



# Robit Plc Interim Report

January-March 2021

**Robit**

## ROBIT PLC INTERIM REPORT 1 JANUARY–31 MARCH 2021: NET SALES AND PROFITABILITY IMPROVED

Q1 refers to the period from 1 January to 31 March 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 January–31 March 2021 in brief

- Net sales EUR 23.0 million (21.5), change 7.1%
- EBITDA EUR 1.6 million (0.4)
- EBITA EUR 0.3 million (-0.9)
- EBIT percentage 0.5% of net sales (-5.3)
- Review period net income EUR 0.4 million (-2.0)
- Operating cash flow EUR -1.7 million (-1.2)
- Equity ratio at the end of the review period 45.2% (46.9)

Key financials	Q1 2021	Q1 2020	Change %	2020
Net sales, EUR 1 000	23 023	21 490	7,1 %	91 631
EBITDA*, EUR 1 000	1 578	354	345,7 %	5 116
EBITDA, per cent of sales	6,9 %	1,6 %		5,6 %
EBITA, EUR 1 000	337	-941	135,8 %	-48
EBITA, per cent of sales	1,5 %	-4,4 %		-0,1 %
EBIT, EUR 1 000	121	-1 145	110,5 %	-868
EBIT, per cent of sales	0,5 %	-5,3 %		-0,9 %
Result of the period, EUR 1 000	415	-2 010	120,7 %	-2 894
Result of the period, per cent of sales	1,8 %	-9,4 %		-3,2 %
Earnings per share (EPS), EUR 1 000	0,02	-0,10		-0,14
Return on equity (ROE), per cent	0,0 %	-4,1 %		-5,9 %
Return on capital employed (ROCE), per cent	0,0 %	-4,0 %		-6,0 %

\*No items affecting comparability in Q1/2021 or Q1/2020.

### ROBIT'S OUTLOOK FOR 2021

Robit expects the market situation to develop positively and believes COVID-19 restrictions to have a limited impact on the demand of Robit's products in 2021. Demand is supported by the positive development in the price of raw materials and customers' good work situation in the construction market areas that are relevant to Robit.

The mining industry's demand is expected to remain very stable in 2021, which is typical of the consumables business related to the production process of the segment. The positive development of metal 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 construction industry is always locally cyclical, and the market situation can change rapidly. In Robit's key markets, customer prospects are good, and projects related to infrastructure construction that are ongoing or to be launched in 2021 support the prospects for the beginning of the year.

## GUIDANCE FOR 2021

Robit expects the market situation to develop positively and believes COVID-19 restrictions to have 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:

The beginning of the year continued the good development that we saw throughout last year. We reached the highest net sales month in Robit's history in March. In the mining sector in particular, business development was good, but on the other hand, we did not have large project deliveries during the quarter. Profitability developed well and the result did not include significant non-operational items. All in all, the beginning of the year was a new step towards a stronger Robit.

Net sales were EUR 23.0 million and at constant exchange rates EUR 23.4 million. There was an increase of 7.1% compared to the corresponding period and an increase of 8.7% at constant exchange rates. EBITDA represents a significant improvement of EUR 1.2 million compared to the corresponding period. Profitability was at a satisfactory level. Orders received decreased by 7.1% on the corresponding period being MEUR 23.2 (24.9). On the background was a timing issue related to a single significant order in the first quarter of 2020.

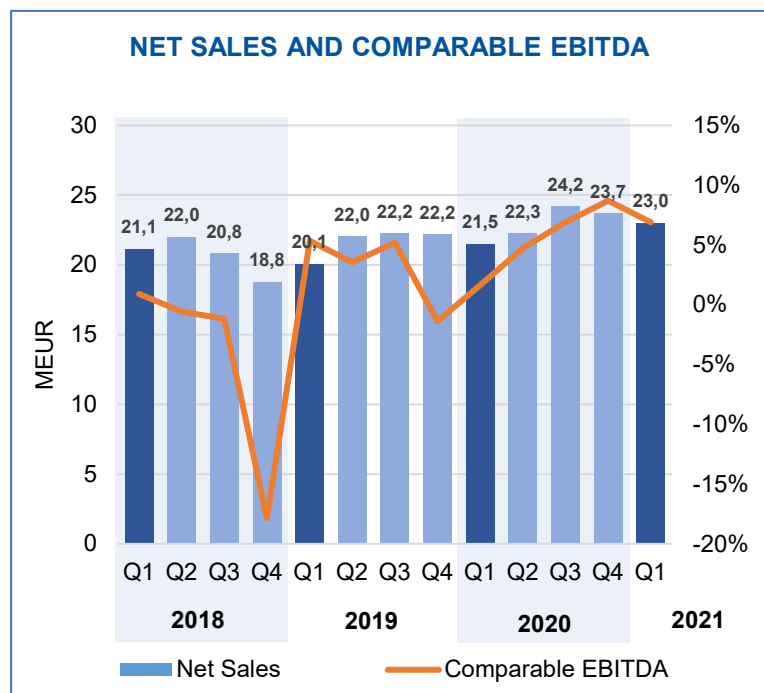
Growth projects proceeded as planned. Both the Top Hammer and Down the Hole business grew in the first quarter. The development of the East region continued to be excellent, mainly as a result of the good development of the mining segment. Development in the EMEA region was

