ROBIT 2021

ANNUAL REPORT

Robit

FURTHER. FASTER.

Contents

YEAR 2021

Robit

"Robit invested in Top Hammer production capacity in Finland and South Korea. The expansion of Robit's production floor in Lempäälä, Finland, adds approximately 750 square meters of floor space. As a result of the expansion, Top Hammer and Down the Hole production are divided into separate production units. The expansion also includes investments in machine tools and automatization. The investments of South Korea's Hwaseong unit concern machinery investments as well as robotics and automatization. Tommi Lehtonen, CEO and Jorma Pyykkö, Production Manager inspecting the new production cell at Lempäälä unit."

Robit in Brief

Robit is a global growth company selling and manufacturing drilling consumables. The company provides products and services for the needs of the mining and surface mining, quarrying, underground construction, and well drilling industries. This strongly internationalized company's offering is divided into three product and service areas: Top Hammer, Down the Hole and Geotechnical. Robit has its own sales and service points in eight countries as well as an active dealership network through which it sells to more than 100 countries. Robit's manufacturing units are located in Finland, South Korea, Australia and the UK. Robit's shares are listed on Nasdaq Helsinki Ltd.

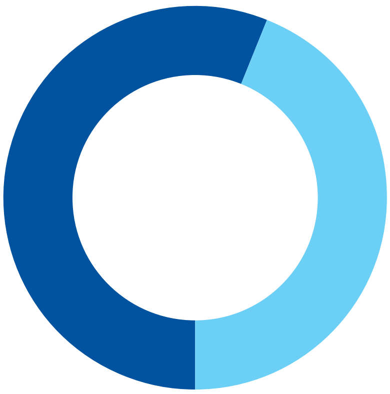
BUSINESS AREAS

Top Hammer Business

Top Hammer drills are primarily used in mining, construction, underground quarrying and quarrying of rock material.

The Top Hammer business comprises rock drilling consumables as well as digital products and services related to the drill hole measurement during drilling activity.

Net sales distribution 2021



TOP HAMMER 56.3 MEUR

DOWN THE HOLE 44.5 MEUR

Down the Hole Business

Down the Hole drilling is used in construction, well drilling, i.e. drilling of holes for water wells and geothermal energy wells, production drilling and piling. It is also used in production drilling for surface and underground mining.

The Down the Hole business comprises the Down the Hole consumables used in the segments listed above.

Key Figures 2021

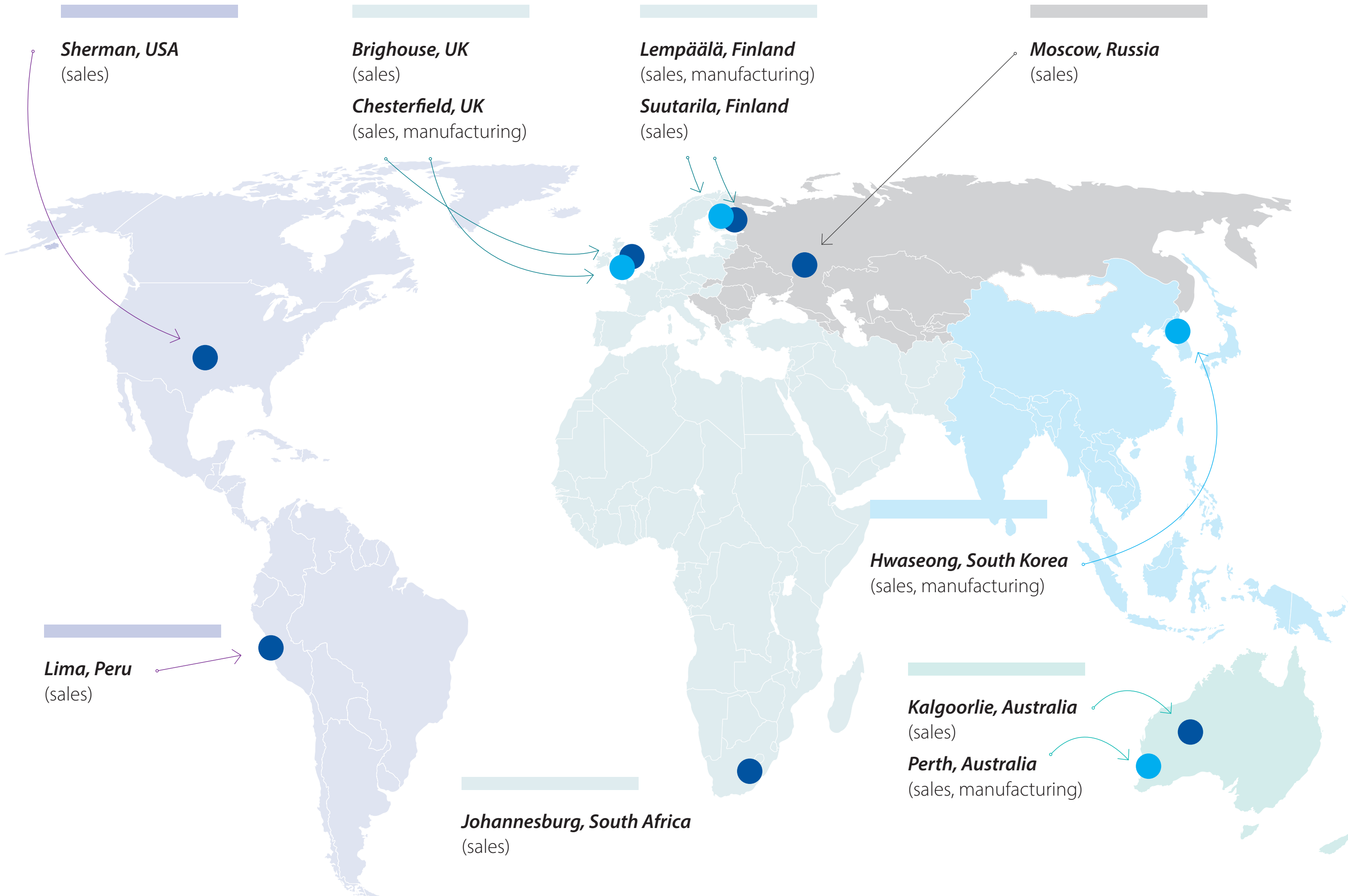
NET SALES	ADJUSTED EBITDA	PERSONNEL	PRESENT IN MORE THAN	SALES AND SERVICE POINTS IN	PRODUCTION UNITS IN
100.8	7.6	273	100	8	4
MEUR	MEUR		COUNTRIES	COUNTRIES	COUNTRIES

Offices & Manufacturing Units

- Five sales areas: Americas, EMEA, East, Asia and Australasia
- Own sales and service points in 8 countries
- An active dealership network through which Robit sells to more than 100 countries
- 4 manufacturing units located in Finland, South Korea, Australia and the UK

DTH ***Chesterfield, UK***, 2016

TH ***Lempäälä, Finland***, 1985



TH ***Hwaseong, South Korea***, 2018

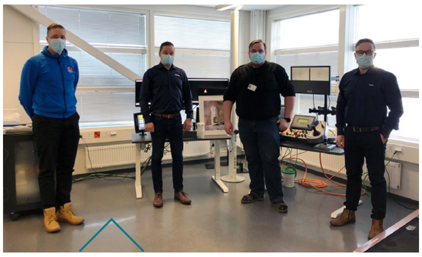
DTH ***Perth, Australia***, 2016

Important Events in 2021

February
Robit and Agnico Eagle Finland signed a long-term cooperation agreement of drilling consumables supply to Kittilä mine. The deliveries started on 1 May 2021. Robit had previously supplied diamond button bits to Kittilä mine for production drilling. Kittilä mine is the largest gold mine in Europe. The mine extracts annually about 1,6 million tonnes of ore, yielding about 7 000 kg of gold.

April
Robit Group and Cimertex signed an exclusive distributor agreement. Based on the agreement, Cimertex represents Robit and distributes all Robit products in Portugal and ensures the highest possible services levels for drillers in Portugal.

May
Robit invested in Top Hammer production capacity in Finland and South Korea. The expansion of Robit's production floor in Lempäälä, Finland, adds approximately 750 square meters of floor space. As a result of the expansion, Top Hammer and Down the Hole production are divided into separate production units. The expansion also includes investments in machine tools and automatization. The investments of South Korea's Hwaseong unit concern machinery investments as well as robotics and automatization.



1.

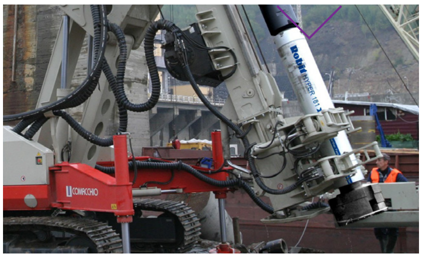
2.

3.

4.

5.

6.



March
Robit took part in the Underground Operators Conference in Perth, Australia. Despite of COVID-19 situation, the happening gathered over 1200 physical attendees and about 150 virtual delegates. Robit raised funds for a not-for-profit charity, Miners' Promise during the conference.

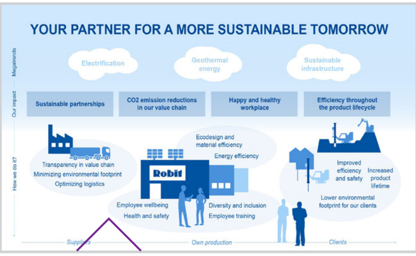
April
Robit signed an exclusive distributor agreement with Eurasian Machinery LLP for Robit's full product offering. Based on the agreement, Eurasian Machinery LLP represents Robit and distributes all Robit products in Kazakhstan and Kyrgyzstan. The company offers highly qualified technical support and service with its extensive expertise, highly qualified personnel, and a broad network of representative offices across the region.

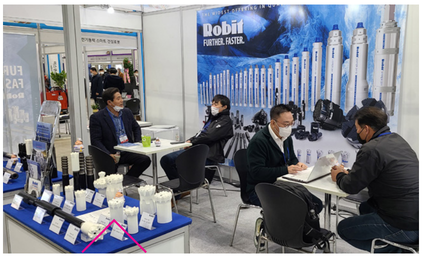
June
Robit purchased a product invention and related patents from Tri-Mach Oy, a Finnish company manufacturing piling products. This novelty applies particularly in drilling and installing large piles. As the current trend indicates, the diameter of piles is increasing up to two meters. Robit believes that this novelty suits well in the current market development and provides significant benefits to the customers compared to their existing solutions.

