

# Robit<sup>®</sup>

## ANNUAL REPORT 2015

Growth Company



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# Robit in Brief

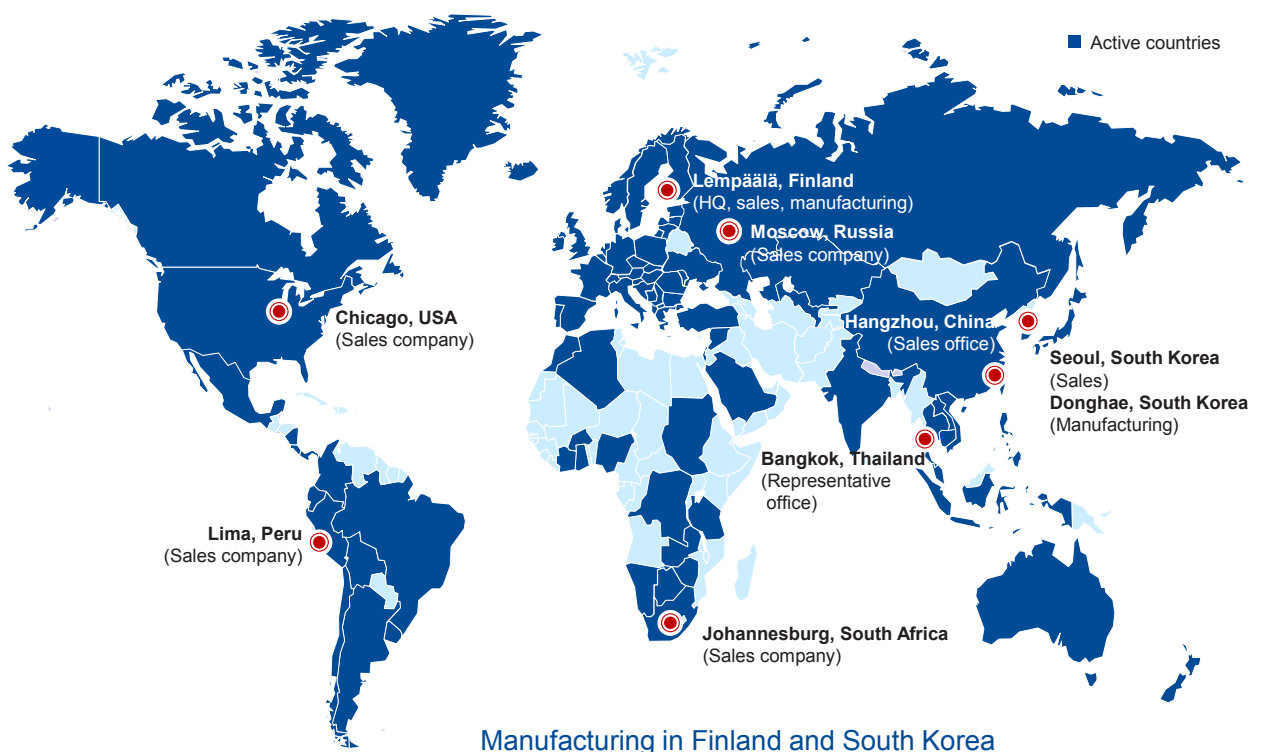
Robit is a Finnish company selling and servicing global customers in drilling consumables for applications in tunnelling, geothermal heating and cooling, construction, and mining industries.

The Company's business is divided into Top Hammer, Down the hole and Digital Services business units. The Company has eight own offices and active sales networks in 115 countries. The Company has production in Finland and South Korea.

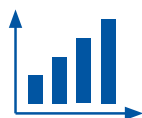
Our global customers together with our sales force in the frontline and customer service enabled us to increase our net sales more than 19 %. The market situation remained challenging. We shall continue our efforts to serve our customers even better. We shall further strengthen our global presence – through our solid dealer base and our own sales companies.

In 2015, Robit's net sales totalled EUR 45.6 million. The company is listed on the Nasdaq Helsinki Ltd First North Finland marketplace with the trading code ROBIT. For more information see [www.robit.fi](http://www.robit.fi).

## International platform – Robit locations and countries



# Robit Strengths



**Growth company**



**8 own sales offices**



**Global coverage  
with 160 dealers**



**Consumables with high  
and consistent quality**



**High customer  
orientation with  
flexibility to fulfil  
customers' specific needs**



**Strong technology  
orientation with an aim  
to change the business  
environment**

## Robit was listed in Nasdaq Helsinki First North Finland

### The Ten Largest Shareholders at 31<sup>st</sup> December 2015, %

Five Alliance Oy	40,3
Skandinaviska Enskilda Banken Ab (publ) Helsinki branch	6,4
Sijoitusrahasto Aktia Capital	5,4
Keskinäinen Työeläkevakuutusyhtiö Varma	4,5
Fondita Nordic Micro Cap Placeringsfond	3,9
OP-Delta –sijoitusrahasto	3,6
OP-Focus –erikoissijoitusrahasto	3,6
Sijoitusrahasto Danske Invest Suomen pienyhtiöt	3,3
Rautiainen Jussi	2,5
Nordea Pankki Suomi Oy	2,4

### Key Facts

Excluding the shares allocated to cornerstone investors, the institutional offering was allocated geographically as follows: Finland 48 %, other Nordic countries 33 %, international investors 19 %

The total number of shares 15 883 900

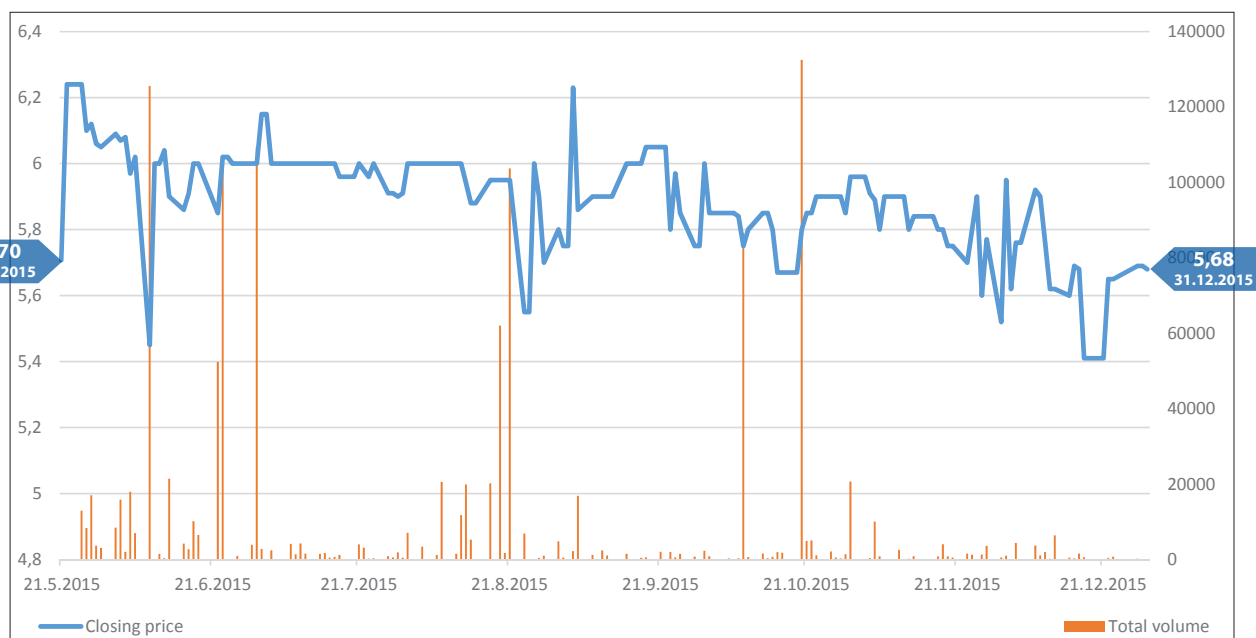
The total amount of shareholders on 31<sup>st</sup> December 2015 was 889 meaning 324 shareholders' increase from the first trading day

The total number of Board Members holding shares: 5

The total number of company's key persons holding shares: 8

Robit Plc has one series of shares in which each share carries one vote.

### Robit Plc Share Trend 21/5/'15 – 31/12/'15



The volume for the first two trading days have been excluded from the chart to improve the information content. Volume for 21.5.2015 was 2 691 068 shares and 185 480 shares for 22.5.2015.

# Great Year – A Year of Positive

The year 2015 was one more in a chain of successful growth years and a time of renewal. Even though the global economy remained challenging, the company was able to pass a number of major milestones.

## Growth target reached

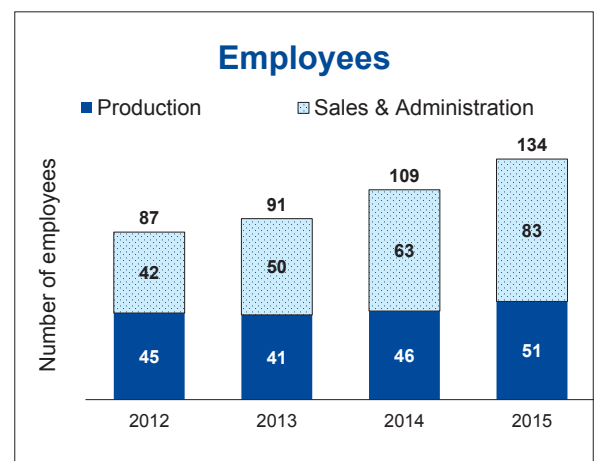
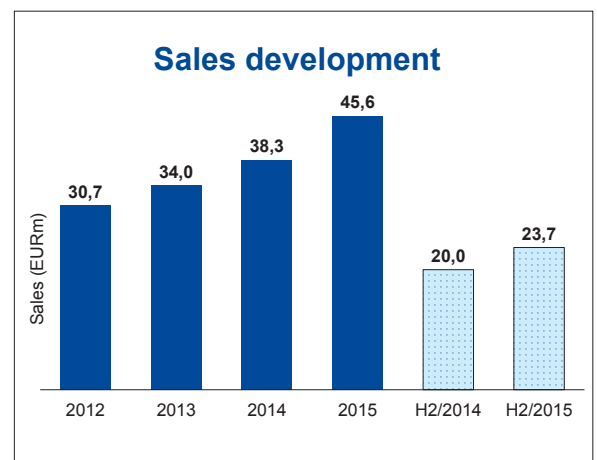
2015 was again a year of positive growth for Robit. Net sales amounted to EUR 45.6 million and increased 19.1% compared to the previous year. High sales activity in all regions together with a local presence in Finland, South Korea, United States, Peru, South Africa, China, and Russia yielded expected results. A new sales company in Peru was established to strengthen the presence in the South American market.

## Strong platform for future growth

One major project for Robit was the initial public offering project that was completed on 21 May. The offering was oversubscribed and Robit shares were listed on the Nasdaq First North Finland marketplace with the trading code ROBIT. The company obtained EUR 30.4 million in the share issue after related costs.

Important factors in successful structural growth are the competence of existing and newly recruited personnel in the company and their readiness for growth. During 2015 the number of employees increased by 25 from year end 2014. More than 50 % of new personnel were hired for sales and marketing or for customer service positions to secure future growth. A number of key employees also participated in an extensive growth oriented training program jointly facilitated by Hanken and the Federation of Finnish Technology Industries.

The Company continued the long term investment in IoT (Internet of Things) and the Digital Services business was established.



**Robit Talent program started.**



**Robit listed on Nasdaq First North, and Robit celebrates 30 year anniversary.**



**Launch of Robit Sense Systems at Intermat exhibition in Paris.**



**Robit S.A.C. sales company established in Lima, Peru.**



# Progress

**45.6 M€**

Net Sales increased by  
7.3 MEUR

**+19.1 %**

Sales Growth

**3.4 M€**

EBITA

**9.5 %**

Return on capital employed  
(ROCE)

**0.17 €**

Earnings per share

**0.04 €**

Proposed dividend per  
share



New facilities  
acquired for  
Robit Technology Center.



Month of Exhibitions;  
Bauma Africa &  
32nd Mining Convention  
Perumin 2015.



Robit Plc selected  
for the new  
First North 25 Index.



Appointment of new  
CEO Mikko Mattila.



**2015**

# Regional Sales

Robit sales developed positively in four out of five regions. Europe and Middle-East remained the biggest sales region with 43% of sales. The relative share that this region accounted for declined by six percentage points as Asia & Oceania, Americas and Africa all continued to see double digit organic growth. A number of new sales persons were recruited during 2015 to ensure first class service and to enable continued high growth.

The biggest growth area in euro terms was North and South America, where sales rose from EUR 5.8 million to EUR 8.5 million. During 2015 the US subsidiary, Robit Inc. hired new personnel and further expanded the customer base. It also won complex piling projects, which will in future be good references for gaining new customers. To further improve service and availability in South America, Robit established a new sales company in Lima, Peru. The Peru subsidiary will in future form the hub for the South American market.

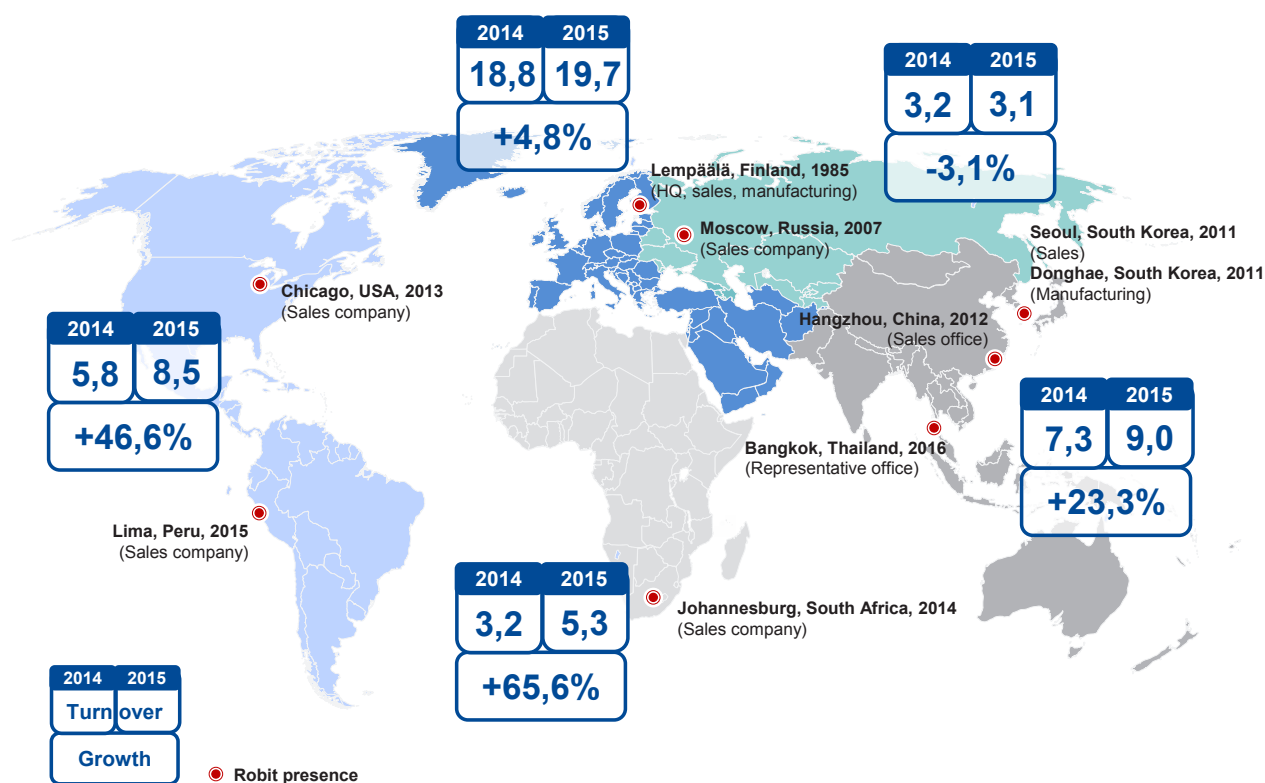
Sales in the Asia and Oceania region continued to grow, with year on year organic growth of 23.3%. Total sales for this region amounted to EUR 9.0 million, or 20% of the company's total sales. The active sales work in the Korean market and in other Asian countries further increased sales in this region. The developing markets in South East Asia offer interesting opportunities for further growth. In January 2016 the Robit Thailand

sales office was opened in Bangkok. This sales office will further reinforce the company's presence in Asia.

In Africa organic growth continued as sales increased 65.6% from EUR 3.2 million to EUR 5.3 million. Robit SA (Pty) Ltd in South Africa contributed a big part of the growth in the region. 2015 was the first full operational year for Robit SA. The South African subsidiary has played an important role in obtaining major mining customers in southern Africa. Sales in the northern part of Africa also developed positively as new sales resources were allocated to this region.

Russia and the CIS countries was the only region where sales did not grow. The weak economic situation, the decline of the ruble against the euro and the EU sanctions resulted in a slight decrease in sales (-3.1%) in this region compared to the previous year. Despite the challenges in the Russian economy, Robit subsidiary Robit OOO was able to more than double its ruble-denominated local sales from 2014, showing again the importance of a local presence and the opportunities this offers. Robit aims to keep its position in the area long term.

In conclusion, if overall economic activity in the world and in our target markets picks up, we believe we will have an excellent market position to grow further.





