

Robit

Half-Year Report

January–June 2021



ROBIT PLC STOCK EXCHANGE RELEASE 10 AUGUST 2021 AT 11.00 A.M.

ROBIT PLC HALF-YEAR REPORT 1 JANUARY–30 JUNE 2021: NET SALES AND PROFITABILITY CONTINUED TO GROW

In the text, 'review period' refers to 1 April–30 June 2021 (Q2), and 'H1' refers to 1 January–30 June 2021. Figures from the corresponding time period in 2020 are given in parentheses. All the figures presented are in euros. Percentages are calculated from thousands of euros.

1 April–30 June 2021 in brief

- Net sales EUR 25.1 million (22.3), change 12.7%
- EBITDA EUR 1.9 million (1.1)
- EBITA EUR 0.7 million (-0.3)
- Operating profit as percentage of net sales (EBIT) 1.8% (-2.1)
- Review period net income EUR -0.2 million (-0.8)
- Net cash flow for operating activities EUR -2.4 million (0.8)
- Equity ratio at the end of the review period 44.2% (45.5)

1 January–30 June 2021 in brief

- Net sales EUR 48.1 million (43.7), change 10.0%
- EBITDA EUR 3.4 million (1.4)
- EBITA EUR 1.0 million (-1.2)
- EBIT 1.2% (-3.7)
- Review period net income EUR 0.2 million (-2.8)
- Net cash flow for operating activities EUR -4.1 million (-0.4)
- Equity ratio at the end of the review period 44.2% (45.5)

Key financials	Q2 2021	Q2 2020	Change %	H1 2021	H1 2020	Change %	2020
Net sales, EUR 1,000	25,088	22,256	12.7%	48,110	43,746	10.0%	91,631
EBITDA*, EUR 1,000	1,864	1,052	77.2%	3,441	1,406	144.8%	5,116
EBITDA, % of net sales	7.4%	4.7%		7.2%	3.2%		5.6%
EBITA, EUR 1,000	678	-263	357.4%	1,015	-1,204	184.3%	-48
EBITA, % of net sales	2.7%	-1.2%		2.1%	-2.8%		-0.1%
EBIT, EUR 1,000	462	-466	199.1%	583	-1,611	136.2%	-868
EBIT, % of net sales	1.8%	-2.1%		1.2%	-3.7%		-0.9%
Result for the period, EUR 1,000	-191	-831	77.0%	224	-2,841	107.9%	-2,894
Result for the period, % of net sales	-0.8%	-3.7%		0.5%	-6.5%		-3.2%
Earnings per share (EPS), EUR 1,000	-0.01	-0.04		0.01	-0.14		-0.14
Return on equity (ROE), %**				0.5%	-11.7%		-5.9%
Return on capital employed (ROCE), %**				0.6%	-6.2%		-2.5%

*No items affecting comparability H1/2021 or H1/2020

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

ROBIT'S OUTLOOK FOR 2021

Robit expects the market situation to develop positively. Demand in the mining segment is supported by the positive development in metal prices. Demand in the construction industry is supported by the good work situation in the construction market areas that are relevant to Robit and the significant financing decided

globally for the construction industry. The company expects COVID-19 restrictions to have a limited impact on the demand of Robit's products in 2021.

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

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

GUIDANCE FOR 2021

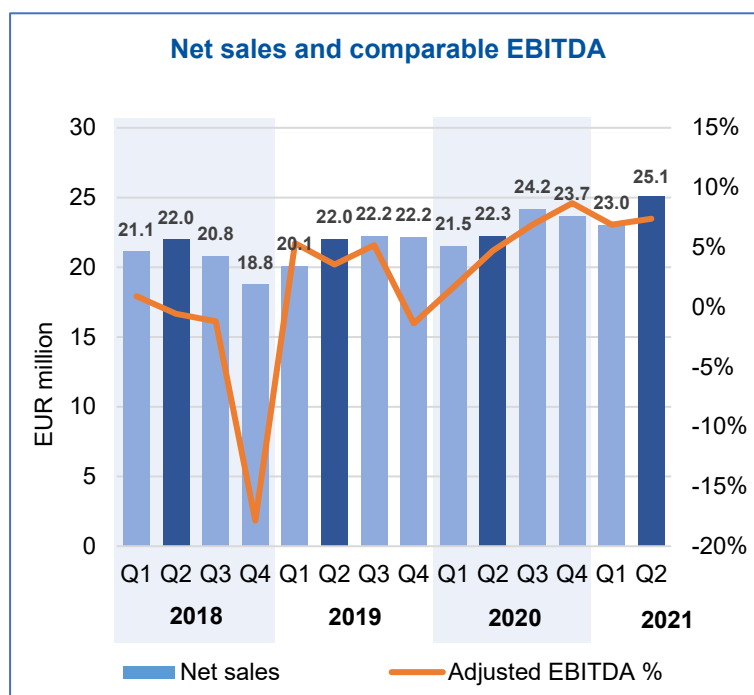
Robit expects the market situation to develop positively and believes COVID-19 restrictions to have a limited impact on the demand of Robit's products in 2021. Robit estimates that net sales for 2021 will grow and comparable EBITDA profitability in euros will improve compared with 2020.