August
ESG – Robit set targets for sustainability. Company's 2020 carbon footprint (scope 1 and 2) calculated according to Greenhouse Gas Protocol (GHG Protocol) Corporate Standard was 3 383-ton CO2e corresponding to 36.9-ton CO2e per million euro of net sales. Robit is committed in reducing its scope 1 and 2, CO2 intensity by 50% by 2030 from the baseline year 2020. This will be achieved by increasing share of green energy used in the factories, improving energy efficiency of Robit facilities and expanding CO2 calculations and related actions to cover main logistics routes.

October
Robit's distributor, Dong Loi Equipment & Service Corporation, closed a significant delivery agreement for Robit drilling consumables – mainly Top Hammer products – with a gold mine operator in Hung Thinh Phat gold mine in Laos. The agreement is a result of decisive and seamless cooperation between Robit and its Vietnamese distributor, Dong Loi. Hung Thinh Phat is a gold mine located in Central Laos. The mine itself is a sizeable one, currently operating an array of 11 machines, with a plan to increase the size of the fleet to 17. With a yearly production rate of around 30 million tons, the mine is a big client for Top Hammer drilling consumables.

November
Robit exhibited at the 11th time organized Conex Korea 2021 between 10–13 November in Kintex exhibition center in Seoul. Company introduced its solutions especially for underground construction and tunneling but also for other applications.





7.

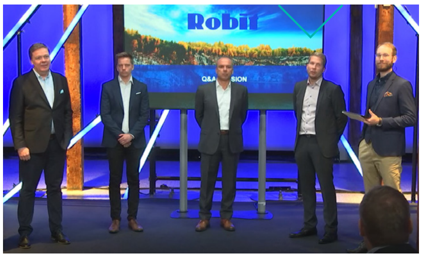
8.

9.

10.

11.

12.



September
Robit held the Capital Markets Day 2021 for analysts, investors, and financial media on 23 September 2021. Participants had an opportunity to learn more about the way Robit plans to generate value to all the stakeholders in a sustainable way. Company also shared its view related to the market trends.

October
Robit took part in the XXXIV International Mining Convention, Mundo Imperial, Acapulco, one of the most important mining events in Latin America.

December
Robit took part in at the biggest groundwater industry event – Groundwater Week in Nashville, Tennessee, USA. The Robit Team introduced the widest range of top quality well drilling tools: DTH hammers, pilot bits, ring bits (casing advanced and under reamer systems), DTH bits, rotary bits, drill pipes, shock absorbers, subs, check valves, hammer sleeves and accessories.

Market Overview

Drilling consumables manufactured and supplied by Robit are used for the needs of the mining, quarrying and forepoling, underground construction and well drilling industries.

The overall market situation in 2021 was good and COVID-19 had only a limited impact on demand. Demand in the mining industry returned to good levels and mines did not experience the same COVID-19-related disruptions as in 2020. Demand in the construction industry was largely at a good level in Robit's key markets.

Robit's present market share, competitive products and the steady demand typical for consumables ensure good opportunities for Robit to grow by gaining market share from other operators in the industry. In addition, the company expects the overall market to grow beyond economic cycles by approximately 3–5% per year.

AMERICAS

Demand in the Americas clearly strengthened compared to the previous year. Temporary mine closures and disruptions to construction activity caused by the restrictive measures experienced in 2020 were not seen at significant levels in 2021.

Robit's strong growth in the Americas was mainly driven by the realization of growth projects during the year. This development was supported by the return to normal levels of activity for existing mining customers in Peru. Robit succeeded in winning new mining accounts in North and South America. The company also experienced strong growth in the construction segment in the USA and Canada, together with distributors.

During the year, Robit strengthened its sales coverage in the mining segment by signing two new distributor agreements, both having significant business with several mining companies in the USA and Canada. These partnerships will open up good growth opportunities for Robit in the USA and Canadian mining markets.

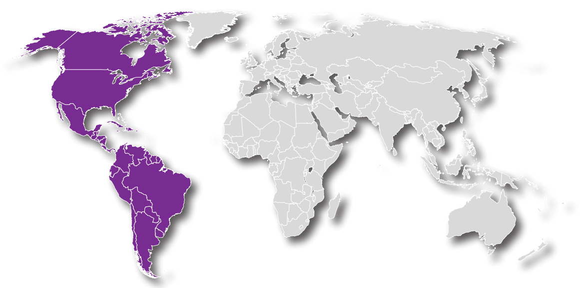
EMEA

The EMEA sales area is divided into four main regions: the Nordic countries, Central Europe, the Middle East and Africa.

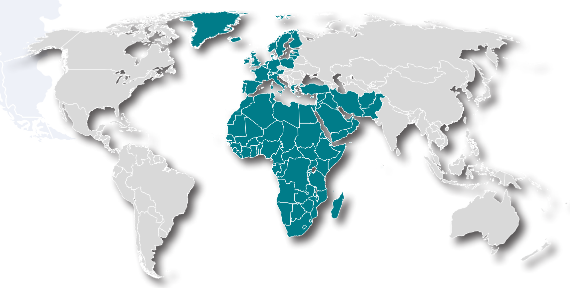
In the Nordic countries, overall demand was at a good level across all customer segments. The piling market for infrastructure construction was active in Finland and Norway. The geothermal well drilling market was very strong in Finland and Sweden. Mining activity continued steadily at a good level.

The Central European market is focused on infrastructure construction. Overall, demand in the sales area was at a satisfactory level.
Demand in the Middle Eastern and African market is concentrated in the mining sector, where activity was at a good level. During 2020, COVID-19 shut down mines in South Africa. Similar situations were not seen in 2021, and the mines operated normally.

Robit's growth was driven by success in all target markets in the Nordic countries, winning new mining customers in the Middle East and southern Africa, and the return of existing customers to normal operations in South Africa.



14.0 NET SALES 2020 | M€ | **20.0** NET SALES 2021



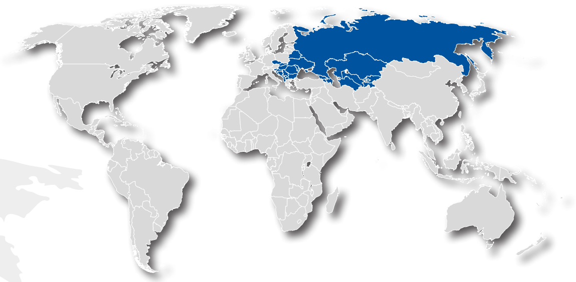
40.0 NET SALES 2020 | M€ | **45.3** NET SALES 2021

EAST

In the East sales area, demand for mining was stable and mines operated without significant interruption throughout the pandemic. In the last quarter of the year, Robit won a significant new mining account in Russia and increased its share of the drilling equipment needs of the region's largest mining customer.

In construction, demand clearly slowed down in large infrastructure projects using the piling rigs that are part of Robit's DTH business.

The decline in Robit's East sales area's net sales was related to a drop in demand for project work after a strong 2020. Several major projects are still in the pipeline in the sales area, but their launch has been delayed.



12.5 NET SALES 2020 — M€ — **10.7** NET SALES 2021

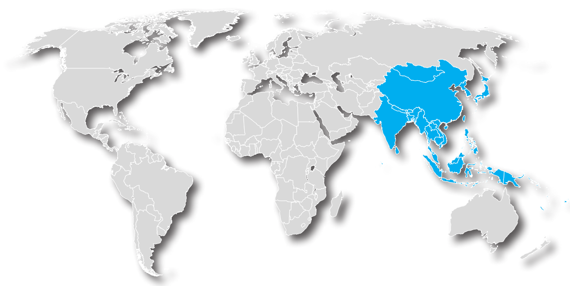
ASIA

Robit's business in Asia is mainly related to the construction industry. The market situation in Asia varied from country to country. During the year, Robit managed to increase its sales coverage in Malaysia where the company signed a distribution agreement with a new partner. After a challenging start to the year, the situation turned around and sales increased during the last quarter. Before the turn of the year, Robit, together with a Vietnamese distributor, won a major mining contract in Laos. The company is well positioned to grow in the Asia sales area, together with its network of distributors in all key markets.

AUSTRALASIA

Robit's business in Australasia is mainly related to the mining customer segment. The demand situation was good, and the mines operated without significant disruption throughout the pandemic. High mineral prices significantly increased the demand for exploration drilling in particular. During the year, growth in the exploratory drilling market was constrained by the availability of skilled personnel. Existing capacity was at a high level of utilization.

Robit has one major long-term mining customer in Australia. This customer accounts for a significant share of Robit's Australian net sales. Robit managed to strengthen its position mainly through small- and medium-sized contractors.



11.4 NET SALES 2020 — M€ — **10.8** NET SALES 2021

13.7 NET SALES 2020 — M€ — **14.0** NET SALES 2021

CEO's Review

Robit's growth and profitability continued to develop positively in 2021. For the first time in the company's history, net sales exceeded EUR 100 million and totalled EUR 100.8 million (91.6). There was an increase of 10% from 2020. Orders received increased by 13%. The year ended well in terms of sales. In the last quarter of the year, net sales grew by 11% and orders by 29.8%. This was the first quarter in which orders exceeded EUR 30 million. Robit's profit for the financial year turned positive, although profitability development was held back by cost inflation and supply chain challenges. The EBITDA for the financial period was EUR 7.6 million (5.1), up 48.4% on the corresponding period.

In the last quarter, the EBITDA was EUR 1.7 million (2.1). Profitability in the last quarter was particularly weakened by high freight costs. Raw material costs rose rapidly during the year. Result impacts were limited by pricing and procurement measures. Already at the end of 2020, the challenges for global container traffic and the rapid growth in sales of Top Hammer products led to many measures aimed at safeguarding the level of customer service. These measures raised our inventory levels as we prioritised ensuring availability.

The share of the mining industry increased to about 60 percent of 2021 sales."

Tommi Lehtonen
CEO

Success in Business Growth

During 2021, we managed to grow our business, especially in the Top Hammer and mining customer segments. We won several new mining contracts in all markets, and the Top Hammer business continues to have good growth prospects. The share of the mining industry increased to about 60% of 2021 sales.

The Down the Hole business developed unevenly across markets. Down the Hole involves significant project business, which results in fluctuations in demand. We will continue to systematically develop sales of Down the Hole products for both mining and construction into new markets with clear geographical priorities.

The challenges associated with container transport, combined with rapid growth, caused bottlenecks in the supply chain during the year. This development was already visible at the end of 2020, and provisions were made for it, including by increasing inventory levels. During the year, decisions were also made on investments of around EUR 6 million, mainly related to Top Hammer production, with the aim of ensuring sufficient supply capacity to support the growth in the coming years. The new capacity was partly available in the last quarter of the year and will be at full capacity in the first quarter of 2022. During the financial period, many ad hoc arrangements were made in relation to ensuring customers' deliveries, which resulted in additional costs affecting the company's profitability, for example due to air freight.

