

Robit

Interim Report

January–September 2021



ROBIT PLC STOCK EXCHANGE RELEASE 28 OCTOBER 2021 AT 11.00 A.M.

ROBIT PLC INTERIM REPORT 1 JANUARY–30 SEPTEMBER 2021: PROFITABILITY IMPROVED SIGNIFICANTLY

In the text, 'review period' or 'third quarter of the year' refers to 1 July–30 September 2021 (Q3), and 'January–September' refers to 1 January–30 September 2021. Figures from the corresponding time period in 2020 are given in parentheses. All the figures presented are in euros. Percentages are calculated from thousands of euros.

1 July–30 September 2021 in brief

- Net sales EUR 26.4 million (24.2), change 8.9%
- EBITDA EUR 2.5 million (1.7)
- EBITA EUR 1.4 million (0.3)
- EBIT 4.4% (0.5)
- Review period net income EUR 0.8 million (-0.6)
- Net cash flow for operating activities EUR 0.4 million (0.6)

1 January–30 September 2021 in brief

- Net sales EUR 74.5 million (67.9), change 9.6%
- EBITDA EUR 5.9 million (3.1)
- EBITA EUR 2.4 million (-0.9)
- EBIT 2.4% (-2.2)
- Review period net income EUR 1.0 million (-3.4)
- Net cash flow for operating activities EUR -3.7 million (0.2)
- Equity ratio at the end of the review period 44.2% (45.1)

Key financials	Q3 2021	Q3 2020	Change %	Q1–Q3 2021	Q1–Q3 2020	Change %	2020
Net sales, EUR 1,000	26,359	24,194	8.9 %	74,469	67,940	9.6 %	91,631
EBITDA*, EUR 1,000	2,504	1,658	51.0 %	5,945	3,064	94.0 %	5,116
EBITDA, % of net sales	9.5 %	6.9 %		8.0 %	4.5 %		5.6 %
EBITA, EUR 1,000	1,382	324	-326.9 %	2,397	-880	372.3 %	-48
EBITA, % of net sales	5.2 %	1.3 %		3.2 %	-1.3 %		-0.1 %
EBIT, EUR 1,000	1,171	118	896.1 %	1,754	-1,493	217.4 %	-868
EBIT, % of net sales	4.4 %	0.5 %		2.4 %	-2.2 %		-0.9 %
Result for the period, EUR 1,000	814	-568	243.2 %	1,038	-3,409	130.5 %	-2,894
Result for the period, % of net sales	3.1 %	-2.3 %		1.4 %	-5.0 %		-3.2 %
Earnings per share (EPS), EUR 1,000	0.04	-0.03	252.3 %	0.04	-0.16	122.0 %	-0.14
Return on equity (ROE), %**				2.5 %	-9.2 %		-5.9 %
Return on capital employed (ROCE), %**				2.7 %	-7.4 %		-2.6 %

*No items affecting comparability Q1-Q3/2021 or Q1-Q3/2020

**Corrected the calculation principles to correspond to the formula defined for key figures

ROBIT'S OUTLOOK FOR 2021

Robit expects the market situation to remain strong. Demand in the mining segment is supported by the positive development in metal prices. 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. The company expects COVID-19 restrictions to have a limited impact on the demand of Robit's products in 2021.

Demand in the mining industry is high in 2021. Demand for consumable parts across cycles is more stable in relation to investment products. The positive development of mineral prices and bright outlook are reflected in the research drilling activities that are developing well. Prospection drilling is a cyclical part of the industry, reflecting the mining industry's willingness to invest in future capacity increases. The company has good growth potential in the mining segment.

The construction industry is always locally cyclical, and the market situation can change rapidly. The prospects of Robit's customers are good, and projects related to infrastructure construction that are ongoing or to be launched in 2021 support the prospects for the end of the year.

GUIDANCE FOR 2021

Robit updated its financial guidance for 2021 on 22 October 2021.