strongest in the Nordic countries, where the construction sector had a good market situation. The situation in the Americas region was divided. We have already seen good developments in North America, but the South American market has not yet fully recovered from the effects of the COVID-19 pandemic. The beginning of the year was challenging in this area, but already in March, we saw developments in the right direction. In the Australian market, we saw a slight growth and made progress in the region, especially in acquiring new customers.

Distribution development projects progressed well. In the quarter, we signed a contract with a new Portuguese distributor. Top Hammer business growth was supported by focusing on improvement of availability both by investments and growing inventories.

Worldwide, we launched a new Rbit Top Hammer button bit series. The launch was a success, and the feedback is very positive. The Rbit series simplifies Robit's drill bit offering. It brings product cost savings and helps to manage availability and stock.

The profitability improvement projects progressed systematically throughout the quarter, focusing on material costs and pricing. The results of this work will be implemented mainly during this year. Fixed costs remained well under control. Travel and representation expenses remained well below the normal levels. Market prices for raw materials have risen rapidly and we have responded to these developments with a number of measures to ensure progress towards our profitability targets.



We continued the development of availability planning processes supported by digitalisation. Among others analytical tools for sales forecast process and stock level planning were created to support the availability planning processes. We updated and deployed distribution development and management processes during the quarter.

We implemented a new Robit Talent programme, where we hire a few young top experts to the company each year. We are also adding personnel to production operations in Finland and South Korea. The management training programme Robit Growth Booster was completed in March. A total of 29 people from 8 countries participated in the management training programme. We will continue the systematic development of competence as a strategic priority.

## NET SALES

### Net sales by product area

EUR thousand	Q1 2021	Q1 2020	Change %	2020
Top Hammer	12 451	11 475	8,5 %	46 348
Down the Hole	10 571	10 016	5,5 %	45 283
<b>Total</b>	<b>23 023</b>	<b>21 490</b>	<b>7,1 %</b>	<b>91 631</b>

The Group's net sales for the review period totalled EUR 23.0 million (21.5). There was an increase of 7.1% from the corresponding period. In constant currencies, the change was 8.7%.

The Top Hammer business grew by 8.5%, the net sales for the review period being EUR 12.5 million (11.5). The growth of the Top Hammer business was partly limited in the early part of the year by the challenges of the Asian logistics market, which slowed down the company's deliveries from the South Korean factory, and by increased production capacity to meet the increased demand. The company's delivery capacity strengthened towards the end of the quarter, although the shortage of capacity in the freight market continues to slow down deliveries.

The Down the Hole business grew by 5.5%, the net sales for the review period being EUR 10.6 million (10.0). Business growth was strong in the EMEA region, especially in the Nordic countries, and North America.

### Net sales by market area

EUR thousand	Q1 2021	Q1 2020	Change %	2020
EMEA	10 766	9 731	10,6 %	40 028
Americas	3 708	3 909	-5,1 %	14 008
Asia	2 373	3 213	-26,1 %	11 397
Australasia	3 202	3 001	6,7 %	13 654
East	2 972	1 637	81,6 %	12 544
<b>Total</b>	<b>23 023</b>	<b>21 490</b>	<b>7,1 %</b>	<b>91 631</b>

The company's strong growth in the East region continued in the first quarter of the year. The net sales in the area grew by 81.6% to EUR 3.0 million (1.6). Good growth also continued in the EMEA region, where net sales grew by 10.6%. Development in the EMEA region was strongest in the Nordic countries, where the construction sector has a good market situation. Sales in Australasia increased by 6.7% during the corresponding period due to new customers. In the Americas region, net sales decreased by 5.1%. Net sales developed positively in North America, but the South American market has not yet fully recovered from the effects of the COVID-

19 pandemic. In Asia region, the beginning of the year was challenging and the net sales decreased by 26.1%. Asian activity developed in the right direction towards the end of the quarter.