In 2021, raw material prices rose rapidly. This trend was already visible at the end of 2020, and the impact of cost inflation was also limited by increasing orders for raw materials until the end of 2020. These measures helped to postpone the impact of the rise in raw material prices until the second half of the year. In line with the strategy, the share of new, more cost-effective suppliers was increased, and price increases were implemented during the year. These measures helped to limit the impact of cost inflation on the company's performance.

Responsibility rooted even more strongly in Robit's daily operations

Robit embedded sustainability plans into its daily operations. All Robit team members and our partners are actively involved in developing the company towards our corporate responsibility goals under four main themes: responsible partnerships, reducing CO2 emissions in the value chain, a happy and prosperous work community and efficiency throughout the product life cycle. In many areas, we already saw good progress in the second half of the year. For each of the main themes, the company has defined indicators and objectives that will be part of the company's incentive scheme in the future.

Determined movement towards strategic goals

During the year, we updated our business plans to support Robit in achieving its strategic goals. The focus of the plans remains on ensuring growth, profitability and cash flow development. At the same time, we decided to invest more strongly in our ability to deliver as well as in our long-term product development.

We clarified and strengthened our sales organisation to ensure that our growth projects progress in line with the priorities we have set. The most significant results were achieved in strengthening the distributor structure. We won new customers both with distributors and in our direct sales regions. Overall, we managed to grow in several markets, and Robit still has significant opportunities for further growth in all our market areas.

During the year, we implemented several development measures to strengthen our sales margin. We managed to increase the share of purchases from new, more cost-effective suppliers and we implemented price increases. At the same time, we strengthened our pricing processes during the year. Overall, cost inflation and supply difficulties held back profitability.

An efficient supply chain is an essential part of a competitive company that supplies consumables. In addition to investments, we are taking our order-to-supply chain practices one step further. We strengthened resourcing in this area and implemented a major development project focused on improving factory lead times and the security of supply.

Systematically strengthening supply

We made progress on a broad front during the year. The focus was on strengthening longer-term capabilities through a three-part product development and research programme. We also launched new product ranges, which will simplify the offering and make it more competitive. We also worked closely with key customers, and through this, we were able to develop new products with significantly better performance. The new products developed will serve as the basis for new product ranges to be launched in 2022. We managed to take a clear step forward in strengthening the competitiveness of Robit's offering.


Robit
Robit
FURTHER. FASTER.
HERVANTA
SÄÄKSJÄRVI
HELSINKI

COMPANY


Robit
TECHNOLOGY CENTER
Kotimaista huippulaatua ammattitaidolla
Robit

Product Offering

MINING

Global segment size estimate: 800–1,000 MEUR.

Mining industry development has been positive. Production volumes continue to increase and mines continue to make productivity improvements thus investing in modern technology and innovations.

Robit offering:

- Full range of Top Hammer drill strings for underground drilling, bolting and long hole drilling
- DTH-hammers, bits, tubes, and rotary heads for surface mining
- Digital Services completing the full solution offering

SURFACE DRILLING AND FOUNDATION

Global segment size estimate: 600–800 MEUR.

In foundation works, the drill piling method is gaining market share globally. Infrastructure projects are becoming larger and players becoming bigger as global contractors are increasing their influence on the global market. More and more underground spaces are used for storage or transportation purposes increasing the need for drill and blast equipment.

Robit offering:

- Widest range in piling products with large DTH hammers and locked casing systems
- Full scope of Top Hammer bench and underground drilling tools
- Digital services completing the full solution offering

WELL DRILLING (geothermal and water wells)

Global segment size estimate:
200–300 MEUR.

Global environmental changes and technological advances drives promising growth. Focus increasingly shifting from traditional Nordic markets to warmer areas (geothermal cooling) and water wells.

Robit offering:

- DTH-hammers, DTH bits and locked casing systems for tough ground conditions.

UNDERGROUND CONSTRUCTION

Global segment size estimate:
300–400 MEUR.

Further urbanization and infrastructure development especially in the emerging markets will continue to drive the need for new tunnels and underground construction.

Robit offering:

- Full range of Top Hammer drill strings for face drilling and forepoling as well as for bolting and roof support.

The predictions and opinions concerning segment size and future growth shown above in this report are the views of Robit's 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 environment.

Strategy

Robit is a company focused on drilling consumables. Throughout its history, Robit's strategy has been strong growth and internationalization. The company's main strategic objective is to strengthen and increase its market position and market share in the global drilling tool market.

The key market segments identified in Robit's strategy are mining, underground construction, quarrying and forepoling, and well drilling, particularly for geothermal applications. These segments have a drilling tool market of approximately EUR 2 billion. Robit is currently among the top five operators in this market. The two largest operators, however, account for more than half of the market volume. Robit's goal is to achieve the third largest market share in the global drilling tool business segment.

Global megatrends drive the company's strategy and growth. The two megatrends most significant for Robit are urbanization, which increases underground construction, as well as the depletion of mine ore bodies, which requires more tonnes of rock to be quarried relative to the amount of metal produced. These megatrends also mean more drilling and increased demand for consumables. Although megatrends support the demand for Robit's products, Robit's market potential (target market potential of EUR 2 billion), which is high in view of the company's sales (market share of approximately 5 per cent), and steady demand typical of the consumables business further support the company's development.

Robit is a company investing heavily in growth. The company aims for strong growth in net sales. At the same time, the goal is to ensure the profitability and cash flow that enable investments to be made in the company's growth. Robit's long-term targets are:

- Annual organic growth of 15 percent
- Adjusted EBITDA of 13 percent

Robit's strategy is based on the company values that support the effective implementation of the strategy.

Our values are:

We serve with speed

We drive change

We respect everyone

Robit has systematically built its business model that enables the company to achieve its long-term goals. Robit's strengths and competitiveness are formed by:

- Business model focused on drilling consumables – the company does not operate in the investment product segment
- The industry's largest product offering in drilling consumables
- High quality of products
- Strong distribution channel both through own sales companies and through distribution network
- Competitive and dynamic pricing

Sustainability is an integral part of Robit's business. Robit's sustainability map focuses on four key themes: sustainable partnerships, reducing CO2 emissions in the value chain, a happy and prosperous work community and efficiency throughout the product life cycle. Diversity of personnel is also a key part of the company's strategy. Diversity drives the company's operations and responsible personnel policy. Our goal is to leverage the company's global presence and multiculturalism as a resource and competitive asset.

The company's main areas of focus for development are growth, profitability, processes, and people. For each of these areas, the company has short and long-term action plans that allow the strategic objectives to be achieved.

MARKET SEGMENTS & MEGATRENDS

UNDERGROUND & SURFACE MINING
Lower mineral content; more drilling needed per mineral tonne

CONSTRUCTION
Urbanization, underground construction & infrastructure investments grow

GEOTECHNICAL
More overburden and supporting construction needed for infrastructure buildings

WELL DRILLING
Geoenergy is increasing

VISION

In 2021 net sales: **100.8 M€**
EBITDA **7.6 M€ / 7.5%**

ab. 5% of the global drilling consumables market

2 000 M€
Global Drilling Consumables Market
(excl. China & India)

15% CAGR, 13% EBITDA

Big Goal net sales: **200 M€**

No.1 drilling consumables company
10% of the global drilling consumables market

CUSTOMER VALUE PROPOSITION

EXCELLENT PRICE-QUALITY-PERFORMANCE-RATIO WITH CONSISTENT QUALITY

COMPLETE OFFERING IN DRILLING CONSUMABLES WITH THE CORE OF MARKET'S BEST BITS AND BIT CONCEPTS

BEST IN CLASS AVAILABILITY & SERVICE LEVEL

HIGH QUALITY DRILLING CONSUMABLES

COMPETITIVENESS

DRILLING CONSUMABLES ONLY
Widest offering in
Top Hammer & Down the Hole
High focus on bits – best in the market

GLOBAL COVERAGE & AVAILABILITY
Focus on serving distributor network (+100 pcs)
Own sales teams in 4 mining countries

EFFICIENT MANUFACTURING IN OWN FACTORIES
Price & cost-competitiveness secured by high volume, automation & robotization


Robit
WON

BUSINESS

Top Hammer Business

NET SALES

56.3

MEUR

"During 2022, Robit will continue expanding with the Rbit™ as it is now being deployed to the remaining sizes."

Jorge Leal
Head of Offering

Competitiveness through top quality products

Top Hammer (TH) products are mainly used in mining, underground quarrying, construction and quarrying of rock material. The Top Hammer business comprises rock drilling consumables as well as digital products and services for drilling operations. Robit's Top Hammer offering is continuously evolving, an example of which is the new revolutionary Rbit button bit series launched at the end of 2020 and successfully accepted by Robit's customers during 2021. During 2022, Robit will continue expanding with the Rbit as it is now being deployed to the remaining sizes (from 32 to 57 mm bits).

The quality of Robit Top Hammer has been very consistent throughout the year. It has been a key enabler into achieving sustainable growth, as the company's customers can achieve to drill more meters by utilizing Robit's complete drill string: shanks, couplings, rods, and bits.

The year 2021 was very good for Top Hammer business. No major interruptions in drilling occurred anymore, as compared on year 2020 when the COVID-19 started. The major COVID-19 impact now comes from logistics and raw material instability. Despite these challenges, Top Hammer business grew successfully compared with the year 2020. Growth was 21.4 percent.

During 2021 Robit won several new accounts in mining, which contributed significantly to the company's growth. One key account to mention is for example CODELCO, from Chile, the largest copper producer worldwide.

From Robit's digital product family, the M-Sense, which produces up-to-date hole deviation information was very well accepted by new customers from North America. Also, a new version was launched to be utilized for underground operations.

Top Hammer Outlook for 2022

Mining will continue to be the primary target from Robit. There is still a significant amount of market share for Robit to take into this segment. The focus will continue in the company's key areas. Robit's partnerships in 2022 with the new distributors will further enable the company's success in growth and profitability. The atmosphere is positive towards year 2022 and the Robit family keeps 100 percent committed to continue delivering the best Top Hammer products.

The Top Hammer business comprises rock drilling consumables and digital products and services as well as Casing Systems consumables for forepoling.

In addition to mining and quarrying, Robit Top Hammer consumables are operated in excavated underground facilities, like in Espoo, Finland, Blomminmäki sewage treatment plant, which suppose to be completed during this year.

Down the Hole Business

NET SALES
44.5
MEUR

Robit's Down the Hole business (DTH) accounts for 44 percent of the company's net sales. The company's extensive product range covers all aspects of ground drilling. The Down the Hole business is divided into two areas: DTH products serving the production drilling of the mining and excavation segment, and Geotechnical products specializing in the civil engineering and well drilling segment.

