes earning periods of one and two years. The first earning period of the share scheme comprises the year 2022 and the second earning period comprises the years 2023–2024. The remuneration that may be paid under the share scheme for the 2022 one-year earning period is based on the company's predetermined net cash inflow target in the 2022 financial statements. The remuneration that may be paid under the share scheme for the 2023–2024 two-year earning period is based on the company's predetermined average earnings per share in the financial statements for the years 2023 and 2024. The remuneration that may be paid under the share scheme for both earning periods will be paid in May 2025. The share scheme covers a target group of some 30 key persons, members of the Management Team and high-potential employees.

On 15 February 2022, Robit published its financial statements release for 1 January–31 December 2021.

On 15 February 2022, the company sent Robit Plc's shareholders a notice to the Annual General Meeting of 22 March 2022.

On 25 February 2022, Robit announced that the company's Annual Report, Corporate Governance Statement and Remuneration Report for 2021 had been published on the company's website.

Robit Plc CEO Tommi Lehtonen and Robit Plc's Board of Directors agreed together that Mr Lehtonen will leave his post as CEO on 15 March 2022. The company's Board of Directors appointed Arto Halonen CEO as of 15 March 2022. Ville Peltonen was appointed Robit Plc's Interim CFO on 16 March 2022.

The company's Annual General Meeting was held on 22 March 2022. Robit announced the decisions of the Annual General Meeting in a separate stock exchange release on 22 March 2022.

On 22 March 2022, Robit published the decisions of the constituent meeting of the company's Board of Directors. At its constituent meeting, the Board of Directors elected by Robit Plc's Annual General Meeting on 22 March 2022 elected from among its members Harri Sjöholm as Chairman of the Board and Anne Leskelä as Vice Chairman, and members to serve on Robit Plc's Remuneration Committee, Working Committee and Audit Committee.

On 24 March 2022, Robit Plc announced that the company's Board of Directors decided to increase the maximum size of the performance-based share reward scheme decided on 15 February 2022 from 180,000 shares to 240,000 shares. This update of the maximum size is due to Robit Plc's new CEO. It was decided that no other updates would be made to the scheme. Previously, information on the scheme was published in a stock exchange release on 15 February 2022. Following this update, the 2022–2024 share reward scheme is dimensioned in such a way that the relative proportion of the share transfer taking place under all share schemes in force at the company will remain below four per cent of the company's shares.

On 27 April 2022, Robit published its interim financial reporting for 1 January–31 March 2022.

On 15 June 2022, Robit published the corrected ESEF financial statements including the Report of the Board of Directors.

EVENTS AFTER THE REVIEW PERIOD

No events after review period.

Lempäälä, 9 August 2022

ROBIT PLC
Board of Directors

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Robit is a strongly international growth company servicing global customers and selling drilling consumables for applications in mining, construction, geotechnical engineering and well drilling. The company's offering is divided into three product and service ranges: Top Hammer, Down the Hole and Geotechnical. Robit has sales and service points in nine countries as well as an active sales network in more than 100 countries. Robit's manufacturing units are located in Finland, South Korea, Australia and the UK. Robit's shares are listed on Nasdaq Helsinki Ltd. Further information is available at www.robitgroup.com.

The information presented above includes statements about future prospects. These relate to events or the company's economic development in the future. In some cases, such statements can be recognised by their use of conditional words (such as "may", "expected", "estimated", "believed", "predicted" and so on) or other similar expressions. Statements such as these are based on assumptions and factors that Robit's management have at their disposal and on current decisions and plans. There is always risk and uncertainty attached to any statements regarding future events because they pertain to events and depend on factors that are not possible to predict with certainty. For this reason, future results may differ - even significantly - from the figures expressed or assumed in statements about future prospects.