## Thermal & water wells



Global segment size estimate: 400 - 500 m€  
Projected 5 year growth (CAGR): ab. 13 %

### Segment direction:

- Global environmental changes and technological advances drive promising growth
- Focus increasingly shifting from traditional Nordic markets to green field areas such as Asia

### Robit offering:

- Locked casing systems for tough ground conditions

### Other:

- Thermal cooling applications present positive future possibilities world wide, particularly in Asia

## Construction



Global segment size estimate: 600 - 800 m€  
Projected 5 year growth (CAGR): ab. 6 %

### Segment direction:

- Global construction industry growth will keep outperforming global GDP growth
- Old infra requires new investment world wide
- Projects are larger – players bigger as global contractors raise their influence

### Robit offering:

- Global top three player in piling products with DTH locked casing systems
- Global presence in bench drilling

## Tunneling



Global segment size estimate: 200 – 400 m€  
Projected 5 year growth (CAGR): ab. 4 %

### Segment direction:

- Ready build surface infrastructure forces expansion into underground construction and spaces

### Robit offering:

- Full drill string for:
  - Face drilling and forepoling
  - Bolting and roof support

## Mining



Global segment size estimate: 700 - 900 m€  
Projected 5 year growth (CAGR): ab. 8 %

### Segment direction:

- The negative mineral prices trend requires the industry to improve efficiency
- Longer industry macro cycles becoming the "new normal"

### Robit offering:

- Global top three player in piling products with DTH locked casing system
- Full drill string for different applications

The predictions and opinions concerning segment size and future growth shown above in this report are the views of Robit management based on current assumptions. While these assumptions on future events are believed to be founded on thorough analysis and the best available information, they should be considered as uncertain forecasts that cannot be guaranteed to occur as predicted. In consequence, actual growth trajectories may vary considerably from what has been predicted due to unforeseen events in the economic, market related, competitive, legal and international trade environments.

# Vision & Strategy

100 % Drill

During 2015 Robit updated its strategy, creating version 3.0. A new phase of even more aggressive growth began. One of the strategic steps was the initial public offering issued in May. With the new added capital Robit is ready to achieve its strategic growth targets while still maintaining the organic growth target of 15%, which it also reached in 2015.

the drilling methods are: the Top Hammer and Down the Hole (DTH) businesses. Third business area, The Digital Services business was further strengthened during 2015. The Company is convinced that the investments in digitalization and IoT will give totally new business opportunities in the near future. The Digital Services business will focus on providing new digital technologies to customers operating with Top Hammer and Down-the-Hole drilling applications. Initially the offering comprises the unique drill hole measurement

Robit has now aligned the company structure in three business areas. The two main business areas based on

## Values

**R** **Result**  
We create results through growth and customer satisfaction

**O** **Openness**  
We share our vision and goals with partners

**b**

## Applications



**Robit structure**

**1** Top Hammer Business Unit

**2** Down-the-Hole Business

**Strategic targets**

Organic growth

Structural

# ing Consumables & Market Share Doubled

technology branded as Robit Sense Systems. With this system the straightness of a drill hole can be measured utilising special technology that is integrated into a standard drill string and rig. The results can be obtained immediately after the hole has been drilled, unlike existing manual systems, where measuring is carried out as a separate operation afterwards. Robit Sense Systems was launched at the international Intermat trade fair in Paris during H1/2015.

## Robit Values

Robit values form the backbone of the company culture. They are driven from two main sources: Mutual respect for partners, employees and other stakeholders, and continuous efforts to improve and develop the company's people, products and services.

## Business

Our business is drilling consumables with personal service



## Individual

We encourage individual growth and development



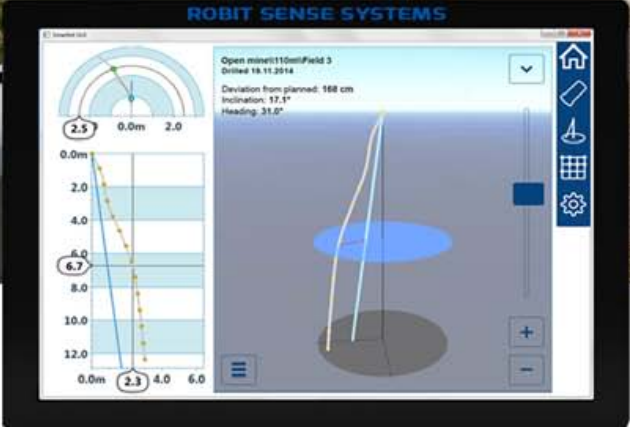
## Trust

We respect and support each other



-Hole Unit

3 Digital Services Business Unit



growth

Cost competitiveness

Turnover/capita >500k€

# CEO's Letter

## A Year of Positive Progress

We finished the year with encouraging organic growth of 19,1 % in net sales. I am very pleased to take the helm from Jussi, and I am very confident that together with the great members of the Robit global family we will be able to continue the great journey even further," says Mikko Mattila.

"In May we took a big leap forward by becoming a listed company on the Nasdaq Helsinki Ltd First North Finland marketplace. The extra new capital will enable us to reach the strategic growth targets set for Robit. 2015 was our first year as a public company and I feel that this has further strengthened our company culture.

Looking back at 2015, the global market for drilling consumables was challenging. With the strong efforts and high dedication of our sales network we were able to serve our customers and create new relationships that enabled us to win further market share.

A significant portion of our organic growth was driven by our extensive dealer network and our two subsidiaries in the United States and South Africa. I look for similar positive effects from our new sales company in Peru and our new sales office in Thailand.

During the year we opened the doors to the IoT world (Internet of Things) as we announced new technology for measuring borehole straightness in percussive drilling. The Robit Sense System opens up new appealing options for safety and efficiency in the drilling environment. We also launched innovative solutions such as the Robit Prime ring bit series and fiberglass casing systems."

### Investments

The successful installation and commissioning of new machinery for the Robit Lempäälä factory, the purchase of the Robit Technology center, the new ERP system, and further development of Robit Sense technology – these were just a few of the numerous investments made to ensure the further development of our production, product quality and cutting edge technology.

Our activity in the area of research and development remained at a high level. New and advanced concepts are already in the pipeline, and through the establishment of our third business unit, Digital Services, we will be able to bring new and exciting services to our customers.

### People – ready for the next steps

During the year 25 new people joined the Robit family (a 23 per cent increase in total personnel). This increase was one of our key investments to ensure the further growth of our company. With the continuous commitment to work safety we again finished this year without any occupational accidents. We have set the bar higher for 2016 - through our newly started ISO 14001 project. With ISO 14001 we are increasing our awareness of working safety and environmental issues and also bringing green values one step further.

To sum up: we are more agile, faster and more responsive to our customer needs than ever. This gives us an excellent starting point for 2016. I would like to personally thank all our employees, customers, partners and shareholders for their trust and contribution to the advances made at Robit during 2015.

Lempäälä, February 2016



Mikko Mattila  
Group CEO

# astoitusolu 2

## Robit



*"The year 2015 was one more in a chain of successful growth years and a time of renewal. Our long term CEO, Jussi Rautiainen, who led the team for eleven years, decided to step aside and will focus on achieving our strategic growth targets. Mikko Mattila started as CEO on 2 January 2016. The company was further strengthened for future growth and 2016 will continue the renewal of the company," states Harri Sjöholm, Chairman of the Board of Directors.*

# Robit Family

## Successful Together

Skilled personnel is the key to the Company's competitiveness and success. Growth in line with the strategy brings new personnel needs: finding sufficient skilled personnel has become one of the Company's main strategic priorities for human resources. The role of management has is important in order to implement a functional and effective strategy. This needs to be supported by skilled leadership to ensure its deployment throughout the organization.

Robit's long-term HR strategic priorities are to:

- Retain existing know-how
- Find new know-how
- Expand globally in the international business environment
- Ensure the readiness for change

This year Robit celebrated its 30th anniversary. The company could easily be seen as young and dynamic in this industry. Our employees are also young and energetic, with an average age of 39 years. Over 40 % of the personnel are between 30 and 39 years of age. But Robit's ranks also include some older industry experts, as five per cent of the personnel are over 60 years of age.

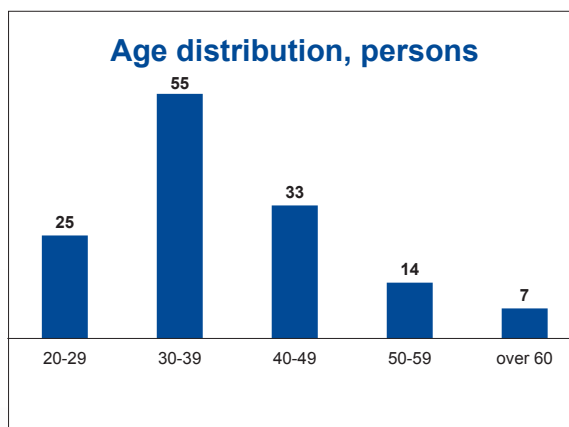
*Robit dealers and personnel in 30th Anniversary Days on May 2015. Robit organised training day in the middle of beautiful countryside.*

Special attention has been paid among existing employees to personnel commitment. In order to commit key employees to the company, great emphasis is placed on occupational wellbeing and safety issues, effective management practices, and attractive and competitive incentive systems.

For HR, the focus is both on retaining key personnel and on filling key positions. For the Company, it is vital to keep skilled employees by offering sufficiently challenging and interesting jobs, but it is also essential to find competent and committed personnel for the most important positions.

An attractive company image plays an important role in obtaining talented personnel. During recent years, the Company's investments in occupational safety and wellbeing have given returns not only of very low levels of absence but also as zero occupational accidents. During year 2015, no occupational accidents leading to an absence from work occurred at any Robit location.

The personnel survey conducted in 2015 for the whole group showed good results regarding job satisfaction. In particular the sections on Company image, co-operation within the Company and fluency of teamwork produced high results. Future improvements should focus on effective IT systems, rewarding incentive plans, and a timely and comprehensive flow of information throughout the organization.



# Corporate Responsibility

## Caring for the Environment

Care for environmental issues is an important aspect of Robit's business. Robit Plc has started to create an environmental management system in accordance with the ISO 14001 standard. The company will apply for certification of the system during 2016. As a first step, the management system will be introduced in Finland. The objective for the future is to introduce the system in all the company's subsidiaries.

The ISO 14001 management system will make it easier to recognize environmentally significant stakeholders in the company. It will also enable the company to better respond to stakeholder needs and expectations. For company personnel, the ISO 14001 system creates a channel for improving the environment and work safety, and it also strengthens overall satisfaction. The systematic approach helps identify the environmental risks to which the business is exposed, as well as business opportunities. A certified system enhances the competitiveness of the company by ensuring continual improvement and it is also a signal of responsibility to external stakeholders.

Environmental aspects related to the company's activities, products and services are reviewed when the environmental management system is implemented. Aspects such as use of raw materials and chemicals, energy consumption, waste management and a life cycle perspective are regularly reviewed so as to systematically perceive and prevent environmental harm. Environmental objectives will be created and monitored. Robit Plc is committed to protecting the environment, to conforming to environmental compliance obligations such as legal requirements, and to continually improving its environmental performance.





## Employees

### Possibility to influence

- The environmental management systems provides a channel for developing a good working environment

### Safety at work

- Recognition of environmental aspects also improves safety in the working environment



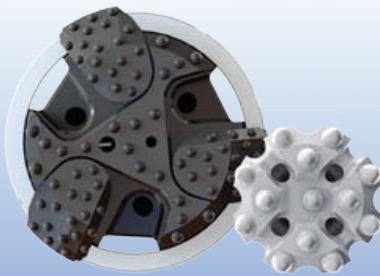
### Better future

- Caring for future generations by respecting the environment in business operations

### Pride in employer

- It is easy to be proud of an employer who showing responsibility

## Business



## External stakeholders



### Risks

- Recognizing environmental risks reduces business risks and ensures continuity of business

### Opportunities

- The environmental management system helps identify opportunities for savings in costs

### Understanding and consideration

- The environmental management system guides users to respect the needs and expectations of interested parties

### Showing responsibility

- It is easier to start co-operation with a company that shows responsibility



# Top Hammer Business

## Through the Hard Rock

The Top Hammer business offers the full range of products for top hammer drilling. A top hammer drill rig is a hydraulic or pneumatic powered drill, in which the drifter, being the percussive element, is placed on top of a feed device.\*

The following product categories are included in Robit's Top Hammer business unit: Button bits, drilling rods, shanks and couplings, push-on button bits and RoX top hammer casing systems. Button bits and RoX top hammer casing systems are manufactured in Finland, and drilling rods, shanks and couplings are made in South Korea. Some items are purchased from a third party to complete the offering. The main market segments for top hammer drilling are mining, surface drilling (quarries and construction sites) and tunnelling.

2015 was a very successful year for Robit's top hammer business unit. Consistent quality with a full package offering for the top hammer drilling method has ensured encouraging growth for Robit. Growth in sales especially of drilling rods continued strong, which is a clear indication that continuous development of the rod manufacturing process and product quality has yielded the expected results.

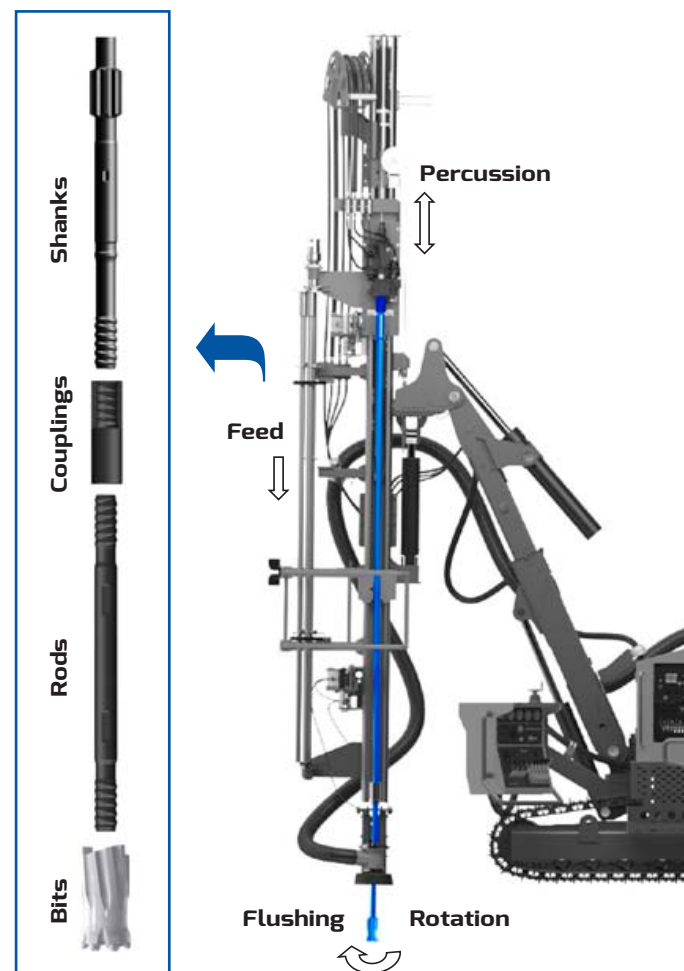
The fully automated Lempäälä factory allowed Robit to supply constant, high volumes of threaded bits to keep up with demand. The high level of automatization and robotization in production also allowed Robit to improve the cost competitiveness and secure the manufacturing efficiency.

Robit's RoX products have been in high demand globally. Customers and operators have found the system to be very user friendly. RoX products allowed Robit to further raise its market share in the tunnelling segment. Offering 6.4 metre long drifter rods created new possibilities with the drill and blast method for tunnelling projects.

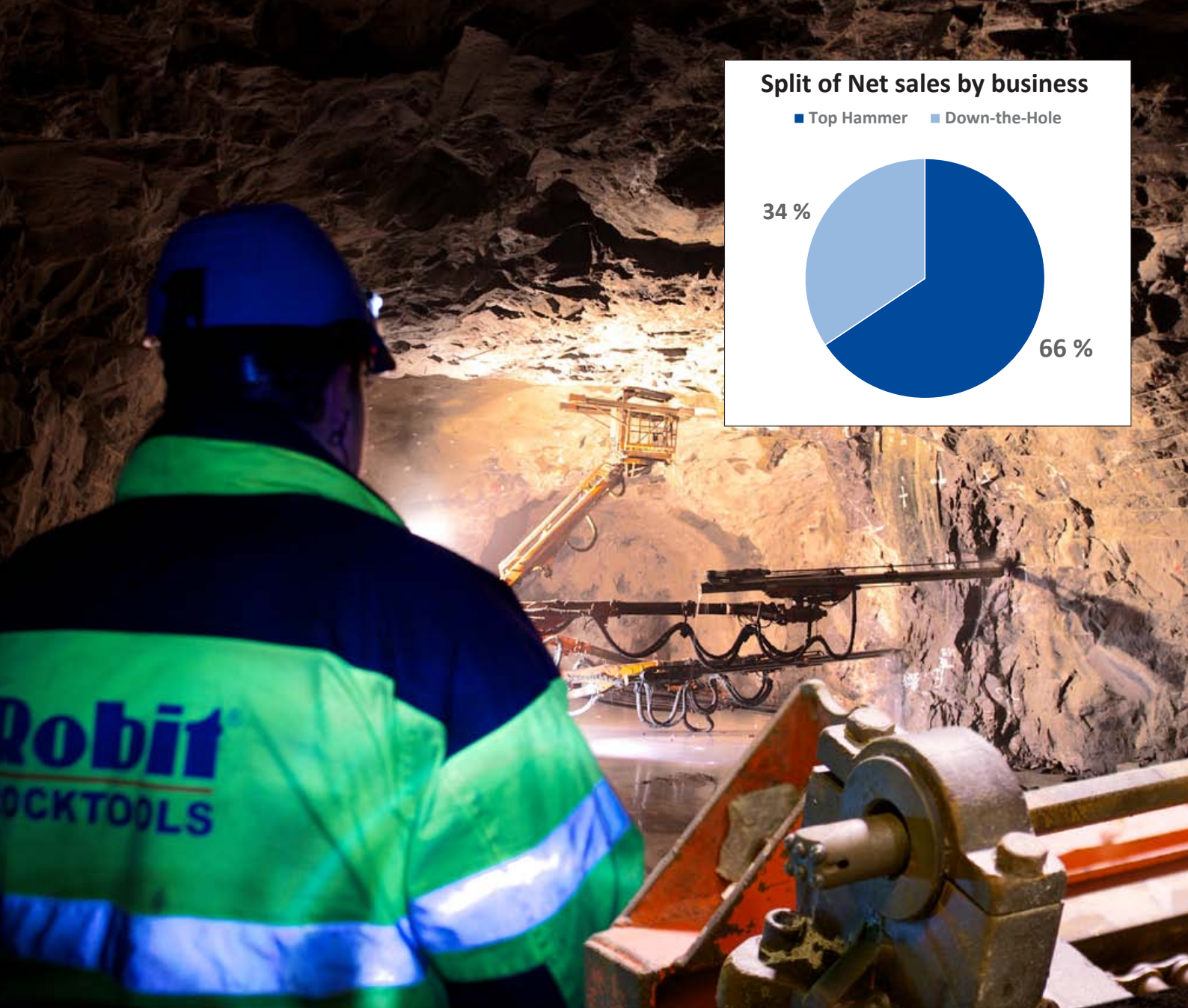
The 76 millimetre RoX glass fibre reinforced polymer (GFRP) casing system allowed Robit customers to drill an average of 20 meter face bolt holes with less than 1% deviation. This brings clear time savings in drilling projects.