## PROFITABILITY

### Key figures

	Q1 2021	Q1 2020	Change %	2020
EBITDA*, EUR 1 000	1 578	354	345,7 %	5 116
EBITDA, per cent of sales	6,9 %	1,6 %		5,6 %
EBITA, EUR 1 000	121	-1 145	110,5 %	-868
EBITA, per cent of sales	0,5 %	-5,3 %		-0,9 %
Result of the period, EUR 1 000	415	-2 010	120,7 %	-2 894
Result of the period, per cent of sales	1,8 %	-9,4 %		-3,2 %

The company's profitability improved distinctly in the review period. The review period EBITDA was EUR 1.6 million (0.4) EBITDA's share of net sales was at a satisfactory level of 6.9% (1.6). The company's EBIT was EUR 0.1 million (-1.1). EBIT was 0.5% (-5.3) of the review period net sales.

Improved operating profit was supported by increased net sales, management of fixed costs and lower other operating expenses. The company will continue systematic work to improve profitability through material cost saving projects and more accurate pricing. The impact of these projects will be realised mainly during this year.

Financial income and expenses totalled EUR 0.2 million (-0.9), of which EUR -0.3 million (-0.3) was interest expenses and EUR 0.5 million (-0.6) exchange rate changes. The result of the review period improved, being EUR 0.4 million (-2.0).

## CASH FLOW AND INVESTMENTS

### Consolidated cash flow statement

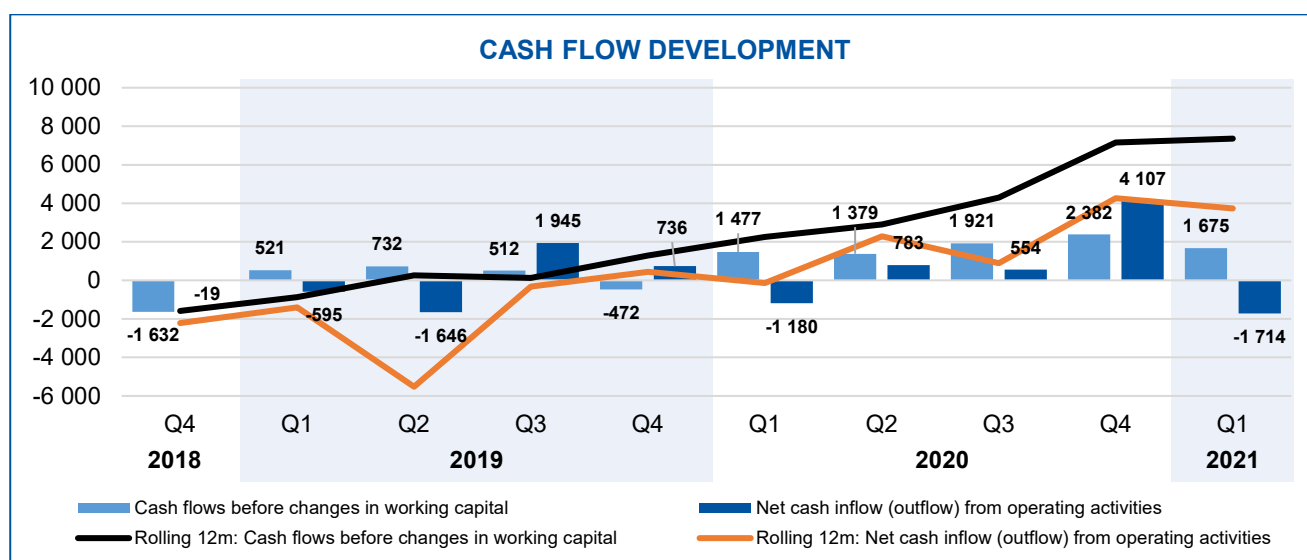
EUR thousand	Q1 2021	Q1 2020	2020
<b>Cash flow from operating activities</b>			
Cash flows before changes in working capital	1 675	1 477	7 160
Cash flows from operating activities before financial items and taxes	-1 161	-897	5 555
<b>Net cash inflow (outflow) from operating activities</b>	-1 714	-1 181	4 263
<b>Net cash inflow (outflow) from investing activities</b>	-795	-321	-1 173
<b>Net cash inflow (outflow) from financing activities</b>	374	-1 257	-3 626
<b>Net increase (+)/decrease (-) in cash and cash equivalents</b>	-2 135	-2 759	-536
Cash and cash equivalents at the beginning of the financial year	14 339	15 248	15 248
Exchange gains/losses on cash and cash equivalents	148	-363	-370
<b>Cash and cash equivalents at end of the year</b>	<b>12 352</b>	<b>12 123</b>	<b>14 339</b>