CONDENSED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

EUR thousand	4–6/2022	4–6/2021	1–6/2022	1–6/2021	2021
Net sales	31,025	25,088	57,328	48,110	100,755
Other operating income	1,056	323	2,606	803	1,690
Materials and services*	-19,280	-16,369	-37,260	-31,241	-65,699
Employee benefit expense	-4,523	-4,154	-8,790	-8,106	-16,280
Depreciation, amortisation and impairment	-1,443	-1,401	-2,857	-2,858	-5,514
Other operating expenses*	-4,217	-3,024	-8,900	-6,125	-12,871
EBIT (Operating profit/loss)	2,619	462	2,127	583	2,080
Finance income and costs					
Interest income and finance income	1,139	2	1,561	587	924
Interest cost and finance cost	-1,691	-859	-2,523	-1,247	-2,253
Finance income and costs net	-552	-857	-962	-660	-1,329
Profit/loss before tax	2,067	-394	1,165	-77	751
Taxes					
Income tax	-144	6	-143	-37	-333
Change in deferred taxes	159	209	310	338	468
Income taxes	15	203	168	301	135
Result for the period	2,082	-191	1,333	224	886
Attributable to:					
Parent company shareholders	1,985	-235	1,140	126	843
Non-controlling interest**	97	43	193	98	44
	2,082	-191	1,333	224	886
Other comprehensive income					
Items that may be reclassified to profit or loss in subsequent periods:					
Cash flow hedges	126	0	367	0	45
Translation differences**	944	-386	1,826	590	1,003
Other comprehensive income, net of tax	1,070	-386	2,193	590	1,048
Total comprehensive income	3,152	-621	3,526	717	1,934
Attributable to:					
Parent company shareholders	3,077	-577	3,321	814	1,892
Non-controlling interest**	74	-43	204	-98	42
Consolidated comprehensive income	3,152	-621	3,526	717	1,934

Earnings per share

Basic earnings per share	0.09	-0.01	0.05	0.01	0.04
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*In the condensed income statement, changes in inventories are presented in Materials and services, and manufacture for own use in Other operating expenses.

**Founded in 2015 by Robit SA, Black Employees Empowerment Trust owns 26% of the shares of Robit SA.

*** The Group has internal loans that are treated as net investments in foreign entities in accordance with IAS 21 The Effects of Changes in Foreign Exchange Rates.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

EUR thousand	30 June 2022	30 June 2021	31 December 2021
ASSETS			
Non-current assets			
Goodwill	5,374	5,375	5,487
Other intangible assets	2,077	3,185	2,695
Property, plant and equipment	26,135	23,103	27,396
Loan receivables	271	299	287
Other receivables	0	3	0
Derivatives	515	0	56
Deferred tax assets	2,325	1,848	1,926
Total non-current assets	36,697	33,813	37,847
Current assets			
Inventories	47,399	40,297	43,538
Account and other receivables	25,749	24,160	25,337
Loan receivables	88	95	100
Current tax assets	209	65	57
Cash and cash equivalents	7,079	9,372	9,525
Total current assets	80,524	73,989	78,557
Total assets	117,222	107,801	116,403
EQUITY AND LIABILITIES			
Equity			
Share capital	705	705	705
Share premium	202	202	202
Reserve for invested unrestricted equity	82,570	82,570	82,570
Translation differences	21	-2,208	-1,793
Fair value reserve	412	-	45
Retained earnings	-32,799	-33,814	-33,738
Profit/loss for the year	1,140	126	843
Equity attributable to parent company shareholders in total	52,252	47,581	48,833
Non-controlling interests*	485	355	281
Capital and reserves in total	52,737	47,936	49,114
Liabilities			
Non-current liabilities			
Borrowings	25,443	28,232	25,209
Lease liabilities	5,296	3,149	5,813
Deferred tax liabilities	937	726	694
Employee benefit obligations	754	682	725
Total non-current liabilities	32,431	32,790	32,441
Current liabilities			
Borrowings	6,363	2,072	8,619
Lease liabilities	1,702	1,686	1,881
Advances received	1,624	375	771
Income tax liabilities	33	44	259
Account payables and other liabilities	22,094	22,746	23,278
Other provisions	237	153	40
Total current liabilities	32,054	27,076	34,848
Total liabilities	64,485	59,865	67,289
Total equity and liabilities	117,222	107,801	116,403

* Founded in 2015 by Robit SA, Black Employees Empowerment Trust owns 26% of the shares of Robit SA.

