

Robit

Interim Report

January – March 2023



ROBIT PLC INTERIM REPORT 1 JANUARY–31 MARCH 2023: SLOW START TO THE YEAR

Q1 refers to the period from 1 January to 31 March 2021. Figures from the corresponding time period in 2022 are given in parentheses. All the figures presented are in euros. Percentages are calculated from thousands of euros.

1 January–31 March 2023 in brief

- Net sales EUR 21.9 million (26.3), change -16.6 percent
- EBITDA EUR 0.1 million (0.9)
- EBITDA 0.3 percent of net sales (3.5)
- EBITA EUR -1.2 million (-0.3)
- EBIT percentage -6.3 percent of net sales (-1.9)
- Review period net income EUR -1.7 million (-0.8)
- Net cash flow for operating activities EUR -1.3 million (-0.4)
- Equity ratio at the end of the review period 46.6 percent (44.1)

Key financials	Q1 2023	Q1 2022	Change%	2022
Net sales, EUR 1 000	21 933	26 302	-16.6%	111 962
EBITDA, EUR 1 000	61	922	-93.4%	8 851
EBITDA, % of net sales	0.3%	3.5%		7.9%
EBITA, EUR 1 000	-1 174	-273	-329.8%	3 959
EBITA, % of net sales	-5.4%	-1.0%		3.5%
EBIT, EUR 1 000	-1 389	-492	-182.4%	3 071
EBIT, % of net sales	-6.3%	-1.9%		2.7%
Result for the period, EUR 1 000	-1 670	-749	-122.8%	885
Result for the period, % of net sales	-7.6%	-2.8%		0.8%
Earnings per share (EPS), EUR 1 000	-0.08	-0.04		0.04
Return on equity (ROE), %	-14.3%	-6.8%		1.6%
Return on capital employed (ROCE), %	-6.5%	-2.1%		3.5%

MARKET OUTLOOK FOR 2023

Robit expects the global mining industry demand to remain at the current level, taking into account identified risk factors. The company has identified global factors, such as cost inflation, global economic decline and the war in Ukraine.

Robit expects construction industry demand to remain good in the company's key market area of North America. In Europe, demand is expected to remain at the current level, slightly below the level in 2022. The demand is supported by the substantial construction industry funding that has already been decided. The general deterioration of the economic outlook and high-cost inflation may cause construction projects to be postponed.

GUIDANCE FOR 2023

Robit expects net sales in 2023 to increase and comparable EBITDA profitability in euros to remain unchanged or improve slightly from 2022, assuming that there are no significant changes in the exchange rates from the level at the end of 2022.

CEO ARTO HALONEN:

Robit's first quarter was challenging and slow to start, as anticipated in Q4 reporting. Net sales were EUR 21.9 million, down 16.6 percent on the corresponding period. In constant currencies, there was a decrease of 15.7 percent. Orders received totalled EUR 23.0 million, down by 18.0 percent from the comparison period. The company did not manage to compensate lost sales from Russia.

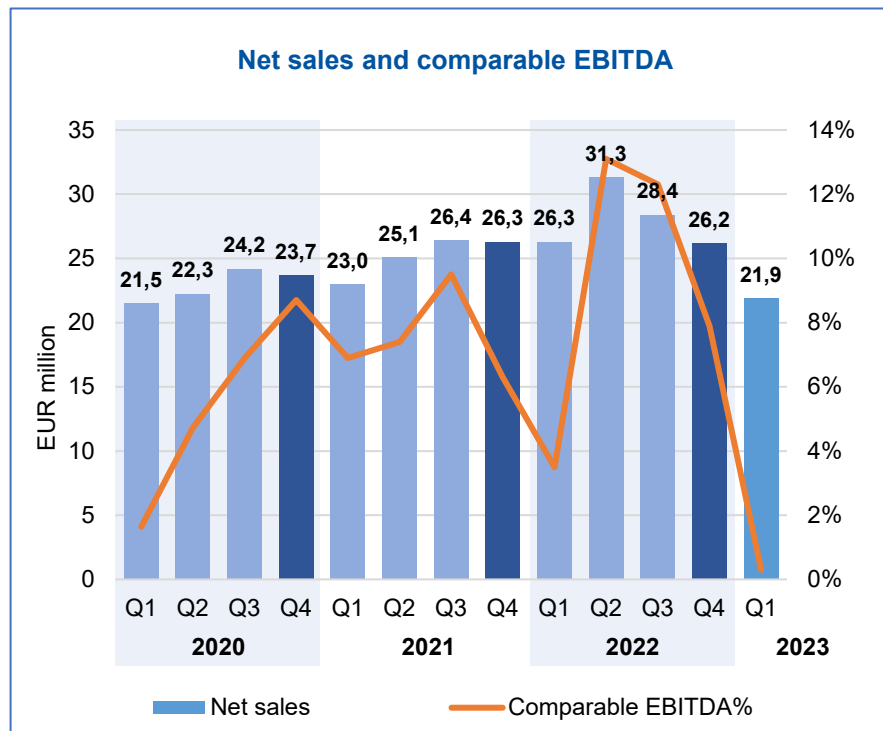
The company grew in the Australasia and EMEA regions. In Australasia, the company's growth was supported by several large-scale product tests that were under way during the quarter, especially in the Top Hammer business segment. In the EMEA region, growth came from the Nordic countries, in particular. Sales in the East region decreased by 90.3 percent due to the discontinuation of business operations in Russia and Belarus, which accounted for EUR 2.4 million of Q1/2022 sales. In the Americas region, sales decreased by 24.4 percent. The decrease in net sales came especially from North America, where the sales were affected by the high stock levels of some distributors and the sales delays caused by late customer receivables. Sales in the Asia region decreased by 23.0 percent due to the low utilisation rate of quarry customers in certain countries important to the company and the low demand in the Korean tunnel market in the early part of the year.