The increase in sales in the TH business for FY 2015 was 20.9%. Thanks to our continuous development of our dealer network and the quality of our Top Hammer products, we were able to win new customers and increase our sales. One further driver for organic growth was the offering of a full package of bits and drill steel products to our dealers and end users.

### Full package

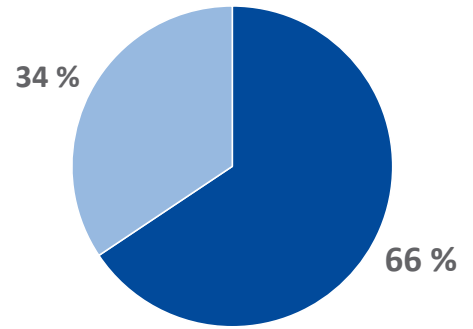


\* Drilling principle for top hammer: The hammer produces a percussive force on the drill rods or tubes, which is transmitted to the drill bit. The feed device is usually attached with a hinged boom to a mobile unit. The percussive system strikes the drill rod, for example 2,000-5,000 strikes per minute, and the rotation speed can be, for example, 60-200 rounds per minute. Together these elements make it possible to drill holes in the hard rock. The excess material (cuttings) is flushed up from the bottom of the hole by means of pressurized air or water. Top hammer drills are primarily used in mining, construction and quarrying of rock material. Top hammer drilling, combined with the "drill and blast" method, makes the whole excavation process extremely efficient.



### Split of Net sales by business

■ Top Hammer ■ Down-the-Hole



## Consumables for Drifting & Tunnelling

The Top Hammer business unit covers all construction, quarrying and mining drill and blast applications, from soft rock to the hardest rock conditions. Tunnelling is one of the most important customer segments for Robit® bits, and applications such as drifting and bolting are well covered. Major mining and quarrying customers have also approved Robit® quality worldwide.

All Robit® button bits are manufactured from new 100 % recyclable steel. In the environmentally friendly steel production process the CO<sup>2</sup> emissions have been reduced by 80 %. Out of the process waste 95 % is recycled, including the process smoke, which is filtered. The new steel grade gives even more uniform properties and improved fatigue strength, which is highly important in the rock drilling process.



# Down the Hole Business

## Down to the Bedrock

The Down the Hole (DTH) business covers all operations related to the down the hole drilling method\*. The main product categories included in the Robit DTH business unit are:

- DTH casing systems for:
  - well drilling
  - piling
  - horizontal drilling and
  - anchoring
- DTH bits
- DTH tubes
- DTH hammers

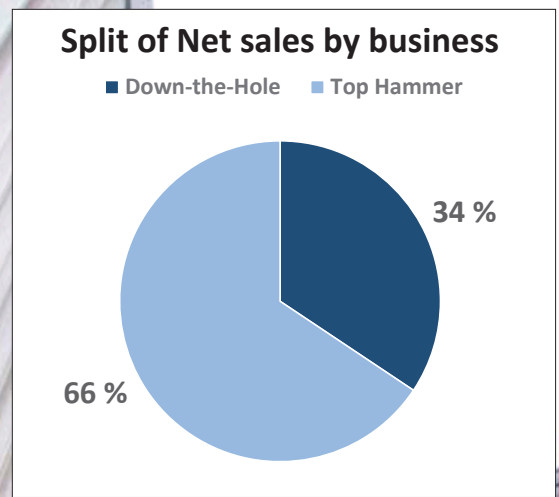
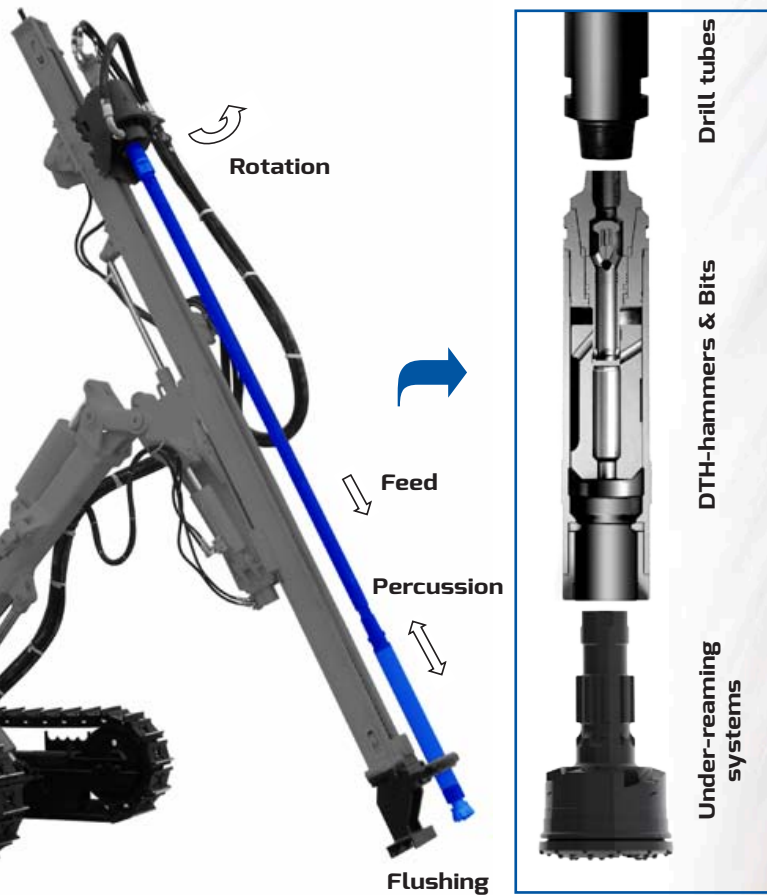
DTH drilling is primarily used in the construction industry, in piling, and in drilling water wells and geothermal holes for ground source heat pumps. It is also used in surface and underground mining for production drilling.

The Down-the-Hole business increased 15.9%. We continued to develop our DTH products and this had a positive impact on our sales. With our expertise in challenging piling projects together with our high quality products, we won major deals in Scandinavia and North America. Our market leader position in Finland for geothermal heating and cooling consumables gives us strong confidence that we can further increase our sales in other countries as well. In Finland geothermal drilling is in greater extent used in industrial heating and cooling applications. We see that in Scandinavia geothermal heating as an environmentally friendly heating method is becoming the preferred heating method for new residential and industrial buildings. It is very possible for this trend to expand to new countries, which will increase our sales potential.

During 2015 we continued to develop our large size (400 - 1000 mm) DTH sales with a focus on construction piling projects. This had a visible impact especially in major piling projects, for which the company has obtained strong references for example in North America and Scandinavia. For micropiling, the new Robit Prime series was launched. The new series is specially designed for Scandinavian threaded casing piles. This application also offers a drill through feature, which is very suitable for the North American market.



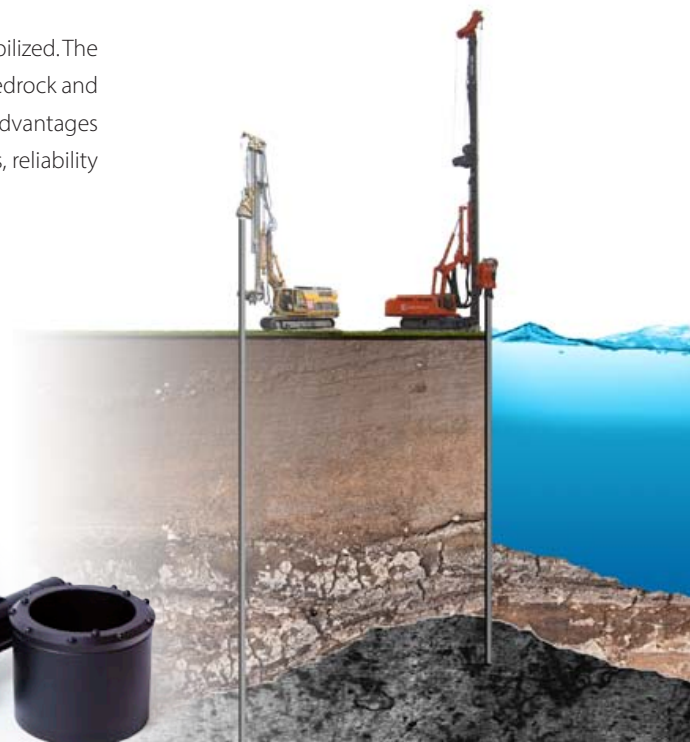
## Full package



\*DTH is mainly a pneumatic powered rock or ground drill, in which the percussive hammer is located directly behind the drill bit, so the percussion mechanism follows the bit down into the drill hole. The drill pipes transmit the necessary feed force and rotation to the DTH hammer and bit, as well as compressed air for the DTH hammer. Air flushes cuttings up from the bottom of the hole. Drill pipes are added to the top of the drill string as the hole gets deeper. The piston directly strikes the impact surface of the bit, while the hammer casing gives guidance to the drill bit. The fast hammer impact breaks hard rock into small particles, which are blown up by the air exhaust from the DTH hammer.

## Consumables for Piling, Micropiling & Underpinning

Softer ground conditions require the foundations of any type of construction to be stabilized. The drilling system consists of casing tubes drilled through the overburden to the solid bedrock and filled with concrete. Drilled piles made with Robit® Casing Systems have significant advantages over other piling methods and systems: fast drilling with maximum hole straightness, reliability in reaching the targeted depth, and extreme simplicity in use.



# Digital Services Business

## Pioneer in Drilling Process

The Digital Services business was further strengthened during 2015. The Company is convinced that the investments in digitalization and IoT will give totally new business opportunities in the near future. The Digital Services business will focus on providing new digital technologies to customers operating with Top Hammer and Down-the-Hole drilling applications. Initially the offering comprises the unique drill hole measurement technology branded as Robit Sense Systems.

With Robit Sense System the straightness of a drill hole can be measured utilising special technology that is integrated into a standard drill string and rig. The results can be obtained immediately after the

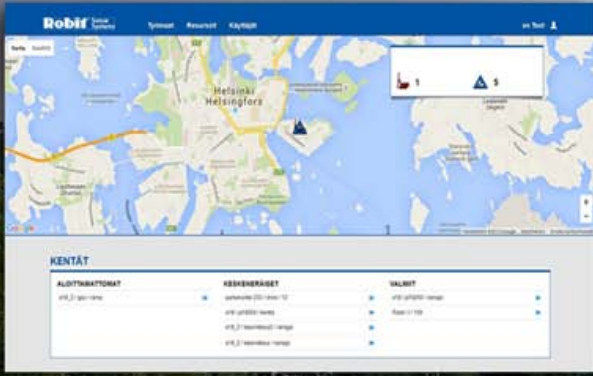
hole has been drilled, unlike existing manual systems, where measuring is carried out as a separate operation afterwards.

The information provided by the Robit Sense Systems enables the user to optimize the drilling and charging processes. The technology provides a tool for obtaining indepth knowledge of the drilling process and for increasing productivity in blasting, crushing and transportation functions. The Sense Systems also include a database for drilling data with remote access for customers.

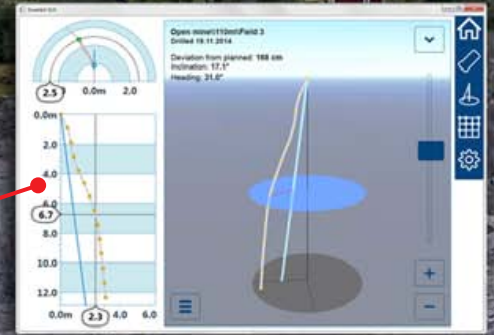
Robit Sense Systems has been piloted successfully with several customers in Scandinavia. The development of additional functionalities for the Sense Systems product family and the development of the ecosystem will also continue in 2016.



# Cloud service



# Cockpit tablet



# Laser scanners

## Consumables for Bench & Production Drilling

Open pits, underground mines and quarries are primary locations using Robit products designed for bench and production drilling applications. Over the years Robit has grown to be the preferred choice when uniform high quality is required throughout the drill string. Today Robit

designs, manufactures and distributes the full package of consumables from shanks to rods, couplings and bits. Our experience and presence on all continents ensures that our customer gets precisely what the changing conditions require.



# Robit Plc Financial Statements 2015





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# Report of the Board of Directors

Robit is a Finnish company selling and servicing global customers in drilling consumables for applications in tunnelling, geothermal heating and cooling, construction, and mining industries.

The Company's business is divided into Top Hammer, Down the hole and Digital Services business units. The Company has eight own offices and active sales networks in 115 countries. The Company has production in Finland and South Korea.

The company is listed in Nasdaq Helsinki Ltd First North Finland marketplace with trading code ROBIT.

## Net sales and profitability

Robit Group net sales increased by 19.1 % amounting to EUR 45.6 million (FY 2014: 38.3). Group EBITA for financial year 2015 was EUR 3.4 million (FY 2014: 3.8) and net income was EUR 2.2 million (FY 2014: 2.9).

## Market review and sales by territory

(Million euro)	H2/2015	H2/2014	Change %	2015	2014	Change %
Europe and Middle East	10,1	9,2	9,8 %	19,7	18,8	4,8 %
North and South America	4,8	3,2	50,0 %	8,5	5,8	46,6 %
Asia and Oceania	4,3	3,7	16,2 %	9,0	7,3	23,3 %
Africa	2,8	2,1	33,3 %	5,3	3,2	65,6 %
Russia and CIS countries	1,7	1,8	-5,6 %	3,1	3,2	-3,1 %
	<b>23,7</b>	<b>20,0</b>	<b>18,5 %</b>	<b>45,6</b>	<b>38,3</b>	<b>19,1 %</b>

The general market situation remained challenging and we do not see signs of improvement in market activity at the beginning of 2016. However, through our investments in new employees and our active market presence, we succeeded in going against the tide and market trends and increased our global market share. Sales in our four market segments: Geothermal heating and cooling, Construction, Tunnelling and Mining, remained well balanced.

Robit sales developed positively in four out of five regions. Europe and Middle-East remained the biggest sales region with 43% of sales. The relative share that this region accounted for declined by six percentage points as Asia & Oceania, Americas and Africa all continued to see double digit organic growth. A number of new sales persons were recruited during 2015 to ensure first class service and to enable continued high growth.

The biggest growth area in euro terms was North and South America, where sales rose from EUR 5.8 million to EUR 8.5 million. During 2015 the US subsidiary, Robit Inc. hired new personnel and further expanded the customer base. It also won complex piling projects, which will in future be good references for gaining new

customers. To further improve service and availability in South America, Robit established a new sales company in Lima, Peru. The Peru subsidiary will in future form the hub for the South American market.

Sales in the Asia and Oceania region continued to grow, with year on year organic growth of 23.3%. Total sales for this region amounted to EUR 9.0 million, or 20% of the company's total sales. The active sales work in the Korean market and in other Asian countries further increased sales in this region. The developing markets in South East Asia offer interesting opportunities for further growth. In January 2016 the Robit Thailand sales office was opened in Bangkok. This sales office will further reinforce the company's presence in Asia.

In Africa organic growth continued as sales increased 65.6% from EUR 3.2 million to EUR 5.3 million. Robit SA (Pty) Ltd in South Africa contributed a big part of the growth in the region. 2015 was the first full operational year for Robit SA. The South African subsidiary has played an important role in obtaining major mining customers in southern Africa. Sales in the northern part of Africa also developed positively as new sales resources were allocated to this region.

Russia and the CIS countries was the only region where sales did not grow. The weak economic situation, the decline of the ruble against the euro and the EU sanctions resulted in a slight decrease in sales (-3.1%) in this region compared to the previous year. Despite the challenges in the Russian economy, Robit subsidiary Robit OOO was able to more than double its ruble-denominated local sales from 2014, showing again the

importance of a local presence and the opportunities this offers. Robit aims to keep its position in the area long term.

In conclusion, if overall economic activity in the world and in our target markets picks up, we believe we will exceed our organic growth targets in the long term.

### Net sales by business\*

(Million euro)	H2/2015	H1/2015	H2/2014	H1/2014	2015	2014	Change %
Top Hammer	15,3	14,6	12,5	12,2	29,9	24,8	20,9 %
Down-the-Hole	8,4	7,3	7,5	6,1	15,7	13,5	15,9 %
	<b>23,7</b>	<b>21,8</b>	<b>20,0</b>	<b>18,3</b>	<b>45,6</b>	<b>38,3</b>	<b>19,1 %</b>

\*Sales split between Top Hammer and Down-the-Hole business has been reclassified from information shown in offering memorandum.

During 2015, sales for both the Top Hammer (TH) and the Down-the-Hole (DTH) business developed positively. The increase in sales in the TH business for FY 2015 was 20.9 %. Thanks to our continuous development of our dealer network and the quality of our Top Hammer products, we were able to win new customers and increase our sales. One further driver for organic growth was the offering of a full package of bits and drill steel products to our dealer network and end users.