CONSOLIDATED CASH FLOW STATEMENT

EUR thousand	4– 6/2022	4– 6/2021	1– 6/2022	1– 6/2021	2021
Cash flows from operating activities					
Profit before tax	2,067	-394	1,165	-77	751
Adjustments:					
Depreciation, amortisation and impairment	1,443	1,401	2,857	2,858	5,514
Finance income and costs	549	857	962	660	1,329
Share-based payments to employees	75	-151	89	-161	-178
Loss (+)/Gain (-) on sale of property, plant and equipment	-1	0	-24	-1	-144
Other non-cash transactions	693	221	532	330	553
Cash flows before changes in working capital	4,827	1,934	5,581	3,609	7,826
Change in working capital					
Increase (-) in account and other receivables	-2,438	-3,592	761	-5,255	-6,452
Increase (-)/decrease (+) in inventories	-579	-2,412	-2,189	-4,803	-8,187
Increase (+) in account and other payables	227	1,960	-2,083	3,178	4,028
Cash flows from operating activities before financial items and taxes	2,037	-2,110	2,070	-3,271	-2,785
Interest and other finance expenses paid	-469	-220	-601	-539	-1,046
Interest and other finance income received	0	58	1	58	22
Income taxes paid	-128	-98	-422	-331	-365
Net cash inflow (outflow) from operating activities	1,440	-2,370	1,047	-4,084	-4,174
Cash flows from investing activities					
Purchases of property, plant and equipment	-452	-525	-827	-1,317	-4,169
Purchases of intangible assets	8	-52	-38	-69	-124
Proceeds from the sale of property, plant and equipment	1	32	32	37	279
Proceeds from loan receivables	72	53	28	62	129
Net cash inflow (outflow) from investing activities	-371	-492	-805	-1,287	-3,885
Cash flows from financing activities					
Dividend payment*	0	0	0	0	-9
Changes in non-current loans	-1,872	4,009	-1,550	4,949	5,385
Change in bank overdrafts	725	-3,636	-659	-3,739	-478
Payment of leasing liabilities	-470	-455	-902	-918	-1,807
Net cash inflow (outflow) from financing activities	-1,617	-82	-3,111	292	3,091
Net increase (+)/decrease (-) in cash and cash equivalents	-549	-2,944	-2,868	-5,078	-4,968
Cash and cash equivalents at the beginning of the financial year	7,185	12,352	9,525	14,339	14,339
Exchange gains/losses on cash and cash equivalents	443	-37	422	111	154
Cash and cash equivalents at end of the year	7,079	9,372	7,079	9,372	9,525

*Dividend paid to the foundation of Robit SA as a minority shareholder in accordance with the agreement

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

A = Share capital

B = Share premium

C = Reserve for invested unrestricted equity

D = Cumulative translation difference

E = Fair value reserve

F = Retained earnings

G = Equity attributable to parent company shareholders

H = Non-controlling interests

I = Capital and reserves in total

EUR thousand	A	B	C	D	E	F	G	H	I
Equity as at 1 January 2021	705	202	82,570	-2,798		-33,690			46,989
Profit for the period							126	98	224
Other comprehensive income									
Translation differences				590				17	607
Total comprehensive changes				590			126	115	831
Share-based payments to employees						-124			-124
Change in the share of non-controlling owners								240	240
Total transactions with owners, recognised directly in equity						-124		240	115
Equity as at 30 June 2021	705	202	82,570	-2,208		-33,814	126	354	47,936
EUR thousand	A	B	C	D	E	F	G	H	I
Equity as at 1 January 2022	705	202	82,570	-1,793	45	-32,846	48,883	281	49,114
Profit for the period						1,140	1,140	193	1,333
Other comprehensive income									
Cash flow hedges					367		367		367
Translation differences				1,814			1,814	12	1,826
Total comprehensive changes				1,814	367	1,140	3,321	204	3,526
Share-based payments to employees						47	47		47
Total transactions with owners, recognised directly in equity						47	47		47
Equity as at 30 June 2022	705	202	82,570	21	412	-31,659	52,252	485	52,737

NOTES

Contents

1. Scope and principles of the interim report
2. Key figures and calculation
3. Breakdown of net sales
4. Financing arrangements
5. Changes to property, plant and equipment
6. Given guarantees
7. Business acquisitions
8. Derivatives

1. SCOPE AND PRINCIPLES OF THE INTERIM REPORT

This interim report has been prepared in accordance with the IAS 34 standard for interim financial reporting and using the same principles as for the annual financial statements. The interim report has not been audited.