CEO TOMMI LEHTONEN:

The positive development of net sales and profitability continued. The second quarter was the ninth in a row where we grew on the corresponding period. The EBITDA has improved over the corresponding period in five consecutive quarters. In the second quarter of the year, we reached new records in both net sales (EUR 25.1 million) and orders (EUR 26.5 million). In the first half of the year, as expected, progress was made towards a more normal market situation, as the COVID-19 pandemic restrictions affecting the industry eased.

Net sales for the first half of the year totalled EUR 48.1 million (EUR 43.7 million). There was an increase of 10.0% compared to the corresponding period and an increase of 10.7% at constant exchange rates. The EBITDA was EUR 3.4 million, up 144.8% on the corresponding period. Orders received grew by 6.9% on the corresponding period and totalled EUR 49.6 million (46.4). Orders were strong in the second quarter, growing by 23.1% to EUR 26.5 million (EUR 21.5 million).

We successfully continued the systematic implementation of growth projects. Sales area-specific action plans consist of, for example, the launch of a new, more competitive offering, systematic management of major sales projects and strengthening regional sales coverage with new distributor partners. Particularly in the EMEA region, growth was at a good level in the first half of the year. In the Americas and Asian markets, the impact of the epidemic still affected the early part of the year, but the situation improved in the second quarter. In the Americas region, sales increased significantly, partly due to low Q2 net sales last year. In the East region, the activity for construction projects linked to our piling products was significantly lower than the corresponding period. Sales in the mining segment in the region developed well. In Australia, sales increased by 5.7%.



We made good progress in expanding sales coverage through new distributor partnerships. During the first half of the year, we signed six new distribution agreements, and a few important new partnerships are under discussion. Now we will focus on winning customer relationships with the new distributors. The Top Hammer business grew well, and we prepared for this by investing in inventory. Inventory also increased as a result of increased transport times, which were a consequence of global logistics challenges. Investments in increasing Top Hammer production capacity are advancing in Finland and Korea. The Down the Hole business did not grow in line with our targets. We stand a good chance of growing with a renewed Down the Hole offering and will focus on winning new customers in selected markets in this area. The number of active sales projects increased in the second quarter in several regions, for example, due to new distribution agreements.

During the second half of the year, we launched new products related to well drilling, piling and DTH quarrying applications. We have received a lot of positive feedback regarding the performance of the new products. During the early part of the year, we increased our research and development efforts based on the priorities of the strategy updated at the turn of the year.

Profitability improvement projects continued and mainly progressed as planned. In the second quarter of the year, the results related to material cost savings and the launch of new, more cost-effective products were partially realised. Pricing measures were also taken. The impact of these measures will mainly be seen during the second half of the year. Material and transport costs have risen rapidly, and we have responded to these developments with a number of measures. The net cash flow for operating activities was negative. This was the result of conscious investment in inventory that supported growth and the desired level of customer service.

Process development focused on the management of repetitive deliveries, so that the capacity is used optimally to ensure the planned level of customer service. Sales processes were further developed, in particular with regard to pricing.

We launched a long-term share-based commitment scheme. In 2021, 21 key people were nominated to the scheme. During the second quarter, Robit's mentor programme was also launched, where an experienced mentor from outside the organisation was selected for key people. We also started a new Learning Café concept to share the know-how of Robit's experienced experts within Robit.

NET SALES

Net sales by product area

EUR thousand	Q2 2021	Q2 2020	Change %	H1 2021	H1 2020	Change %	2020
Top Hammer	13,848	11,355	22.0%	26,299	22,830	15.2%	46,348
Down the Hole	11,239	10,901	3.1%	21,811	20,916	4.3%	45,283
Total	25,088	22,256	12.7%	48,110	43,746	10.0%	91,631

The Group's net sales in the second quarter of the year period totalled EUR 25.1 million (22.3). There was an increase of 12.7% from the corresponding period. In constant currencies, the change was 12.6%.

The Group's net sales in H1 totalled EUR 48.1 million (43.7). There was an increase of 10.0% from the corresponding period. In constant currencies, the change was 10.7%.

The Top Hammer business grew strongly in Q2 by 22.0%. In H1, the net turnover grew by 15.2% to EUR 26.3 million (22.8). Top Hammer sales grew well in almost all markets. Only in the Asian region did sales decrease compared with the corresponding period.

The Down the Hole business grew by 3.1% in Q2. In H1, net sales grew by 4.3% to EUR 21.8 million. Growth was strong especially in North America. Sales in the EMEA region also developed well driven by sales in the very strong Geotechnical segment.