New guidance

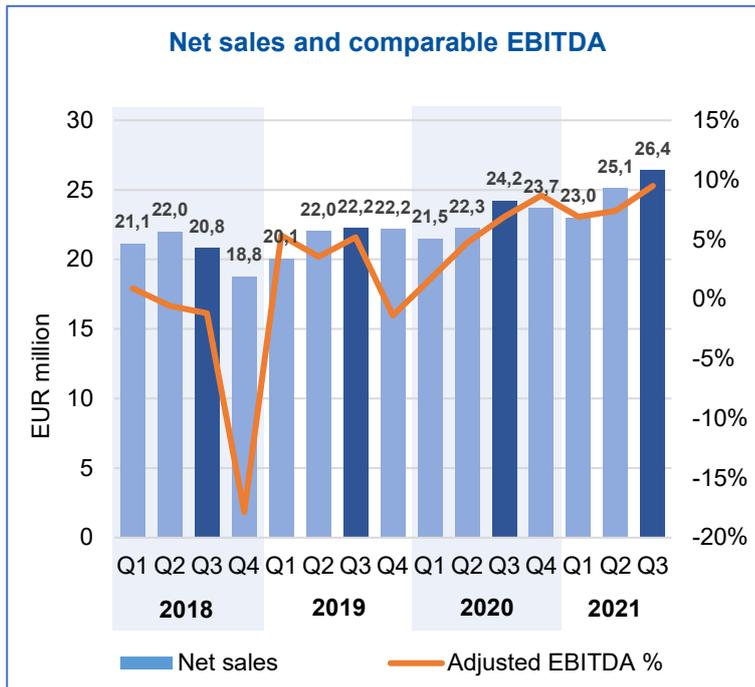
Robit Plc expects the market situation to remain on a good level in the end of the year. The company estimates that net sales for 2021 will grow and comparable EBITDA profitability in euros will improve as follows: net sales being between EUR 97.0–101.0 million and comparable EBITDA profitability being at least EUR 7.0 million, assuming that exchange rates remain on the level of September 2021.

Previous guidance

Robit expects the market situation to develop positively and believes COVID-19 restrictions to have had a limited impact on the demand of Robit's products in 2021. Robit estimates that net sales for 2021 will grow and comparable EBITDA profitability in euros will improve compared with 2020.

CEO TOMMI LEHTONEN:

We achieved record net sales in the third quarter and, at the same time, took a step towards our long-term profitability targets. The quarter was the tenth in a row where we grew on the corresponding period. The growth in the quarter was mainly realised in the mining segment. The actions related to the sales margin improvement supported the development of profitability. The number of project deliveries decreased compared to the strong corresponding period. Overall, customer demand for Robit's offering remained at a good level. The shortage of sea freight capacity posed challenges in terms of supply. We have been ensuring product availability and customer satisfaction by growing our stock levels, advancing investments and raw material purchases as well as strengthening the ability of the supply chain.



Net sales for the third quarter of the year totalled EUR 26.4 million (EUR 24.2 million). There was an increase of 8.9% compared to the corresponding period and an increase of 5.9% in constant currencies. The EBITDA was EUR 2.5 million, up 51% on the corresponding period. Orders received totalled EUR 25.6 million. There was an increase of 4.6% compared to the corresponding period.

Growth in the quarter was driven by the Americas market area. North America's share of sales increased significantly, and the development was positive in all customer segments. In South America, we got back on the growth track and saw progress in the mining segment in particular. Development in the EMEA market area varied from country to country but, overall, the quarter saw a moment of slower growth. The growth potential in the market area is good. In the Asia market

area, the situation improved as the challenges posed by the pandemic eased after a challenging early part of the year. We were unsatisfied with the development in Australasia. We will strengthen our sales resources in Australasia. In East market areas net sales dropped. In the area there were significant project deliveries during the corresponding period.

The development of the Top Hammer business in the mining segment was in line with the target setting. We succeeded in improving the Top Hammer delivery capacity, and the availability-related challenges eased off compared to the early part of the year. The outlook for growth in the Top Hammer offering remains bright. The Down the Hole business grew less than expected, because there were no significant project deliveries during the review period. Work to develop the Down the Hole business in the mining segment continues on a systematic basis, and we started deliveries to a new significant mining customer in the Americas market area, for instance.

In the third quarter, we started a project that creates new and common operating methods for factories to support continuous development towards strategic goals in terms of service and competitiveness. At the same time, practices that support the management of working capital will be strengthened. We also invested in a software that strengthens Robit's inventory and availability management. We also invested in strengthening competence in this area.

Actions related to the sales margin improvement projects paid off in the third quarter of the year. The strengthening of the margin was the main driver behind the improved profitability in the quarter. Fixed costs also remained well under control as planned, although travel and trade fair costs increased compared to the early part of the year as the world opened up.

In the third quarter, we carried out a significant amount of training for our own personnel and distributors. The training particularly focused on the skills of advisory sales, where the goal is to create the abilities to help customers make choices and operate in ways that reduce overall costs and improve energy efficiency.

Robit implemented a thorough ESG account project and launched an ESG roadmap as well as targets in the Capital Markets Day on 23 September 2021. The roadmap focuses on four main key themes: sustainable partnerships, CO2 emission reduction in value chain, healthy and happy workplace and efficiency throughout the product lifecycle.