Net sales in the Top Hammer business decreased by 22.8 percent. Sales developed positively in Australia. In other markets, Top Hammer sales declined due to low sales in the

Asia and EMEA regions. Net sales also decreased in the Down the Hole and Geotechnical businesses. The decrease in net sales from the Down the Hole business came from the Americas region, in particular. In the Geotechnical business, sales increased in all main markets except the Americas. The company is in the process of strengthening its distribution channel and sales resources in the Geotechnical segment in North America. In addition, the company signed three new distributor agreements in the early part of the year, further strengthening its distributor network. The company's focus is on investing in sales activity and winning active sales opportunities. The market demand, which has remained good overall, will support sales growth towards the end of the year.

In the first quarter, EBITDA was EUR 0.1 million (0.9). Profitability was particularly burdened by the weakening of the Geotechnical business and the low utilisation rate of Down the Hole manufacturing. The manufacturing costs of Geotechnical products continued to rise, especially due to high raw material costs, and this could not be fully compensated for in the pricing of projects. In the Top Hammer business, profitability in euros was weakened by the decrease in net sales. Exchange differences caused by changes in foreign exchange rates also weakened the company's EBITDA during the quarter.

The company has initiated measures to correct the weak result in the first part of the year. In order to strengthen profitability, the company has started a cost-savings programme. The company aims to achieve savings of approximately EUR 5 million from the level of 2022, of which EUR 2–3 million are expected to materialize during this year. The cost-savings programme is divided into three areas: procurement savings, fixed costs and strategic assessment of the manufacturing network. The company is accelerating the implementation of savings in procurement and cutting the company's fixed costs. In addition, the company is launching a study to optimise the structure of its manufacturing and procurement network. In order to strengthen cash flow, the company will continue the implementation of the Fit for Service programme, which focuses on the development of working capital management.



NET SALES

Net sales by product area

Robit reports its net sales for three operating units in 2023: Top Hammer, Down the Hole and Geotechnical. Previously, the company reported the Geotechnical unit as part of the Down the Hole unit. Additional information about the change can be found from the Notes in 'Scope and principles of the Interim Report'.

EUR thousand	Q1 2023	Q1 2022	Change%	2022
Top Hammer	12 717	16 467	-22.8%	66 834
Down the Hole	5 268	5 739	-8.2%	25 083
Geotechnical	3 948	4 096	-3.6%	20 047
Total	21 933	26 302	-16.6%	111 962

The Group's net sales for the review period totalled EUR 21.9 million (26.3), down 16.6 percent from the comparison period. In constant currencies, the change was -15.7 percent.

The Top Hammer business decreased by 22.8 percent, the net sales for the review period being EUR 12.7 million (16.5). The decrease in net sales was particularly affected by the discontinuation of sales to Russia. Positive development was seen in the Australasia market area.

The Down the Hole business decreased by 8.2 percent, the net sales for the review period being EUR 5.3 million (5.7). The net sales of the Halco brand decreased and the net sales of Robit products increased accordingly during the period.

The Geotechnical business decreased by 3.6 percent, the net sales for the review period being EUR 3.9 million (4.1). The decrease in net sales was affected by the decision of a major distributor in the Americas to reduce its stock.

Net sales by market area

EUR thousand	Q1 2023	Q1 2022	Change%	2022
EMEA	11 028	10 752	2.6%	48 651
Americas	4 991	6 602	-24.4%	26 349
Asia	2 196	2 852	-23.0%	11 686
Australasia	3 447	3 308	4.2%	13 892
East	271	2 789	-90.3%	11 384
Total	21 933	26 302	-16.6%	111 962

The company's growth in the EMEA region continued in the first quarter of the year. Net sales grew by 2.6 percent on the previous year and totalled EUR 11.0 million (10.8). Net sales also grew in the Australasia region by 4.2 percent. In the Americas and Asia regions, net sales decreased on the comparison period, and sales in the East region also decreased due to the company's decision to withdraw from Russia.