Mining and Excavation Segment

In the mining and excavation segment, Robit continued its systematic work in launching products to new market areas. Several customer tests were delayed as site access to certain mines and regions were restricted due to COVID-19 protocols. Sales development in H2 was positive in this sector where product trials were successful at several "Blue Chip" mining customers. These are currently in the ramp-up sales phase where increased sales will be realized during early 2022. Robit was able to renew all its DTH mining contracts throughout 2021 and the current tender and testing opportunities currently in process will form a good foundation for the expected DTH sales growth in 2022. The decrease of the DTH business in 2021 was -1.8 percent.

Robit launched a new Tubeless DTH hammer series in 2021. Developed on the basis of customer feedback, this product range gives the company the ability to serve the market in key applications where this design is optimized. Further product trials that are ongoing, for instance in the Eastern region are expected to contribute to the DTH growth in 2022.

The DTH mining and excavation segment forms a significant growth opportunity for Robit. At the moment, Robit is focusing on expanding the customer base related to the offering in the key mining markets. Robit sales staff's strong experience in this segment and high-quality offering provide a good basis for sales growth.

Despite travel restrictions during the year, Robit was able to offer several face-to-face global product training sessions for internal staff along with distributors. This training was well received which is key for developing the DTH growth for 2022. Further training sessions will be organized throughout 2022 in order to further develop the DTH focus.

Robit's focus on product development will see new DTH products released during 2022 and will focus on the product performance and sustainability and drive product profitability.

Mining and excavation segment comprises rock drilling Down the Hole consumables. Adam Baker, VP Down the Hole and a huge quarry in UAE where Stevin Rock operates with Robit's consumables.

Geotechnical Segment

Geotechnical business is part of Robit DTH business line dedicated to serve construction and well drilling industries. Main applications for Robit's geotechnical offering are drilled piles, geothermal energy wells, water wells, anchoring and horizontal drilling.

Demand in piling project business in 2021 was good in Nordics and North America throughout the year but in Russia and some other areas projects were delayed. Robit made a significant product launch in 2021 as the second generation of Prime – Robit's most sold product line in foundation drilling – was introduced and widely accepted in the market. During 2021 Robit purchased a product invention and related patents for large size foundation drilling. Product is now in prototype phase and is expected to offer clear benefits in product lifetime. Robit is expecting project business demand to remain in a good level in key markets.

Geotechnical segment comprises ground and well drilling consumables like DTH hammers & bits, Casing Systems, drill pipes, shock absorbers and accessories.

Ville Pohja, VP Geotechnical, introducing the new DTH Prime Ø 1500 mm piling bit before the delivery for the customer.

Down the Hole Outlook for 2022

The outlook for the DTH mining and excavation segment is supported by the mineral market price development and the expected easing of restrictive measures related to the COVID-19 pandemic in the mining industry. Robit's offering and strengthened know-how in the field provide a good basis for growth. Systematic work during 2021 will allow for promising growth opportunities in key mining regions during 2022.

Robit has been aiming to increase market share in geothermal well drilling which is not as prone to volatility as the project-based piling business. Robit has been successful in implementing this strategy and is expecting this growth to continue next year. Robit's products have been received well in the market and the company is constantly further developing them in co-operation with the key customers. Demand overall in geothermal well drilling has been extremely good as all the contractors have been very busy the whole year. Robit expects demand to remain very good in 2022 in this industry which is key for the carbon-free energy transformation.


Robit Consumables for Mining
Widest offering in drilling
Top Hammer; bits, reaming equipment, rods, shanks, couplings, drill tubes, auxiliary tools
(conventional & RC), DTH
accessories
Rotary bits
Hole deviation measurement
S & M Sense Systems for automated and manual hole deviation measuring
Proven quality – manufactured with the automated production lines
100 % recyclable Robit® Green Steel
Robust design for abrasive ground conditions
High penetration rate in hard rock
SAMSUNG

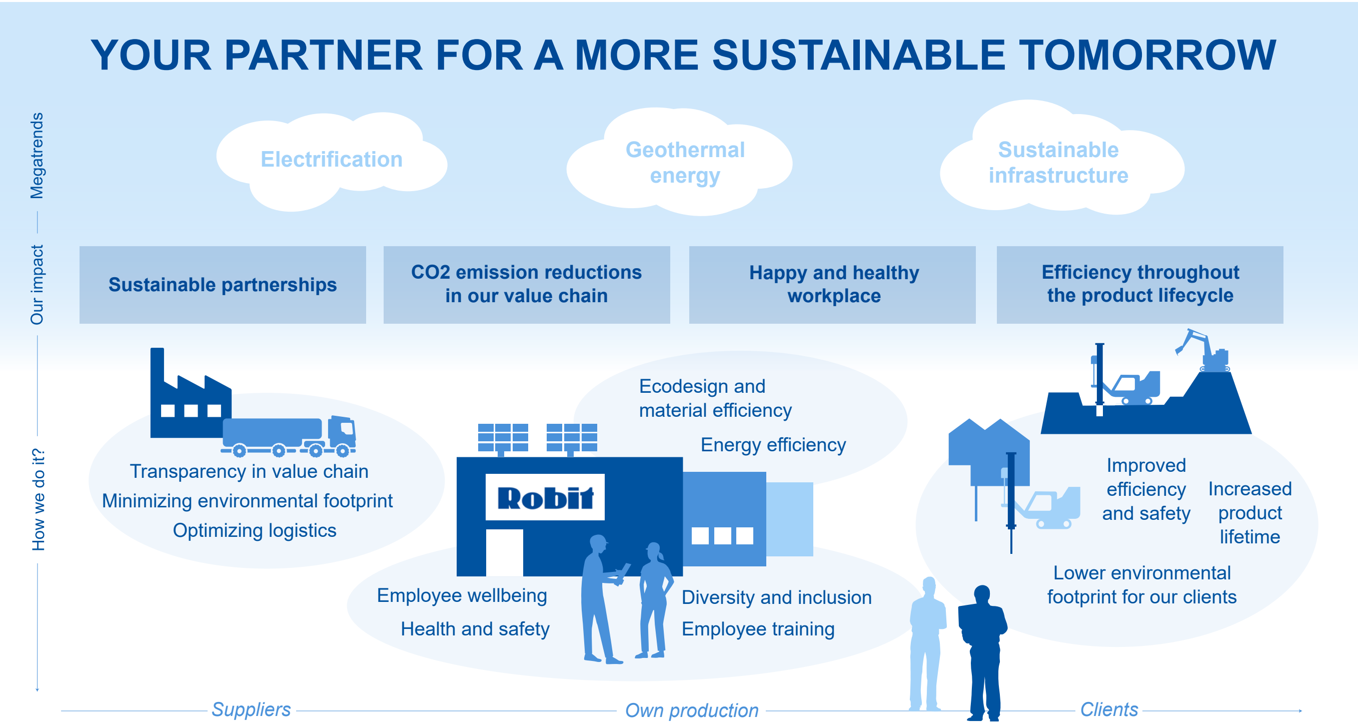
SUSTAIN


Robit
Robit Consumables for Mining
• Widest offering in drilling consumables
Top Hammer: bits, reaming equipment, rods, shanks, couplings, drill tubes, auxiliary tools

ABILITY

Your Partner for a More Sustainable Tomorrow

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



Sustainable Partnerships

Both upstream and downstream in its value chain, Robit develops the sustainability and operational performance of through long term partnerships. Robit works with partners who share similar principles and targets when it comes to environment, social responsibility, and governance.

During 2021 Robit created sustainability compliance documents for it´s important external stakeholders. Distributors having contract with Robit and suppliers serving the needs of Robit production were asked to commit to Robit ESG principles. Partners are engaged to support Robit sustainability targets. Sustainability approach have been added to supplier audit agenda.

KPI: Our target is to have minimum 90 percent of our supplier spend coming from suppliers who have committed to Robit's supply chain policy.

- 2021 KPI result: 79 percent

KPI: Our target is to have minimum 90 percent of our distributors to be committed to Robit's ESG principles, in based of sales volume.

- 2021 KPI result: 42 percent

Robit started to engage distributors and suppliers to the new ESG principles only after the ESG vision and roadmap was launched in late September 2021. Good progress towards set KPI targets was made already in few months.

CO2 Emission Reduction in Our Value Chain

Robit has identified CO2 reduction as one key focus area of sustainability. There are possibilities to effect to CO2 emissions by making changes in company´s own operations. However, it is also recognized that there is potential for improvement by influencing indirect effects and external stakeholders.

As a first step Robit has built CO2 calculation tool to recognize Scope 1 and 2 CO2 emissions caused by Robit´s own operations.

Robit's 2020 carbon footprint (Scope 1 and 2) calculated according to Greenhouse Gas Protocol (GHG protocol) Corporate Standard was 3 383-ton CO2e corresponding to 36.9-ton CO2e per million euro of net sales. To reduce emissions, company have decided to increase share of green energy used in the factories. First change has been utilized in Robit Australian factory in October 2021.

KPI: Robit is committed in reducing its scope 1 and 2 CO2 intensity by 50 percent by 2030 from the baseline year 2020.

- 2021 KPI result: 36,7 CO2e per million euro of net sales (2020: CO2e per million euro of net sales), change to baseline -0,5 percent.

No significant change was yet achieved in decreasing CO2 emission. The main reason for this was the higher relative share of production especially in company's Korea factory, where the emission factor of the currently available electricity is highest of the Robit factory locations.

Healthy and Happy Workplace

Robit targets to be a desired employer and offer a healthy workplace for its employees. In addition to complying with statutory requirements the company wants to support employee wellbeing and competence development. "We respect everybody" is one of the three Robit values that have been actively communicated to personnel.

Robit continually works to improve safety at the company. There is Robit HSE team in place, which coordinates safety activities within the group. Robit continues to build diversity and inclusion as a natural part of Robit culture. Diversity is already today one of strengths at Robit and there are tens of different nationalities working in the company. Several communication channels for the personnel have been taken into use, including etc. Feeling Pulse for weekly feedback, Yammer for informal discussions, Robit Talks where important topics, like values and company development areas are discussed, and Whistleblowing channel in accordance with the law.

KPI: We target to zero lost time incidents, followed indicator is LTIF (Lost Time Incident Frequency).

- 2021 KPI result: 2,1 (2020: 4,2)

KPI: We constantly improve engagement of our people, followed indicator is PeoplePower® index.

- 2021 KPI result: 68 (2020: 70)

The continuous work done to improve safety culture and practices at Robit showed in the improved results on the LTIF and we continue to strive toward our target. PeoplePower® index dropped from 2020, although was still higher compared to 2019 and 2018. Second year of COVID-19 is visible on the results as remote work and strict safety measures continue to cause additional stress in the workplace.