The Group's cash flow before changes in working capital improved during the review period to EUR 1.7 million (1.5). The net cash flow for operating activities was EUR -1.7 million (-1.2). Changes in working capital had an impact of EUR -2.6 million (-2.3). The positive change in working capital was caused by the EUR 1.2 million increase in account payables. Growth of sales and other receivables had a negative impact of EUR 1.7 million on cash flow and inventories by EUR 2.4 million. Strong invoicing at the end of the quarter increased the amount of sales receivables. The increase in inventories was due to the company's preparation for stronger demand and the measures related to improving the company's delivery capacity and product availability.

The net cash flow for investment activities was EUR -0.8 million (-0.3). Gross investments in production during the review period totalled EUR -0.8 million (-0.1). The investments accounted for 3.5% of net sales (0.2). 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.

The net cash flow for financing was EUR 0.4 million (-1.3). Net changes in loans totalled EUR 0.9 million (-0.8). The net change in loans was due to the financing of investments. The repayment of lease liabilities reported in net cash flow from financing activities under IFRS 16 totalled EUR -0.5 million (-0.5).

Depreciations and write-downs totalled EUR 1.5 million (1.5), EUR 0.2 million of which were related to depreciations of acquired companies' custom and brand value.



## FINANCIAL POSITION

	31.3.2021	31.3.2020	31.12.2020
Cash and cash equivalents, EUR thousand	12 352	12 123	14 339
Interest-bearing liabilities, EUR thousand	36 331	37 686	35 567
of which current interest-bearing liabilities	10 986	14 925	11 154
Interest-bearing net debt, EUR thousand	23 979	25 563	21 228
Unused credit limit, EUR thousand	364	14	261
Gearing ratio, %	49,3 %	53,6 %	45,2 %
Equity ratio, %	45,2 %	46,9 %	45,5 %

The Group had interest-bearing debt amounting to EUR 36.3 million (37.7), of which EUR 6.4 million (6.0) was interest-bearing debt under IFRS 16. The Group's liquid assets totalled EUR 12.4 million (12.1). Interest-bearing net debt was EUR 24.0 million (25.6), and interest-bearing net bank debt without IFRS 16 debt impact was EUR 17.6 million (19.6).

The Group's equity at the end of the review period was EUR 48.6 million (47.7). The Group's equity ratio was 45.2% (46.9) and its net gearing was 49.3% (53.6).

## PERSONNEL AND MANAGEMENT

The number of personnel increased by 12 from the end of the corresponding period, and at the end of the review period it was 264 (252). At the end of the review period, 75% 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 2021
Net sales growth	15 % p.a.	4,6 %	6,0 %	7,1 %
Comparable EBITDA, per cent of sales	13 %	3,1 %	5,6 %	6,9 %

## 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 compensation per meeting attended. 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 compensation per meeting attended. 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 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% 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 e.g. 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 e.g. 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 31 March 2021, the company had 21,179,900 shares and 4,181 shareholders. Trading volume in January-March was 2,538,843 shares (1,879,776).



The company holds 120,964 treasury shares (0.57% of total shares). On 31 March 2021, the market value of the company's shares was EUR 107.6 million. The closing price of the share was EUR 5.08. The highest price in the review period was EUR 5.60 and the lowest price EUR 3.75.

## **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 number of COVID-19 cases is increasing again, and the restrictions placed on the business operations of customers, and thereby on Robit's demand, remain possible. At this stage, the impact seems limited. COVID-19 continues to restrict travel and thus the implementation of some testing and sales growth projects. The company has returned from managing the effects of the acute crisis to the comprehensive development of the company towards the company's strategic goals.

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 operated 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.

In the longer term, the effects of COVID-19 on Robit's operations will depend on the extent of any restrictive measures and how long the restrictive measures continue. As Robit operates in the drilling consumables business, the effects are milder than in the investment goods business. In addition, many of Robit's customers operate in sectors that are highly significant for the economy of the country in question, and therefore such business may be assumed to suffer less from the economic impact of the COVID-19 pandemic.

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. Transfer of raw material cost increase to customer prices as full may cause 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 14 January 2021, Robit announced having received, on 14 January 2021 from Fondita Fund Management Company Ltd, a notification under Chapter 9, Section 5 of the Finnish Securities Markets Act. According to the information received by the company, the total number of Robit shares owned by Fondita Nordic Micro Cap Investment Fund decreased below five (5) per cent of the total shares of Robit Plc on 13 January 2021.