PROFITABILITY

Key figures

	Q1 2023	Q1 2022	Change%	2022
EBITDA, EUR 1 000	61	922	-93.4%	8 851
EBITDA, % of net sales	0.3%	3.5%		7.9%
EBIT, EUR 1 000	-1 389	-492	-182.4%	3 071
EBIT, % of net sales	-6.3%	-1.9%		2.7%
Result of the period, EUR 1 000	-1 670	-749	-122.8%	885
Result of the period, % of net sales	-7.6%	-2.8%		0.8%

The review period EBITDA was EUR 0.1 million (0.9). EBITDA's share of net sales was 0.3 percent (3.5). The company's EBIT was EUR -1.4 million (-0.5). EBIT was -6.3 percent (-2.8) of the review period net sales.

The decline in operating profit was mainly due to lower sales during the early part of the year. Cost pressures also continued in the first quarter due to globally increased raw material costs and cost inflation. The company has launched a cost-savings programme to strengthen profitability.

Financial income and expenses totalled EUR -0.4 million (-0.4), of which EUR -0.3 million (-0.3) was interest expenses and EUR 0.0 million (0.5) was changes in foreign exchange rates. Review period net income was EUR -1.7 million (-0.7).

CASH FLOW AND INVESTMENTS

Consolidated cash flow statement

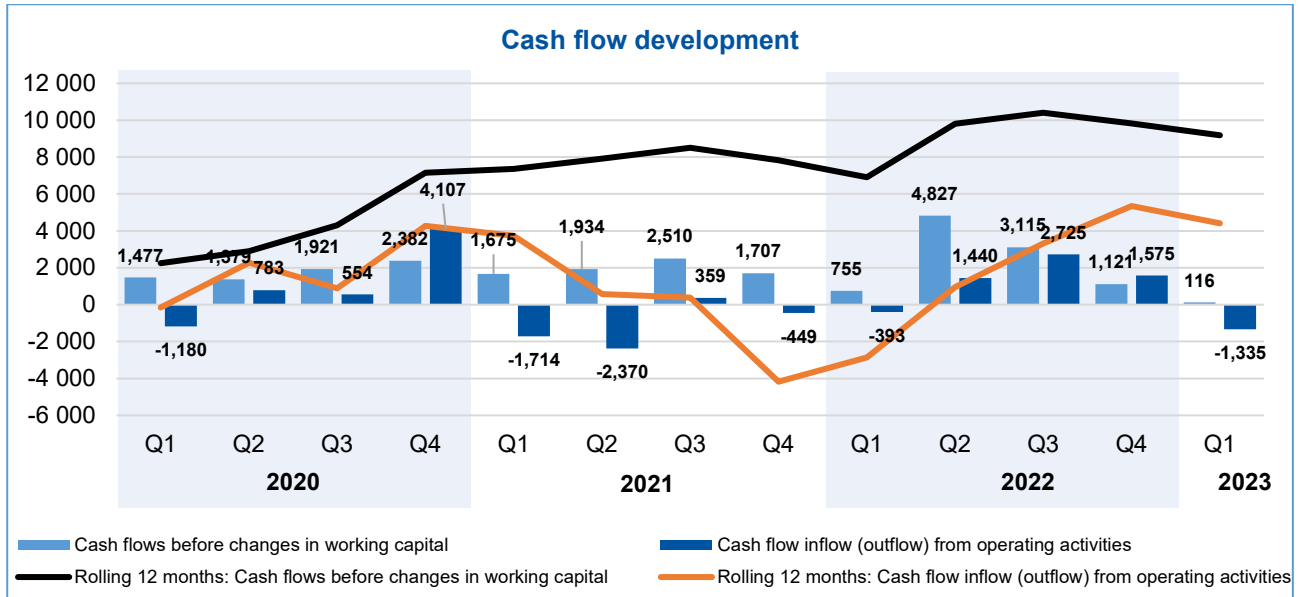
EUR thousand	Q1 2023	Q1 2022	2022
Net cash flows from operating activities			
Cash flows before changes in working capital	116	755	10 014
Cash flows from operating activities before financial items and taxes	-673	33	7 277
Net cash inflow (outflow) from operating activities	-1 335	-393	5 556
Net cash inflow (outflow) from investing activities	-460	-434	-1 057
Net cash inflow (outflow) from financing activities	-303	-1 492	-6 421
Net increase (+)/decrease (-) in cash and cash equivalents	-2 100	-2 319	-1 921
Cash and cash equivalents at the beginning of the financial year	7 688	9 525	9 525
Exchange gains/losses on cash and cash equivalents	-127	-21	84
Cash and cash equivalents at end of the year	5 461	7 185	7 688

The Group's cash flow before changes in working capital during the review period was EUR 0.1 million (0.8). The net cash flow of operating activities decreased to EUR -1.3 million (-0.4). The changes in working capital had an impact of EUR -0.8 million (-0.7). The change in working capital was negatively affected by a decrease in accounts payable of EUR 0.7 million and an increase in inventories of EUR 0.9 million. The decrease in sales and other receivables had a positive impact on cash flow of EUR 0.9 million.