To reduce emissions, company have decided to increase share of green energy used in the factories. First change has been utilized in Robit Australian factory in October 2021.

Efficiency Throughout Product Lifecycle

To Robit efficiency throughout the product lifecycle means

- material efficiency in product design and production,
- materials are sourced efficiently and from sources that share Robit's ESG vision,
- increasing product lifetime through training and value adding services,
- decreasing waste in customers operations.

Especially big leverage is in optimizing Robit's customers drilling operations. Energy consumption can be reduced, and drilling efficiency increased significantly by optimizing by finding the best ways to use products.

Robit has been training it´s sales and distributors so that they would have better capability to find best products for the end-users and thus support them to perform drilling in effective way. Robit has also drill masters, experts having deeper understanding from the drilling work, who can support also in problem situations. Robit has been able to support its customers to achieve significant improvements in terms of energy saving and/or increased product lifetime. Robit has also accomplished product development projects that pay special attention to material efficiency and drilling efficiency. Examples of such development are Rbit button bit and Prime casing system upgrades.

KPI: Robit is committed to provide at least 1 000 hours of consultative sales training to Robit's and its distributors' sales and technical personnel annually.

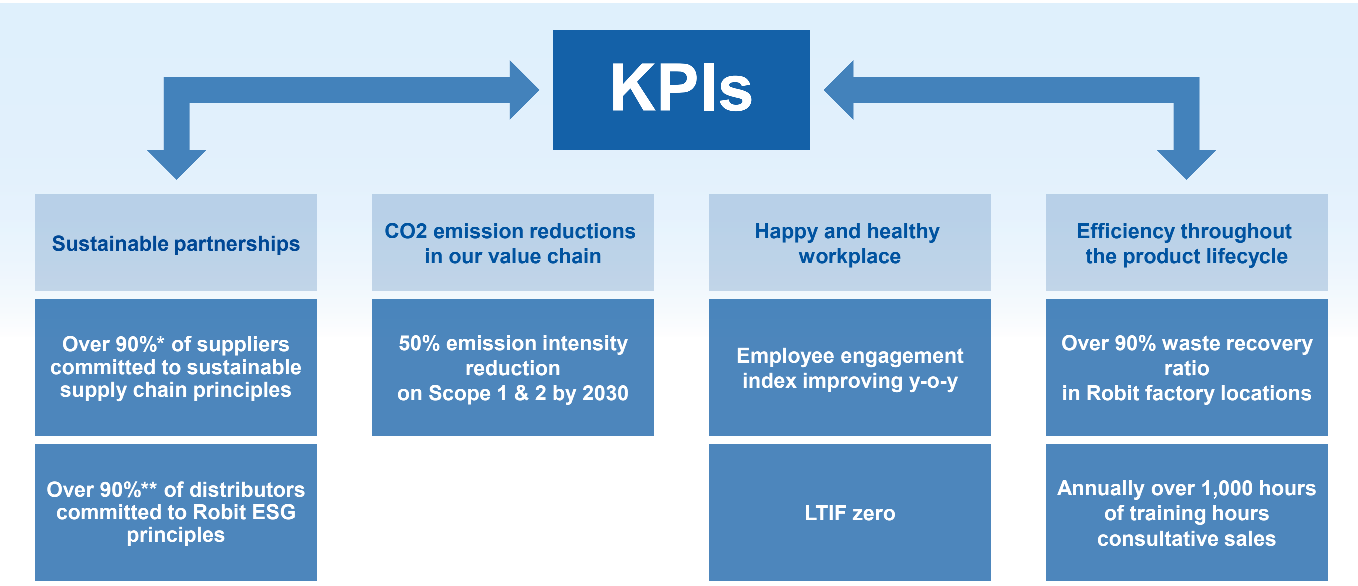
- 2021 KPI result: 921 hours

KPI: To improve material efficiency in internal operations, Robit has set target to achieve over 90 percent waste recovery ratio in Robit factory locations.

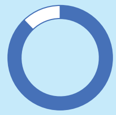
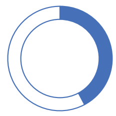
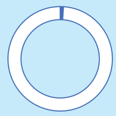
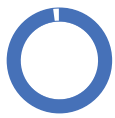
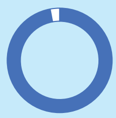
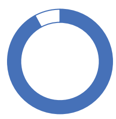
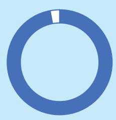
- 2021 KPI result: 87

Good development was shown in both KPI's, which were near the target level. Robit continues to invest into consultative sales training and actively work to improve waste recovery ratio.

Robit is committed to provide at least 1 000 hours of consultative sales training to Robit's and its distributors' sales and technical personnel annually.



* Calculated based on supplier spend
** Calculated based on sales volume

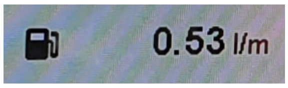
KPI	Target	Result 2021	
Our target is to have minimum 90 percent of our supplier spend coming from suppliers who have committed to Robit's supply chain policy.	90%	79%	
Our target is to have minimum 90 percent of our distributors to be committed to Robit's ESG principles, in based of sales volume.	90%	38%	
Robit is committed in reducing its scope 1 and 2 CO2 intensity by 50 percent by 2030 from the baseline year 2020.	- 50%	- 0,5%	
We target to zero lost time incidents; followed indicator is LTIF (Lost Time Incident Frequency).	0	2,1	
We constantly improve engagement of our people, followed indicator is PeoplePower® index.	>70	68	
Robit is committed to provide at least 1 000 hours of consultative sales training to Robit's and its distributors' sales and technical personnel annually.	1000 h	921 h	
To improve material efficiency in internal operations, Robit has set target to achieve over 90 percent waste recovery ratio in Robit factory locations.	90%	87%	

Customer Case: Optimizing Customer Drilling Operations with Robit Energy Saving Concept

Quarry, Kuopio, Finland

By optimizing drilling operations together with our customers, we have been able to make significant improvements that support our sustainability targets. Main benefits of the concept are improved energy efficiency, increased drilling speed and longer lifetime of the drilling consumables. With help of this concept Robit is able effectively reduce environmental impact related to products of the company.

By optimizing less than 50 drill rigs, CO_2 savings can be well above Robit's 2020 scope 1 and 2 CO_2 emissions.

	Initial Drilling Pressure (215 BAR)	Robit Adjustment (185 BAR)	Effect
			Savings around 0.17 liters per minute of drilling = 10 liters per hour. In one year, savings could equal to 43,800 liters.
	1.275 m/min	1.375 m/min	7.8% faster drilling speed = More meters with less resources. Increased profitability for the customer.
			Reducing the drill string temperature by 20.7 degrees Celsius will help to increase the lifetime of the drilling consumables.

Board of Directors

Harri Sjöholm, b. 1954, M.Sc. (Eng.)
Chairman of the Board since 2018, previously in the Robit Board in 1998–2018. Non-independent of the company and its major shareholders. Major shareholder in Five Alliance Oy, which holds 27,06 per cent of the company's shares.
Share ownership: 31 December 2021
27 860 shares
Committees:
Shareholders' Nomination Committee and Audit- and Working Committee
Main occupation:
Robit, Chairman of the Board
Key positions of trust:
Five Alliance Oy (Chair of the Board), Tampere University of Applied Sciences Foundation (Member of the Board), Kiinteistö Oy Klingendahl (Member of the Board), Kangasalan Välkkyvä Vesijärvi ry (Member of the Board)

Mammu Kaario, b. 1963, Master of Laws with court training, MBA
Vice Chairman of the Board, Member of the Board since 2017. Independent of the company and its major shareholders.
Share ownership: 31 December 2021
22 106 shares
Committees:
Audit and Personnel Committee
Main occupation:
Professional board member
Key positions of trust:
Ilmastorahasto Oy (Member of the Board), University of the Arts Helsinki Investment Committee (Member), CapMan Oyj (Vice Chair of the Board), Ponsse Oyj (Vice Chair of the Board), Aspo Oyj (Vice Chair of the Board), Lapti Group Oy (Member of the Board), Gofore Oyj (Member of the Board), Sibelius Academy Support Foundation (Member of the Board), Epec Oy (Member of the Board), Puuilo Oyj (Member of the Board), SAKA Finland Group Oy (Chair of the Board), Suomen Urheilun Tukisäätiö ry (Member of the Board)

Mikko Kuitunen, b. 1980, M.Sc. (Eng.)
Member of the Board since December 2018. Independent of the company and its major shareholders.
Share ownership: 31 December 2021
13 084 shares
Committees: Personnel committee
Main occupation:
Vincit Plc (Chair of the Board), Digital-age entrepreneur and investor
Key positions of trust:
SoilFood Oy (Member of the Board), Cloudberry Capital Oy (Member of the Board), Pasakuitu Oy (Member of the Board), Koivukuitu Oy (Chair of the Board), OffiStore Oy (Chair of the Board), Vincit Solutions Oy (Chair of the Board), Vincit Plc (Chair of the Board), Leadership as a Service Company Oy (Chair of the Board), Amor & Labor (Member of the Board), Custom SP. Z.O.O. (Member of the Board)

Kalle Reponen, b. 1965, M.Sc. (Econ.)
Member of the Board since 2012. Independent of the company and its major shareholders.
Share ownership: 31 December 2021
33 328 shares
Committees: Working Committee
Main occupation:
Professional board member, independent consultant
Key positions of trust:
Alupro Oy (Chair of the Board), Telamurska Oy (Chair of the Board), Premix Oy (Chair of the Board), Heatmasters Group Oy (Chair of the Board), Combiworks Oy (Chair of the Board), Vexve Armatury Group Oy (Member of the Board), Oy Mapvision Ltd (Member of the Board), Black Bruin Inc. (Member of the Board), Koskitukki Oy (Member of the Board), Design Forum Finland's Centenary Foundation (Member of the Board)

Anne Leskelä, b. 1962, M.Sc. (Econ.)
Member of the Board since April 2020. Independent of the company and its major shareholders.
Share ownership: 31 December 2021
6 226 shares
Committees: Audit and Personnel Committee
Main occupation:
Professional board member
Key positions of trust:
HKScan Corporation (Member of the Board), Componenta Corporation (Vice Chairman of the Board), Kojamo Plc (Member of the Board), ImageWear Oy (Member of the Board), Tammer Brands Oy (Chairman of the Board). Merus Power Oyj (Member of the Board)

Kim Gran, b. 1954, BSc (Econ.)
Member of the Board since April 2020. Independent of the company and its major shareholders.
Share ownership: 31 December 2021
26 226 shares
Committees: Working Committee
Main occupation:
Professional board member
Key positions of trust:
Pohjola Rakennus Oy (Member of the Board)

Robit Plc's Board meetings are also participated by an Employee Representative chosen by Robit personnel. The Employee Representative promotes communication and cooperation between the Board and personnel and brings the personnel's perspective to the Board work. The Employee Representative is not a member of the Board.