On 18 January 2021, the company announced the proposals of Robit Plc's Shareholders' Nomination Committee regarding the board members and board fees for the Annual General Meeting of 2021. The Nomination Committee's proposals were included in the notice of the General Meeting. Timo Sallinen (Senior Vice-President, Investments, Varma Mutual Pension Insurance Company) acted as the Chairman of the Shareholder Nomination Committee, with Harri Sjöholm (Chairman of the Board of Five Alliance Oy), Tuomas Virtala (CEO of OP Asset Management Ltd) and Jukka Vähäpesola (CEO of Elo Mutual Pension Insurance Company) as the other members.

Robit published its financial statements release from 1 January to 31 December 2020 on 18 February 2021.

On 18 February 2021, the company sent notice of the Annual General Meeting on 25 March 2021 to Robit Plc's shareholders.

On 26 February 2021, Robit announced that the company's Annual Report, Corporate Governance Statement and Remuneration Report for 2020 had been published on the company's website. The company also published the annual report as an xHTML file for the first time, complying with the European Single Electronic Format (ESEF) reporting requirements.

The Annual General Meeting of the company was held on 25 March 2021. Robit announced the decisions of the Annual General Meeting in a separate stock exchange release on 25 March 2021.

On 25 March 2021, Robit published the decisions of the constituent meeting of the company's Board of Directors. In its constituent meeting, the Board of Directors elected by Robit Plc's Annual General Meeting on 25 March 2021 elected from among its members a Chairman of the Board, Harri Sjöholm and a Vice Chairman of the Board, Mammu Kaario, as well as members to serve on Robit Plc's Remuneration Committee, Working Committee and Audit Committee.

#### **EVENTS AFTER THE REVIEW PERIOD**

No events after the review period.

Lempäälä, 22 April 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 9 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](http://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	1.1.-31.3.2021	1.1.-31.3.2020	1.1.-31.12.2020
<b>Net sales</b>	<b>23 023</b>	<b>21 490</b>	<b>91 631</b>
Other operating income	480	1 004	2 524
Materials and services*	-14 872	-12 984	-58 773
Employee benefit expense	-3 953	-3 901	-15 747
Depreciation, amortisation and impairment	-1 457	-1 499	-5 984
Other operating expenses*	-3 101	-5 256	-14 520
<b>EBIT (Operating profit/loss)</b>	<b>121</b>	<b>-1 146</b>	<b>-868</b>
Finance income and costs			
Interest income and finance income	585	94	286
Interest cost and finance cost*	-388	-999	-2 936
Finance income and costs net	197	-905	-2 650
<b>Profit/loss before tax</b>	<b>318</b>	<b>-2 051</b>	<b>-3 518</b>
Taxes			
Income tax	-31	-8	-380
Change in deferred taxes	67	48	1 004
Income taxes	98	41	624
<b>Result for the period</b>	<b>415</b>	<b>-2 010</b>	<b>-2 894</b>
Attributable to:			
Parent company shareholders	361	-2 010	-2 894
Non-controlling interest***	55	0	0
	<b>415</b>	<b>-2 010</b>	<b>-2 894</b>
<b>Other comprehensive income</b>			
Items that may be reclassified to profit or loss in subsequent periods:			
Translation differences	976	-1 045	-1 088
<b>Other comprehensive income, net of tax</b>	<b>976</b>	<b>-1 045</b>	<b>-1 088</b>
<b>Total comprehensive income</b>	<b>1 337</b>	<b>-3 054</b>	<b>-3 981</b>
Attributable to:			
Parent company shareholders	1 392	-3 054	-3 981
Non-controlling interest***	-55	0	0
<b>Consolidated comprehensive income</b>	<b>1 337</b>	<b>-3 054</b>	<b>-3 981</b>
<b>Earnings per share</b>			
Basic earnings per share	0,02	-0,10	-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 BALANCE SHEET