The net cash flow for investment activities was EUR -0.5 million (-0.4). Gross investments in production during the review period totalled EUR 0.2 million (0.4). The share of investments in net sales was 1.1 percent (1.6).

The net cash flow for financing was EUR -0.3 million (-1.5). Net changes in loans totalled EUR -0.2 million (0.3). The change in bank overdrafts was EUR 0.2 million (-1.4). The repayment of lease liabilities reported in net cash flow from financing activities under IFRS 16 totalled EUR -0.3 million (-0.4).

Depreciation, amortisation and write-downs totalled EUR 1.4 million (1.6). Of this, EUR 0.2 million related to the amortisation of customer relationships and brand value from business acquisitions.



FINANCIAL POSITION

	31.3.2023	31.3.2022	31.12.2022
Cash and cash equivalents, EUR thousand	5 461	7 185	7 688
Interest-bearing liabilities, EUR thousand	35 605	40 184	36 345
of which short-term interest-bearing financial liabilities:	8 715	9 046	8 922
Net interest-bearing liabilities, EUR thousand	30 144	32 999	28 657
Undrawn credit facility, EUR thousand	4 045	4 123	4 218
Gearing, %	63.1%	66.3%	56.4%
Equity ratio, %	46.6%	44.1%	46.5%

The Group had interest-bearing debt amounting to EUR 35.6 million (40.2), of which EUR 6.5 million (7.5) was interest-bearing debt under IFRS 16. The Group's liquid assets totalled EUR 5.5 million (7.2). Interest-bearing net debt was EUR 30.1 million (33.0), and interest-bearing net bank debt without IFRS 16 debt impact was EUR 23.6 million (25.5).

The Group's equity at the end of the review period was EUR 47.8 million (49.8). The Group's equity ratio was 46.6 percent (44.1) and gearing stood at 63.1 percent (66.3).

PERSONNEL AND MANAGEMENT

The number of personnel decreased by 19 persons from the end of the comparison period, and at the end of the review period it was 252 (271). At the end of the review period, 69.4 percent of the company's personnel were located outside Finland.

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

FINANCIAL TARGETS

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

	Long-term target	2021	2022	Q1 2023
Net sales growth, % p. a.	15 %	10.0 %	11.1 %	3.4 %
Adjusted EBITDA, % of net sales	13 %	7.5 %	7.9 %	7.4 %

RESOLUTIONS OF THE ANNUAL GENERAL MEETING 2023

Robit Plc's Annual General Meeting on 15 March 2023 approved the company's financial statements and consolidated financial statements for the financial period 1 January–31 December 2022.

The Annual General Meeting resolved that the profit for the financial year 1 January–31 December 2022 would be transferred to the profit and loss account and no dividend would be paid based on the adopted balance sheet for the financial year 1 January–31 December 2022.

The Annual General Meeting resolved to distribute to the shareholders EUR 0.02 of the company's distributable funds per outstanding share. The distribution of funds will be executed as return of capital from the company's invested unrestricted equity fund.

The return of capital will be paid to shareholders who, on the record date of the return of capital on 22 September 2023, are in the shareholder's register held by Euroclear Finland. The return of capital will be paid on 29 September 2023.

The Annual General Meeting resolved to discharge the members of the Board of Directors and the Managing Directors from liability for the financial year ended 31 December 2022.

The Annual General Meeting decided to approve the Remuneration Report for Governing Bodies. According to the Limited Liability Companies Act, the decision is advisory.

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

The annual remuneration for the Chair of the Board is EUR 55,000 and the annual remuneration for the other Board members is EUR 30,000. Forty per cent of the remuneration is paid in shares, and the remaining 60% is an advance tax withheld and paid to the Finnish Tax Administration by the company.

The Board members is paid a meeting fee of EUR 500 per meeting attended for Board meetings and committee meetings. If the meeting is held remotely and lasts no more than 1 hour, EUR 250 is paid as a one-time meeting fee. Other costs, such as travel and lodging expenses, are also compensated.

The annual remuneration of the Chair of the Board and Board members for the entire term of office will be paid in December 2023. 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 Annual General Meeting. The receiver of the remuneration pays the transfer tax.

PricewaterhouseCoopers Oy (PwC) was elected as the company's auditor for a term that will continue until the end of the next Annual General Meeting. PwC has notified the company that Authorised Public Accountant Markku Katajisto will serve as the company's principal responsible auditor.

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

The Annual General Meeting resolved to authorise the Board of Directors to resolve on the acquisition of a maximum of 2,117,990 treasury shares and/or accepting the same number of treasury 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. It is proposed that the authorisation 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 Annual General Meeting on 22 March 2022 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 2024.

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 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 2024. 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.