Management Team

Tommi Lehtonen, b. 1970, M.Sc. (Tech.)
CEO
Employed by the company since March 2017
Share ownership: 31 December 2021
19 952 shares
Primary work experience:
Metso Minerals Inc., 2016–2017, Head of Mining Business Line, China, India, Asia-Pacific; Metso Minerals Inc., 2014–2015, Senior Vice President, Crushing and Screening Business Line; Metso Minerals Inc., 2012–2014, Senior Vice President, Mobile Equipment Business Unit

Arto Halonen, b. 1981, M.Sc. (Eng.), M.Sc. (Econ.)
CFO
Employed by the company since March 2020
Share ownership: 31 December 2021
20 210 shares
Primary work experience:
Metso Minerals Inc., 2018–2020, Vice President, Crushers; Metso Inc., 2017, Vice President, Strategy and Business Development; Metso Minerals Inc., 2015–2016, Vice President, Global Sales & Marketing

Jaana Rinne, b. 1962, M.Sc. (Econ.)
HR Director
Employed by the company since September 2017
Share ownership: 31 December 2021
14 500 shares
Primary work experience:
Pöyry Plc, 2013–2016, Vice President, Human Resources; Konecranes Plc, 2007–2013, Vice President, Human Resources; Konecranes Plc, 2004–2007, HR Director, BA Service

Information for Shareholders

Annual General Meeting 2022

Robit Plc's Annual General Meeting will be held on Tuesday, 22 March 2022 at 2.00 p.m. (Finnish time) at Hotel Ilves (Ballroom), address Hatanpään valtatie 1, 33100 Tampere, Finland. The reception of persons registered will commence at 1.30 p.m.

The right to attend the general meeting is restricted to those shareholders who, on 10 March 2022 (record date of the general meeting), are recorded as shareholders in the company's shareholder register maintained by Euroclear Finland Ltd. A shareholder whose shares are registered in their personal Finnish book-entry account is registered in the company's shareholder register.

Shareholder who wishes to attend the Annual General Meeting must register for the meeting by giving a prior notice of participation, which has to be received by the company no later than 12 March 2022 at 10.00 am.

Shareholders can register for the General Meeting:

- on the company's web page at www.robitgroup.com or
- by email at investors@robitgroup.com

Registrations must be made before the end of the registration period.

Distribution of funds to shareholders

The Board of Directors proposes to the Annual General Meeting that no dividend be paid for 2021.

Robit Plc's financial information in 2022

In 2022, Robit Plc will publish its financial statement release, half-year financial report and financial reviews for three and nine months as follows:

15 February 2022	Financial statements release for the financial year that ended on 31 December 2021
27 April 2022	Financial review for January–March 2022
9 August 2022	Half-year financial report for January–June 2022
26 October 2022	Financial review for January–September 2022

The company publishes its financial reports and stock exchange releases in Finnish and English. The releases will be available on the company's website www.robitgroup.com after publication.

A press conference for analysts and the media will be held on the publication date of the financial statements and the half-year financial report at a date and time to be announced separately.

Robit observes a silent period of 30 days prior to the publication of the financial statements release and financial reviews. During this period, the company does not comment on the company's financial position or future prospects or meet representatives of the capital market or financial media.

Changes of address

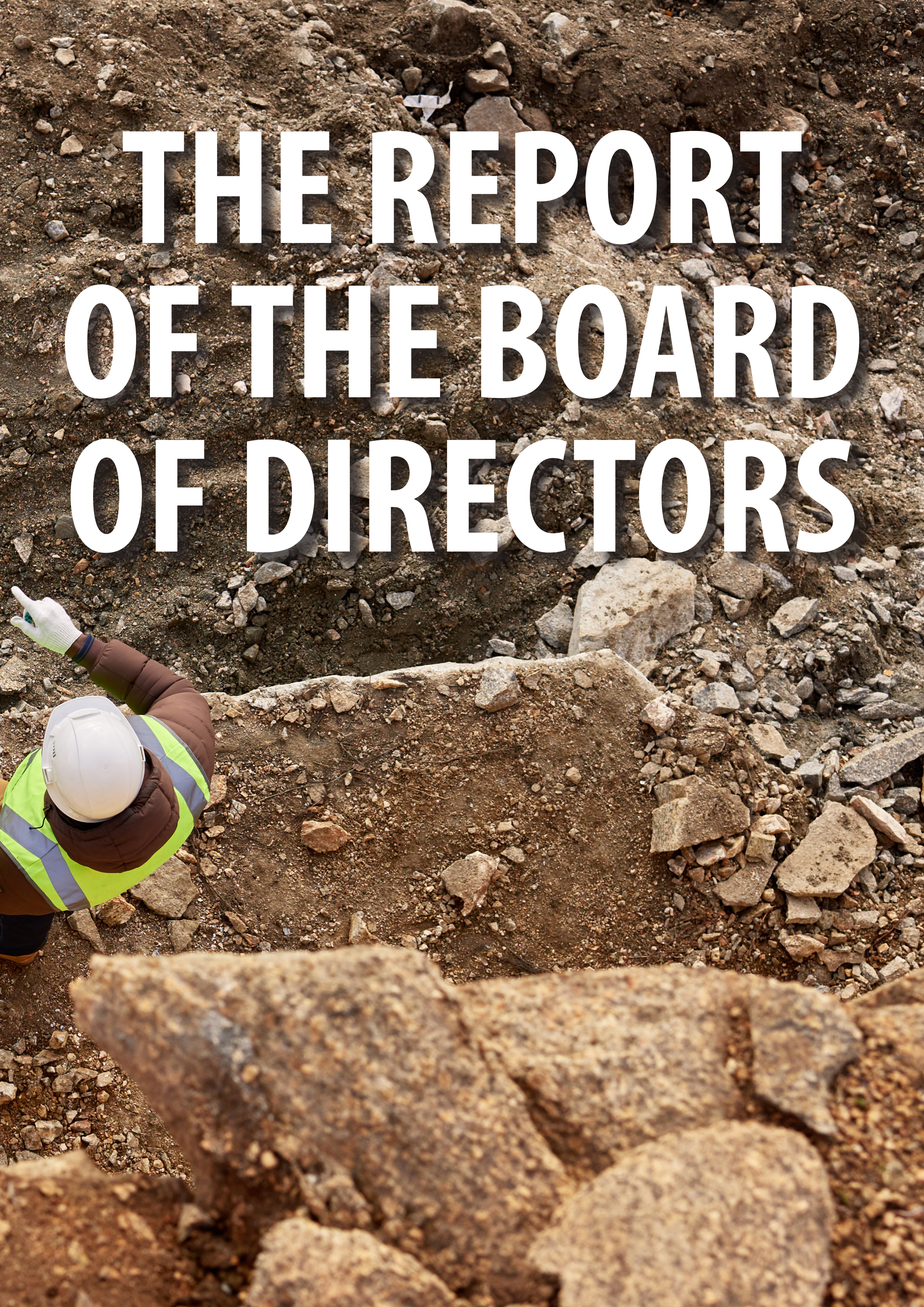
In the event of change of address, Robit shareholders are asked to notify the bank at which they have their book entry account.

Further information:

Violetta Silver, IR and Communications Manager
Tel. +358 (0)3 3140 3400
E-mail: investors@robitgroup.com

Visit address:
Robit Plc
Vikkiniityntie 9
33880 Lempäälä, Finland

THE REPORT OF THE BOARD OF DIRECTORS



The Report of the Board of Directors

Year 2021 in Brief

- Net sales EUR 100.8 million (91.6)
- EBITDA EUR 7.6 million (5.1)
- EBITA EUR 2.9 million (-0.0)
- Operating profit as percentage of net sales (EBIT %) 2.1% (-0.9)
- Review period net income EUR 0.9 million (-2.9)
- Net cash flow for operating activities EUR -4.2 million (4.3)
- Equity ratio at the end of the review period 42.2% (45.5)

Key financials	Q4 2021	Q4 2020	Change %
Net sales, EUR 1,000	26 285	23 691	11.0%
EBITDA*, EUR 1,000	1 650	2 052	-19.6%
EBITDA, % of net sales	6.3%	8.7%	
EBITA, EUR 1,000	543	832	-34.8%
EBITA, % of sales	2.1%	3.5%	
EBIT, EUR 1,000	327	626	-47.8%
EBIT, % of sales	1.2%	2.6%	
Result for the period, EUR 1,000	-152	515	-129.5%
Result for the period, % of sales	-0.6%	2.2%	
Earnings per share (EPS)	0.00	0.02	-104.8%
Return on equity (ROE), %**			
Return on capital employed (ROCE), %**			

Treatment of Result for the Financial Year

The Board of Directors proposes to the Annual General Meeting that the parent company's loss for the financial year ended on 31 December 2021, EUR 1,518,952.39, be transferred to cumulative loss.

Distribution of Funds to Shareholders

The Board of Directors proposes to the Annual General Meeting that no dividend be paid for 2021.

Robit's Outlook for 2022

Robit expects the market situation to remain strong if geopolitical risks do not materialise. 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 2022.

Demand prospects for the mining industry are good for 2022. Demand for consumable parts across cycles is more stable in relation to investment products. The high level of mineral prices and positive outlook are reflected in the prospection drilling activities which are developing well. Prospection drilling is a cyclical part of the industry, reflecting the mining industry's willingness to invest in future capacity increases. Robit 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 about to be launched support the prospects for 2022.

Guidance for 2022

Robit estimates that net sales for 2022 will grow and adjusted EBITDA profitability in euros will improve compared with 2021, assuming that there are no significant changes in the exchange rates compared with the end of 2021.

CEO Tommi Lehtonen

Robit's growth and profitability continued to develop positively in 2021. For the first time in the company's history, net sales exceeded EUR 100 million and totalled EUR 100.8 million (91.6). There was an increase of 10% from 2020. Orders received increased by 13%.

The year ended well in terms of sales. In the last quarter of the year, net sales grew by 11% and orders by 29.8%. This was the first quarter in which orders exceeded EUR 30 million.

Robit's profit for the financial year turned positive, although profitability development was held back by cost inflation and supply chain challenges. The EBITDA for the financial period was EUR 7.6 million (5.1), up 48.4% on the corresponding period.