EUR thousand	31.3.2021	31.3.2020	31.12.2020
<b>ASSETS</b>			
<b>Non-current assets</b>			
Goodwill	5 412	5 206	5 134
Other intangible assets	3 564	4 715	3 809
Property, plant and equipment	25 021	26 378	24 641
Loan receivables	320	274	386
Other receivables	3	3	3
Deferred tax assets	1 698	987	1 528
<b>Total non-current assets</b>	<b>36 017</b>	<b>37 562</b>	<b>35 500</b>
<b>Current assets</b>			
Inventories	38 115	31 578	34 857
Account and other receivables	21 059	20 569	18 621
Loan receivables	129	134	125
Income tax receivable	84	61	81
Cash and cash equivalents	12 352	12 123	14 339
<b>Total current assets</b>	<b>71 740</b>	<b>64 465</b>	<b>68 023</b>
<b>Total assets</b>	<b>107 757</b>	<b>102 027</b>	<b>103 523</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	705	705	705
Share premium	202	202	202
Reserve for invested unrestricted equity	82 570	82 268	82 570
Translation differences	-1 822	-2 755	-2 798
Retained earnings	-33 701	-30 686	-30 796
Profit/loss for the year	361	-2 010	-2 894
Equity attributable to parent company shareholders, total	48 315	47 725	46 989
Non-controlling interest*	306		
<b>Equity total</b>	<b>48 621</b>	<b>47 725</b>	<b>46 989</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Borrowings	20 229	18 278	19 247
Lease liabilities	5 116	4 483	5 166
Deferred tax liabilities	847	1 130	798
Employee benefit obligations	658	514	628
<b>Total non-current liabilities</b>	<b>26 850</b>	<b>24 404</b>	<b>25 838</b>
<b>Current liabilities</b>			
Borrowings	9 699	13 394	9 941
Lease liabilities	1 288	1 531	1 213
Advances received	210	318	130
Income tax liabilities	87	29	283
Account payables and other liabilities	20 913	14 575	19 029
Other provisions	91	52	100
<b>Total current liabilities</b>	<b>32 287</b>	<b>29 899</b>	<b>30 696</b>
<b>Total liabilities</b>	<b>59 136</b>	<b>54 303</b>	<b>56 534</b>
<b>Total equity and liabilities</b>	<b>107 757</b>	<b>102 027</b>	<b>103 523</b>

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

## CASH FLOW STATEMENT

EUR thousand	1–3/2021	1–3/2020	2020
<b>Cash flows from operating activities</b>			
Profit before tax	318	-2 051	-3 518
Adjustments:			
Depreciation, amortisation and impairment	1 457	1 499	5 984
Finance income and costs	-198	905	2 650
Share-based payments to employees	-11	58	182
Loss (+)/Gain (-) on sale of property, plant and equipment	-1	-2	158
Other non-cash transactions*	109	1 067	1 704
Cash flows before changes in working capital	1 675	1 477	7 160
Change in working capital			
Increase (-) in account and other receivables	-1 663	-2 215	1
Increase (-)/decrease (+) in inventories	-2 392	-929	-5 000
Increase (+) in account and other payables	1 219	770	3 395
Cash flows from operating activities before financial items and taxes	-1 161	-897	5 555
Interest and other finance expenses paid	-320	-76	-1 083
Interest and other finance income received	0	10	28
Income taxes paid	-233	-217	-238
<b>Net cash inflow (outflow) from operating activities</b>	<b>-1 714</b>	<b>-1 181</b>	<b>4 263</b>
<b>Cash flows from investing activities</b>			
Purchases of property, plant and equipment	-792	-89	-1 204
Purchases of intangible assets	-18	-2	-77
Proceeds from the sale of property, plant and equipment	5	3	103
Proceeds from loan receivables	9	-233	6
<b>Net cash inflow (outflow) from investing activities</b>	<b>-795</b>	<b>-321</b>	<b>-1 173</b>
<b>Cash flows from financing activities</b>			
Equity issue	0	0	79
Changes in non-current loans	940	-819	-1 751
Change in bank overdrafts	-103	67	-179
Payment of leasing liabilities*	-463	-505	-1 774
<b>Net cash inflow (outflow) from financing activities</b>	<b>374</b>	<b>-1 257</b>	<b>-3 626</b>
<b>Net increase (+)/decrease (-) in cash and cash equivalents</b>	<b>-2 135</b>	<b>-2 759</b>	<b>-536</b>
Cash and cash equivalents at the beginning of the financial year	14 339	15 428	15 248
Exchange gains/losses on cash and cash equivalents	148	-363	-370
<b>Cash and cash equivalents at end of the year</b>	<b>12 352</b>	<b>12 123</b>	<b>14 339</b>