NET SALES

Net sales by product area

EUR thousand	Q3 2021	Q3 2020	Change %	Q1-Q3 2021	Q1-Q3 2020	Change %	2020
Top Hammer	14,077	12,235	15.1 %	40,377	35,065	15.1 %	46,348
Down the Hole	12,282	11,959	2.7 %	34,092	32,876	3.7 %	45,283
Yhteensä	26,359	24,194	8.9 %	74,469	67,940	9.6 %	91,631

The Group's net sales in the third quarter of the year period totalled EUR 26.4 million (24.2). There was an increase of 8.9% from the corresponding period. In constant currencies, the change was 5.9%.

The Group's net sales in January–September totalled EUR 74.5 million (67.9). There was an increase of 9.6% from the corresponding period. In constant currencies, the change was 7.2%.

The Top Hammer business continued to grow strongly in the third quarter, with net sales growing by 15.1%. In January–September, Top Hammer net sales grew by 15.1% to EUR 40.4 million (35.1). The growth of the business has been supported in particular by the new mining customers gained.

The Down the Hole business grew by 2.7% in the third quarter. In January–September, net sales grew by 3.7% to EUR 34.1 million. Growth was steady in all customer segments. The strongest growth was in the Americas market area.

Net sales by market area

EUR thousand	Q3 2021	Q3 2020	Change %	Q1-Q3 2021	Q1-Q3 2020	Change %	2020
EMEA	11,446	10,982	4.2 %	34,022	30,739	10.7 %	40,028
Americas	5,948	3,389	75.5 %	14,222	10,008	42.1 %	14,008
Asia	2,627	2,605	0.9 %	7,644	8,608	-11.2 %	11,397
Australasia	3,560	3,712	-4.1 %	10,352	10,135	2.1 %	13,654
East	2,779	3,507	-20.8 %	8,230	8,450	-2.6 %	12,544
Yhteensä	26,359	24,194	8.9 %	74,469	67,940	9.6 %	91,631

The company's growth was strong in the third quarter in the Americas market area, where net sales grew by 75.5%. Growth was strong in both South and North America. Net sales also grew in the EMEA and Asia market areas. In Australasia, net sales decreased by 4.1% due to the timing of the largest customer deliveries. The East market area was clearly left behind the exceptionally strong corresponding quarter. There were significant project deliveries during the corresponding period.

In January–September, the company's growth was especially driven by the Americas and EMEA market areas. In the East market area, low project activity in the Geotechnical segment was reflected in declining net sales. Other segments in the East market area increased. Net sales in the Asia area fell by 11.2% due to the low demand in the early part of the year.

PROFITABILITY

Key figures

Thousand euros	Q3 2021	Q3 2020	Change %	Q1-Q3 2021	Q1-Q3 2020	Change %	2020
EBITDA, EUR 1,000	2,504	1,658	51.0 %	5,945	3,064	94.0 %	5,116
EBITDA, % of net sales	9.5 %	6.9 %		8.0 %	4.5 %		5.6 %
EBIT, EUR 1,000	1,171	118	896.1 %	1,754	-1,493	217.4 %	-868
EBIT, % of net sales	4.4 %	0.5 %		2.4 %	-2.2 %		-0.9 %
Result for the period, EUR 1,000	814	-568	243.2 %	1,038	-3,409	130.5 %	-2,894
Result for the period, % of net sales	3.1 %	-2.3 %		1.4 %	-5.0 %		-3.2 %

The company's profitability clearly improved in the review period. The EBITDA for the third quarter was EUR 2.5 million (1.7). The EBITDA's share of net sales improved clearly and totalled 9.5% (6.9). The company's EBIT was EUR 1.2 million (0.1). The EBIT was 4.4% (0.5) of the review period net sales.

In January–September, the EBITDA was EUR 5.9 million (3.1). The EBITDA's share of net sales was 8.0% (4.5). The company's EBIT was EUR 1.8 million (-1.5). The EBIT was 3.1% (-2.3) of the net sales in January–September.

Improved operating profit was supported by increased net sales, measures taken in pricing and management of pricing, and the gradual realisation of savings in acquisitions. High freight costs and the globally increased costs of raw materials created cost pressure, but the company's measures have managed to compensate for the impact of these cost factors.

Financial income and expenses in the third quarter of the year totalled EUR -0.4 million (-0.9), of which EUR -0.3 million (-0.2) was interest expenses and EUR -0.1 million (-0.7) exchange rate changes. The result for the third quarter improved to EUR 0.8 million (-0.6).

In January–September, financial income and expenses totalled EUR -1.0 million (-2.3), of which EUR -0.9 million (-0.8) was interest expenses and EUR 0.0 million (-1.3) exchange rate changes. The result for January–September improved to EUR 1.0 million (-3.4).