The Down-the-Hole business increased 15.9 %. We continued to develop our DTH products and this had a positive impact on our sales. With our expertise in challenging piling projects together with our high quality products, we won major deals in Scandinavia and North America. Our market leader position in Finland for geothermal heating and cooling gives us strong confidence that we can further increase our sales in other countries as well. In Finland geothermal drilling is more widely used in industrial heating and cooling applications. We see that in Scandinavia geothermal heating as an environmentally friendly heating method is becoming the preferred heating method for new residential and industrial buildings. It is very possible for this trend to expand to new countries, which will increase our sales potential.

### Research and development - developing the offering

The Digital Services business was further strengthened during 2015. The Company is convinced that the investments in digitalization and IoT will give totally new business opportunities in the near future. The Digital Services business will focus on providing new digital technologies to customers operating with Top Hammer and Down-the-Hole drilling applications. Initially the offering comprises the unique drill hole measurement technology branded as Robit Sense Systems. With this system the straightness of a drill hole can be measured utilising special technology that is integrated into a standard drill string and rig. The results can be obtained immediately after the hole has been drilled, unlike existing manual systems, where measuring is carried out as a separate operation afterwards. Robit Sense Systems was launched at the international Interimat trade fair in Paris during H1/2015.

Robit Sense Systems has been piloted successfully with several customers in Scandinavia. The next step is the commercial roll out during 2016 in selected regions. The development of additional functionalities for the Sense Systems product family and the development of the ecosystem will also continue in 2016.

The new 76 millimetre RoX glass fiber reinforced polymer (GFRP) casing system for the tunnelling

segment was introduced for the Top Hammer business. This system will allow Robit customers to drill an average of 20 metre face bolt holes with less than 1% deviation, which brings clear savings in time and increased safety for drilling in tunnel projects.

During 2015 we continued to develop our large size (+400 mm) DTH sales with a focus on construction piling projects. This had a visible impact especially in major piling projects, for which the company has obtained strong references for example in North America and Scandinavia. For micropiling, the new Robit Prime series was launched. The new series is specially designed for Scandinavian threaded casing piles. This application also offers a drill through feature, which is very suitable for the North American market.

In order to adjust ourselves to changing market situations, we are constantly optimizing and developing our product range in a dynamic way. Our new global cloud based ERP system enables us to have better transparency and real time information on our product availability and customer behaviour.

The company has capitalized patent and research and development cost during 2015 in total of EUR 0.7 million (FY 2014: 0.5). Total costs in relation to research and development were 3.0 % of net sales (FY 2014: 2.1%).

## Profitability and key financials

	H2/2015	H2/2014	Change %	2015	2014	Change %
Net Sales, EUR 1,000	23 676	19 983	18,5 %	45 588	38 272	19,1 %
Net Sales growth, percent	18,5 %	-		19,1 %	12,7%	
Gross profit	7 747	6 277	23,4 %	14 683	11 337	29,5 %
Gross profit, percent	32,7 %	31,4 %		32,2 %	29,6%	
EBITDA, EUR 1,000	2 713	2 888	-6,1 %	5 066	4 765	6,3 %
EBITDA, percent of sales	11,5 %	14,5 %		11,1 %	12,5 %	
EBITA, EUR 1,000	1 713	2 345	-26,9 %	3 448	3 819	-9,7 %
EBITA, percent of sales	7,2 %	11,7 %		7,6 %	10,0 %	
Operating profit, EUR 1,000	1 683	2 316	-27,3 %	3 389	3 761	-9,9 %
Operating profit, percent of sales	7,1 %	11,6 %		7,4 %	9,8 %	
Net income for the review period	841	1 623	-48,2 %	2 244	2 925	-23,3 %
Net income for the review period, percent of sales	3,6 %	8,1 %		4,9 %	7,6 %	
EPS, adjusted for share split	-	-		0,17	0,29	-41,0 %
Return on equity, percent	-	-		7,4 %	25,4 %	
Return on capital employed (ROCE), percent	-	-		9,5 %	21,2 %	
Net interest -bearing debt, EUR 1,000	-22 070	6 866	-421,4 %	-22 070	6 866	-421,4 %
Equity ratio, percent	71,1 %	47,4 %		71,1 %	47,4 %	
Gearing, percent	-46,1 %	52,9 %		-46,1 %	52,9 %	
Gross investments, EUR 1,000	3 389	1140	197,3 %	7 732	1 731	346,7 %
Gross investments, % of sales	14,3 %	5,7 %		17,0 %	4,5 %	
R&D costs, % of sales	3,1 %	2,1 %		3,0 %	2,1 %	
Average number of employees	129	111	16,2 %	124	109	13,8 %
Number of employees at the end of period	134	109	22,9 %	134	109	22,9 %

Robit continued to grow despite quite a tough market situation. Looking at the profitability indicators, the gross margin continued to develop positively compared with the previous year. Robit has been able to maintain its price levels. Key factors in the improvement in the gross profit margin have been higher volumes, and the reductions in raw material prices and in subcontracting costs.

For FY 2015 EBITDA was EUR 5.1 million (FY 2014: 4.8). The EBITDA margin decreased from 12.5 % to 11.1 %. The main factors contributing to this decrease were related to future growth, which can be seen in the increase in personnel expenses (increase of 27.6 %) and the increase in other operating expenses (increase of

30.1 %). During 2015 the company recruited a total of 25 new employees and the total number of employees at the end of December 2015 was 134. Recruitment was mainly for sales and customer service positions, to ensure that future organic and strategic growth targets can be met. Investments in resources in front line sales and in an active market presence allowed us to gain more market share and increase our sales in 2015 despite the challenging market situation.

For FY 2015 EBITA was EUR 3.4 million (FY 2014: 3.8). The main factor in the decrease in EBITA was increased depreciation. Depreciation for FY 2015 was EUR 1.7 million (FY 2014: 1.0). The increase in depreciation was mainly due to normal investments in machinery and

equipment, capitalized IPO costs, capitalized expenses in relation to the new ERP investment, and capitalized expenses in relation to the Robit Sense system.

Total financial income and expenses for FY 2015 were EUR -0.4 million (FY 2014: -0.1). Financial income was EUR 0.4 million (FY 2014: 0.4). Financial expenses increased from EUR 0.5 million to EUR 0.9. Financial expenses included normal loan expenses amounting to EUR 0.3 million and a negative foreign currency exchange effect amounting to EUR 0.6 million. The main factor in the unfavourable currency exchange effect was the negative development of the South African rand against the euro.

For FY 2015 the return on equity was 7.4 % and the return on capital employed was 9.5 %. Both percentages declined since the funds obtained in the public offering were in the company's account at the end of the period under review. The return on operative capital employed was 17.3 %. The company's cash and cash equivalents amounted to EUR 33.4 million (FY 2014: 1.6) and the net debt was EUR -22.1 million (FY 2014: 6.9). The equity ratio was 71.1 %. The company intends to use the funds received in the listing to finance further growth.

Earnings per share were EUR 0.17.

### **Major events during the financial year 2015**

- Robit shares were listed to Nasdaq First North Finland marketplace with a trading code ROBIT on the 21st of May.
- Offering was oversubscribed and as a result company obtained EUR 30.4 million in the issue after costs.
- Robit Sense Systems was launched in Intermat exhibition in Paris.
- In July the manufacturing business and all related assets and liabilities in Robit Plc were transferred to a new 100% owned subsidiary Robit Finland Ltd.
- Sales company in Peru, Lima was opened in July.
- The company informed of the change of CEO in December. Jussi Rautiainen (51), served as Group CEO until 2 January 2016. Mikko Mattila (38), M.Sc. (Eng.) was appointed as the new Group CEO.



*One of the first full-time employee was Veijo Tuominen, who started in May 1994 and is still working at Robit.*

## Group structure

Parent company Robit Oyj has subsidiaries in Finland, South Korea, United States, South Africa, Russia, Sweden and in Peru. Robit S.A.C. in Peru, Lima was founded during 2015. Robit Rocktools Sweden AB and Robit Africa Holding (Pty) Ltd remained dormant. Robit Africa Holding (Pty) Ltd has not been included in consolidated financial statements.

## Risks and uncertainties

The risks and uncertainties to which the company is exposed relate to the company's business environment, to any changes in this, and to global economic developments. Prospects especially in the euro zone and in Russia are uncertain. During H2 there were no significant changes in Robit's risks and uncertainties.

Additional uncertainty factors are developments in currency exchange rates, the introduction of new information systems and their smooth operation, risks relating to delivery reliability and logistics, IPR risks and uncertainties relating to the company's operations and corporate governance issues. Changes in the tax and customs regulations in export countries may also complicate the company's export activities or affect their profitability.

The risks can mainly have a negative impact on the company's growth, on its financial position and result, and on its corporate image. Company management does not consider these risks and uncertainties to be significant at the end of the period under review. The prospectus published in relation to Robit's Initial Public Offering contains a more detailed description of the company's risks and risk management.

## Net working capital and investments

Net working capital at the end of review period was EUR 14.6 million (FY 2014: 13.5). The company's cash flow from operations during FY 2015 was EUR 2.9 million (FY 2014: 0.7).

Gross Investments totalled EUR 7.7 million (FY 2014: 1.7). The company's main investments for FY 2015, in addition to the capitalized costs in relation to the public offering (EUR 2.6 million) and the cloud based global ERP system (EUR 0.3 million), focused on R&D (EUR 0.7 million) and machinery and equipment (EUR 2.3 million).

During FY 2015 the company also purchased additional real estate next to the Lempäälä factory. The amount invested was EUR 1.1 million. This new facility, Robit Technology Center, will house operations related to product and production technology. The additional space ensures the Company has the space needed for further growth.

At year end 2015 EUR 9.2 million was tied up in trade receivables (FY 2014: EUR 6.3). Trade receivables grew at the end of the year due to increased sales volumes. The last three months of the review period were also among the highest selling months in the history of Robit.

Inventories amounted to EUR 11.7 million (FY 2014: 11.8). Inventories decreased by EUR 0.16 million from the comparative period. The company launched an inventory optimisation project in Q2/2015, with the target of reducing inventories by 15 % while still maintaining an excellent service capability for customers. The total inventory at the end of H1 2015 was EUR 14.6 million. The project was successfully carried out as inventories decreased by EUR 2.9 million during H2 2015.

Interest-bearing debts at the end of review period were EUR 11.3 million (FY 2014: 8.5), an increase of EUR 2.8 million. New loans were utilized mainly for machinery and for the investment in the Robit Technology Center. The company's decision was not to utilize the IPO funds for these investments since interest rates were so low. Net debt at the end of the year was EUR -22.1 million (FY 2014: 6.9).

## Information presented in the notes of the financial statements

Information regarding company's personnel and related parties have been presented in more detail in the notes of the financial statements.

## Shares and shareholders

On 31 December 2015 the company had 15,883,900 shares. The company was listed on the Nasdaq Helsinki First North Finland Marketplace on 21 May, and as a result the company obtained EUR 30.4 million in the share issue after related costs. On 31 December 2015 the company had 889 shareholders. On 31 December 2015 the company holds 99,567 own shares (0.6 % of the shares).

The subscription price in the Initial Public Offering (IPO) was EUR 5.70. The average share price based on closing prices during H2 was EUR 5.86, and EUR 5.89 for the period from the listing to the end of 2015. The highest closing price during the year was EUR 6.24 and the lowest EUR 5.41. At the end of December 2015, the closing price was EUR 5.68 per share and Robit had a market capitalization of EUR 90.2 million. The number of shares traded between 21 May and 30 December was 4.1 million, which is 26 % of the total number of shares. When excluding the block sale related to the IPO, 9 % of the total number of shares were traded during the year.

Robit has one share series and all shares have equal voting rights. Each share is entitled to one vote at the annual general meeting.

## Consumables for Site Investigation



Site investigation is used for an initial evaluation of the site and of its suitability for the proposed development. A casing tube is driven to the selected depth and a sample is taken with a coring tool. The Robit® Casing System enables more accurate drilling to reach the targeted depth.



<b>The largest, registered shareholders on 31.12.2015</b>	<b>Shares</b>	<b>%</b>
FIVE ALLIANCE OY	6 408 253	40,3 %
SKANDINAVISKA ENSKILDA BANKEN AB (PUBL) HELSINGIN SIVUKONTTORI	1 020 437	6,4 %
SIJOITUSRAHASTO AKTIA CAPITAL	861 873	5,4 %
KESKINÄINEN TYÖELÄKEVAKUUTUSYHTIÖ VARMA	717 000	4,5 %
FONDITA NORDIC MICRO CAP PLACERINGSF	615 422	3,9 %
OP-DELTA -SIJOITUSRAHASTO	571 110	3,6 %
OP-FOCUS -ERIKOISSIJOITUSRAHASTO	570 000	3,6 %
SIJOITUSRAHASTO DANSKE INVEST SUOMEN PIENYHTIÖT	521 132	3,3 %
RAUTIAINEN JUSSI-PEKKA	391 500	2,5 %
NORDEA PANKKI SUOMI OYJ	380 134	2,4 %
<b>The 10 largest shareholders in total</b>	<b>12 056 861</b>	<b>75,9 %</b>
Other shareholders	3 827 039	24,1 %
<b>Shares in total</b>	<b>15 883 900</b>	<b>100 %</b>

<b>Breakdown of share ownership (number of shares)</b>	<b>Owners</b>	<b>%</b>	<b>Shares</b>	<b>%</b>
1 - 100	206	23 %	14 280	0,1 %
101 - 500	375	42 %	109 630	0,7 %
501 - 1 000	145	16 %	125 572	0,8 %
1 001 - 5 000	108	12 %	248 837	1,6 %
5 001 - 1 0000	16	2 %	119 875	0,8 %
10 001 - 50 000	15	2 %	420 610	2,6 %
50 001 - 100 000	4	0 %	324 447	2,0 %
100 001 -	20	2 %	14 520 649	91,4 %
	<b>889</b>	<b>100 %</b>	<b>15 883 900</b>	<b>100,0 %</b>

<b>Shareholding of management on 31.12.2015</b>	<b>Shares</b>	<b>%</b>
CEO	251 228	3,7 %
Members of the Board	6 424 636	95,4 %
Other members of the executive management team	61 000	0,9 %
	<b>6 736 864</b>	<b>100,0 %</b>

## Personnel, management and board of directors

The number of personnel increased in 2015 by 25 from year end 2014, with the total number of personnel being 134 at the end of the period under review. The increase in personnel has been as planned, to enable the company to grow further. More than 50 % of new personnel were hired for sales and marketing or for customer service positions to secure future growth.

Jussi Rautiainen (51), served as Group CEO until 2 January 2016. Mikko Mattila (38), M.Sc. (Eng.) was appointed as the new Group CEO. Mr. Mattila has been working in the organization and has had a long, 15 year career at Robit Plc. He has, for example, been responsible for the take-over and integration of the

South Korean acquisition. Mr. Rautiainen will continue in the company and will focus on structural growth options.

In order to facilitate Robit's growth strategy, we have continued to invest in our personnel. More emphasis has been given to our hiring and training practices. During 2015 Robit's ability to attract talented personnel has further increased, which can be seen in an increase in the number of applications received. During 2015 the Robit Talent program was launched. The basic principle in the talent program is to hire highly-educated young people and train them in-house by our experienced employees. With this method we can ensure the transfer of valuable experience-based know-how within our organization.



Young and talented employees are a great asset for us. Our age demographics are well balanced and the average age is 39 years. We also place strong emphasis on work safety, and this has resulted in zero occupational accidents resulting in an absence from work during 2015.

Prior to the Annual General Meeting that was held on the 18th of February 2015 the Members of the Board were Tapio Hintikka, Pekka Pohjoismäki, Jussi Rautiainen, Kalle Reponen and Harri Sjöholm. Mr. Sjöholm acted as the Chairman of the Board. In the ordinary shareholder's meeting Matti Kotola was selected to replace Mr. Jussi Rautiainen. Other members were selected to continue. Mr. Sjöholm was selected as the Chairman of the Board.

### Decisions by the annual general meeting

The Annual General Meeting was held in Lempäälä on 18 February 2015. The meeting confirmed the 2014 financial statements and discharged the members of the Board and the CEO from liability for the 2014 fiscal year. The meeting decided to pay a total dividend of EUR 432,659.50, or EUR 6.50 per share. There were a total of 67,226 shares before the share-split and initial public offering.

Those elected to the Board of Directors are listed in the section "Personnel, management and Board of Directors" above.

Ernst & Young Oy, Authorised Public Accountants, were re-elected as the company's auditors, with Mikko Järventausta as principle auditor.

The Company's Extraordinary General Meeting of Shareholders was held on 27 April 2015. It was decided to convert the Company into a public limited liability company, to change the name of the Company to Robit Plc and to split the Company's shares to ratio of 1:150 due to which the number of the Company's shares increased from 67,226 shares to 10,083,900 shares. The Extraordinary General Meeting of Shareholders also decided to authorise the Board of Directors to decide on a share issue. According to the authorisation, a maximum total amount of 8,500,000 new shares may be issued. Based on the authorisation granted by the General Meeting of Shareholders, the Board of Directors resolved on 4 May 2015 on the Share Issue preliminarily consisting of a maximum of 5,800,000 issue shares in deviation from the shareholders' pre-emptive right in order to expand the ownership base of the Company and to strengthen the capital structure.



*Production Manager Gi-hyun Kim (from left), Shift Supervisors Sang Pil Joo and Jin Man Kim in Donghae, South Korea factory.*

### Corporate governance statement

Corporate Governance statement has been included in Annual report for 2015 and is also available in Company's web pages.

### Significant events after the end of the review period

The Company has decided to issue new shares in Robit SA (Pty) Ltd to Robit SA employees. After the share issue Robit Plc will own 70% of Robit SA (Pty) Ltd. This will ensure that the company is in compliance with South African laws and regulations. It also supports the local black people by following the rules and regulations of the Black Economic Empowerment program, which aims to improve the socioeconomic development of black people in South Africa.