All figures in the summarised financial statement have been rounded to the nearest figure; therefore, the sum of reported figures may not exactly match those presented.

2.1 KEY FIGURES

Consolidated key figures	Q2 2022	Q2 2021	H1 2022	H1 2021	2021
Net sales, EUR 1,000	31,025	25,088	57,328	48,110	100,755
EBIT, EUR 1000	2,619	462	2,127	583	2,080
EBIT, % of net sales	8.4%	1.8%	3.7%	1.2%	2.1%
Earnings per share (EPS), EUR	0.09	-0.01	0.05	0.01	0.04
Return on equity (ROE), %			4.5%	0.5%	1.8%
Return on capital employed (ROCE), %			4.2%	1.5%	2.5%
Equity ratio, %			45.7%	44.2%	42.2%
Net gearing, %			60.2%	53.8%	65.1%
Gross investments, EUR 1,000	445	577	865	1,386	4,293
Gross investments, % of net sales	1.4%	2.3%	1.5%	2.9%	4.3%
Number of shares (outstanding shares)			21,091,436	21,067,436	21,091,436
Treasury shares (owned by the Group)			88,464	112,464	88,464
Percentage of votes/shares			0.42%	0.53%	0.42%

2.2 CONSOLIDATING ALTERNATIVE KEY FIGURES

Robit presents alternative key figures to supplement the key figures given in the Group's income statements, balance sheets and cash flow statements that have been drawn up according to IFRS standards. Robit considers that the alternative figures give significant extra insight into the result of Robit's operations, its financial position and cash flows. These figures are often used by analysts, investors and other parties.

Alternative key figures should not be studied apart from the key figures according to IFRS or instead of them. Not all companies calculate their alternative key figures in the same way and, therefore, Robit's alternative figures may not be directly comparable to those presented by other companies, even if they carry the same headings.

Adjusted EBITDA and EBITA

EUR thousand	4–6/2022	4–6/2021	1–6/2022	1–6/2021	2021
EBIT (Operating profit)	2,619	462	2,127	583	2,080
Depreciation, amortisation and impairment	1,443	1,401	2,857	2,858	5,514
EBITDA	4,062	1,864	4,984	3,441	7,595
EBIT (Operating profit)	2,619	462	2,127	583	2,080
Amortisation of acquisitions	225	216	444	432	859
EBITA	2,844	678	2,571	1,015	2,940

2.3 CALCULATION OF KEY FIGURES

EBITDA:

EBIT + Depreciation, amortisation and impairment

EBITA

EBIT + Amortisation of customer relationships

Net working capital

Inventory + Accounts receivables and other receivables – Accounts payables and other liabilities

Earnings per share (EPS), EUR

Profit (loss) for the financial year

Amount of shares adjusted with the share issue (average during the financial year)

Return on equity (ROE), %

Profit (loss) for the financial year

Equity (average during the financial year) x 100

Return on capital employed (ROCE), %

Profit before appropriations and taxes + Interest expenses and other financing expenses

Equity (average during the financial year) + Interest-bearing financial liabilities (long-term and short-term loans from financial institutions, average during the financial year) x 100

Net interest-bearing financial liabilities

Long-term and short-term loans from financial institutions – Cash and cash equivalents – Short-term financial securities

Equity ratio, %

Equity

Balance sheet total – Advances received x 100

Gearing, %

Net interest-bearing financial liabilities

Equity x 100

3. BREAKDOWN OF NET SALES

Entries are recorded according to IFRS 15 in the same way for each business unit and market area.