Net sales by market area

EUR thousand	Q2 2021	Q2 2020	Change %	H1 2021	H1 2020	Change %	2020
EMEA	11,810	10,026	17.8%	22,576	19,757	14.3%	40,028
Americas	4,566	2,711	68.4%	8,274	6,620	25.0%	14,008
Asia	2,643	2,791	-5.3%	5,016	6,004	-16.4%	11,397
Australasia	3,590	3,423	4.9%	6,792	6,423	5.7%	13,654
East	2,479	3,305	-25.0%	5,451	4,943	10.3%	12,544
Total	25,088	22,256	12.7%	48,110	43,746	10.0%	91,631

The company's growth was strong in the EMEA and Americas regions in the second quarter of the year. In the Americas region, sales increased especially in North America. In South America, the COVID-19 pandemic still had a negative impact on sales, but the situation improved towards the end of the review period. In the East region, sales for the second quarter decreased by 25.0%. Activity for construction projects linked to piling products was significantly lower than the corresponding period. Sales in the mining segment in the region developed well. In Australia, sales increased by 4.9% in the review period. In the Asia region, activity improved from the beginning of the year, but sales decreased by 5.3% in the second quarter of the year.

In H1, all markets grew except for Asia. The strongest growth was in the Americas region, where net sales grew by 25.0%, especially due to the strong Q2. The EMEA and East regions also grew well in the first half of the year. The Australasia region grew steadily in H1. In particular, Top Hammer sales developed well in Australasia. In the early part of the year, demand in the Asia region continued to be affected by the COVID-19 pandemic, with net sales falling by 16.4%.

PROFITABILITY

Key figures

EUR thousand	Q2 2021	Q2 2020	Change %	H1 2021	H1 2020	Change %	2020
EBITDA, EUR 1,000	1,864	1,052	77.2%	3,441	1,406	144.8%	5,116
EBITDA, % of net sales	7.4%	4.7%		7.2%	3.2%		5.6%
EBIT, EUR 1,000	462	-466	199.1%	583	-1,611	136.2%	-868
EBIT, % of net sales	1.8%	-2.1%		1.2%	-3.7%		-0.9%
Result for the period, EUR 1,000	-191	-831	77.0%	224	-2841	107.9%	-2,894
Result for the period, % of net sales	-0.8%	-3.7%		0.5%	-6.5%		-3.2%

The company's profitability clearly improved in the review period. The EBITDA for the second quarter was EUR 1.9 million (1.1). The EBITDA's share of net sales was at a satisfactory level of 7.4% (4.7). The company's EBIT was EUR 0.5 million (-0.5). The EBIT was 1.8% (-2.1) of the review period net sales.

The EBITDA for the first quarter was EUR 3.4 million (1.4). The EBITDA's share of net sales was 7.2% (3.2). The company's EBIT was EUR 0.6 million (-1.6). The EBIT was 1.2% (-3.7) of the review period net sales.

Improved operating profit was supported by increased net sales and management of fixed costs. The company's profitability improvement measures progressed in the review period. The results of the measures were partly realised in the second quarter of the year. The impact of the increase in the cost of raw materials on the company's profitability did not materialise significantly in the first half of the year as a result of procurement contracts concluded. The company has responded to the cost development of raw materials with several measures, including an increase in prices. The result was weakened by increased logistics costs.

Financial income and expenses in the second quarter of the year totalled EUR -0.9 million (-0.5), of which EUR -0.3 million (-0.3) was interest expenses and EUR -0.5 million (-0.2) exchange rate changes. The quarter result improved, being EUR -0.2 million (-0.8).

Financial income and expenses in the first half of the year totalled EUR -0.5 million (-1.4), of which EUR -0.6 million (-0.6) was interest expenses and EUR 0.0 million (-0.8) exchange rate changes. The review period result improved, being EUR 0.2 million (-2.8).