The Annual General Meeting resolved to add to section 8 of the Articles of Association the possibility for the Board of Directors to decide on the organisation of the Annual General Meeting as a hybrid meeting at its discretion. In addition, the amendment enables the organisation of a general meeting as a remote meeting without a meeting venue.

According to the resolution of the Annual General Meeting, section 8 of the Articles of Association, after the amendment, reads as follows:

"Section 8 The notice of the general meeting is published on the company's website no earlier than two months and no later than 21 days before the meeting, but always no later than nine (9) days before the record date of the general meeting referred to in the Limited Liability Companies Act.

The Board of Directors may also decide that a shareholder may participate in the general meeting in such a way that he or she exercises his or her decision-making power in full during the meeting by means of a telecommunications connection and a technical device (hybrid meeting).

The Board of Directors may decide that the general meeting shall be held without a place for the meeting in such a way that the shareholders exercise their decision-making power fully and in a timely manner during the meeting by means of a telecommunications connection and a technical device (remote meeting).

In order to exercise his or her right to speak and vote at the general meeting, the shareholder must register in the manner specified in the notice of the meeting and no later than on the date specified in the notice of the meeting, which may not be earlier than ten (10) days before the meeting.

In addition to the company's registered office, general meetings can be held in Tampere or Helsinki."

SHARES AND SHARE TURNOVER

On 31 March 2023, the company had 21 179 900 shares and 5 679 shareholders. Trading volume in January–March was 4 670 247 shares (916 927).

The company holds 52 308 treasury shares (0.2 percent of total shares). On 31 March 2023, the market value of the company's shares was EUR 46.8 million. The closing price of the share was EUR 2.21. The highest price in the review period was EUR 3.48 and the lowest price EUR 2.15.

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 accounted for approximately 8 percent of the company's sales in the 2022 financial year. The crisis has caused, and may continue to cause, significant increases in raw material prices. As regards Russia, Robit complies with all the imposed sanctions and continuously monitors the situation.

The covenant of the Robit parent company's financing agreement, net interest-bearing debt/EBITDA, did not meet the terms of the financing agreement on 31 March 2023. The company obtained the consent of its main financier to the breach of the covenant on 22 March 2023. This leads to a higher financial cost and risk for the company.

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, IPR risks and potential impacts of COVID-19. 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 DURING THE REVIEW PERIOD

On 11 January 2023, Robit Plc announced that its VP, Global Sales and Management Team member George Apostolopoulos would be leaving his duties for new challenges outside the company. Apostolopoulos will continue in his position until the summer of 2023. The process of recruiting Apostolopoulos' successor is under way. The sales of global sales areas has also been the responsibility of CEO Arto Halonen, and he will continue in his duties, bearing the responsibility of half of the area's sales.

On 18 January 2023, 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 Annual General Meeting. Timo Sallinen (Senior Vice-President, Investments, Varma Mutual Pension Insurance Company) chaired the Shareholders' Nomination Committee, with Harri Sjöholm (Chair of the Board of Five Alliance Oy), Jukka Vähäpesola (Head of Equities of Elo Mutual Pension Insurance Company) and Markus Lindqvist (Sustainability Director of Aktia Pankki Oyj) as the other members.

On 20 February 2023, Robit Plc published its financial statements release for 1 January–31 December 2022.

On 20 February 2023, the company sent Robit Plc's shareholders a notice to the Annual General Meeting of 15 March 2023.

On 20 February 2023, 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 2023. The reward for the earning period 2023 is divided into a guaranteed part and a performance-based part. The guaranteed part is 50% of the base share allocation defined for the participant. The performance-based part of the share allocation is determined by a bonus coefficient based on the company's predetermined net cash flow from operating activities in the financial statements for 2023. The second earning period covers the years 2024–2025. The potential reward that may be paid under the share scheme for the two-year earning period is based on the company's predetermined average earnings per share in the financial statements for 2024 and 2025. The share scheme's potential reward for both earning periods will be paid in May 2026.

The share scheme covers the CEO and approximately 20 key persons, members of the Management Team and high-potential employees. A participant in the share plan must have a valid employment or service contract in the company. The Management Team members included in the share scheme are subject to the ownership obligation, meaning that the Management Team member must own 50% of the net shares paid to them on the basis of the entire plan until their shareholding in the company corresponds to 50% of their annual salary.

The Board of Directors decides on the earning potential of each key person in the target group. The total amount of share rewards payable on the basis of the earning periods 2023 and 2024–2025 corresponds to a maximum of 240,000 Robit Plc shares, which represents 1.1% of the company's current share capital. The share reward, if earned, is a gross reward from which tax is withheld, and the net reward is paid to key personnel in shares. The purpose of the cash contribution is to cover the taxes and parafiscal charges arising from the reward. The company decides on the relative proportion of shares and money, for example on a country-by-country, individual or personnel group basis. The share 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 4% of the company's shares.