CASH FLOW AND INVESTMENTS

Consolidated cash flow statement

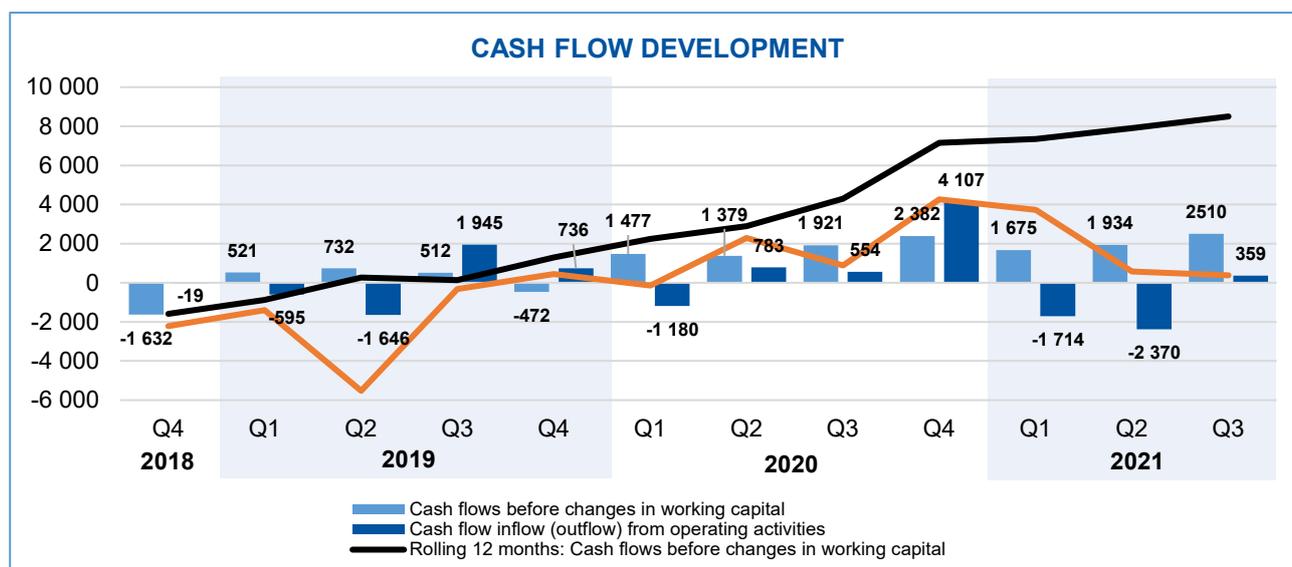
EUR thousand	Q3 2021	Q3 2020	Q1–Q3 2021	Q1–Q3 2020	2020
Net cash flows from operating activities					
Cash flows before changes in working capital	2,510	1,921	6,119	4,777	7,160
Cash flows from operating activities before financial items and taxes	722	759	-2,549	1,154	5,555
Net cash inflow (outflow) from operating activities	359	554	-3,724	156	4,263
Net cash inflow (outflow) from investing activities	-1,144	395	-2,431	-182	-1,173
Net cash inflow (outflow) from financing activities	408	-207	701	-1,442	-3,626
Net increase (+)/decrease (-) in cash and cash equivalents	-376	741	-5,455	-1,468	-536
Cash and cash equivalents at the beginning of the financial year	9,372	12,689	14,339	15,248	15,248
Exchange gains/losses on cash and cash equivalents	-70	-197	41	-544	-370
Cash and cash equivalents at end of the year	8,926	13,235	8,926	13,235	14,339

The Group's cash flow before changes in working capital improved during the third quarter to EUR 2.5 million (1.9). The net cash flow for operating activities was EUR 0.4 million (0.6). The changes in working capital had an impact of EUR -1.8 million (-1.2). The growth in sales and other receivables had a negative impact on cash flow of EUR 0.8 million and on inventories of EUR 1.9 million. Increased invoicing increased the amount of sales receivables. The growth in inventories came mainly from the growth in inventories in the Top Hammer business. The increase of account payables and other debts had a positive impact of EUR 0.9 million on the cash flow of the business.

The net cash flow from investing activities for the third quarter was EUR -1.1 million (0.4). Gross investments in production during the review period totalled EUR 1.3 million (0.1). The investments' share of net sales was 5.1% (0.6). 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. Implementation of growth investments will continue in the last quarter.

The net cash flow from financing activities for the third quarter was EUR 0.4 million (-0.2). Net changes in loans totalled EUR 0.8 million (0.4). The change in bank overdrafts was EUR 0.0 million (-0.3). The repayment of lease liabilities reported in net cash flow from financing activities under IFRS 16 totalled EUR 0.4 million (0.4).

Depreciation, amortisation and write-downs totalled EUR 1.3 million (1.5). Of this, EUR 0.2 million related to amortisation of customer relationships and brand value from business acquisitions.