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

EUR thousand	Share capital	Share premium	Reserve for invested un-restricted equity	Cumulative translation difference	Retained earnings	Equity attributable to parent company shareholders, total	Non-controlling interest	Equity total
<b>Equity on 1 January 2020</b>	<b>705</b>	<b>202</b>	<b>82 268</b>	<b>-1 710</b>	<b>-30 744</b>			<b>50 721</b>
Profit for the period					-2 010			-2 010
Other comprehensive income								
Translation differences				-1 045				-1 045
<b>Profit for the period</b>				<b>-1 045</b>	<b>-2 010</b>			<b>-3 054</b>
Share-based payments to employees					58			58
<b>Total transactions with shareholders, recognised directly in equity</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>58</b>			<b>58</b>
<b>Equity on 31/03/2020</b>	<b>705</b>	<b>202</b>	<b>82 268</b>	<b>-2 755</b>	<b>-32 696</b>			<b>47 725</b>
EUR thousand	Share capital	Share premium	Reserve for invested unrestricted equity	Cumulative translation difference	Retained earnings	Equity attributable to parent company shareholders, total	Non-controlling interest	Equity total
<b>Equity on 1 January 2021</b>	<b>705</b>	<b>202</b>	<b>82 570</b>	<b>-2 798</b>	<b>-33 690</b>			<b>46 989</b>
Profit for the period					361	361	55	415
Other comprehensive income								
Translation differences				976				976
<b>Profit for the period</b>				<b>976</b>	<b>361</b>	<b>361</b>	<b>55</b>	<b>1 391</b>
Share-based payments to employees					-11			-11
Changes in non-controlling interest							251	251
<b>Total transactions with shareholders, recognised directly in equity</b>					<b>-11</b>		<b>251</b>	<b>240</b>
<b>Equity on 31/03/2021</b>	<b>705</b>	<b>202</b>	<b>82 570</b>	<b>-1 822</b>	<b>-33 340</b>	<b>361</b>	<b>306</b>	<b>48 621</b>

## NOTES

### Contents

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### 1. SCOPE AND PRINCIPLES OF THE INTERIM REPORT

We have prepared this interim report in accordance with the IAS 34 standard for interim financial reporting and using the same principles as for the annual financial statement. 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

Key figures	Q1 2021	Q1 2020	2020
Net sales, EUR thousand	23 023	21 490	91 631
EBIT, EUR thousand	121	-1 145	-868
EBIT, per cent of sales	0,5 %	-5,3 %	-0,9 %
Earnings per share (EPS), EUR	0,02	-0,10	-0,14
Return on equity (ROE) %	0,0 %	-4,1 %	-5,9 %
Return on capital employed (ROCE) %	0,0 %	-4,0 %	-6,0 %
Equity ratio %	45,2 %	46,9 %	45,5 %
Gearing ratio %	49,3 %	53,6 %	45,2 %
Gross investments, EUR thousand	809	91	1 281
Gross investments, EUR thousand	3,5 %	0,4 %	1,4 %
Number of shares (outstanding)	21 058 936	21 083 900	21 058 936
Treasury shares (owned by the Group)	120 964	148 793	120 964
Percentage of total shares	0,57 %	0,71 %	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.

EUR thousand	1.1.-31.3.2021	1.1.-31.3.2020	1.1.-31.12.2020
<b>EBIT</b>	<b>121</b>	<b>-1 145</b>	<b>-868</b>
Depreciation, amortisation and impairment	1 457	1 499	5 984
<b>EBITDA</b>	<b>1 578</b>	<b>354</b>	<b>5 116</b>
<b>EBIT</b>	<b>121</b>	<b>-1 145</b>	<b>-868</b>
Amortisation of acquisitions	216	204	820
<b>EBITA</b>	<b>337</b>	<b>-941</b>	<b>-48</b>

### 2.3 CALCULATION OF KEY FIGURES

EBITDA:	= Operating profit (EBIT) + depreciation, amortisation and impairment
EBITA	= Operating profit + amortisation and impairment of customer relationships and brand
Net working capital	= Inventory + Accounts receivables and other receivables – Accounts payables and other liabilities
Earnings per share (EPS), EUR	= $\frac{\text{Profit (loss) for the financial year}}{\text{Amount of shares adjusted with the share issue (average during the financial year)}}$
Return on equity (ROE), per cent	= $\frac{\text{Profit (loss) for the financial year}}{\text{Equity (average during the financial year)}} \times 100$
Return on capital employed (ROCE), %	= $\frac{\text{Profit before appropriations and taxes + Interest expenses and other financing expenses}}{\text{Equity (average during the financial year) + Interest-bearing financial liabilities (long-term and short-term loans from financial institutions, average during the financial year)}} \times 100$
Net interest-bearing financial liabilities	= Long-term and short-term loans from financial institutions – Cash and cash equivalents – Short-term financial securities
Equity ratio, %	= $\frac{\text{Equity}}{\text{Balance sheet total – advances received}} \times 100$
Gearing, per cent	= $\frac{\text{Net interest-bearing financial liabilities}}{\text{Equity}} \times 100$