CASH FLOW AND INVESTMENTS

Consolidated cash flow statement

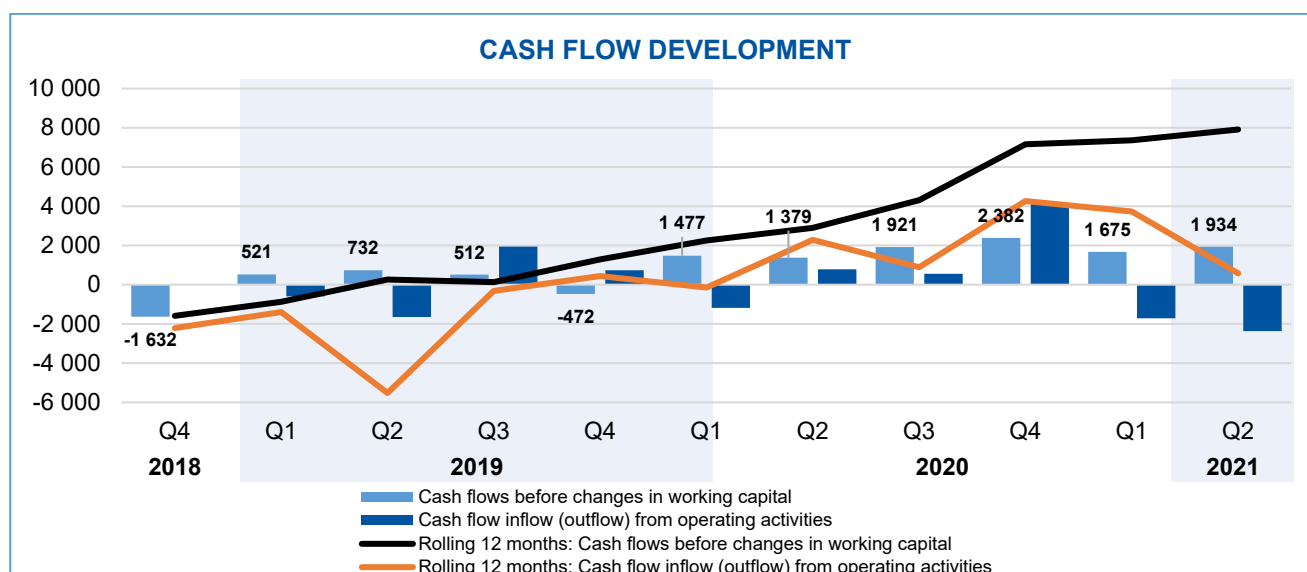
EUR thousand	Q2 2021	Q2 2020	H1 2021	H1 2020	2020
Net cash flows from operating activities					
Cash flows before changes in working capital	1,934	1,379	3,609	2,856	7,160
Cash flows from operating activities before financial items and taxes	-2,110	1,292	-3,271	395	5,555
Net cash inflow (outflow) from operating activities	-2,370	783	-4,084	-398	4,263
Net cash inflow (outflow) from investing activities	-492	-255	-1,287	-576	-1,173
Net cash inflow (outflow) from financing activities	-82	22	292	-1,235	-3,626
Net increase (+)/decrease (-) in cash and cash equivalents	-2,944	550	-5,078	-2,209	-536
Cash and cash equivalents at the beginning of the financial year	12,352	12,123	14,339	15,248	15,248
Exchange gains/losses on cash and cash equivalents	-37	15	111	-348	-370
Cash and cash equivalents at end of the year	9,372	12,691	9,372	12,691	14,339

The Group's cash flow before changes in working capital improved during the second quarter to EUR 1.9 million (1.4). The net cash flow for operating activities was EUR -2.4 million (0.8). The changes in working capital had an impact of EUR -4.0 million (0.0). The positive change in working capital was caused by the EUR 2.0 million increase in account payables. The growth in sales and other receivables had a negative impact on cash flow of EUR 3.6 million and on inventories of EUR 2.4 million. Increased invoicing increased the amount of sales receivables. The growth in inventories was influenced by the growth in the inventory of raw materials and the company's preparation for strong demand in the Top Hammer business. Global challenges in the logistics market also increased delivery times and thus increased capital tied up in inventory.

The net cash inflow (outflow) from investing activities for the second quarter was EUR -0.5 million (-0.3). Gross investments in production during the review period totalled EUR 0.6 million (0.0). The investments' share of net sales was 2.3% (0.2). The investments were mainly directed at the company's factories in South Korea and Lempäälä, Finland. The investments are aimed at responding to the growth of the Top Hammer business. Implementation of growth investments will continue in the second half of the year.

The net cash inflow (outflow) from financing activities for the second quarter was EUR -0.1 million (0.0). Net changes in loans totalled EUR 4.0 million (0.5). The change in bank overdrafts was EUR -3.6 million (0.0). The net change in loans and bank overdrafts was due to the financing of investments and changes in the structure of the company's loans due to the new financing agreement signed in the second quarter of the year. The repayment of lease liabilities reported in net cash flow from financing activities under IFRS 16 totalled EUR 0.5 million (0.5).

Depreciation, amortisation and write-downs totalled EUR 1.4 million (1.5). Of this, EUR 0.2 million related to amortisation of customer relationships and brand value from business acquisitions.



FINANCIAL POSITION

	30 June 2021	30 June 2020	31 December 2020
Cash and cash equivalents, EUR thousand	9,372	12,691	14,339
Interest-bearing liabilities, EUR thousand	35,139	37,922	35,567
of which short-term interest-bearing financial liabilities:	3,758	11,577	11,154
Net interest-bearing debt, EUR thousand	25,767	25,231	21,228
Undrawn credit facility, EUR thousand	6,000	95	261
Gearing, %	53.8%	54.2%	45.2%
Equity ratio, %	44.2%	45.5%	45.5%

The Group had interest-bearing debt amounting to EUR 35.1 million (37.9), of which EUR 4.8 million (6.3) was interest-bearing debt under IFRS 16. The Group's liquid assets totalled EUR 9.4 million (12.7). Interest-bearing net liabilities were EUR 25.8 million (25.2), and interest-bearing net bank debt without IFRS 16 debt impact was EUR 20.9 million (18.9).