In the last quarter, the EBITDA was EUR 1.7 million (2.1). Profitability in the last quarter was particularly weakened by high freight costs. Raw material costs rose rapidly during the year. Result impacts were limited by pricing and procurement measures. Already at the end of 2020, the challenges for global container traffic and the rapid growth in sales of Top Hammer products led to many measures aimed at safeguarding the level of customer service. These measures raised our inventory levels as we prioritised ensuring availability.

Success in business growth

During 2021, we managed to grow our business, especially in the Top Hammer and mining customer segments. We won several new mining contracts in all markets, and the Top Hammer business continues to have good growth prospects. The share of the mining industry increased to about 60% of 2021 sales.

The Down the Hole business developed unevenly across markets. Down the Hole involves significant project business, which results in fluctuations in demand. We will continue to systematically develop sales of Down the Hole products for both mining and construction into new markets with clear geographical priorities.

The challenges associated with container transport, combined with rapid growth, caused bottlenecks in the supply chain during the year. This development was already visible at the end of 2020, and provisions were made for it, including by increasing inventory levels. During the year, decisions were also made on investments of around EUR 6 million, mainly related to Top Hammer production, with the aim of ensuring sufficient supply capacity to support the growth in the coming years. The new capacity was partly available in the last quarter of the year and will be at full capacity in the first quarter of 2022. During the financial period, many ad hoc arrangements were made in relation to ensuring customers' deliveries, which resulted in additional costs affecting the company's profitability, for example due to air freight.

In 2021, raw material prices rose rapidly. This trend was already visible at the end of 2020, and the impact of cost inflation was also limited by increasing orders for raw materials until the end of 2020. These measures helped to postpone the impact of the rise in raw material prices until the second half of the year. In line with the strategy, the share of new, more cost-effective suppliers was increased, and price increases were implemented during the year. These measures helped to limit the impact of cost inflation on the company's performance.

Responsibility rooted even more strongly in Robit's daily operations

Robit embedded sustainability plans into its daily operations. All Robit team members and our partners are actively involved in developing the company towards our corporate responsibility goals under four main themes: responsible partnerships, reducing CO2 emissions in the value chain, a happy and prosperous work community and efficiency throughout the product life cycle. In many areas, we already saw good progress in the second half of the year. For each of the main themes, the company has defined indicators and objectives that will be part of the company's incentive scheme in the future.

Determined movement towards strategic goals

During the year, we updated our business plans to support Robit in achieving its strategic goals. The focus of the plans remains on ensuring growth, profitability and cash flow development. At the same time, we decided to invest more strongly in our ability to deliver as well as in our long-term product development.

We clarified and strengthened our sales organisation to ensure that our growth projects progress in line with the priorities we have set. The most significant results were achieved in strengthening the distributor structure. We won new customers both with distributors and in our direct sales regions. Overall, we managed to grow in several markets, and Robit still has significant opportunities for further growth in all our market areas.

During the year, we implemented several development measures to strengthen our sales margin. We managed to increase the share of purchases from new, more cost-effective suppliers and we implemented price increases. At the same time, we strengthened our pricing processes during the year. Overall, cost inflation and supply difficulties held back profitability.

An efficient supply chain is an essential part of a competitive company that supplies consumables. In addition to investments, we are taking our order-to-supply chain practices one step further. We strengthened resourcing in this area and implemented a major development project focused on improving factory lead times and the security of supply.

Systematically strengthening supply

We made progress on a broad front during the year. The focus was on strengthening longer-term capabilities through a three-part product development and research programme. We also launched new product ranges, which will simplify the offering and make it more competitive. We also worked closely with key customers, and through this, we were able to develop new products with significantly better performance. The new products developed will serve as the basis for new product ranges to be launched in 2022. We managed to take a clear step forward in strengthening the competitiveness of Robit's offering.

Net Sales

Net sales by product area

EUR thousand	Q4 2021	Q4 2020	Change %	2021	2020	Change %
Top Hammer	15 910	11 284	41.0%	56 287	46 348	21.4%
Down the Hole	10 375	12 407	-16.4%	44 468	45 283	-1.8%
Total	**26 285**	**23 691**	**11.0%**	**100 755**	**91 631**	**10.0%**

The Group's net sales in the fourth quarter of the year totalled EUR 26.3 million (23.7). There was an increase of 11% from the corresponding period (6.9). In constant currencies, the change was 9% (14.1).

The Group's net sales in January–December totalled EUR 100.8 million (91.6). There was an increase of 10% from the corresponding period (6.0). In constant currencies, the change was 10.7% (10.8).

The Top Hammer business continued to grow strongly in the fourth quarter, with net sales growing by 41%. In January–December, Top Hammer net sales grew by 21.4% to EUR 56.3 million (46.3). The growth of the business has been supported in particular by the new mining customers gained.

The Down the Hole business decreased by -16.4% in the fourth quarter. In January–December, the net sales decreased by -1.8% to EUR 44.5 million (45.3). The decrease in net sales came from the Geotechnical segment, where the activity of the project business was lower than in 2020. The Down the Hole business grew in the mining and excavation segment, but the growth was lower than the company's targets.

Net sales by market area

EUR thousand	Q4 2021	Q4 2020	Change %	2021	2020	Change %
EMEA	11 276	9 289	21.4%	45 298	40 028	13.2%
Americas	5 738	4 000	43.4%	19 960	14 008	42.5%
Asia	3 128	2 789	12.1%	10 771	11 397	-5.5%
Australasia	3 649	3 519	3.7%	14 001	13 654	2.5%
East	2 495	4 094	-39.1%	10 725	12 544	-14.5%
Total	**26 285**	**23 691**	**11.0%**	**100 755**	**91 631**	**10.0%**

The company's strong growth continued in the fourth quarter in the Americas region, where net sales grew by 43.4%. Growth was strong in both South and North America. Net sales also grew in the EMEA, Asia and Australasia regions. The East region was clearly left behind the exceptionally strong corresponding quarter. There were significant project deliveries during the corresponding period in 2020.

In January–December, the company's growth was especially driven by the Americas and EMEA regions. In the East region, low project activity in the Geotechnical segment was reflected in declining net sales. Other segments in the East region increased. Net sales in the Asia region fell by -5.5% due to the low demand in the early part of the year. In the Australasia region, the company grew by 2.5%.

Profitability

Key figures

EUR thousand	Q4 2021	Q4 2020	Change %	2021	2020	Change %
EBITDA, EUR 1,000	1 650	2 052	-19.6%	7 595	5 116	48.4%
EBITDA, % of net sales	6.3%	8.7%		7.5%	5.6%	
EBIT, EUR 1,000	327	626	-47.8%	2 080	-868	339.8%
EBIT, % of net sales	1.2%	2.6%		2.1%	-0.9%	
Result for the period, EUR 1,000	-152	515	-129.5%	886	-2 894	130.6%
Result for the period, % of sales	-0.6%	2.2%		0.9%	-3.2%	

The EBITDA for the fourth quarter was EUR 1.7 million (2.1). The EBITDA's share of net sales was 6.3% (8.7). The company's EBIT was EUR 0.3 million (0.6). The EBIT was 1.2% (2.6) of the review period net sales. The result was weakened by increased logistical and raw material costs.

In January–December, the EBITDA was EUR 7.6 million (5.1). The EBITDA's share of net sales was 7.5% (5.6). The company's EBIT was EUR 2.1 million (-0.9). The EBIT was 2.1% (-0.9) of the net sales.

Improved operating profit in the financial period was supported by increased net sales, measures taken in the pricing and management of pricing as well as the gradual realisation of savings in acquisitions. High freight costs and the globally increased costs of raw materials created cost pressure, especially towards the end of the year. Securing customer service and the delivery pipeline for new customers also caused higher than normal freight costs during the comparison period.

Financial income and expenses in the fourth quarter totalled EUR -0.3 million (-0.4), of which EUR -0.3 million (-0.4) was interest expenses and EUR 0.1 million (0.1) exchange rate changes. Review period net income was EUR -0.6 million (0.5).

In January–December, financial income and expenses totalled EUR -1.3 million (-2.7), of which EUR -1.2 million (-1.1) was interest expenses and EUR 0.1 million (-1.3) exchange rate changes. The result for the financial period improved to EUR 0.4 million (-2.9).

Cash Flow and Investments

Consolidated cash flow statement

EUR thousand	Q4 2021	Q4 2020	2021	2020
Net cash flows from operating activities				
Cash flows before changes in working capital	1 707	2 382	7 826	7 160
Cash flows from operating activities before financial items and taxes	-237	4,401	-2 785	5 555
Net cash inflow (outflow) from operating activities	-449	4 107	-4 174	4 263
Net cash inflow (outflow) from investing activities	-1 454	-991	-3 885	-1 173
Net cash inflow (outflow) from financing activities	2 391	-2 184	3 091	-3 626
Net increase (+)/decrease (-) in cash and cash equivalents	487	932	-4 968	-536
Cash and cash equivalents at the beginning of the financial year	8 926	13 235	14 339	15 248
Exchange gains/losses on cash and cash equivalents	113	174	154	-370
Cash and cash equivalents at end of the year	**9 525**	**14 339**	**9 525**	**14 339**

The Group's cash flow before changes in working capital during the fourth quarter was EUR 1.7 million (2.4). The net cash flow for operating activities was EUR -0.4 million (4.1). The changes in working capital had an impact of EUR -1.9 million (2.0). The growth in sales and other receivables had an impact on cash flow of EUR -0.4 million and on inventories of EUR -1.5 million. The growth in inventories primarily came from the growth in inventories in the Top Hammer business. The increase in account payables and other payables had an impact of EUR -0.1 million on the cash flow from operating activities. The net cash flow from operations in the financial period was EUR -4.2 million (4.3).

The net cash flow from investing activities in the fourth quarter was EUR -1.5 million (-1.0). Gross investments in production during the review period totalled EUR 1.5 million (0.9). The investments' share of net sales was 6% (4.0). The investments were mainly directed at the company's factories in South Korea and Lempäälä, Finland. The investments are aimed at responding to the growth of the Top Hammer business. The net cash flow for investment activities in the financial period was EUR -3.9 million (-1.2).

The net cash flow from financing activities for the fourth quarter was EUR 2.4 million (-2.2). Net changes in loans totalled EUR -0.4 million (-1.9). The change in bank overdrafts was EUR 3.3 million (0.1). The repayment of lease liabilities reported in net cash flow from financing activities under IFRS 16 totalled EUR -0.5 million (-0.4). The net cash flow from financing activities in the financial period was EUR 3.1 million (-3.6).

Depreciation, amortisation and write-downs in the fourth quarter totalled EUR -1.3 million (-1.4). Of this, EUR 0.2 million related to amortisation of customer relationships and brand value from business acquisitions. Depreciation, amortisation and write-downs in the financial period totalled EUR -5.5 million (-6.0).