#### 4. 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	1.1.-31.3.2021	1.1.-31.3.2020	Change %	1.1.-31.12.2020
Top Hammer	12 451	11 475	8,5 %	46 348
Down the Hole	10 571	10 016	5,5 %	45 283
<b>Total</b>	<b>23 023</b>	<b>21 490</b>	<b>7,1 %</b>	<b>91 631</b>

###### Net sales by market area

EUR thousand	1.1.-31.3.2021	1.1.-31.3.2020	Change %	1.1.-31.12.2020
EMEA	10 766	9 731	10,6 %	40 028
Americas	3 708	3 909	-5,1 %	14 008
Asia	2 373	3 213	-26,1 %	11 397
Australasia	3 202	3 001	6,7 %	13 654
East	2 972	1 637	81,6 %	12 544
<b>Total</b>	<b>23 023</b>	<b>21 490</b>	<b>7,1 %</b>	<b>91 631</b>

#### 5. FINANCING ARRANGEMENTS

In the financial year 2021, the covenant is the net debt/EBITDA ratio according to the financing agreement regarding the situation on 30 June 2021 and 31 December 2021, which must not exceed 2.5as well as the equity ratio, which must be at least 32.5%.

The company's available cash was EUR 12.4 million on 31 March 2021 and thus it is able to take care of its debt servicing and liquidity.

##### INTEREST BEARING LOANS

EUR thousand	31.3.2021	31.3.2020	31.12.2020
<b>Non-current borrowings</b>			
Loans from credit institutions	20 080	17 452	19 060
Other loans	12	584	41
Lease liabilities	5 253	4 725	5 312
<b>Total non-current borrowings</b>	<b>25 345</b>	<b>22 761</b>	<b>24 413</b>
<b>Current borrowings</b>			
Loans from credit institutions	5 835	9 074	5 850
Other loans	0	76	86
Bank overdrafts	3 636	3 986	3 739
Lease liabilities	1 515	1 789	1 479
<b>Total current borrowings</b>	<b>10 986</b>	<b>14 925</b>	<b>11 154</b>
<b>Total borrowings</b>	<b>36 331</b>	<b>37 686</b>	<b>35 567</b>

## 6. CHANGES TO PROPERTY, PLANT AND EQUIPMENT

EUR thousand	31.3.2021	31.3.2020	31.12.2020
Cost at the beginning of period	47 323	45 952	45 952
Other changes*			-1 376
Additions	926	1 332	4 230
Disposals	-16	-1	-496
Exchange differences	890	-1 802	-1 007
Cost at the end of period	49 124	45 502	47 323
Accumulated depreciation and impairment at the beginning of period	-22 682	-18 844	-19 193
Other changes*			349
Depreciation	-1 073	-1 114	-4 385
Disposals	62	0	235
Exchange differences	-410	834	311
Accumulated depreciation and impairment at the end of period	-24 103	-19 124	-22 682
<b>Net book amount at the beginning of period</b>	<b>24 642</b>	<b>26 759</b>	<b>26 759</b>
<b>Net book amount at the end of period</b>	<b>25 021</b>	<b>26 378</b>	<b>24 642</b>

\*Other changes include corrections to IFRS 16 calculations for 2019.

## 7. GOODWILL IMPAIRMENT TESTING

The amount of goodwill is reviewed at least annually in accordance with the IFRS provisions. The values of the goodwill testing variables are also revised if there have been material changes in business, competition, the market or other assumptions of goodwill testing. The company has two cash-generating units (Top Hammer and Down the Hole). In the 31 March 2021 situation, the company has reviewed the assumptions used in goodwill testing, such as forecasts for the current and future years and changes in interest rates. In addition, the company has assessed the changes caused by the COVID-19 pandemic in the company's operating environment and their impact on the company's long-term profitability and cash flows. The effects depend on how long the restrictions remain in force and how they affect the profitability in countries and industries important to Robit. Based on the review there were no indications of internal or external factors identified affecting possible impairment and therefore it was concluded that no additional impairment testing was needed. The factors affecting goodwill items will be reviewed during the second quarter.

## 8. GIVEN GUARANTEES

EUR thousand	31.3.2021	31.3.2020	31.12.2020
Guarantees and mortgages given on own behalf	47 828	46 025	45 119
Other guarantee liabilities	1 121	261	94
<b>Total</b>	<b>48 948</b>	<b>46 286</b>	<b>45 213</b>

## 9. ACQUISITIONS

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

## 10. DERIVATIVES

The company hedges the most significant net currency positions that can be predicted in time and volume. During the reporting period, hedging had no significant impact on the result and there were no open derivatives at the end of the reporting period.