During the review period, the company entered into a new financing agreement of EUR 30.0 million. The new loan is a three-year rolling loan with a five-year maturity. The loan is renewed annually for a further period of three years on the original terms. The company withdrew EUR 26.5 million from the loan at the end of the review period. The loan refinanced the company's old loans of EUR 22.5 million and reduced the use of the company's bank overdrafts. The covenants are based on the company's net debt/EBITDA ratio and the company's equity ratio.

The Group's equity at the end of the review period was EUR 47.9 million (46.6). The Group's equity ratio was 44.2% (45.5) and its net gearing was 53.8% (54.2).

PERSONNEL AND MANAGEMENT

The number of personnel increased by 6 from the end of the corresponding period, and at the end of the review period it was 272 (266). At the end of the review period, 71% of the company's personnel were located outside Finland.

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

FINANCIAL TARGETS

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

	Long-term target	2019	2020	H1 2021
Net sales growth	15% p.a.	4.6%	6.0%	10.0%
Adjusted EBITDA, % of net sales	13%	3.1%	5.6%	7.2%

RESOLUTIONS OF THE ANNUAL GENERAL MEETING 2021

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

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

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

The General Meeting resolved that the Board of Directors consists of six (6) members. Kim Gran, Mammu Kaario, Mikko Kuitunen, Anne Leskelä, Kalle Reponen and Harri Sjöholm were re-elected as members of the Board of Directors.

The annual remuneration for the Chairman of the Board of Directors is EUR 45,000, of which 40% is paid in shares and the remaining 60% is an advance tax withheld and paid to the Finnish Tax Administration by the company. There is also a meeting fee of EUR 500 per meeting. The fee is paid for meetings attended by the Chairman of the Board. Other costs such as travel and lodging expenses will also be compensated.

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

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

The annual remuneration of the Chairman of the Board and Board members for the entire term of office will be paid in December 2021. The part of the remuneration paid in shares may be paid by issuing new shares in the company or by acquiring shares by the authorisation given to the Board of Directors by the General Meeting. The receiver of the remuneration pays the transfer tax.

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

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

The General Meeting resolved to authorise the Board of Directors to resolve on the acquisition of a maximum of 2,108,390 treasury shares and/or accepting the same number of the company's shares as a pledge, in one or several tranches by using funds in the unrestricted shareholders' equity. The maximum total of shares that will be acquired and/or accepted as a pledge corresponds to 10% all shares in the company as of the date of

the notice to the General Meeting. However, the company cannot, together with its subsidiary companies, own or accept as a pledge altogether more than 10% of its own shares at any point in time. The company's shares may be purchased under this authorisation solely by using unrestricted shareholders' equity.

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

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

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

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

The number of shares to be issued, including shares to be issued on the basis of special rights, may not exceed 2,108,390, which amounts to 10% of all shares in the company as of the date of the notice to the Annual General Meeting. The Board of Directors may decide to either issue new shares or to transfer any treasury shares held by the company.

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

The authorisation is valid until the closing of the next Annual General Meeting, however, no longer than until 30 June 2022. The authorisation will revoke all previously granted, unused authorisations to decide on a share issue and the issuance of options or other special rights entitling to shares.

SHARES AND SHARE TURNOVER

On 30 June 2021, the company had 21,179,900 shares and 4,166 shareholders. Trading volume in January–June was 3,624,890 shares (2,813,652).

The company holds 112,464 treasury shares (0.5% of total shares). On 30 June 2021, the market value of the company's shares was EUR 111.4 million. The closing price of the share was EUR 5.26. The highest price in January–June was EUR 6.46 and the lowest price EUR 3.65.

RISKS AND BUSINESS UNCERTAINTIES

Robit closely monitors the impact of COVID-19 on demand in the sector. In general, customer operations have returned to normal levels, but effects on Robit's demand remain possible. At this stage, the impact seems limited. COVID-19 continues to restrict travel and thus the implementation of some testing and sales growth projects. The company has returned from managing the effects of the acute crisis to the comprehensive development of the company towards the company's strategic goals.

Robit will continue actions to protect the health of its personnel and to ensure the continuity of the company's operations. At the time of reporting, all of the company's factories were operating at planned capacity. No disruptions in the supply chain have been identified that cannot be managed, for example, with current inventory levels and supplier cooperation.

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

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

CHANGES IN GROUP STRUCTURE

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

OTHER EVENTS DURING JANUARY–JUNE 2021

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

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

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

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

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

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

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

On 22 April 2021, the company published its interim financial reporting for 1 January–31 March 2021.

On 20 May 2021, Robit Oy published a decision of the Board of Directors on the payment of share bonuses on the basis of the share-based incentive scheme established in 2017 as a directed free share issue through the transfer of treasury shares.

On 31 May 2021, the company announced the disposal of treasury shares under the share-based incentive scheme established in 2017.

EVENTS AFTER THE REVIEW PERIOD

No events after the review period.