On 22 February 2023, Robit Plc announced that the company's Annual Report, Corporate Governance Statement and Remuneration Report for 2022 had been published on the company's website.

On 4 March 2023, the company published a correction concerning Robit Plc's invitation to the Annual General Meeting 2023. In the notice of the Annual General Meeting published by Robit Plc on 20 February 2023 at 12.00 noon, the Board of Directors proposed a dividend of EUR 0.02 per share for the financial year 2022. The Board of Directors withdrew the dividend proposal and proposed to the Annual General Meeting to distribute EUR 0.02 of the company's distributable funds per outstanding share.

The company's Annual General Meeting was held on 15 March 2023. Robit Plc announced the decisions of the Annual General Meeting in a separate stock exchange release on 15 March 2023.

On 15 March 2023, the company 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 15 March 2023 elected from among its members Markku Teräsvasara as Chair of the Board and Harri

Sjöholm as Vice Chair, and members to serve on Robit Plc's Remuneration Committee, Working Committee and Audit Committee.

EVENTS AFTER THE REVIEW PERIOD

On 21 April 2023, the company announced that the Board of Directors of Robit Plc had decided to transfer, without consideration, a total of approximately 38,500 treasury shares held by the company to 12 key employees within the scope of the Group's share incentive scheme in accordance with the terms and conditions of the Performance Share Plan for Key Persons and Senior Management (LTI 2020–2022). The transfer of shares by means of a directed share issue is based on the authorisation given to the Board of Directors by the Annual General Meeting held on 15 March 2023. The shares will be transferred by 28 April 2023. After the transfer, the company will hold 13,808 treasury shares. This share incentive scheme was originally announced in a stock exchange release issued on 25 March 2020.

On 26 April 2023, the company updated its earlier release: VP Global Sales George Apostolopoulos to pursue other opportunities. Robit Plc announced in its release published on 11 January 2023 that the company's VP Global Sales and member of the management team, George Apostolopoulos, will leave his position during summer 2023. The company updated the information published as follows: The parties have agreed that George Apostolopoulos will leave the company on 30 April 2023. The recruitment of his successor is in progress and will be finalized soon.

Lempäälä, 28 April 2023

Robit Plc
Board of Directors

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Robit is a global expert focused on high-quality drilling consumables for mining and construction markets to help you drill further and faster. Robit strives to be world number one company in drilling consumables. Through our high and proven quality Top Hammer, Down the Hole and Geotechnical products, and our expert services, we deliver saving in drilling costs to our customers. Robit has its own sales and service points in seven countries and an active distributor network through which it sells to 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 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	1.1.-31.3.2023	1.1.-31.3.2022	1.1.-31.12.2022
Net sales	21 933	26 302	111 962
Other operating income	488	1 550	4 117
Materials and services*	-14 845	-17 980	-73 729
Employee benefit expense	-3 984	-4 267	-17 075
Depreciation, amortisation and impairment	-1 449	-1 414	-5 779
Other operating expenses*	-3 531	-4 683	-16 425
EBIT (Operating profit/loss)	-1 389	-492	3 071
Finance income and costs			
Interest income and finance income	56	422	2 277
Interest cost and finance cost*	-445	-832	-4 010
Finance income and costs net	-389	-410	-1 733
	-1 777	-901	1 338
Profit/loss before tax			
Taxes	-4	1	-533
Income tax	111	151	80
Change in deferred taxes	108	152	-453
Income taxes	-1 670	-749	885
Result for the period			
Attributable to:			
Parent company shareholders	-1 764	-845	819
	95	96	66
	-1 670	-749	885
Other comprehensive income			
Items that may be reclassified to profit or loss in subsequent periods:			
Cash flow hedges	-13	241	633
Translation differences***	-1 415	882	41
Other comprehensive income, net of tax	-1 427	1 123	674
Total comprehensive income	-3 097	374	1 560
Attributable to:			
Parent company shareholders	-3 156	312	1 501
Non-controlling interest***	59	61	58
Consolidated comprehensive income	-3 097	374	1 560
Earnings per share			
Basic earnings per share	-0,08	-0,04	0,04

*In the summarised 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 BALANCE SHEET