FINANCIAL POSITION

	30 September 2021	30 September 2020	31 December 2020
Cash and cash equivalents, EUR thousand	8,926	13,235	14,339
Interest-bearing liabilities, EUR thousand	36,319	37,118	35,567
of which short-term interest-bearing financial liabilities:	3,566	10,984	11,154
Net interest-bearing debt, EUR thousand	27,393	23,883	21,228
Undrawn credit facility, EUR thousand	6,000	388	261
Gearing, %	57.0 %	52.2 %	45.2 %
Equity ratio, %	44.2 %	45.1 %	45.5 %

The Group had interest-bearing debt amounting to 36.3 million (37.1), of which EUR 5.4 million (5.8) was interest-bearing debt under IFRS 16. The Group's liquid assets totalled EUR 8.9 million (13.2). Interest-bearing

net liabilities were EUR 27.4 million (23.9), and interest-bearing net bank debt without IFRS 16 debt impact was EUR 22.0 million (18.0).

The Group's equity at the end of the review period was EUR 48.1 million (45.8). The Group's equity ratio was 44.2% (45.1) and its net gearing was 57.0% (52.2).

PERSONNEL AND MANAGEMENT

The number of personnel increased by 7 from the end of the corresponding period, and at the end of the review period it was 267 (260). At the end of the review period, 73% of the company's personnel were located outside Finland.

The company Management Team at the end of the review period was comprised of Tommi Lehtonen (CEO), Jaana Rinne (HR Director) and Arto Halonen (CFO).

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	2019	2020	Q1-Q3 2021
Net sales growth p.a.	15 %	4.6 %	6.0 %	9.6 %
Adjusted EBITDA, % of net sales	13 %	3.1 %	5.6 %	8.0 %

RESOLUTIONS OF THE ANNUAL GENERAL MEETING 2021

Robit Plc's Annual General Meeting on 25 March 2021 adopted the financial statements for 1 January–31 December 2020 and resolved that no dividend would be paid based on the adopted balance sheet for the financial year 2020.

The General Meeting resolved to discharge the members of the Board of Directors and the Managing Directors from liability for the financial year ending 31 December 2020.

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, Mammu Kaario, Mikko Kuitunen, Anne Leskelä, Kalle Reponen and Harri Sjöholm were re-elected as members of the Board of Directors.

The annual remuneration for the Chairman of the Board of Directors is EUR 45,000, 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 as 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 2021. 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 2,108,390 treasury shares 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% all 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 otherwise 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 otherwise at a price formed on the market. The authorisation will be used, for example, for the purposes of implementing the company's share-based incentive schemes or for other purposes as decided by the Board of Directors.

It was resolved that the authorisation revokes the authorisation granted by the General Meeting on 22 April 2020 to decide on the acquisition of treasury shares.

The authorisation is valid until the closing of the next Annual General Meeting, however, no longer than until 30 June 2022.

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 2,108,390, which amounts to 10% of all shares in the company as of 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, however, no longer than until 30 June 2022. The authorisation will revoke all 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 September 2021, the company had 21,179,900 shares and 4,099 shareholders. Trading volume in January–September was 4,470,406 shares (4,963,639).

The company holds 112,464 treasury shares (0.5% of total shares). On 30 September 2021, the market value of the company's shares was EUR 83.7 million. The closing price of the share was EUR 3.95. The highest price in January–September was EUR 6.46 and the lowest price EUR 3.65.

RISKS AND BUSINESS UNCERTAINTIES

Robit closely monitors the impact of COVID-19 on demand in the sector. In general, customer activities have returned to normal levels. The effects on Robit's operations are limited and only affect individual countries or market areas. COVID-19 still restricts traveling and thus, implementation of some growth projects related to testing and sales. 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 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 and commissioning of new information systems, integration of corporate acquisitions, risks related to 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 JULY–SEPTEMBER 2021

On 10 August 2021, the company published its half-yearly report for 1 January–30 June 2021.

On 3 September 2021, Robit Plc announced that the four largest registered shareholders of the company (the company's shareholders list maintained by Euroclear Finland Ltd, 1 September 2021) have appointed the following representatives to the shareholders' Nomination Committee: Harri Sjöholm (Five Alliance Oy, Chairman of the Board of Directors), Timo Sallinen (Varma Mutual Pension Insurance Company, Senior Vice-President, Investments), Jukka Vähäpesola (Elo Mutual Pension Insurance Company, Head of Equities) and Tuomas Virtala (OP Corporate Bank Plc, CEO, Asset Management). The Committee will elect a chairperson from among its members at its first meeting. The shareholders' Nomination Committee prepares and presents to the General Meeting proposals on the remuneration and number of Board members and on members to be elected for the Board. In addition, the Nomination Committee prepares and presents to the Board of Directors for approval the principles concerning the diversity of the Board. The shareholders' Nomination Committee is established for an indefinite period until the General Meeting decides otherwise. The Nomination Committee elected now submits its proposals to the company's Board of Directors no later than 31 January each year before the next Annual General Meeting. The tasks and composition of the Nomination Committee are described in more detail on the company's website at <https://www.robitgroup.com/investor/corporate-governance/nomination-committee/>.