The Company has opened a sales office in Bangkok, Thailand on 1st January 2016. The new sales office is part of Robit Plc's globalization strategy. The new office strengthens further sales and customer service in Southeast Asia. This way Robit Plc will reach the present and new customers even better.

The market position of Robit Plc in Asia was strengthened when the South Korean acquisition was made in 2011. The sales office in Thailand will further reinforce the company's presence in Asia.

On 1 February 2016 Antti Leino, 41, M.Sc. (Eng.) was appointed a member of the Management Team. He is responsible for Group research and development with the title of VP R&D.

On 1 February 2016 Jorma Pyykkö (42), B.Sc. (Eng.) was appointed a member of the Management Team. He is responsible for global manufacturing and sourcing with the title of VP Supply.

Robit Plc continues its renewal. To support this, the company has changed its organizational structure. The Company has established three new strategic business units (SBU): the Top Hammer, Down-the-Hole (DTH) and Digital Services units. With this organizational change the company is aiming at even stronger growth and renewal.

### Board proposal for the distribution of profit

The parent company's non-restricted equity on 31 December 2015 is EUR 45,119,803.95, of which the net profit for the financial year is EUR 1,860,211.33.

The Board of Directors proposes to the Annual General Meeting that a dividend of EUR 0.04 per share be paid on the outstanding 15,784,333 shares, resulting in a total proposed dividend of EUR 631,373.32.



Robit® Korea Ltd Factory

The Board proposes that the dividend will be payable from 31 March 2016. All the shares existing on the dividend record date are entitled to the dividend for 2015 except for the own shares held by the parent company.

### Financial targets

The company's plan is to continue to grow in line with the target set in its strategy of annual organic growth in net sales of a minimum of 15 % per annum. Net sales in FY 2015 increased 19.1 % from the comparative period. The company's long-term (10 year) average annual growth has been 23 %.

Robit's target is to further improve profitability in order to achieve the long-term strategic target of EBITA of +13 %. This will be achieved primarily through growth in net sales, since fixed costs will then account for a smaller proportion of net sales. Robit has made significant investments during 2014 and 2015 to build the base for further growth. At the same time company management continues to further optimize variable cost factors.

### Future outlook

Robit's long term financial targets are to reach annual organic growth of 15% and to achieve an EBITA margin of 13 %. We also believe that the weak market environment gives us excellent room to grow our market share with our consumable focused strategy. Our global market share is still modest, so there is plenty of room to grow. According to the management this will also mean that the company will further strengthen its market share and market position. Company's strategic target is to double our global market share. Continuous growth can also be seen to have a positive effect on our employees, who are enthusiastic and hungry for growth.

The company is looking for structural growth in line with its strategy, through acquisitions. The company continues to evaluate potential acquisition candidates in a controlled manner. In the view of company management, consolidation will continue to take place in the global market. The company aims to be an active player in this.





*Olavi Huppunen started working at Robit 27 years ago and is the company's longest serving employee.*

# Consolidated Statement of Comprehensive Income

Consolidated Income Statement	1.1.2015- 31.12.2015 €	1.1.2014- 31.12.2014 €
<b>Net sales</b>	<b>45 588 319,89</b>	<b>38 272 382,56</b>
Changes in stocks of finished goods and work in progress	1 103 330,31	2 468 128,31
Manufacturing for own use	232 011,51	94 428,57
Other operating income	169 422,70	175 197,71
Materials and services		
Raw materials and consumables		
Purchases during the financial year	-16 316 457,55	-15 689 632,25
Change in stocks	-985 408,60	1 075 236,62
External services	-10 487 115,58	-10 132 093,99
Total materials and services	<u>-27 788 981,73</u>	<u>-24 746 489,62</u>
Personnel expenses		
Wages and salaries	-6 354 529,88	-4 874 584,55
Indirect personnel expenses		
Pension expences	-800 424,74	-656 451,86
Other social security expences	-184 287,95	-222 231,21
Total personnel expenses	<u>-7 339 242,57</u>	<u>-5 753 267,62</u>
Depreciation and amortisation		
Depreciation according to plan	-1 676 282,18	-1 004 574,24
Other operating charges	-6 899 082,01	-5 744 917,11
<b>OPERATING PROFIT (LOSS)</b>	<b>3 389 495,92</b>	<b>3 760 888,56</b>
Financial income and expences		
Other interest and financial income		
From others	444 334,11	438 204,60
Interest and other financial expences		
To others	-850 587,80	-522 049,36
Financial income and expences total	-406 253,69	-83 844,76
<b>PROFIT (LOSS) BEFORE EXTRAORDINARY ITEMS</b>	<b>2 983 242,23</b>	<b>3 677 043,80</b>
<b>PROFIT (LOSS) BEFORE APPROPRIATIONS AND TAXES</b>	<b>2 983 242,23</b>	<b>3 677 043,80</b>
Income taxes	-727 877,28	-760 299,22
Changes in deferred income taxes	-11 583,32	8 674,13
<b>PROFIT (LOSS) FOR THE FINANCIAL YEAR</b>	<b>2 243 781,63</b>	<b>2 925 418,71</b>
<b>Consolidated Net Income</b>	<b><u>2 243 781,63</u></b>	<b><u>2 925 418,71</u></b>

# Consolidated Statement of Financial Position

## Assets

Consolidated Balance Sheet	31 Dec. 2015	31 Dec. 2014
ASSETS	€	€
<b>NON-CURRENT ASSETS</b>		
Intangible assets		
Goodwill	29 011,87	87 614,45
Intangible rights	164 815,35	68 684,18
Other capitalised long-term expenses	3 526 588,90	585 365,19
Intangible assets total	<u>3 720 416,12</u>	<u>741 663,82</u>
Tangible assets		
Land and waters	149 114,99	110 981,63
Buildings	3 092 503,93	1 990 246,13
Machinery and equipment	3 736 359,31	2 586 858,80
Other tangible assets	6 376,56	5 035,02
Advance payments and construction in progress	62 358,18	277 219,30
Tangible assets total	<u>7 046 712,97</u>	<u>4 970 340,88</u>
Investments		
Other shares and similar rights of ownership	2 769,88	3 956,97
Other receivables	238 451,89	241 415,23
Investments total	<u>241 221,77</u>	<u>245 372,20</u>
<b>Non-current assets total</b>	<b>11 008 350,86</b>	<b>5 957 376,90</b>
<b>CURRENT ASSETS</b>		
Inventories		
Raw materials and consumables	2 741 084,18	3 188 840,87
Work in progress	1 060 873,71	992 497,17
Finished products/Goods	7 697 719,43	6 380 958,25
Other inventories	161 221,30	1 245 725,62
Advance payments	18 402,21	30 365,82
Inventories total	<u>11 679 300,83</u>	<u>11 838 387,73</u>
Debtors		
Long-term		
Accrued income	0,00	5 409,41
Loan receivables	716 688,57	737 540,15
Long-term total	<u>716 688,57</u>	<u>742 949,56</u>
Short-term		
Trade debtors	9 219 451,54	6 335 136,42
Amounts owed by group undertakings	0,00	0,00
Loan receivables	20 681,32	31 184,27
Calculated tax claim	159 458,54	78 049,64
Other debtors	809 266,26	597 897,88
Prepayments and accrued income	528 046,49	596 855,03
Short-term total	<u>10 736 904,15</u>	<u>7 639 123,24</u>
Funding papers		
<b>Other funding papers</b>	<u>31 230,97</u>	<u>29 928,47</u>
Funding papers total	<u>31 230,97</u>	<u>29 928,47</u>
Cash in hand and at banks	33 352 632,04	1 558 952,51
<b>Current assets total</b>	<b>56 516 756,56</b>	<b>21 809 341,51</b>
<b>ASSETS TOTAL</b>	<b><u>67 525 107,42</u></b>	<b><u>27 766 718,41</u></b>

# Consolidated Statement of Financial Position

## Liabilities

Consolidated Balance Sheet	31 Dec. 2015	31 Dec. 2014
LIABILITIES	€	€
<b>Capital and reserves</b>		
Subscribed capital	705 025,14	705 025,14
Share premium account	201 825,51	201 825,51
Free invested equity reserve	33 692 594,08	598 500,00
Translation difference	-267 424,11	15 166,99
Retained earnings (loss)	11 348 358,92	8 529 625,66
Profit (loss) for the financial year	2 243 781,63	2 925 418,71
Capital and reserves total	<u>47 924 161,17</u>	<u>12 975 562,01</u>
<b>Mandatory reserves</b>		
Other mandatory reserves	430 019,10	349 127,41
Mandatory reserves total	<u>430 019,10</u>	<u>349 127,41</u>
<b>Creditors</b>		
<b>Long-term</b>		
Loans from credit institutions	7 057 714,44	5 206 544,34
Long-term total	<u>7 057 714,44</u>	<u>5 206 544,34</u>
<b>Short-term</b>		
Loans from credit institutions	4 256 543,87	3 248 441,81
Advances received	132 470,16	288 735,73
Trade creditors	5 608 803,27	3 983 758,60
Amounts owed to group undertakings	0,00	22 320,00
Calculated tax debt	223 856,85	130 864,53
Other debts	573 958,51	346 204,17
Accruals and deferred income	1 317 580,05	1 215 159,81
Short-term total	<u>12 113 212,71</u>	<u>9 235 484,65</u>
<b>Creditors total</b>	<b>19 170 927,15</b>	<b>14 442 028,99</b>
<b>LIABILITIES TOTAL</b>	<b><u>67 525 107,42</u></b>	<b><u>27 766 718,41</u></b>

## Consumables for Forepoling



Forepoling, also known as tube umbrella, is an application used to strengthen the tunnel roof in broken rock conditions. The drilling system consists of casing tubes which are drilled through the overburden as an umbrella and filled with grouting. The Robit® Casing System allows easy driving of the casing tubes into the ground with low torque demand.





# Consolidated Statement of Cash Flows

CASH FLOW STATEMENT GROUP	Group 31 Dec 2015	Group 31 Dec 2014
<b>Cash flow from operations:</b>		
Profit (loss) before extraordinary items	2 983 242	3 677 044
Adjustments:		
Depreciation according to plan	1 676 282	1 004 574
Financial income and expences	406 254	83 845
Other adjustments	0	92 913
<b>Cash flow before changes in working capital</b>	<b>5 065 778</b>	<b>4 858 376</b>
Changes in working capital:		
Increase (-) or decrease (+) in trade and other receivables	-3 109 586	-231 962
Increase (-) or decrease (+) in inventories	159 087	-4 107 562
Increase (-) or decrease (+) in trade payables	1 950 518	1 062 632
Cash flow from operations before taxes	4 065 796	1 581 483
Interest paid and other finance costs from operations	-850 588	-522 049
Interests received from operations	444 334	438 205
Direct income taxes paid	-727 877	-760 299
Cash flow before extraordinary items	2 931 665	737 340
<b>Cash flow from operations (A)</b>	<b>2 931 665</b>	<b>737 340</b>
<b>Cash flows from investing activities</b>		
Investments in tangible and intangible items	-6 731 406	-1 713 465
Granted loans	0	-373 500
Investments in other items	0	0
Changes in long-term receivables	36 764	48 849
<b>Cash flow from investments (B)</b>	<b>-6 694 642</b>	<b>-2 038 116</b>
<b>Cash flow before financing (A+B)</b>	<b>-3 762 977</b>	<b>-1 300 777</b>
<b>Cash flows from financing</b>		
Proceeds from issuance of share capital	33 094 094	373 500
Acquisition of own shares	-46 768	-145 070
Changes in translation differences	82 718	211 085
Change of short-term loans	1 008 102	937 496
Change of long-term loans	1 851 170	-543 025
Dividends and other profit distribution	-432 660	-428 994
<b>Cash flow from financing (C)</b>	<b>35 556 657</b>	<b>404 992</b>
<b>Change in cash and cash equivalents (A+B+C)</b>	<b>31 793 680</b>	<b>-895 785</b>
<b>increase (+)/decrease (-)</b>		
Cash and cash equivalents at beginning of financial year	1 558 953	2 454 737
Cash and cash equivalents at end of financial year	33 352 632	1 558 953
<b>Cash and cash equivalents according to balance sheet</b>	<b>31 793 680</b>	<b>-895 785</b>



*One of the newest investments in Robit Korea Ltd's factory in Donghae, South Korea – Straightening line for rods. Production director Mikko Heinonen demonstrates operation.*

# Income Statement of the Parent Company

Robit Plc Parent company Income Statement	1 Jan. - 31 Dec. 2015 €	1 Jan. - 31 Dec. 2014 €
<b>Net sales</b>	<b>39 671 113,75</b>	<b>32 703 543,76</b>
Changes in stocks of finished goods and work in progress	1 057 738,62	423 182,09
Manufacturing for own use	232 011,51	94 428,57
Other operating income	240 334,11	52 822,81
Materials and services		
Raw materials and consumables		
Purchases during the financial year	-16 158 410,15	-12 627 664,90
Change in stocks	383 113,72	240 516,73
External services	-13 138 818,37	-9 256 385,18
Total materials and services	-28 914 114,80	-21 643 533,35
Personnel expenses		
Wages and salaries	-3 273 364,83	-3 145 896,72
Indirect personnel expenses		
Pension expences	-710 458,92	-650 103,84
Other indirect security expences	-166 209,83	-222 231,21
Total personnel expenses	-4 150 033,58	-4 018 231,77
Depreciation and amortisation		
Depreciation according to plan	-965 195,38	-624 871,45
Other operating expenses	-4 687 523,33	-3 791 407,25
<b>OPERATING PROFIT (LOSS)</b>	<b>2 484 330,90</b>	<b>3 195 933,41</b>
Financial income and expences		
Other interest and financial income		
To group companies	149 440,21	143 455,34
From others	148 655,54	94 483,10
Interest and other financial expences		
To others	-314 753,97	-324 439,78
Total financial income and expences	-16 658,22	-86 501,34
<b>PROFIT (LOSS) BEFORE EXTRAORDINARY ITEMS</b>	<b>2 467 672,68</b>	<b>3 109 432,07</b>
<b>PROFIT (LOSS) BEFORE APPROPRIATIONS AND TAXES</b>	<b>2 467 672,68</b>	<b>3 109 432,07</b>
Appropriations		
Change in depreciation difference, increase (-) or decrease (+)	-67 899,56	-165 223,54
Income taxes	-539 561,79	-605 040,09
<b>PROFIT (LOSS) FOR THE FINANCIAL YEAR</b>	<b><u>1 860 211,33</u></b>	<b><u>2 339 168,44</u></b>

# Balance Sheet of the Parent Company

## Assets

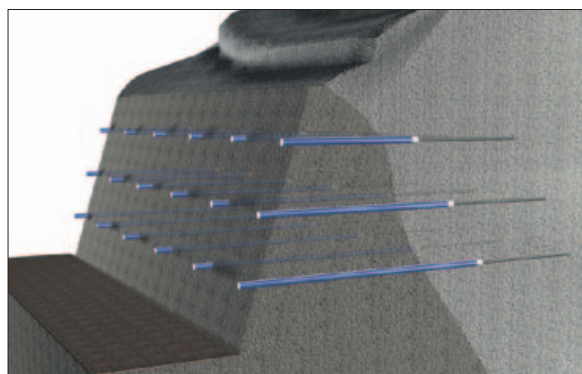
Balance Sheet Parent company	31 Dec. 2015	31 Dec. 2014
ASSETS	€	€
<b>NON-CURRENT ASSETS</b>		
Intangible assets		
Intellectual property rights	92 484,39	61 521,05
Other non-current expenses	3 387 989,22	483 077,16
Total non-current assets	<u>3 480 473,61</u>	<u>544 598,21</u>
Tangible assets		
Land and waters areas	149 114,99	110 981,63
Buildings and structures	2 943 327,95	1 888 475,09
Machinery and equipment	120 948,56	1 789 696,55
Other tangible assets	6 376,56	5 035,02
Advance payments and purchases in progress	0,00	38 992,70
Total tangible assets	<u>3 219 768,06</u>	<u>3 833 180,99</u>
Investments		
Shares in group companies	7 060 312,01	1 843 678,62
Other shares and interests	16,81	16,81
Total investments	<u>7 060 328,82</u>	<u>1 843 695,43</u>
<b>Total non-current assets</b>	<b>13 760 570,49</b>	<b>6 221 474,63</b>
<b>CURRENT ASSETS</b>		
Materials and consumables	0,00	1 353 050,87
Work in progress	0,00	141 933,44
Finished products/goods	4 140 573,74	3 524 724,88
Advance payments	0,00	18 479,90
Total inventories	<u>4 140 573,74</u>	<u>5 038 189,09</u>
Receivables		
Long-term		
Receivables from group companies	3 308 047,41	2 669 182,25
Loan receivables	716 688,57	737 540,15
Short-term		
Trade receivables	6 973 537,86	3 851 502,35
Receivables from group companies	8 121 483,17	3 106 867,59
Loan receivables	20 681,32	31 184,27
Other receivables	548 491,70	459 679,11
Accrued income	135 316,40	188 363,06
Total short-term	<u>15 799 510,45</u>	<u>7 637 596,38</u>
Cash and cash equivalents	31 011 760,20	934 582,99
<b>Total Current assets</b>	<b>54 976 580,37</b>	<b>17 017 090,86</b>
<b>TOTAL ASSETS</b>	<b><u>68 737 150,86</u></b>	<b><u>23 238 565,49</u></b>

# Balance Sheet of the Parent Company

## Equity and Liabilities

Balance Sheet Parent company	31 Dec. 2015	31 Dec. 2014
EQUITY AND LIABILITIES	€	€
<b>Equity</b>		
Share capital	705 025,14	705 025,14
Share premium reserve	201 825,51	201 825,51
Invested unrestricted equity reserve	33 692 594,08	598 500,00
Retained earnings (loss)	9 566 998,54	7 707 257,41
Profit (loss) for the financial year	1 860 211,33	2 339 168,44
Total equity	46 026 654,60	11 551 776,50
<b>Accrued appropriations</b>		
Depreciation difference	243 702,24	654 322,63
<b>LIABILITIES</b>		
<b>Long-term liabilities</b>		
Loans from financial institutions	5 927 453,33	5 206 544,34
Total long-term liabilities	5 927 453,33	5 206 544,34
<b>Short-term liabilities</b>		
Loans from financial institutions	1 962 225,40	1 467 697,79
Advances received	108 230,88	183 734,94
Accounts payable	1 504 805,45	2 427 258,14
Payables to group companies	12 067 773,67	768 899,34
Other liabilities	198 970,01	172 633,78
Accrued liabilities	697 335,28	805 698,03
Total short-term liabilities	16 539 340,69	5 825 922,02
<b>Creditors total</b>	22 466 794,02	11 032 466,36
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>68 737 150,86</b>	<b>23 238 565,49</b>

## Consumables for Anchoring



Anchoring is a method by which walls with masses of overburden are anchored to the solid rock. Casing tubes are driven through the overburden. Drilling then continues with a normal drill bit. Steel cable is inserted to the bottom of the hole and the hole is then filled with grouting.