NET SALES

Net sales by product area

EUR thousand	4-6/2022	4-6/2021	Change %	1-6/2022	1-6/2021	Change %	2021
Top Hammer	17,126	13,848	23.7%	33,594	26,299	27.7%	56,287
Down the Hole	13,899	11,239	23.7%	23,734	21,811	8.8%	44,468
Total	31,025	25,088	23.7%	57,328	48,110	19.2%	100,755

Net sales by market area

EUR thousand	4-6/2022	4-6/2021	Change %	1-6/2022	1-6/2021	Change %	2021
EMEA	13,154	11,810	11.4%	23,906	22,576	5.9%	45,298
Americas	6,658	4,566	45.8%	13,260	8,274	60.3%	19,960
Asia	3,231	2,643	22.2%	6,083	5,016	21.3%	10,771
Australasia	3,686	3,590	2.7%	6,994	6,792	3%	14,001
East	4,296	2,479	73.3%	7,085	5,451	30%	10,725
Total	31,025	25,088	23.7%	57,328	48,110	19.2%	100,755

4. FINANCING ARRANGEMENTS

The company's cash and cash equivalents were EUR 7.1 million on 30 June 2022. In addition, the company has EUR 3.5 million undrawn of the financing agreement of EUR 30 million signed on 8 June 2021. In May 2022, the company utilised the first option to extend the agreement according to the original financing agreement. The company's sufficient liquidity is secured through cash and a loan that has not been drawn down.

The parent company's covenants are based on the company's net debt/EBITDA ratio and the company's equity ratio. The covenants are tested on a quarterly basis. The company met all the covenant conditions in Q2.

BORROWINGS/LOANS/INTEREST-BEARING LOANS

EUR thousand	30 June 2022	30 June 2021	31 December 2021
Non-current borrowings			
Loans from credit institutions	25,430	28,144	25,182
Other loans	12	12	12
Lease liabilities	5,298	3,226	5,828
Total non-current borrowings	30,740	31,381	31,022
Current borrowings			
Loans from credit institutions	3,668	1,849	5,187
Other loans	0	0	0
Bank overdrafts	2,603	0	3,262
Lease liabilities	1,795	1,909	2,051
Total current borrowings	8,066	3,758	10,500
Total borrowings	38,805	35,139	41,522

5. CHANGES TO PROPERTY, PLANT AND EQUIPMENT

EUR thousand	30 June 2022	30 June 2021	31 December 2021
Cost at the beginning of period	53,794	47,323	47,323
Additions	961	1,728	6,644
Disposals	-43	-1,390	-282
Reclassification	0	37	-533
Exchange differences	124	286	644
Cost at the end of period	54,836	47,984	53,794
Accumulated depreciation and impairment at the beginning of period	-26,398	-22,682	-22,682
Depreciation	-2,176	-2,090	-3,902
Disposals	34	67	227
Reclassification	-44	-	289
Exchange differences	-116	-176	-330
Accumulated depreciation and impairment at the end of period	-28,700	-24,881	-26,398
Net book amount at the beginning of period	27,396	24,642	24,642
Net book amount at the end of period	26,135	23,103	27,396

6. GIVEN GUARANTEES

EUR thousand	30 June 2022	30 June 2021	31 December 2021
Guarantees and mortgages given on own behalf	48,184	47,774	48,205
Other guarantee liabilities	49	1,107	80
Total	48,232	48,882	48,285

7. ACQUISITIONS

There were no changes in the Group structure during the review period.

8. DERIVATIVES

The company hedges the most significant net currency positions that can be predicted in time and volume and interest rate risk.

There were no open currency derivatives at the end of the review period.

On 8 June 2021, the company concluded a financing agreement of EUR 30 million and, in connection with this, an interest rate swap of EUR 10 million with an interest rate cap in order to hedge part of its exposure to fluctuating interest rates. The interest rate swap subs. The company applies hedge accounting in accordance with IFRS 9. This effectively leads to the recording of interest expenses on a hedged floating rate loan at a fixed rate.

The company's main interest rate risk arises from long-term loans with floating interest rates that expose the Group's cash flow to interest rate risk. The Group's policy is to use, if necessary, a floating to fixed interest rate swap.

Interest derivatives

EUR thousand	30 June 2022	30 June 2021	31 December 2021
Interest rate swaps			
Nominal value	10,000	-	10,000
Fair value	515	-	56

Robit

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