Lempäälä, 30 June 2021

ROBIT PLC
Board of Directors

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

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

CONDENSED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

EUR thousand	4-6/2021	4-6/2020	1-6/2021	1-6/2020	2020
Net sales	25,088	22,256	48,110	43,746	91,631
Other operating income	323	-332	803	672	2,524
Materials and services*	-16,369	-14,483	-31,241	-27,467	-58,773
Employee benefit expense	-4,154	-4,022	-8,106	-7,922	-15,747
Depreciation, amortisation and impairment	-1,401	-1,518	-2,858	-3,017	-5,984
Other operating expenses*	-3,024	-2,367	-6,125	-7,623	-14,520
EBIT (Operating profit/loss)	462	-466	583	-1,611	-868
Finance income and costs					
Interest income and finance income	2	240	587	334	286
Interest cost and finance cost	-859	-716	-1,247	-1,716	-2,936
Finance income and costs net	-857	-476	-660	-1,382	-2,650
Profit/loss before tax	-394	-942	-77	-2,993	-3,518
Taxes					
Income tax	-6	6	-37	-2	-380
Change in deferred taxes	209	105	338	153	1,004
Income taxes	203	111	301	152	-624
Result for the period	-191	-831	224	-2,841	-2,894
Attributable to:					
Parent company shareholders	-235	-831	126	-2,841	-2,894
Non-controlling interest**	43	0	98	0	0
	-191	-831	224	-2,841	-2,894
Other comprehensive income					
Items that may be reclassified to profit or loss in subsequent periods:					
Translation differences**	-386	-727	590	-1,771	-1088
Other comprehensive income, net of tax	-386	-727	590	-1,771	-1088
Total comprehensive income	-621	-1,558	717	-4,612	-3981
Attributable to:					
Parent company shareholders	-577	-1,558	814	-4,612	-3981
Non-controlling interest**	-43	0	-98	0	0
Consolidated comprehensive income	-621	-1,558	717	-4,612	-3981
Earnings per share					
Basic earnings per share	-0.01	-0.04	0.01	-0.14	-0.14

*In the summarised income statement, changes in inventories are presented in Materials and services, and manufacture for own use in Other operating expenses.

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

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

EUR thousand	30 June 2021	30 June 2020	31 December 2020
ASSETS			
Non-current assets			
Goodwill	5,375	5,060	5,134
Other intangible assets	3,185	4,575	3,809
Property, plant and equipment	23,103	25,099	24,641
Loan receivables	299	365	386
Other receivables	3	3	3
Deferred tax assets	1,848	1,065	1,528
Total non-current assets	33,813	36,167	35,500
Current assets			
Inventories	40,297	32,934	34,857
Account and other receivables	24,160	20,857	18,621
Loan receivables	95	130	125
Current tax assets	65	81	81
Cash and cash equivalents	9,372	12,691	14,339
Total current assets	73,989	66,694	68,023
Total assets	107,801	102,860	103,523
EQUITY AND LIABILITIES			
Equity			
Share capital	705	705	705
Share premium	202	202	202
Reserve for invested unrestricted equity	82,570	82,452	82,570
Translation differences	-2,208	-3,482	-2,798
Retained earnings	-33,814	-30,467	-30,796
Profit/loss for the year	126	-2,841	-2,894
Equity attributable to parent company shareholders in total	47,581	46,569	46,989
Non-controlling interests*	355		
Capital and reserves in total	47,936	46,569	46,989
Liabilities			
Non-current liabilities			
Borrowings	28,232	21,346	19,247
Lease liabilities	3,149	5,000	5,166
Deferred tax liabilities	726	1,081	798
Employee benefit obligations	682	588	628
Total non-current liabilities	32,790	28,015	25,838
Current liabilities			
Borrowings	2,072	9,855	9,941
Lease liabilities	1,686	1,722	1,213
Advances received	375	412	130
Income tax liabilities	44	6	283
Account payables and other liabilities	22,746	16,239	19,029
Other provisions	153	43	100
Total current liabilities	27,076	28,276	30,696
Total liabilities	59,865	56,291	56,534
Total equity and liabilities	107,801	102,860	103,523