# Cash Flow Statement of the Parent Company

CASH FLOW STATEMENT PARENT COMPANY	Parent company 31 Dec 2015	Parent company 31 Dec 2014
<b>Cash flow from operations:</b>		
Profit (loss) before extraordinary items	2 467 673	3 109 432
Adjustments:		
Depreciation according to plan	965 195	624 871
Financial income and expences	16 658	86 501
Other adjustments	0	-31 767
<b>Cash flow before changes in working capital</b>	<b>3 449 526</b>	<b>3 789 038</b>
Changes in working capital:		
Increase (-) or decrease (+) in trade and other receivables	-3 919 271	-2 004 703
Increase (-) or decrease (+) in inventories	-1 498 535	-682 179
Increase (-) or decrease (+) in trade payables	5 474 721	745 035
Cash flow from operations before taxes	3 506 441	1 847 191
Interest paid and other finance costs from operations	-314 754	-324 440
Interests received from operations	298 096	237 938
Direct income taxes paid	-826 059	-605 040
Cash flow before extraordinary items	2 663 724	1 155 650
<b>Cash flow from operations (A)</b>	<b>2 663 724</b>	<b>1 155 650</b>
<b>Cash flows from investing activities</b>		
Investments in tangible and intangible items	-5 912 861	-858 333
Granted loans	-638 865	-677 498
Investments in other items	-15 870	0
Changes in long-term receivables	20 852	408 849
<b>Cash flow from investments (B)</b>	<b>-6 546 744</b>	<b>-1 126 983</b>
<b>Cash flow before financing (A+B)</b>	<b>-3 883 020</b>	<b>28 667</b>
<b>Cash flows from financing</b>		
Proceeds from issuance of share capital	33 094 094	373 500
Acquisition of own shares	-46 768	-145 070
Changes in translation differences	0	0
Change of short-term loans	321 528	-416 872
Change of long-term loans	1 654 003	-474 104
Dividends and other profit distribution	-432 660	-428 994
<b>Cash flow from financing (C)</b>	<b>34 590 197</b>	<b>-1 091 539</b>
<b>Change in cash and cash equivalents (A+B+C) increase (+)/decrease (-)</b>	<b>30 707 177</b>	<b>-1 062 872</b>
Cash and cash equivalents at beginning of financial year	934 583	1 997 455
Cash and cash equivalents at end of financial year	31 011 760	934 583
<b>Cash and cash equivalents according to balance sheet</b>	<b>30 077 177</b>	<b>-1 062 872</b>
Company reorganization, money transaction to Robit Finland Oy Ltd.	630 000	0

# Notes to the Financial Statements

## Scope of the Consolidated Financial Statements

Robit Oyj is a company listed in Nasdaq OMX Helsinki Ltd First North Finland marketplace with trading code ROBIT.

Robit Oyj is parent company of subsidiaries, which have been combined to the consolidated financial statement: Robit Rocktools Sweden Ab (ownership 100 %), Robit Korea Ltd (former YP Robit Ltd), South Korea (ownership 100 %), Robit OOO, Russia (ownership 100 %), Robit Inc., USA (ownership 100 %), Robit SA (Pty) Ltd, South Africa (ownership 100 %), Robit S.A.C., Peru (parent direct ownership 99 % and group ownership 100 %) and Robit Finland Oy Ltd (ownership 100 %). Robit Africa Holdings (Pty) Ltd, South Africa (ownership 100 %) is dormant and has not been combined to the consolidated financial statement.

Copy of Consolidated financial statement is available at Robit Oyj Vikkiniityntie 9, FI-33880 Lempäälä, Finland.

## Elimination of mutual business transactions

The intra-group distribution of profits, transactions, receivables and debts have been eliminated. The consolidation difference resulted from acquiring a subsidiary has been adjusted by the group reserve formed in the acquisition of the minority interest. Conversely, the depreciation of consolidation difference has been adjusted.

## Translation differences

The income statement of the foreign subsidiary has been converted to average exchange rate of the financial year and the balance sheet has been converted to Finnish currency by using the respective exchange rate at the closing date. Translation differences resulting from changes in exchange rates as a result of applying the acquisition cost method have been entered into the equity of the group. Average rate difference of the results presented in the income statement and balance sheet for the financial year has been entered into the equity.

## Accounting Principles for the Group and Parent Company

### Valuation Principles of Non-Current Assets

Variable costs resulting from acquisition and manufacture of assets have been included in the acquisition cost of the non-current assets. The non-current assets will be depreciated during their useful life according to plan. In the previous financial year, depreciation according to plan were introduced in depreciation of buildings and movable tangible assets. Buildings and movable tangible assets are depreciated during their economic life.

Depreciation periods

Depreciation method is a straight-line depreciation.

Other long-term expences	5 - 7 years
Capitalized listing expenses	5 years
Goodwill	5 years
Buildings	30 years
Machinery and equipment of buildings	15 years
Structures	10 years
Machinery and equipment	5 - 10 years
Other tangible assets	5 - 10 years

### Investments

Investments are valued by acquisition price.

### Valuation of Inventories

Inventories are presented variable acquisition cost or lower probable sale price. Variable direct costs have been included in the acquisition cost of inventories.

### Items in Foreign Currencies

Receivables and payables in foreign currencies have been converted to Finnish currency by using the respective exchange rate at the closing date.

# Notes to the Financial Statements

## Net sales by geographical market area:

	Parent 31.12.2015	Parent 31.12.2014	Group 31.12.2015	Group 31.12.2014
Finland	7 914 700	6 712 482	7 914 700	6 712 482
Community countries	5 285 729	5 801 487	7 340 227	5 801 487
Other countries	26 470 685	20 189 576	30 333 393	25 758 415
Total	<u>39 671 114</u>	<u>32 703 544</u>	<u>45 588 320</u>	<u>38 272 383</u>

## Personnel information

	Parent 31.12.2015	Parent 31.12.2014	Group 31.12.2015	Group 31.12.2014
Amount of personnel on average				
Clerical workers	47	43	74	63
Employees	11	21	50	46
Total	<u>58</u>	<u>64</u>	<u>124</u>	<u>109</u>

## Salaries of Members of the Board of Directors and managing director

Managing Director Jussi Rautiainen	<u>182 975</u>	<u>177 175</u>	<u>182 975</u>	<u>177 175</u>
	182 975	177 175	182 975	177 175
Members of the Board of Directors				
Harri Sjöholm	47 025	25 862	47 025	25 862
Tapio Hintikka	34 000	11 500	34 000	11 500
Matti Kotola (begin 18.2.2015)	30 750	0	30 750	0
Pekka Pohjoismäki	25 500	7 500	25 500	7 500
Kalle Reponen	39 000	10 500	39 000	10 500
Jussi Rautiainen (until 18.2.2015)	3 500	7 000	3 500	7 000
	<u>179 775</u>	<u>62 362</u>	<u>179 775</u>	<u>62 362</u>

## Auditors' itemised fees

1 ) Auditing	38 304	16 870	67 609	38 746
2 ) Assignments according to the audit law 1,1 § section 2, of the Finnish Auditing Act	0	700	1 240	700
3 ) Tax consultancy	11 860	10 000	14 563	10 000
4 ) Other services	75 497	1 535	75 497	6 227
	<u>125 661</u>	<u>29 105</u>	<u>158 910</u>	<u>55 673</u>

## Depreciation according to plan by balance sheet items

Goodwill	0,00	0,00	58 602,58	58 602,58
Intellectual property rights	29 734,80	17 595,16	35 571,42	21 654,15
Other non-current expenses	630 686,28	125 228,30	726 196,40	125 228,30
Buildings	105 360,64	87 830,64	111 987,40	92 259,89
Machinery and equipment	197 550,30	392 994,97	742 060,75	705 606,94
Other tangible assets	1 863,36	1 222,38	1 863,63	1 222,38
	<u>965 195,38</u>	<u>624 871,45</u>	<u>1 676 282,18</u>	<u>1 004 574,24</u>

## Tangible and intangible assets

### Goodwill

undepreciated balance on 1 Jan.	0,00	0,00	87 614,45	146 217,03
increases			0,00	0,00
adjustment to goodwill	0,00	0,00	0,00	0,00
depreciation for the financial period	0,00	0,00	-58 602,58	-58 602,58
book value on 31 Dec.	<u>0,00</u>	<u>0,00</u>	<u>29 011,87</u>	<u>87 614,45</u>

### Intellectual property rights

undepreciated balance on 1 Jan.	61 521,05	23 033,91	68 684,18	33 545,41
increases	60 698,14	56 082,30	131 702,59	56 792,92
decreases	0,00	0,00	0,00	0,00
depreciation for the financial period	-29 734,80	-17 595,16	-35 571,42	-21 654,15
book value on 31 Dec.	<u>92 484,39</u>	<u>61 521,05</u>	<u>164 815,38</u>	<u>68 684,18</u>

### Other non-current expenses

undepreciated balance on 1 Jan.	483 077,16	114 530,37	585 365,19	252 074,30
increases *)	3 535 598,34	493 774,99	3 681 007,66	493 774,99
decreases	0,00	0,00	-13 587,55	-35 255,80
depreciation for the financial period	-630 686,28	-125 228,30	-726 196,40	-125 228,30
book value on 31 Dec.	<u>3 387 989,22</u>	<u>483 077,06</u>	<u>3 526 588,90</u>	<u>585 365,19</u>

\*) Part of the expense related to the initial public offering 2.603.161,91 and depreciation 303.702,21



	Parent 31.12.2015	Parent 31.12.2014	Group 31.12.2015	Group 31.12.2014
<b>Land and water areas</b>				
undepreciated balance on 1 Jan.	110 981,63	110 981,63	110 981,93	110 981,83
increases	38 133,36	0,00	38 133,36	0,00
decreases	0,00	0,00	0,00	0,00
book value on 31 Dec.	149 114,99	110 981,63	149 115,19	110 981,83
<b>Buildings and structures</b>				
undepreciated balance on 1 Jan.	1 888 475,09	1 940 034,73	1 990 246,13	1 940 034,73
increases	1 160 213,50	36 271,00	1 214 245,20	142 471,29
decreases	0,00	0,00	0,00	0,00
depreciation for the financial period	-105 360,64	-87 830,64	-111 987,40	-92 259,89
book value on 31 Dec.	2 943 327,95	1 888 475,09	3 092 503,93	1 990 246,13
<b>Machinery and equipment</b>				
undepreciated balance on 1 Jan.	1 789 696,55	1 881 441,38	2 586 858,80	2 543 466,43
increases	640 020,55	311 949,06	2 291 741,37	761 143,00
decreases	-175 180,11	-10 698,92	-4 001 810,11	-12 143,69
	-1 938 038,06	0,00	0,00	0,00
depreciation for the financial period	-195 550,37	-392 994,97	-742 060,75	-705 606,94
book value on 31 Dec.	120 948,56	1 789 696,55	3 736 359,31	2 586 858,80
<b>Other tangible assets</b>				
undepreciated balance on 1 Jan.	5 035,02	6 257,40	5 035,02	6 257,40
increases	3 204,90	0,00	3 204,90	0,00
decreases	0,00	0,00	0,00	0,00
depreciation for the financial period	-1 863,36	-1 222,38	-1 863,36	-1 222,38
book value on 31 Dec.	6 376,56	5 035,02	6 376,56	5 035,02
<b>Advance payments and purchases in progress</b>				
undepreciated balance on 1 Jan.	38 992,70	36 271,00	277 219,30	36 271,00
increases	309 527,46	38 992,70	371 885,64	277 219,30
decreases	-348 520,16	-36 271,00	-586 746,76	-36 271,00
depreciation for the financial period	0,00	0,00	0,00	0,00
book value on 31 Dec.	0,00	38 992,70	62 358,18	277 219,30
<b>The shares held by the company of which the ownership exceeds 20 %</b>				
	Proportion, %	Proportion, %	Proportion, %	Proportion, %
Robit Rocktools Sweden Ab	100 %	100 %	100 %	100 %
Robit Korea Ltd	100 %	100 %	100 %	100 %
Robit OOO, Russia	100 %	100 %	100 %	100 %
Robit Inc. USA	100 %	100 %	100 %	100 %
Robit SA, South Africa	100 %	100 %	100 %	100 %
Robit S.A.C, Peru	99 %	0 %	100 %	0 %
Robit Africa Holdings Ltd (Pty), South Africa	100 %	0 %	100 %	0 %
Robit Finland Oy Ltd	100 %	0 %	100 %	0 %

Robit Rocktools Sweden AB and Robit Africa Holdings (Pty) Ltd were dormant companies.  
Robit Oyj established a branch in Thailand in January 2016, Robit Thailand.

**Material items of accrued income**

Items included in accrued income are deemed conventional accruals in financial statements.

	Parent 31.12.2015	Parent 31.12.2014	Group 31.12.2015	Group 31.12.2014
<b>Receivables from group companies</b>				
Trade receivables	4 268 504,41	2 613 577,92	0,00	0,00
Group loan receivables	3 668 047,41	3 029 182,25	0,00	0,00
Other group receivables	3 492 978,76	63 505,27	0,00	0,00
	<u>11 429 530,58</u>	<u>5 706 265,44</u>	<u>0,00</u>	<u>0,00</u>
<b>Loans from group companies</b>				
Accounts payable	8 661 202,59	768 899,34	0,00	0,00
Others loans	3 406 571,08	0,00	0,00	0,00
	<u>12 067 773,67</u>	<u>768 899,34</u>	<u>0,00</u>	<u>0,00</u>
<b>Relevant items in receivables carried forward</b>				
Accrual of staff expenses	662 753,20	483 330,15	799 660,30	483 330,15
Accrual of taxes	0,00	296 853,60	122 954,71	369 211,80
Other accrual liabilities	34 582,08	25 514,28	394 965,04	362 617,86
	<u>697 335,28</u>	<u>805 698,03</u>	<u>1 317 580,05</u>	<u>1 215 159,81</u>
<b>Deferred tax assets</b>				
Internal profit elimination	0,00	0,00	159 458,54	78 049,64
	<u>0,00</u>	<u>0,00</u>	<u>159 458,54</u>	<u>78 049,64</u>
<b>Deferred tax debt</b>				
Depreciation difference elimination	0,00	0,00	223 856,85	130 864,53
	<u>0,00</u>	<u>0,00</u>	<u>223 856,85</u>	<u>130 864,53</u>
<b>Changes in deferred tax</b>				
Increase deferred tax assets	0,00	0,00	81 408,90	41 718,84
Increase deferred tax debt	0,00	0,00	-92 992,32	-33 044,71
	<u>0,00</u>	<u>0,00</u>	<u>-11 583,42</u>	<u>8 674,13</u>

**Increases and decreases in items of equity during the financial period**

	Parent 31.12.2015	Parent 31.12.2014	Group 31.12.2015	Group 31.12.2014
Share capital 1.1	705 025,14	705 025,14	705 025,14	705 025,14
Share capital 31.12	705 025,14	705 025,14	705 025,14	705 025,14
Share premium reserve	201 825,51	201 825,51	201 825,51	201 825,51
Invested unrestricted equity reserve 1.1	598 500,00	225 000,00	598 500,00	225 000,00
Share issue with consideration on 21.5 / 19.12	33 094 094,08	373 500,00	33 094 094,08	373 500,00
Invested unrestricted equity reserve 31.12	<u>33 692 594,08</u>	<u>598 500,00</u>	<u>33 692 594,08</u>	<u>598 500,00</u>
Retained earnings of previous financial periods on 1 Jan.	7 707 257,41	6 534 843,40	8 544 792,65	6 803 137,63
Profit/loss of the previous financial period, carry forward	2 339 168,44	1 746 477,43	2 925 418,71	2 104 633,20
Distribution of dividend	-432 659,50	-428 993,50	-432 659,50	-428 993,50
Acquisition of own shares	-46 767,81	-145 069,92	-46 767,81	-145 069,92
Average rate difference	0,00	0,00	-38 916,91	27 814,01
Changes in translation differences	0,00	0,00	129 067,67	183 271,23
Retained earnings of previous financial periods on 31 Dec	9 566 998,54	7 707 257,41	11 080 934,81	8 544 792,65
Profit (loss) for the financial year	1 860 211,33	2 339 168,44	2 243 781,63	2 925 418,71
	<u>11 427 209,87</u>	<u>10 046 425,85</u>	<u>13 324 716,44</u>	<u>11 470 211,36</u>
Restricted equity	906 850,65	906 850,65	906 850,65	906 850,65
Unrestricted shareholders' equity	45 119 803,95	10 644 925,85	47 017 310,52	12 068 711,36
<b>Equity</b>	<b>46 026 654,60</b>	<b>11 551 776,50</b>	<b>47 924 161,17</b>	<b>12 975 562,01</b>
Depreciation difference recognized in equity			654 322,63	489 099,09
Deferred tax debt 20%			130 864,53	97 819,82

**The amount of shares in the company by their class of share and main provisions concerning each class of share**

	31.12.2015	31.12.2014
All shares are of the same class	15 883 900 pcs	67 226 pcs

**Loans, liabilities and contingent liabilities to related parties and their main provisions**

	<b>31.12.2015</b>	<b>31.12.2014</b>
Total of related-party loans	737 369,89	765 638,23

The loans have been used for subscription of shares in the company in a share issue with consideration, and the total amount of shares acquired by means of loans is 5,788 shares, which have been pledged as a security for the loans and which proportion of votes is 0.04 %.