EUR thousand	31.3.2023	31.3.2022	31.12.2022
ASSETS			
Non-current assets			
Goodwill	5 248	5 450	5 203
Other intangible assets	1 264	2 453	1 498
Property, plant and equipment	23 298	26 884	24 929
Loan receivables	421	287	248
Other receivables	0	0	6
Derivatives	832	358	848
Deferred tax assets	1 828	2 110	1 859
Total non-current assets	32 891	37 543	34 590
Current assets			
Inventories	44 270	45 871	44 311
Account and other receivables	20 220	23 109	22 342
Loan receivables	78	88	80
Income tax receivable	145	207	108
Cash and cash equivalents	5 461	7 185	7 688
Total current assets	70 175	76 460	74 529
Total assets	103 065	114 003	109 119
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	-3 173	-946	-1 744
Revaluation reserve	665	286	678
Retained earnings	-31 787	-32 859	-32 748
Profit/loss for the year	-1 764	-845	819
Equity attributable to parent company shareholders, total	47 418	49 114	50 482
Non-controlling interest*	398	411	339
Equity total	47 816	49 525	50 822
Liabilities			
Non-current liabilities			
Borrowings	21 882	25 502	22 085
Lease liabilities	5 008	5 636	5 338
Deferred tax liabilities	592	705	690
Employee benefit obligations	727	768	732
Total non-current liabilities	28 209	32 611	28 846
Current liabilities			
Borrowings	7 229	7 187	7 278
Lease liabilities	1 486	1 859	1 644
Advances received	377	1 515	145
Income tax liabilities	141	98	321
Account payables and other liabilities	17 803	21 163	19 916
Other provisions	5	45	147
Total current liabilities	27 040	31 867	29 451
Total liabilities	55 249	64 478	58 297
Total equity and liabilities	103 065	114 003	109 119

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

CASH FLOW STATEMENT

EUR thousand	1–3/2023	1–3/2022	2022
Cash flows from operating activities			
Profit before tax	-1 777	-901	1 338
Adjustments:			
Depreciation, amortisation and impairment	1 449	1 414	5 779
Finance income and costs	389	413	1 733
Share-based payments to employees	93	13	115
Loss (+)/Gain (-) on sale of property, plant and equipment	0	-23	-74
Other non-cash transactions*	-38	-161	1 122
Cash flows before changes in working capital	116	755	10 014
Change in working capital			
Increase (-)/decrease (+) in account and other receivables	886	3 199	2 975
Increase (-)/decrease (+) in inventories	-929	-1 610	-606
Increase (+)/decrease (-) in account and other payables	-747	-2 310	-5 107
Cash flows from operating activities before financial items and taxes	-673	33	7 277
Interest and other finance expenses paid	-452	-132	-1 250
Interest and other finance income received	10	0	20
Income taxes paid	-221	-295	-490
Net cash inflow (outflow) from operating activities	-1 335	-393	5 556
Cash flows from investing activities			
Purchases of property, plant and equipment	-189	-374	-1 194
Purchases of intangible assets	-50	-46	-131
Proceeds from the sale of property, plant and equipment	-37	31	150
Proceeds from loan receivables	-184	-45	119
Net cash inflow (outflow) from investing activities	-460	-434	-1 057
Cash flows from financing activities			
Dividend payments*	-	-	-30
Changes in non-current loans	-186	322	-3 187
Change in bank overdrafts	173	-1 385	-1 480
Payment of leasing liabilities	-290	-430	-1 723
Net cash inflow (outflow) from financing activities	-303	-1 492	-6 421
Net increase (+)/decrease (-) in cash and cash equivalents	-2 100	-2 319	-1 921
Cash and cash equivalents at the beginning of the financial year	7 688	9 525	9 525
Exchange gains/losses on cash and cash equivalents	-127	-21	84
Cash and cash equivalents at end of the year	5 461	7 185	7 688

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 on 1 January 2022	705	202	82 570	-1 793	45	-32 846	48 883	281	49 114
Profit for the period						-845	-845	96	-749
Other comprehensive income									
Cash flow hedges					241		241		241
Translation differences				847			847	34	976
Total comprehensive changes				847	241	-845	244	130	374
Share-based payments to employees						-13			-13
Total transactions with shareholders, recognised directly in equity						-13			-13
Equity on 31 March 2022	705	202	82 570	-946	286	-33 704	49 113	411	49 525
EUR thousand	A	B	C	D	E	F	G	H	I
Equity on 1 January 2023	705	202	82 570	-1 744	678	-31 875	50 533	339	50 822
Profit for the period						-1 764	-1 764	95	-1 669
Other comprehensive income									
Cash flow hedges					-13		-13		-13
Translation differences				-1 429			-1 428	-36	-1 464
Total comprehensive changes				-1 429	-13	-1 764	-3 204	59	-3 147
Share-based payments to employees						87	87		87
Total transactions with shareholders, recognised directly in equity						87	87		87
Equity on 31 March 2023	705	202	82 570	-3 173	665	-33 552	47 418	398	47 816

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 IFRS compliant recognition and measurement principles and the same accounting policies as in the most recent annual financial statements, but it has not been prepared in compliance with all the requirements set out in the IAS 34 standard for 'Interim Financial Reporting'. The interim report has not been audited.

Robit reports its net sales for three operating units in 2023: Top Hammer, Down the Hole and Geotechnical. Previously, the company reported the Geotechnical unit as part of the Down the Hole unit. The Geotechnical unit focuses on drill piling, which is a support method used in different kinds of construction projects. The unit's activities focus on project business, which is of a different nature to the primary business of the Down the Hole and Top Hammer units. Down the Hole focuses on DTH drilling consumables used in mines, quarries and well drilling. Top Hammer focuses on top hammer drilling consumables used in mines, quarries, construction projects and tunnelling.