EVENTS AFTER THE REVIEW PERIOD

No events after the review period.

Lempäälä, 30 September 2021

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 8 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 figures expressed or assumed in statements about future prospects.

CONDENSED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

EUR thousand	7-9/2021	7-9/2020	1-9/2021	1-9/2020	2020
Net sales	26,359	24,194	74,469	67,940	91,631
Other operating income	612	858	1,414	1,530	2,524
Materials and services*	-16,847	-15,725	-48,088	-43,191	-58,773
Employee benefit expense	-3,980	-3,694	-12,086	-11,616	-15,747
Depreciation, amortization and impairment	-1,333	-1,541	-4,191	-4,558	-5,984
Other operating expenses*	-3,640	-3,975	-9,765	-11,598	-14,520
EBIT (Operating profit)	1,171	118	1,754	-1,493	-868
Finance income and costs					
Finance income	80	24	667	358	286
Finance cost	-435	-902	-1,682	-2,618	-2,936
Finance income and costs net	-356	-878	-1,015	-2,259	-2,650
Profit before income tax	815	-760	738	-3,752	-3,518
Income taxes					
Current taxes	-36	-6	-73	-8	-380
Change in deferred taxes	35	198	373	352	1,004
Income taxes	-1	192	300	343	624
Result for the period	814	-568	1,038	-3,409	-2,894
Attributable to:					
Owners of the parent	741	-568	867	-3,409	-2,894
Non-controlling interest	73	0	171	0	0
	814	-568	1,038	-3,409	-2,894
Other comprehensive income					
Items that may be reclassified to profit or loss in subsequent periods:					
Cash flow hedges	-13	0	-13	0	0
Translation differences	-648	-257	-58	-2,029	-1,088
Other comprehensive income, net of tax	-662	-257	-71	-2,029	-1,088
Total comprehensive income	152	-826	967	-5,438	-3,981
Attributable to:					
Owners of the parent	79	-826	796	-5,438	-3,981
Non-controlling interest	73	0	171	0	0
Other comprehensive income	152	-826	967	-5,438	-3,981
Earnings per share attributable to the owners of the parent during the year:					
Basic and diluted earnings per share	0,04	-0,03	0,04	-0,16	-0,14

*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 STATEMENT OF FINANCIAL POSITION

EUR thousand	30.9.2021	30.9.2020	31.12.2020
ASSETS			
Non-current assets			
Goodwill	5,360	5,060	5,134
Other intangible assets	2,945	4,096	3,809
Property, plant and equipment	24,007	24,109	24,641
Loan receivables	295	127	386
Other receivables	3	235	3
Deferred tax assets	1,755	1,230	1,528
Total non-current assets	34,366	34,857	35,500
Current assets			
Inventories	41,689	32,886	34,857
Account and other receivables	24,457	21,508	18,621
Loan receivables	93	123	125
Income tax receivable	40	81	81
Cash and cash equivalents	8,926	13,235	14,339
Total current asset	75,205	67,832	68,023
Total assets	109,569	102,689	103,523
EQUITY AND LIABILITIES			
Equity attributable to owners of the parent			
Share capital	705	705	705
Share premium	202	202	202
Reserve for invested unrestricted equity	82,570	82,452	82,570
Cumulative translation difference	-2,856	-3,739	-2,798
Fair value reserve	-13	0	0
Retained earnings	-33,795	-30,432	-30,796
Profit for the year	867	-3,409	-2,894
Equity holders of the parent company	47,680	45,779	46,989
Non-controlling interests	415	0	0
Total equity	48,096	45,779	46,989
Liabilities			
Non-current liabilities			
Borrowings	28,879	21,564	19,247
Lease liabilities	3,874	4,571	5,166
Deferred tax liabilities	641	1,052	798
Employee benefit obligations	677	592	628
Total non-current liabilities	34,088	27,779	25,838
Current liabilities			
Borrowings	2,002	9,714	9,941
Lease liabilities	1,563	1,270	1,213
Advances received	663	1,169	130
Income tax liabilities	37	12	283
Account payables and other liabilities	23,002	16,884	19,029
Other provisions	117	83	100
Total current liabilities	27,385	29,131	30,696
Total liabilities	61,473	56,910	56,534
Total equity and liabilities	109,569	102,689	103,523