<b>Loans maturing in more than 5 years</b>	<b>Parent 31.12.2015</b>	<b>Parent 31.12.2014</b>	<b>Group 31.12.2015</b>	<b>Group 31.12.2014</b>
Loans from financial institutions	440 000,00	15 200,00	440 000,00	15 200,00

**Pledges and mortgages and mortgages pledged as a security for debt as well as bills of exchange, guarantee and other liabilities and contingent liabilities**

	<b>Parent 31.12.2015</b>	<b>Parent 31.12.2014</b>	<b>Group 31.12.2015</b>	<b>Group 31.12.2014</b>
<b>Of own debts</b>				
Business mortgages pledged as a security	6 168 787,90	6 168 787,90	6 168 787,90	6 168 787,90
Real estate mortgages pledged as a security	3 856 000,00	2 756 000,00	3 856 000,00	2 756 000,00
	10 024 787,90	8 924 787,90	10 024 787,90	8 924 787,90
<b>Amount of loan</b>				
Loans from financial institutions	7 889 678,73	7 509 145,05	8 886 583,60	7 509 145,05

**The covenants relating to loans**

The Company has financial institution loans of 6.829.989,89 € related with following covenants:

- 1) Group equity ratio must be over 30%
- 2) The Company has prohibition of the security for business mortgages pledged. (negative pledge)

The covenants are fulfilled. The Company follows fulfillment of covenants on regular basis.

**Lease liabilities**

Items to be paid pursuant to the lease agreements				
During the following financial period	112 900,46	101 707,18	177 950,50	182 448,28
Subsequently to be paid	153 114,02	78 328,45	294 310,18	147 072,65
Total	266 014,48	180 035,63	472 260,68	329 520,93

The company lease liabilities related to company cars and computers. These terms of contract are in line with general practices in this field.

**Other liabilities**

Guarantee engagements	0,00	1 841 804,00	0,00	1 841 804,00
Other guarantee liabilities	1 001 340,00	7 424,08	1 001 340,00	7 424,08
Security deposits	42 500,00	42 500,00	42 500,00	42 500,00

**Derivate liabilities**

Interest rate swap agreements have been outlined for 5-10 years. Pursuant to the agreements, the variable rate of the company's loans is changed into fixed rate.

	<b>31.12.2015</b>	<b>31.12.2014</b>	<b>31.12.2015</b>	<b>31.12.2014</b>
Current value	-48 520,93	-97 944,30	-48520,93	-97 944,30
Value of underlying commodity	1 460 066,16	2 442 012,44	1460066,16	2 442 012,44

**Investments in real estate**

The company is obligated to revise the deductions of value added tax it has made for the real estate investment completed in 2010 in case the taxable use of the real estate diminishes during the revision period. The last revision year will be 2019. The maximum amount of the liability amounts to EUR 262.559.42.

**Date and signatures**

In Helsinki on 22. February 2016



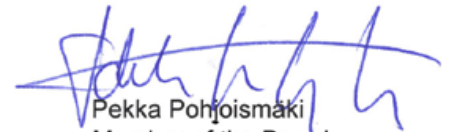
Harri Sjöholm  
Chairman of the Board



Mikko Mattila  
CEO



Tapio Hintikka  
Member of the Board



Pekka Pohjoismäki  
Member of the Board



Kalle Reponen  
Member of the Board



Matti Kotola  
Member of the Board

**Auditor's Notation**

Today, a report has been given of the conduct of the audit.

In Helsinki on 22. February 2016

Ernst & Young Oy  
Authorized Public Accountants



Mikko Järventausta  
APA

## Auditor's Report

Translation

### To the Annual General Meeting of Robit Plc

We have audited the accounting records, the financial statements, the report of the Board of Directors, and the administration of Robit Plc for the financial period 1.1. - 31.12.2015. The financial statements comprise the consolidated balance sheet, income statement and cash flow statement and notes to the consolidated financial statements, as well as the parent company's balance sheet, income statement, cash flow statement and notes to the financial statements.

### Responsibility of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of financial statements and report of the Board of Directors that give a true and fair view in accordance with the laws and regulations governing the preparation of the financial statements and the report of the Board of Directors in Finland. The Board of Directors is responsible for the appropriate arrangement of the control of the company's accounts and finances, and the Managing Director shall see to it that the accounts of the company are in compliance with the law and that its financial affairs have been arranged in a reliable manner.

### Auditor's Responsibility

Our responsibility is to express an opinion on the financial statements, on the consolidated financial statements and on the report of the Board of Directors based on our audit. The Auditing Act requires that we comply with the requirements of professional ethics. We conducted our audit in accordance with good auditing practice in Finland. Good auditing practice requires that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and the report of the Board of Directors are free from material misstatement, and whether the members of the Board of Directors of the parent company or the Managing Director are guilty of an act or negligence which may result in liability in damages towards the company or have violated the Limited Liability Companies Act or the articles of association of the company.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements and the report of the Board of Directors. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements and report of the Board of Directors that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements and the report of the Board of Directors.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion, the financial statements and the report of the Board of Directors give a true and fair view of both the consolidated and the parent company's financial performance and financial position in accordance with the laws and regulations governing the preparation of the financial statements and the report of the Board of Directors in Finland. The information in the report of the Board of Directors is consistent with the information in the financial statements.

Helsinki, February 22, 2016

Ernst & Young Oy  
Authorized Public Accountant Firm

Mikko Järventausta  
Authorized Public Accountant

# Corporate Governance Statement

Robit Oyj (hereinafter, the “Company”) is a public Finnish limited liability company. The shares of the Company are traded on the First North Finland market place of NASDAQ Helsinki Ltd. The Company’s governance is subject to the Finnish Companies Act, the Securities Market Act, the Accounting Act, the rules of First North Finland as well as the Company’s Articles of Association.

As the Company’s shares are not listed on the main list of NASDAQ Helsinki Ltd. the Company is not subject to the Finnish Corporate Governance Code (the “CG Code”).

## Group structure

The parent company of the group is Robit Oyj. The domicile of the Company is Lempäälä, Finland. The parent company is the owner of the Robit group of companies. The Company has nine subsidiaries: Robit Finland Ltd, Finland (ownership 100 %), Robit Rocktools Sweden Ab, Sweden (ownership 100 %), Robit Korea Ltd (previously YP Robit Ltd), South Korea (ownership 100 %), Robit OOO, Russia (ownership 100 %), Robit Inc., USA (ownership 100 %), Robit SA (Pty) Ltd, South Africa (ownership 100 %), Robit S.A.C., Peru (parent direct ownership 99 % and group ownership 100 %) and Robit Africa Holdings (Pty) Ltd, South Africa (ownership 100 %). Company has also one sales office in in China.

Robit Rocktools Sweden Ab and Robit Africa Holdings (Pty) Ltd subsidiaries are dormant.

The Company’s governance is organised through the General Meeting, the Board of Directors and the Chief Executive officer. Further, the Company has an Executive Management Team led by the Chief Executive Officer.

## General meeting of shareholders

The shareholders participate in the administration and management of the Company through resolutions adopted at the General Meeting of Shareholders. In general, the Board of Directors convenes the General Meeting of Shareholders. In addition, a General Meeting of Shareholders must be held pursuant to the Companies Act when requested in writing by an auditor

of the Company or by shareholders representing at least one-tenth of all the issued Shares.

Usually General Meetings handle the matters placed on its agenda by the Board. According to the Finnish Companies Act, shareholders may also request the company’s Board of Directors to place a matter on the agenda of the next General Meeting. The Company states well in advance on its website the date by which a shareholder must declare his or her demands for matters to be dealt with at the Annual General Meeting.

Major matters subject to the decision-making power of a General Meeting include: amendments to the Articles of Association; increases or decreases in share capital; issuance of shares; decisions on the number, election and remuneration of Board members; adoption of the financial statements; and distribution of profits / allocation of losses.

## Board of Directors and committees

The Board of Directors has general responsibility for the Company’s governance and the appropriate organisation of operations. The Board of Directors has approved rules of procedure that define the matters within the Board of Directors’ responsibility. The Board of Directors affirms the principles of strategy, organisation, accounting and controlling the management of assets, and appoints the CEO of the Company. The CEO is responsible for carrying out the strategy of the Company and for day-to-day administration based on the instructions and orders issued by the Board of Directors.

The Company’s Board of Directors consists of 3-6 regular Members. The term of the Members of the Board of Directors ends at the end of the first Annual General Meeting of Shareholders following the election. The Board of Directors elects a Chairman from among its Members for the duration of one year at a time. Board of Directors has set up three committees; Nomination, Remuneration and Working committee.

In 2015, the Board of Directors convened 20 times of which three were conference calls. The attendance at the meetings was approximately 96 percent.

There are five Members of the Board of Directors. The Members of the Board of Directors are presented in the table below.

Current members of the board (elected in General meeting held on 18 February 2015)

Name	Year of Birth	Status	On the Board Since	Participation in board meetings
Harri Sjöholm	1954	Chairman	1998	100 %
Tapio Hintikka	1942	Member	2008	100 %
Pekka Pohjoismäki	1960	Member	2011	80 %
Matti Kotola	1950	Member	2015	100 %
Kalle Reponen	1965	Member	2012	100 %

In addition to members of the Board the following members are attending the Board of Directors meetings:

Name	Year of Birth	Status	On the Board Since
Jari Gadd	1966	Secretary	2015
Kai Öistämö	1964	Advisor	2015

All members of the board are independent of the Company and any significant shareholders of it with the exception of Chairman of the Board Harri Sjöholm, who is a Chairman of the Board of Five Alliance Oy

### **Nomination Committee**

Nomination Committee was established on 20th October 2015. The Committee consists of two board members Harri Sjöholm (COB) and Tapio Hintikka and one non-board member Kai Öistämö.

### **Remuneration Committee**

Remuneration Committee was established on 20th October 2015. The Committee consists of two board members Harri Sjöholm (COB) and Tapio Hintikka and one non-board member Kai Öistämö.

### **Working Committee**

Working Committee was established on 5th February 2014. The Committee consists of three board members Harri Sjöholm (COB), Matti Kotola and Kalle Reponen.

### **Duties of the Board of Directors**

The duties of the Company's Board of Directors are set forth in the Companies Act and other applicable legislation. The Board of Directors is responsible for the management of the company. Its responsibilities include, inter alia, to: deliberate and decide on the Company's strategy; confirm the business plan and

budget as well as financing transactions (as far as not falling into the responsibility of the shareholders); deliberate on and approve interim reports and/or interim management statements, the annual accounts and the Board's reports; confirm internal control and risk management systems and reporting procedures; decide on possible bonus and incentive schemes for the management and possible general or special pension schemes, profit sharing schemes or bonus schemes for employees of the Company; decide on any contracts which, given the scope and nature of activities of the Company, are of unusual nature, or significant importance such as long-term lease contracts; decide on related party transactions; and appoint or dismiss the CEO. Other employees belonging to the management team of the Company are appointed by the CEO and approved by the Board of Directors.

As the Company does not have a separate audit committee, the Board is also responsible for the duties of the audit committee. These include the following: Monitor and supervise the reporting process of the Company's financial statements, such as annual

financial statements, interim reports and annual and half-yearly releases; Monitor and supervise the Company's financial reporting; Monitor and regularly evaluate the efficiency of the Company's internal control and risk management systems and its internal audit function, and any descriptions of these systems and functions in the Company's disclosures; Monitor the statutory audit of the financial statements and consolidated financial statements; Evaluate the performance and independence of the external auditor; Approve the external auditor's annual audit fees under the guidance given by the shareholders at the Annual General Meeting; Prepare the decision concerning the election of the auditor.

### **Remuneration for the Members of the Board**

The remuneration of the Members of the Board of Directors is decided on by the Annual General Meeting. On March 18, 2015, the AGM decided that the Chairman of the Board be paid until the next AGM EUR 35 000 per year and each Member EUR 20 000 per year. Remuneration for the Members of the Board will be paid so that 40% of the specified annual amount will be used to purchase Robit's shares or alternatively the shares may be conveyed by using the own shares held by the company, and the rest will be paid in cash. Salaries, remuneration and other benefits paid in 2015 to the Board of Directors were as follows:

Harri Sjöholm  
EUR 47.025 including 2 399 Robit shares

Tapio Hintikka  
EUR 34.000 including 1 371 Robit shares

Matti Kotola  
EUR 30.750 including 1 371 Robit shares

Kalle Reponen  
EUR 39.000 including 1 371 Robit shares

Pekka Pohjoismäki  
EUR 25.500 including 1 371 Robit shares

### **Chief executive officer**

The company's CEO is in charge of the Group's business operations and corporate governance in line with the law, Robit Corporation's Articles of Association as well as instructions and regulations issued by the Board. Detailed terms of employment of the CEO are specified

in a separate contract which has been approved by the Board. CEO is not a member of Robit's Board of Directors. Acting CEO from January 1, 2015 until January 2, 2016 was Jussi Rautiainen. The current CEO of Robit, Mikko Mattila, b. 1977, M.Sc. (Engineering), assumed his present responsibilities on January 2, 2016. The CEO is assisted by the Executive Management team.

As to the contract of CEO Mattila, his term of notice has been specified as six (6) months in case the CEO decides to withdraw, and six (6) months should the contract be terminated by the company. Upon termination of contract of the CEO by the company, the CEO will be paid a compensation corresponding to six (6) months without benefits.

The company Board of Directors decides on the salary, remuneration and other benefits received by the CEO. Salary, remuneration and other fringe benefits paid in 2015 to the former CEO, Jussi Rautiainen, totaled EUR 182.975. In addition, there was an additional voluntary pension payment of EUR 8.000 in the financial year. There were no share based benefits in the financial year.

### **Management team**

The Robit Management team is chaired by the CEO who reports to the Board of Directors. On the date of this Annual report the Group's Management Team consisted of four members including the CEO, to whom the Management Team members report. Members of the Management Team are presented on page 62.

The Management Team handles the main issues that concern managing the company, such as issues related to strategy, budget, interim reports and acquisitions, and prepares investments for approval by the Board of Directors. The Management Team meets, as a rule, once a month and at other times, when necessary.

Decisions concerning incentive and remuneration systems for the management are made by the Board of Directors based on proposal made by the CEO.

Salary for all members of the Management Team consists of a fixed basic salary and a results-based bonus. The amount of results-based bonus is determined by the company performance, the business area in question and other key operative objectives.



## Internal controls and risk management

The Board of Directors of the Company decides on the Company's risk management policy and defines the framework for the level of risk management in the Company. The Company's operative management is responsible for actual measures related to risk management in accordance with the risk management policy.

The objective of managing financial risks is to protect the operating profits and cash flows of the business, and to efficiently manage fundraising and liquidity. The Company aims to develop the predictability of results, future cash flows and capital structure, and to adapt business operations to the on-going changes in the operating environment.

### *Main features of the internal control and risk management systems pertaining to the financial reporting process*

The Board of Directors of Robit is responsible for the implementation of internal control with regard to financial reporting. The Company's Chief Financial Officer and the Finance and Control Department are responsible for the financial reporting. The reporting is based on information from commercial and administrative processes and data produced by the financial management systems. The Company's Finance and Control Department determines the control measures applied to the financial reporting process, which include various guidelines, process descriptions, reconciliations, and analyses used for ensuring the validity of the information used in the reporting and the validity of the reporting itself.

The financial reporting results are monitored and any anomalies in relation to forecasts or in comparison with the previous year's figures are analysed on a regular basis. Such analyses are used to detect any reporting errors and to produce materially accurate information on the Company's finances.

The Company's Finance and Control Department is responsible for the effectiveness of internal control. The Finance and Control Department is responsible for assessments of the reporting processes. The risks pertaining to financial reporting and the related management measures are determined as part of the risk management process.

## IR Principles

### *Disclosure principles*

The Company complies in its communication as provided for in the Finnish Securities Markets Act (746/2012, as amended) and First North Nordic Rulebook. The target of the regulation is to secure for all stakeholders fair and simultaneous access to such information which could have a material effect on the value of the securities.

### *Principles of communication*

The CEO of the Company is responsible for communication. The Company publishes, as required by the disclosure obligation, without undue delay, all of its decisions related to the Company itself and its business operations which could have a material effect on the value of the shares in the Company.

The Company evaluates independently whether certain information has a material effect on the value of the Company's shares. The information is regarded as material if a sensibly acting investor most probably would use this information as grounds for making an investment decision.

Material information is regarded to be at least information related to following:

- changes in key personnel
- capitalised major long-term investments
- significant partnership and commercial agreements
- significant business or financial transactions

### *Communication methods*

The Company publishes information as company releases. Company releases are disclosed to the First North Finland market place and on the Company website. Changes to the disclosed information are published in the same way as the original information.

### *Communication language*

The Company publishes its information both in Finnish and English.

*Silent period*

Prior to publications of interim reports of other financial review, Company observes a 21 day silent period, during which the Company does not organize investor events or participate in one-to-one meetings with the press, analysts or investors. During the silent period the Company also reports on facts which could have a material effect on the value of the shares in the Company.

*Rumors*

Company does not comment on any rumors circulating in the public, share price performance, competitors' or customers' operations, analysts' estimates nor confidential or uncompleted business operations when the Company does not deem it necessary. If the Company sees probable that such confidential information concerning the Company has been leaked publicly and the leakage has taken place inside the Company, the Company will disclose a company release on this subject.