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

CONSOLIDATED CASH FLOW STATEMENT

EUR thousand	4-6/2021	4-6/2020	1-6/2021	1-6/2020	2020
Cash flows from operating activities					
Profit before tax	-394	-942	-77	-2,993	-3518
Adjustments:					
Depreciation, amortisation and impairment	1,401	1,518	2,858	3,017	5,984
Finance income and costs	857	476	660	1,382	2,650
Share-based payments to employees	-151	26	-161	84	182
Loss (+)/Gain (-) on sale of property, plant and equipment	0	-6	-1	-8	158
Other non-cash transactions	221	307	330	1,374	1,704
Cash flows before changes in working capital	1,934	1,379	3,609	2,856	7,160
Change in working capital					
Increase (-) in account and other receivables	-3,592	-734	-5,255	-2,949	1
Increase (-)/decrease (+) in inventories	-2,412	-1,181	-4,803	-2,110	-5,000
Increase (+) in account and other payables	1,960	1,829	3,178	2,599	3,395
Cash flows from operating activities before financial items and taxes	-2,110	1,292	-3,271	395	5,555
Interest and other finance expenses paid	-220	-472	-539	-548	-1,083
Interest and other finance income received	58	4	58	14	28
Income taxes paid	-98	-42	-331	-259	-238
Net cash inflow (outflow) from operating activities	-2,370	783	-4,084	-398	4,263
Cash flows from investing activities					
Purchases of property, plant and equipment	-525	-109	-1,317	-198	-1,204
Purchases of intangible assets	-52	-1	-69	-3	-77
Proceeds from the sale of property, plant and equipment	32	51	37	54	103
Proceeds from loan receivables	53	-195	62	-428	6
Net cash inflow (outflow) from investing activities	-492	-255	-1,287	-576	-1,173
Cash flows from financing activities					
Equity issue	0	79	0	79	79
Changes in non-current loans	4,009	506	4,949	-313	-1,751
Change in bank overdrafts	-3,636	-81	-3,739	-14	-179
Payment of leasing liabilities	-455	-481	-918	-986	-1,774
Net cash inflow (outflow) from financing activities	-82	22	292	-1,235	-3,626
Net increase (+)/decrease (-) in cash and cash equivalents	-2,944	550	-5,078	-2,209	-536
Cash and cash equivalents at the beginning of the financial year	12,352	12,123	14,339	15,248	15,248
Exchange gains/losses on cash and cash equivalents	-37	15	111	-348	-370
Cash and cash equivalents at end of the year	9,372	12,691	9,372	12,691	14,339

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

EUR thousand	Share capital	Share premium	Reserve for invested unrestricted equity	Cumulative translation difference	Retained earnings	Profit attributable to parent company shareholders	Non-controlling interests	Capital and reserves in total
Equity on 31 December 2019	705	202	82,268	-1,710	-30,744			50,721
Other changes*					202			202
Equity on 1 January 2020	705	202	82,268	-1,710	-30,542			50,923
Review period result					-2,841			-2,841
Other comprehensive income								
Translation differences				-1,771				-1,771
Total comprehensive changes				-1,771	-2,841			-4,612
Equity issue			183					183
Share-based remuneration to employees					75			75
Total transactions with shareholders, recognised directly in equity	0	0	183	0	75			258
Equity on 30 June 2020	705	202	82,452	-3,482	-33,308			46,569

EUR thousand	Share capital	Share premium	Reserve for invested unrestricted equity	Cumulative translation difference	Retained earnings	Profit attributable to parent company shareholders	Non-controlling interests	Capital and reserves in total
Equity on 1 January 2021	705	202	82,570	-2,798	-33,690			46,989
Review period result						126	98	224
Other comprehensive income								
Translation differences				590			17	607
Total comprehensive changes				590		126	115	831
Share-based remuneration to employees					-124			-124
Change in non-controlling interests							240	240
Total transactions with shareholders, recognised directly in equity					-124		240	115
Equity on 30 June 2021	705	202	82,570	-2,208	-33,814	126	354	47,936

NOTES

Contents

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

1. SCOPE AND PRINCIPLES OF THE INTERIM REPORT

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

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

2.1 KEY FIGURES

Consolidated key figures	Q2 2021	Q2 2020	H1 2021	H1 2020	2020
Net sales, EUR 1,000	25,088	22,256	48,110	43,746	91,631
EBIT, EUR 1000	462	-466	583	-1,611	-868
EBIT, % of net sales	1.8%	-2.1%	1.2%	-3.7%	-0.9%
Earnings per share (EPS), EUR	-0.01	-0.04	0.01	-0.14	-0.14
Return on equity (ROE), %			0.5%	-11.7%	-5.9%
Return on capital employed (ROCE), %			0.6%	-6.2%	-2.5%
Equity ratio, %			44.2%	45.5%	45.5%
Net gearing, %			53.8%	54.2%	45.2%
Gross investments, EUR 1,000	577	-111	1386	-202	1,281
Gross investments, % of net sales	2.3%	-0.5%	2.9%	0.5%	1.4%
Number of shares (outstanding shares)			21,067,436	21,027,107	21,058,936
Treasury shares (owned by the Group)			112,464	152,793	120,964
Percentage of total shares			0.53%	0.73%	0.57%

2.2 CONSOLIDATING ALTERNATIVE KEY FIGURES

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

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

Adjusted EBITDA and EBITA

EUR thousand	4–6/2021	4–6/2020	1–6/2021	1–6/2020	2020
EBIT (Operating profit)	462	-466	583	-1,611	-868
Depreciation, amortisation and impairment	1,401	1,518	2,858	3,017	5,984
EBITDA	1,864	1,052	3,441	1,406	5,116
EBIT (Operating profit)	462	-466	583	-1611	-868
Amortisation of acquisitions	216	203	432	407	820
EBITA	678	-263	1015	-1204	-48

3.3 CALCULATION OF KEY FIGURES

EBITDA:

EBIT + Depreciation, amortisation and impairment

EBITA

EBIT + Amortisation of customer relationships

Net working capital

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

Earnings per share (EPS), EUR

Profit (loss) for the financial year

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

Return on equity (ROE), %

Profit (loss) for the financial year

Equity (average during the financial year) x 100

Return on capital employed (ROCE), %

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

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

Net interest-bearing financial liabilities

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

Short-term financial securities

Equity ratio, %

Equity

Balance sheet total – Advances received x 100

Gearing, %

Net interest-bearing financial liabilities

Equity x 100

4. BREAKDOWN OF NET SALES

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

NET SALES

Net sales by product area

EUR thousand	4–6/2021	4–6/2020	Change %	1–6/2021	1–6/2020	Change %	2020
Top Hammer	13,848	11,355	22.0%	26,299	22,830	15.2%	46,348
Down the Hole	11,239	10,901	3.1%	21,811	20,916	4.3%	45,283
Total	25,088	22,256	12.7%	48,110	43,746	10.0%	91,631

Net sales by market area

EUR thousand	4–6/2021	4–6/2020	Change %	1–6/2021	1–6/2020	Change %	2020
EMEA	11,810	10,026	17.8%	22,576	19,757	14.3%	40,028
Americas	4,566	2,711	68.4%	8,274	6,620	25.0%	14,008
Asia	2,643	2,791	-5.3%	5,016	6,004	-16.4%	11,397
Australasia	3,590	3,423	4.9%	6,792	6,423	5.7%	13,654
East	2,479	3,305	-25.0%	5,451	4,943	10.3%	12,544
Total	25,088	22,256	12.7%	48,110	43,746	10.0%	91,631

5. FINANCING ARRANGEMENTS

The company's cash and cash equivalents were EUR 9,4 million on 30 June 2021, and thus the company is able to take care of its debt servicing and liquidity. In addition, the company has EUR 3,5 million undrawn of the financing agreement of EUR 30,0 million signed on 8 June 2021.

The parent company's covenants are based on the company's net debt/EBITDA ratio and the company's equity ratio. The covenants are tested on a quarterly basis.

BORROWINGS/LOANS/INTEREST-BEARING LOANS

EUR thousand	30 June 2021	30 June 2020	31 December 2020
Non-current borrowings			
Loans from credit institutions	28,144	20,762	19,060
Other loans	12	584	41
Lease liabilities	3,226	5,000	5,312
Total non-current borrowings	31,381	26,345	24,413
Current borrowings			
Loans from credit institutions	1,849	5,875	5,850
Other loans	0	76	86
Bank overdrafts	0	3,905	3,739
Lease liabilities	1,909	1,722	1,479
Total current borrowings	3,758	11,577	11,154
Total borrowings	35,139	37,922	35,567

6. CHANGES TO PROPERTY, PLANT AND EQUIPMENT

EUR thousand	30 June 2021	30 June 2020	31 December 2020
Cost at the beginning of period	47,323	45,952	45,952
Other changes*			-1,376
Additions	1,728	2,593	4,230
Disposals	-1,390	-46	-496
Reclassification	37	-1,353	
Exchange differences	286	-1,416	-1,007
Cost at the end of period	47,984	45,729	47,323
Accumulated depreciation and impairment at the beginning of period	-	-19,193	-19,193
Other changes*	22,682		349
Depreciation	-2,090	-2,322	-4,385
Disposals	67	0	235
Reclassification		349	
Exchange differences	-176	535	311
Accumulated depreciation and impairment at the end of period	-	-20,630	-22,682
Net book amount at the beginning of period	24,642	26,759	26,759
Net book amount at the end of period	23,103	25,099	24,642

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

7. GOODWILL IMPAIRMENT TESTING

The amount of goodwill is reviewed at least annually in accordance with the IFRS provisions. The values of the goodwill testing variables are also revised if there have been material changes in business, competition, the market or other assumptions of goodwill testing. The company has two cash-generating units (Top Hammer and Down the Hole). In the 30 June 2021 situation, the company has reviewed the assumptions used in goodwill testing, such as forecasts for the current and future years and changes in interest rates. In addition, the company has assessed the changes caused by the COVID-19 pandemic in the company's operating environment and their impact on the company's long-term profitability and cash flows. The effects depend on how long the restrictions remain in force and how they affect the profitability in countries and industries important to Robit. Based on the review, no internal or external indication of goodwill impairment has been identified and thus additional impairment testing has not been considered necessary. The factors affecting goodwill items will be reviewed during the third quarter.

8. GIVEN GUARANTEES

EUR thousand	30 June 2021	30 June 2020	31 December 2020
Guarantees and mortgages given on own behalf	47,774	46,025	45,119
Other guarantee liabilities	1,107	261	94
Total	48,882	46,286	45,213

9. ACQUISITIONS

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

10. DERIVATIVES

The company hedges the most significant net currency positions that can be predicted in time and volume and interest rate risk. During the reporting period, hedging had no significant impact on the result. There were no open currency derivatives at the end of the reporting period. The company had an open interest rate swap of EUR 10.0 million with an interest rate floor. According to the interest rate swap, the interest is locked at a fixed rate from 30 June 2023 to 30 June 2026.

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