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

CONSOLIDATED CASH FLOW STATEMENT

EUR thousand	7-9/2021	7-9/2020	1-9/2021	1-9/2020	2020
Cash flows from operating activities					
Profit before tax	815	-390	738	-3,752	-3,518
Adjustments:					
Depreciation, amortisation and impairment	1,333	1,541	4,191	4,558	5,984
Finance income and costs	356	-6	1,015	2,229	2,650
Share-based payments to employees	21	48	-140	132	182
Loss (+)/Gain (-) on sale of property, plant and equipment	-167	30	-168	22	158
Other non-cash transactions	153	699	483	1,589	1,704
Cash flows before changes in working capital	2,510	1,921	6,119	4,777	7,160
Change in working capital					
Increase (-) in account and other receivables	-787	-2,369	-6,041	-5,318	1
Increase (-)/decrease (+) in inventories	-1,929	-725	-6,733	-2,835	-5,000
Increase (+) in account and other payables	930	1,932	4,109	4,530	3,395
Cash flows from operating activities before financial items and taxes	722	759	-2,549	1,154	5,555
Interest and other finance expenses paid	-355	-220	-894	-768	-1,083
Interest and other finance income received	-42	3	15	17	28
Income taxes paid	35	12	-296	-247	-238
Net cash inflow (outflow) from operating activities	359	554	-3,724	156	4,263
Cash flows from investing activities					
Purchases of property, plant and equipment	-1,311	-130	-2,627	-328	-1,204
Purchases of intangible assets	-23	-3	-92	-7	-77
Proceeds from the sale of property, plant and equipment	187	32	224	86	103
Proceeds from loan receivables	2	496	64	67	6
Net cash inflow (outflow) from investing activities	-1,144	395	-2,431	-182	-1,173
Cash flows from financing activities					
Equity issue	0	0	0	79	79
Changes in non-current loans	782	437	5,731	124	-1,751
Change in bank overdrafts	0	-293	-3,739	-307	-179
Payment of leasing liabilities	-374	-351	-1,291	-1,338	-1,774
Net cash inflow (outflow) from financing activities	408	-207	701	-1,442	-3,626
Net increase (+)/decrease (-) in cash and cash equivalents	-376	741	-5,455	-1,468	-536
Cash and cash equivalents at the beginning of the financial year	9,372	12,689	14,339	15,248	15,248
Exchange gains/losses on cash and cash equivalents	-70	-197	41	-544	-370
Cash and cash equivalents at end of the year	8,926	13,235	8,926	13,235	14,339

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 at 31 December 2019	705	202	82,268	-1,710		-30,744			50,721
Other changes						191			191
Equity at 1 January 2020	705	202	82,268	-1,710		-30,553			50,912
Profit for the period						-3,409			-3,409
Other comprehensive income									
Translation differences				-2,029					-2,029
Total comprehensive changes	0	0	0	-2,029		-3,409			-5,438
Share issue			183						183
Share-based payments to employees						122			122
Total transactions with owners, recognized directly in equity	0	0	183	0		122			305
Equity at 30 September 2020	705	202	82,452	-3,739		-33,840			45,779

EUR thousand	A	B	C	D	E	F	G	H	I
Equity at 1 January 2020	705	202	82,570	-2,798	0	-33,690			46,989
Profit for the period							867	171	1,038
Other comprehensive income									
Cash flow hedges					-13				-13
Translation differences				-58				5	-53
Total comprehensive changes	0	0	0	-58	-13	867		176	972
Share-based payments to employees						-105			-105
Change in non-controlling interests								240	240
Total transactions with owners, recognized directly in equity						-105		240	135
Equity at 30 September 2021	705	202	82,570	-2,856	-13	-33,795	867	415	48,096

NOTES

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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	Q3 2021	Q3 2020	Q1–Q3 2021	Q1–Q3 2020	2020
Net sales, EUR 1,000	26,359	24,194	74,469	67,940	91,631
EBIT, EUR 1000	1,171	118	1,754	-1,493	-868
EBIT, % of net sales	4.4 %	0.5 %	2.4 %	-2.2 %	-0.9 %
Earnings per share (EPS), EUR	0.04	-0.03	0.04	-0.16	-0.14
Return on equity (ROE), %			2.5 %	-9.2 %	-5.9 %
Return on capital employed (ROCE), %			2.7 %	-7.4 %	-2.6 %
Equity ratio, %			44.2 %	45.1 %	45.5 %
Net gearing, %			57.0 %	52.2 %	45.2 %
Gross investments, EUR 1,000	1,333	133	2,720	335	1,281
Gross investments, % of net sales	5.1 %	0.6 %	3.7 %	0.5 %	1.4 %
Number of shares (outstanding shares)			21,067,436	21,027,107	21,058,936
Treasury shares (owned by the Group)			112,464	152,793	120,964
Percentage of total shares			0.53 %	0.72 %	0.57 %