**Insiders**

In issues related to insiders, to the extent required for a First North company, the Company complies in addition to the applicable legislation and the standards of the Financial Supervisory Authority with the NASDAQ Helsinki Guidelines for Insiders as well as the Company's own insider guidelines.

The Company's public insiders include Members of the Board of Directors, CEO, the auditor and those persons determined by the Board of Directors of the Company who regularly receive insider information and who have the right to make decisions on the Company's future development and management of the business. The permanent company-specific group of insiders (not public) includes also those named people employed by the Company or people who work for the company under other contract, and who, due to their position or duties, have regular access to insider information.

Company's insider register is maintained by Euroclear Finland Ltd's Sire system. The public insiders register is available at the webpage of NetSire service.

**Audit**

Pursuant to its Articles of Association, the General Meeting of Shareholders of the Company elects one auditor to audit the management and the accounts. The auditor must be a public accounting corporation approved by the Central Chamber of Commerce of Finland. The auditor's term of office ends at earliest at the closing of the next Annual General Meeting. The auditor of the Company is Ernst & Young Oy, and Mikko Järventausta (Born 1970), Authorised Public Accountant, acts as the principal responsible auditor.



# Definitions of Key Financial Figures

Gross profit	=	Net Sales – Variable expenses in relation to manufacturing
EBITDA	=	Operating profit + Depreciation and amortisation
EBITA	=	Operating profit + Amortisation of goodwill
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, percent	=	$\frac{\text{Profit (loss) for the financial year}}{\text{Equity (average during the financial year)}} \times 100$
Return on capital employed (ROCE), percent	=	$\frac{\text{Profit before appropriations and taxes + Interest expenses and other financing expenses}}{\text{Equity (average during the financial year) + Interest-bearing financial liabilities (long-term and short term loans from financial institutions, average during the financial period)}} \times 100$
Net interest-bearing debt	=	Long-term and short-term loans from financial institutions – Cash and cash equivalents – Short-term financial securities
Equity ratio, percent	=	$\frac{\text{Equity}}{\text{Balance sheet total – Advances received}} \times 100$
Gearing, percent	=	$\frac{\text{Net interest-bearing financial liabilities}}{\text{Equity}} \times 100$

# Board of Directors



**Harri Sjöholm** has been Chairman of the Board of Directors and a member of the Management Team of the Company since 1998. He has also participated in the Company's operative activities since 1989. Mr. Sjöholm was a management consultant at Oy Swot Consulting Harri Sjöholm Ltd, a company founded by him, in 1988-2002, and has been a management consultant at Oy SWOT Consulting Finland Ltd since 2002. Oy SWOT Consulting Finland Ltd is a subsidiary of Oy Swot Consulting Harri Sjöholm Ltd. Mr. Sjöholm has also been CEO (2000-2005) and chairman of the board of directors (1993-1999) of Fast Henkilöstöpalvelut Oy. Mr. Sjöholm was sales and marketing manager (1985-1987), in the Business Development unit (1984) and Area Sales Manager (1980-1983) at Tamrock Corp. Mr. Sjöholm has been chairman of the board of directors of Kehitysyhtiö Tulevaisuus Oy (2008-2012) and Oy Winrock Technology Ltd (1992-2001) as well as a member of the board of directors of Tasowheel Oy since 2015. Mr. Sjöholm holds a Master of Science degree in Engineering. Member of Robit's nomination, remuneration and working committee.



**Tapio Hintikka** has been a member of the Company's Board of Directors since 2008. Mr. Hintikka is a professional board member. He has previously been Chairman of the Board of Directors of Hackman Oyj (1997-2002). He has also been a member of the Board of Management (1990-1996) of Oy Nokia Ab and other positions include manager of the General Communication Products unit and other management positions at Rauma-Repola Oy (1982-1990). Mr. Hintikka has been Chairman of the Board of Directors of Emtele Ltd in 2006-2011 and since 2015, and of Aina Group Oy (2009-2012), Teleste Corporation (2003-2009), TeliaSonera Ab (2002-2004) and Sonera Oyj (2001-2002). In addition, he has been Vice-Chairman of Teleste Corporation (2001-2002). Mr. Hintikka has been a member of the Board of Directors at companies including Aspocomp Group Plc (2007), Teleste Corporation (2001-2003), Onninen Oy (2000-2005) and Evli Bank Plc (2003-2010). Mr. Hintikka holds a Master of Science degree in Engineering. Member of Robit's nomination and remuneration committee.



**Matti Kotola** has been a member of the Company's Board of Directors since February 2015. Mr. Kotola has many years' experience in the mining and construction industry. Mr. Kotola has previously held management positions at Sandvik AB (1998-2012) and at Tamrock Oy (1979-1997). Mr. Kotola has not been a member of the board of directors during the five years prior to the publication of the Offering Memorandum. Mr. Kotola holds a Master of Science degree in Engineering. Member of Robit's working committee.



**Pekka Pohjoismäki** has been a member of the Company's Board of Directors since 2011. Mr. Pohjoismäki has been Market Area Manager for Europe at Metso Minerals, Inc since 2014 and has held other management positions (2004-2012), and was Manager of the Crushing and Screening Equipment business line in the Mining and Construction unit at Metso Corporation since 2012. In addition, Mr. Pohjoismäki has been CEO of Galvanoimis Oy (2001-2004), Tampere Trade Fairs Ltd (1998-2001) and has held management positions at Nordberg Group (1990-1998). Other positions include Area Sales Manager at Oy Tampella Ab Tamrock (1980-1990). Mr. Pohjoismäki was employed as a teacher of sales, marketing and globalization at Tampere University of Applied Sciences (1992-1998). He has previously served as a member of the Board of Directors of Kauppahuone Harju Oy (2008-2011), Ravalik Oy (2005-2008), Oy Robit Rocktools Ltd (2003), Tampere Trade Fairs Ltd (2001-2011) and Expotec Oy (1999-2001). Mr. Pohjoismäki holds a Master of Science degree in Engineering.



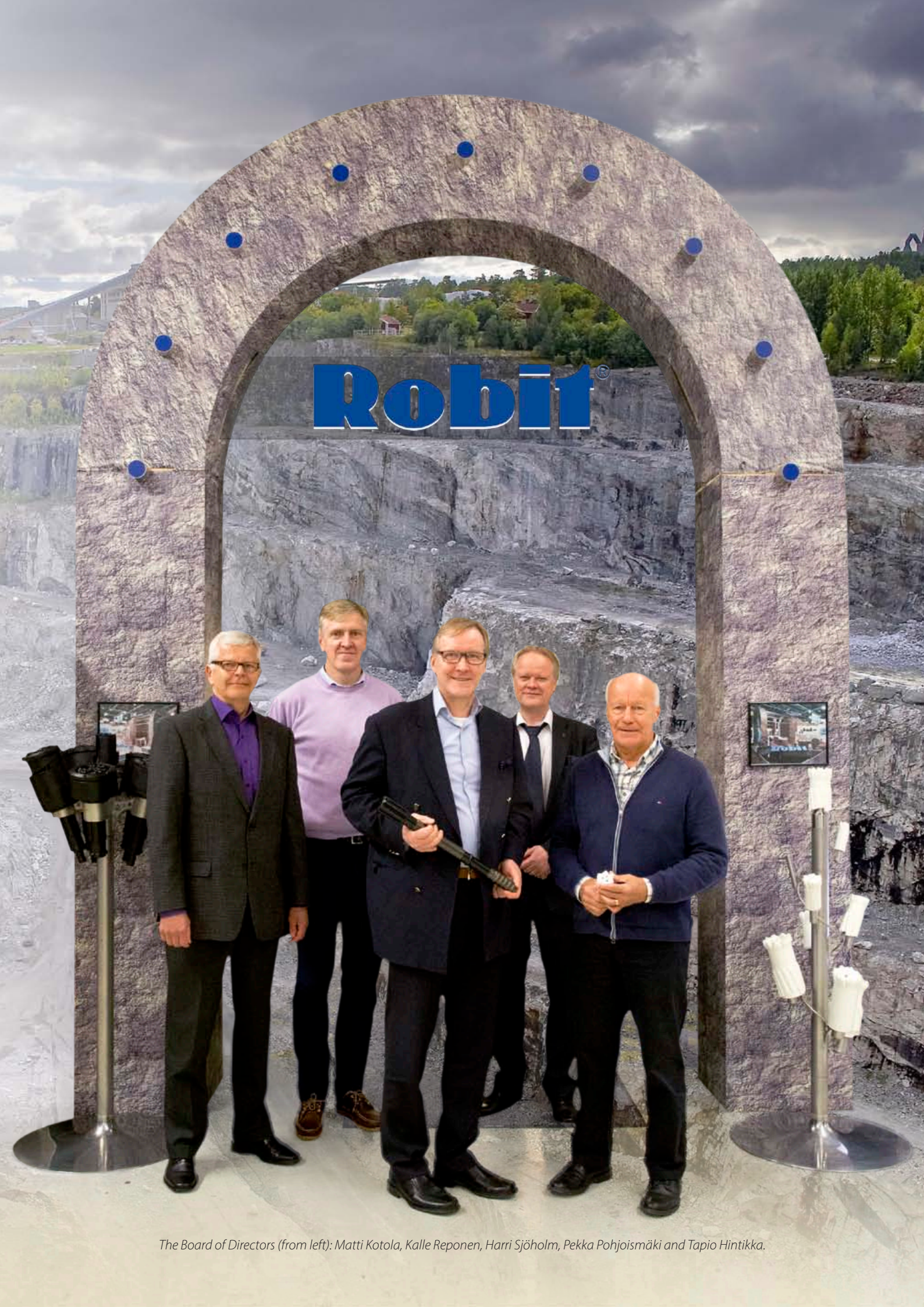
**Kalle Reponen** has been a member of the Company's Board of Directors since 2012. Currently, Mr. Reponen is a professional board member and an independent consultant. Mr. Reponen has previously been Group Strategy Manager at Metso Corporation (2006-2013) and a partner at MCF Corporate Finance (2003-2006), has been employed in the Corporate Finance unit of Nordea Bank Finland Plc (2000-2003) and at Metra Oy (1988-2000). He has been a member of the Board of Directors of Glaston Corporation since 2014, of Koskisen Group since 2014, of Premix Oy since 2014 and of Marketing Clinic Ltd since 2014. Mr. Reponen holds a Master of Science degree in Economics. Member of Robit's working committee.



**Jari Gadd** has served as **Secretary to the Company's Board of Directors** since August 2015, mainly focusing on Corporate Governance and juridical issues. Mr. Gadd is the head of the Tampere office of Borenius Attorneys Ltd. Jari Gadd holds a Master of Science degree in Law.



**Kai Öistämö** has served as a **Board Advisor** since October 2015. Mr. Öistämö was a member of the Executive Board of Nokia Group during 2005-2014. He has also led Nokia's business development and served the company in an advisory role. Mr. Öistämö is a member of the Board of Sanoma, Digia and InterDigital and he is also Chairman of the Board of Tekes, Oikian Solution, Fastems, Helvar and the University of Tampere. Member of Robit's nomination and remuneration committee.



**Robit**®

*The Board of Directors (from left): Matti Kotola, Kalle Reponen, Harri Sjöholm, Pekka Pohjoismäki and Tapio Hintikka.*

# Management Team



**Mikko Mattila** was elected Group CEO as from 2 January 2016. He has been Group Executive VP of the Company since 2014. Mr. Mattila has served in numerous sales and marketing related positions at the Company since 2001. He has been CEO of Robit Korea Ltd (2011–2013) and of Robit Finland Oy Ltd since the beginning of 2015. He has also served as VP Ground Drilling (2010–2011), marketing manager and leader of the research and development function in 2009, and as VP Sales and Marketing (2005–2008) of the Company. Mr. Mattila holds a Master of Science degree in Engineering and an Executive Master of Business Administration degree.



**Jukka Luoma** has been CFO of the Company since 2009, first as an outside consultant and, since 2011, in the employment of the Company, as well as being the VP Asia and CEO of Robit Korea Ltd since 1 September 2013. Mr. Luoma has previously worked as an auditor at Ernst & Young Oy (1999-2009). Mr. Luoma has been Chairman of the Board of Directors of Arander Oy since 2010 and of Mericator LTD Oy since 2000 and has been a member of the Board of Directors of Polewood Ltd Oy since 2013, of Proding Oy since 2010 and of Stryni Oy since 2009. Mr. Luoma holds a Master of Science degree in Economics.



**Antti Leino** was selected as a VP R&D starting 1st of February, 2016. He has worked for Robit since 2011. Previously Mr. Leino was working as an R&D Manager and a member of management team in Abloy Oy Tampere factory (2006-2011). Before that he has worked for Moventas Oy and Metso Oyj (2000-2006). Mr. Leino holds a Master of Science degree in Engineering.



**Jorma Pyykkö** was appointed VP Supply as from 1 February. He has been at Robit since 2010. Mr. Pyykkö has 18 years' experience in various operations, material management and supply chain management tasks. He has previously worked at Ruukki Oyj, Abloy Oy, Kvaerner Pulping Oy and Valmet Automotive Oy. Mr. Pyykkö holds a Bachelor of Engineering degree.

*Introduction ceremony of brand new drilling cell in Robit's 30th Anniversary Days in May 2015. From left Sofia Louka, Sineteristiki Ltd. – Hal Hinkkuri, Pacific Bit of Canada Inc. – Kari Sivula, Robit Plc.*



## Annual General Meeting 2016

The Annual General Meeting 2016 will be held on March 18, 2016 at 14.00 p.m. (Finnish time) at Lapland Hotels Tampere, Yliopistonkatu 44, 33100 Tampere, Finland.

## Dividend

The Board of Directors proposes to the Annual General Meeting 2016 that a dividend of EUR 0,04 per share be paid for the financial year 2015.

## Interim Reports 2016

Interim Report from January - June 2016 will be published on August 15, 2016

## Share information

Listing: Nasdaq Helsinki First North

Trading symbol: ROBIT

No. of shares: 15 883 900 (February 23, 2016)

Sector: Industrials; Tools & accessories

ISIN: FI4000150016

## Analysts

Analysts following Robit:

SEB, EVLI

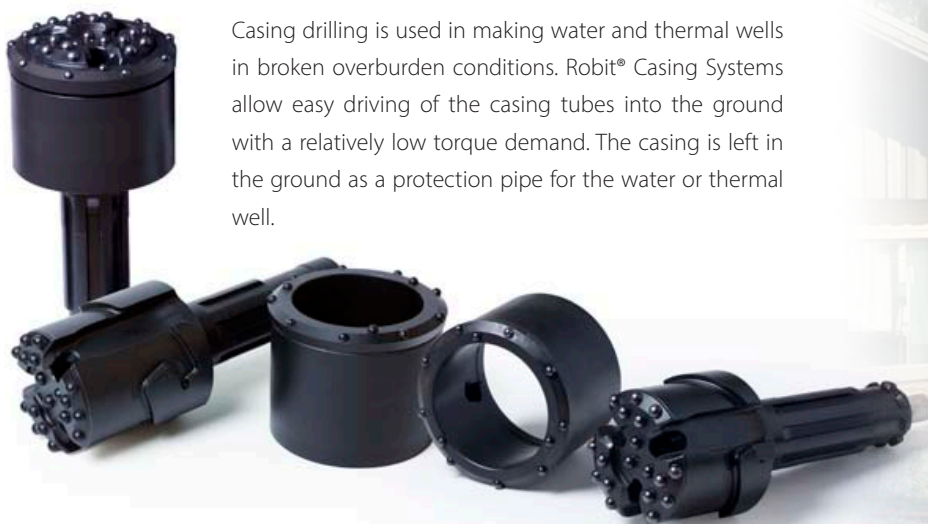
## Investor relations contact

Ms. Violetta Hänninen, Communication & PR

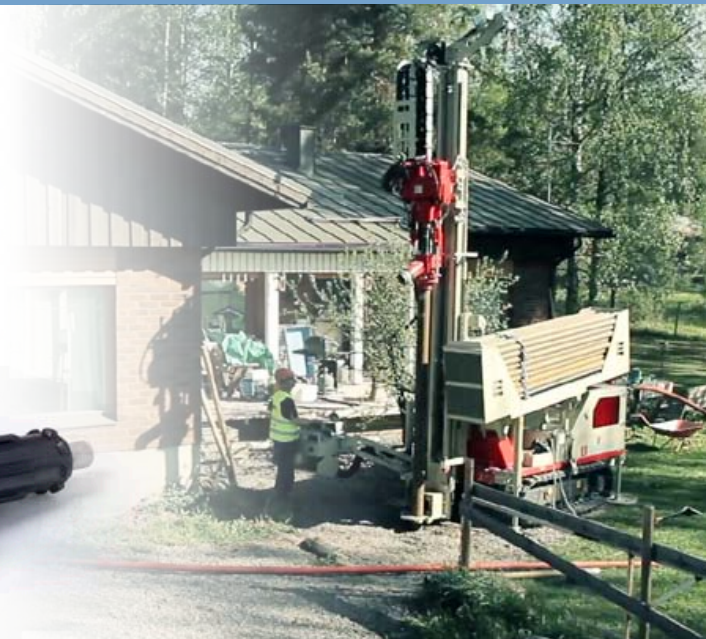
Tel. +358 45 202 0252

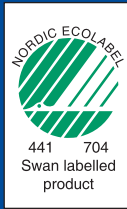
investors@robit.fi

## Consumables for Water & Thermal Well Drilling



Casing drilling is used in making water and thermal wells in broken overburden conditions. Robit® Casing Systems allow easy driving of the casing tubes into the ground with a relatively low torque demand. The casing is left in the ground as a protection pipe for the water or thermal well.





# Robit®-Bit Better

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If You have any feedback or comments on Robit's annual report, please contact via e-mail [investors@robit.fi](mailto:investors@robit.fi)