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

Key figures	Q1 2023	Q1 2022	2022
Net sales, EUR thousand	21 933	26 302	111 962
EBIT, EUR thousand	-1 389	-492	3 071
EBIT, per cent of sales	-6,3 %	-1,9 %	2,7 %
Earnings per share (EPS), EUR	-0,08	-0,04	0,04
Return on equity (ROE) %	-14,3 %	-6,8 %	1,6 %
Return on capital employed (ROCE) %	-6,5 %	-2,1 %	3,5 %
Equity ratio %	46,6 %	44,1 %	46,5 %
Gearing ratio %	63,1 %	66,3 %	56,4 %
Gross investments, EUR thousand	239	420	1 326
Gross investments, % of net sales	1,1 %	1,6 %	1,2 %
Number of shares (outstanding)	21 127 592	21 091 436	21 127 592
Treasury shares (owned by the Group)	52 308	88 464	52 308
Percentage of total shares	0,2 %	0,42 %	0,24 %

2.2 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	
<hr/>	
Amount of shares adjusted with the share issue (average during the financial year)	
Return on equity (ROE), %	
Profit (loss) for the financial year	
<hr/>	
Equity (average during the financial year)	
	x 100
Return on capital employed (ROCE), %	
Profit before appropriations and taxes + Interest expenses and other financing expenses	
<hr/>	
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	
<hr/>	
Balance sheet total – Advances received	
	x 100
Gearing, %	
Net interest-bearing financial liabilities	
<hr/>	
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 business unit

EUR thousand	1.1.-31.3.2023	1.1.-31.3.2022	Change %	1.1.-31.12.2022
Top Hammer	12 717	16 467	-22,8 %	66 834
Down the Hole	5 268	5 739	-8,2 %	25 083
Geotechnical	3 948	4 096	-3,6 %	20 047
Total	21 933	26 302	-16,6 %	111 962

Net sales by market area

EUR thousand	1.1.-31.3.2023	1.1.-31.3.2022	Change %	1.1.-31.12.2022
EMEA	11 028	10 752	2,6 %	48 651
Americas	4 991	6 602	-24,4 %	26 349
Asia	2 196	2 852	-23,0 %	11 686
Australasia	3 447	3 308	4,2 %	13 892
East	271	2 789	-90,3 %	11 384
Total	21 933	26 302	-16,6 %	111 962

4. FINANCING ARRANGEMENTS

The company's cash and cash equivalents were EUR 5.5 million on 31 March 2023. In addition, the company has EUR 3.5 million undrawn of the financing agreement of EUR 30 million signed on 8 June 2021. 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 covenant of Robit Plc's financing agreement, net interest-bearing debt/EBITDA, did not meet the terms of the financing agreement on 31 March 2023. The company obtained the consent of its main financier to the breach of the covenant on 22 March 2023.

INTEREST BEARING LOANS

EUR thousand	31.3.2023	31.3.2022	31.12.2022
Non-current borrowings			
Loans from credit institutions	21 870	25 497	22 073
Other loans	11	12	11
Lease liabilities	5 008	5 629	5 338
Total non-current borrowings	26 890	31 138	27 423
Current borrowings			
Loans from credit institutions	5 274	5 175	5 462
Other loans	0	0	10
Bank overdrafts	1 955	1 877	1 782
Lease liabilities	1 486	1 994	1 669
Total current borrowings	8 715	9 046	8 922
Total borrowings	35 605	40 184	36 345

5. CHANGES TO PROPERTY, PLANT AND EQUIPMENT

EUR thousand	31.3.2023	31.3.2022	31.12.2022
Cost at the beginning of period	55 562	53 794	53 794
Additions	189	508	2 251
Disposals	0	-40	-195
Reclassification	0	0	0
Exchange differences	-1 253	1 638	-288
Cost at the end of period	54 499	55 900	55 562
Accumulated depreciation and impairment at the beginning of period	-30 634	-26 398	-26 398
Depreciation	-1 165	-1 083	-4 477
Disposals	0	33	131
Reclassification	0	-57	0
Exchange differences	597	-1 511	110
Accumulated depreciation and impairment at the end of period	-31 201	-29 016	-30 634
Net book amount at the beginning of period	24 928	27 396	27 396
Net book amount at the end of period	23 298	26 884	24 928

6. GIVEN GUARANTEES

EUR thousand	31.3.2023	31.3.2022	31.12.2022
Guarantees and mortgages given on own behalf	48 181	48 201	48 425
Other guarantee liabilities	49	49	49
Total	48 230	48 250	48 474

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 will take effect on 30 June 2023 and it will end on 30 June 2026. 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	31.3.2023	31.3.2022	31.12.2022
Interest rate swaps			
Nominal value	10 000	10 000	10 000
Fair value	832	358	848

Robit

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