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, so 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	7–9/2021	7–9/2020	1–9/2021	1–9/2020	2020
EBIT (Operating profit)	1,171	118	1,754	-1,493	-868
Depreciation, amortisation and impairment	1,333	1,541	4,191	4,558	5,984
EBITDA	2,504	1,658	5,945	3,064	5,116
EBIT (Operating profit)	1,171	118	1,754	-1,493	-868
Amortisation of acquisitions	212	-208	-643	-613	820
EBITA	1,382	324	2,397	-880	-48

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	7-9/2021	7-9/2020	Change %	1-9/2021	1-9/2020	Change %	2020
Top Hammer	14,077	12,235	15.1 %	40,377	35,065	15.1 %	46,348
Down the Hole	12,282	11,959	2.7 %	34,092	32,876	3.7 %	45,283
Total	26,359	24,194	8.9 %	74,469	67,940	9.6 %	91,631

Net sales by market area

EUR thousand	7-9/2021	7-9/2020	Change %	1-9/2021	1-9/2020	Change %	2020
EMEA	11,446	10,982	4.2 %	34,022	30,739	10.7 %	40,028
Americas	5,948	3,389	75.5 %	14,222	10,008	42.1 %	14,008
Asia	2,627	2,605	0.9 %	7,644	8,608	-11.2 %	11,397
Australasia	3,560	3,712	-4.1 %	10,352	10,135	2.1 %	13,654
East	2,779	3,507	-20.8 %	8,230	8,450	-2.6 %	12,544
Total	26,359	24,194	8.9 %	74,469	67,940	9.6 %	91,631

4. FINANCING ARRANGEMENTS

The company's cash and cash equivalents were EUR 8.9 million on 30 September 2021, and thus the company is able to take care of its debt servicing and liquidity. In addition, the company has EUR 3.5 million undrawn of the financing agreement of EUR 30.0 million signed on 8 June 2021.

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.

BORROWINGS

EUR thousand	30 Sept 2021	30 Sept 2020	31 Dec 2020
Non-current borrowings			
Loans from credit institutions	28,848	20,760	19,060
Other loans	12	584	41
Lease liabilities	3,893	4,791	5,312
Total non-current borrowings	32,753	26,135	24,413
Current borrowings			
Loans from credit institutions	1,780	5,870	5,850
Other loans	0	0	86
Bank overdrafts	0	3,612	3,739
Lease liabilities	1,786	1,502	1,479
Total current borrowings	3,566	10,983	11,154
Total borrowings	36,319	37,118	35,567

5. CHANGES TO PROPERTY, PLANT AND EQUIPMENT

EUR thousand	30 Sept 2021	30 Sept 2020	31 Dec 2020
Cost at the beginning of period	47,323	45,952	45,952
Other changes*			-1,376
Additions	2,694	1,756	4,230
Disposals	-137	-485	-496
Reclassification	37	0	0
Exchange differences	-188	-1,769	-1,007
Cost at the end of period	49,729	45,454	47,323
Accumulated depreciation and impairment at the beginning of period	-22,682	-19,193	-19,193
Other changes*	0	0	349
Depreciation	-3,169	-3,392	-4,385
Disposals	81	223	235
Reclassification	0	330	0
Exchange differences	49	667	311
Accumulated depreciation and impairment at the end of period	-25,721	-21,345	-22,682
Net book amount at the beginning of period	24,642	26,759	26,759
Net book amount at the end of period	24,008	24,110	24,642

*Other changes include corrections to IFRS 16 calculations for 2020.

6. GIVEN GUARANTEES

EUR thousand	30 Sept 2021	30 Sept 2020	31 Dec 2020
Guarantees and mortgages given on own behalf	47,684	43,868	45,119
Other guarantee liabilities	1,085	83	94
Total	48,769	43,951	45,213

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 terms of time, volume and interest rate risk.

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

On 8 June, the company entered into a financing agreement of EUR 30.0 million and, in connection with this, an interest rate swap of EUR 10.0 million with an interest rate cap in order to hedge part of its exposure to fluctuating interest rates. The company applies hedge accounting in accordance with IFRS 9. Hedge accounting is used to eliminate the accounting difference between the hedging instrument and the hedged item. 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 borrowings with variable rates, which exposes the group to cash flow interest rate risk. Group policy is to use interest rate swaps from floating to fixed interest rate when necessary.

The group has the following derivative financial instruments in the following line items in the balance sheet:

Interest rate derivatives

EUR thousand	30 Sept 2021	30 Sept 2020	30 Dec 2020
Interest rate swaps			
Notional amount		10 000	-
Fair value		-17	-

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