Financial Position

	31 December 2021	31 December 2020
Cash and cash equivalents, EUR thousand	**9 525**	14 339
Interest-bearing liabilities, EUR thousand	**41 522**	35 567
of which short-term interest-bearing financial liabilities:	**10 500**	11 154
Net interest-bearing debt, EUR thousand	**31 996**	21 228
Undrawn credit facility, EUR thousand	**2 738**	261
Gearing, %	**65.1%**	45.2
Equity ratio, %	**42.2%**	45.5

The Group had interest-bearing debt amounting to EUR 41.5 million (35.6), of which EUR 7.7 million (6.4) was interest-bearing debt under IFRS 16. The Group's liquid assets totalled EUR 9.5 million (14.3). Interest-bearing net liabilities were EUR 32.0 million (21.2), and interest-bearing net bank debt without IFRS 16 debt impact was EUR 24.3 million (14.8).

The Group's equity at the end of the review period was EUR 49.1 million (47.0). The Group's equity ratio was 42.2% (45.5) and its net gearing was 65.1% (45.2).

Personnel and Management

The number of personnel increased by 12 from the end of the comparison period, and at the end of the review period it was 273 (261). At the end of the review period, 72% 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 adjusted EBITDA profitability of 13%.

	Long-term target	2019	2020	2021
Net sales growth, %	15%	4.6%	6.0%	10.0%
Adjusted EBITDA, % of net sales	13%	3.1%	5.6%	7.5%

Share-Based Incentive Programmes

Share-based incentive scheme 2018–2021

On 15 June 2018, Robit's Board of Directors decided on a new share-based incentive scheme for the Group's management and key personnel. The scheme has three parts: the key person's own investment in the company, reward shares and a performance-based additional share scheme. Obtaining a reward from the share scheme required the acquisition of Robit Plc's shares by the key person. The commitment period of the incentive scheme's additional share scheme allocated in 2018 started on 1 September 2018.

For shares subject to share ownership conditions, the key personnel who joined the scheme in 2018 received shares as a reward after a commitment period of around three years. At the time of allocation, the rewards of the additional share scheme payable on the basis of the commitment period that started on 1 September 2018 were estimated to correspond to the value of a maximum of 24,000 Robit Plc shares, also including the component payable in cash. On 31 May 2021, when the share ownership conditions of the additional share scheme were fulfilled, an amount corresponding to the value of 17,000 Robit Plc shares, also including the component payable in cash, was paid. The targets set for the earning period 2018–2020 of the performance-based additional share scheme were not achieved and, therefore, no reward was payable for the earning period of the performance-based additional share scheme that ended on 31 December 2020. The incentive scheme ended on 31 May 2021 when the rewards of the additional share scheme were paid, and they did not include any transfer restrictions in accordance with the rules of the scheme.

Share-based incentive scheme 2020–2023

On 25 February 2020, Robit's Board of Directors decided on a new share-based incentive scheme for the Group's management and key personnel. The share scheme has three elements: own investment of the key personnel in Robit shares (base share plan), reward shares by the company (matching share plan) and performance-based additional share plan (performance matching plan). The share-based incentive scheme covers 17 individuals. The company's matching shares and performance matching shares will be paid in April 2023. After the payment, the shares will be subject to a transfer restriction for a period of one year. If all three main elements of the scheme are fulfilled in full as determined in the scheme and according to the target setting of the company's Board of Directors, the maximum amount of shares issued based on the scheme will be 441,760 shares, corresponding to 2.1% of the current total share capital.

Share-based incentive scheme 2021–2024

On 15 June 2021, Robit Plc's Board of Directors decided on a performance-based share reward scheme for key personnel.

The share scheme includes earning periods of one and two years. The first earning period of the share scheme comprises the year 2021 and the second earning period comprises the years 2022–2023. The share scheme's potential reward for the one-year earning period 2021 is based on the company's predetermined EBITDA target in the financial statements for 2021. The share scheme's possible reward for the two-year earning period 2022–2023 is based on the company's predetermined average earnings per share in the financial statements for the years 2022 and 2023. The share scheme's possible reward for both earning periods will be paid in May 2024.

The share scheme covers 21 individuals. The total amount of share rewards payable on the basis of the earning periods 2021 and 2022–2023 corresponds to a maximum of 155,000 Robit Plc shares, corresponding to 0.7% of the company's current share capital.

Long-term share-based incentive scheme for the CEO 2019–2024

On 24 September 2019, the Board of Directors of Robit Plc decided on a long-term share-based incentive scheme for the CEO. The scheme covers Tommi Lehtonen, who started as the CEO of the Group on 1 May 2019. The share reward scheme has three earning periods and covers the period from 1 January 2019 to 31 December 2024.

The Board of Directors of Robit Plc sets targets for each two-year earning period starting from 2019. The earning periods end on 31 December 2020, 31 December 2022 and 31 December 2024 respectively. The rewards payable on the basis of this system will correspond to the value of a total of 160,000 Robit Plc shares, also including the amount of money used for taxes and tax-related payments. The number of shares corresponds to approximately 0.8% of the total number of the company's shares.

The rewards of the incentive scheme are paid in three instalments after the end of each earning period. No reward was paid to the CEO for the earning period ending on 31 December 2020.

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 the acquisition of a maximum of 2,108,390 treasury shares and/or accept 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 is proposed to be used e.g. for the purposes of implementing the company's share-based incentive schemes or for other purposes as decided by the Board of Directors.

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

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

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

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

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

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

Report of Other Than Financial Information

Robit is a global growth company selling and manufacturing drilling consumables. The company provides products and services for the needs of the mining and surface mining, quarrying, underground construction and well drilling industries. This strongly internationalised company's offering is divided into three product and service areas: Top Hammer, Down the Hole and Geotechnical. Robit has its own sales and service points in eight countries as well as an active dealership network through which it sells to more than 100 countries. Robit's manufacturing units are located in Finland, South Korea, Australia and the UK. Robit is dedicated to act responsibly in its business. Daily work is directed by strategy, values and operating principles of the Group.

Key principles and obligations supporting other than financial matters' management

Robit follows international and local laws and statutes in force in its business. The company follows also international agreements and recommendations, such as the UN Sustainable Development Goals.

The Code of Conduct guides our responsibility. The induction of every new Robit employee includes the completion of the Code of Conduct eLearning programme. This is to ensure that everyone working in the company knows our Code of Conduct and is committed to it. The Code of Conduct provides guidelines on, among others, the following issues: compliance with laws, human and labour rights, equality, honesty and fair competition. During 2021, all Robit team members completed a refresher course of the Code of Conduct programme.

Sustainability in Robit's daily life

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

Sustainable partnerships

Both upstream and downstream in its value chain, Robit develops the sustainability and operational performance through long-term partnerships. Robit works with partners who share similar principles and targets when it comes to environment, social responsibility, and governance.

In 2021 Robit created sustainability compliance documents for it´s important external stakeholders. Distributors having contract with Robit and suppliers serving the needs of Robit production were asked to commit to Robit ESG principles. Partners are engaged to support Robit sustainability targets. Sustainability approach have been added to supplier audit agenda.

CO2 emission reduction in Robit's value chain

Robit has identified CO2 reduction as one key focus area of sustainability. There are possibilities to effect to CO2 emissions by making changes in company´s own operations. However, it is also recognized that there is potential for improvement by influencing indirect effects and external stakeholders.

As a first step Robit has built CO2 calculation tool to recognize Scope 1 and 2 CO2 emissions caused by Robit´s own operations. Robit's 2020 carbon footprint (Scope 1 and 2) calculated according to Greenhouse Gas Protocol (GHG protocol) Corporate Standard was 3 383-ton CO2e corresponding to 36.9-ton CO2e per million euro of net sales. To reduce emissions, company have decided to increase share of green energy used in the factories. First change has been utilized in Robit Australian factory in October 2021.

2021 KPI result: 36,7 CO2e per million euro of net sales (2020: CO2e per million euro of net sales), change to baseline -0,5 percent.

Healthy and happy workplace

Robit targets to be a desired employer and to offer a healthy workplace for its employees. In addition to complying with statutory requirements the company wants to support employee wellbeing and competence development. "We respect everybody" is one of the three Robit values that have been actively communicated to personnel.

Robit continually works to improve safety at the company. There is a Robit HSE Team in place, which coordinates safety activities within the Group. Robit continues to build diversity and inclusion as a natural part of Robit culture. Diversity is already today one of the strengths at Robit and there are tens of different nationalities working in the company. Several communication channels for the personnel have been taken into use, including etc. Feeling Pulse for weekly feedback, Yammer for informal discussions, Robit Talks where important topics, like values and company development areas are discussed, and Whistleblowing
channel in accordance with the law.

Efficiency throughout product lifecycle

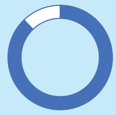
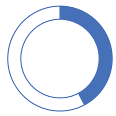
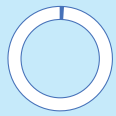
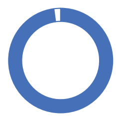
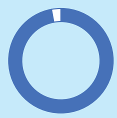
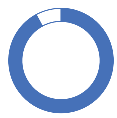
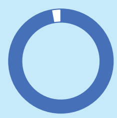
Efficiency throughout the product lifecycle means:

- material efficiency in product design and production,
- materials are sourced efficiently and from sources that share Robit's ESG vision,
- increasing product lifetime through training and value adding services,
- decreasing waste in customers' operations.

Especially big leverage is in optimizing Robit's customers' drilling operations. By optimizing the drilling operation, it is possible to reduce energy consumption and increase rate of penetration and thus drilling efficiency. Robit has been training it´s sales and distributors so that they would have better capability to find best products for the end-users and thus support them to perform drilling in effective way.

ESG KPIs and targets

Robit has defined measurable targets for each four key themes in order to follow the realization of the ESG roadmap. Robit launched the targets as a part of the ESG plan in September 2021.

KPI	Target	Result 2021	
Our target is to have minimum 90 percent of our supplier spend coming from suppliers who have committed to Robit's supply chain policy.	90%	79%	
Our target is to have minimum 90 percent of our distributors to be committed to Robit's ESG principles, in based of sales volume.	90%	38%	
Robit is committed in reducing its scope 1 and 2 $CO2$ intensity by 50 percent by 2030 from the baseline year 2020.	- 50%	- 0,5%	
We target to zero lost time incidents; followed indicator is LTIF (Lost Time Incident Frequency).	0	2,1	
We constantly improve engagement of our people, followed indicator is PeoplePower® index.	>70	68	
Robit is committed to provide at least 1 000 hours of consultative sales training to Robit's and its distributors' sales and technical personnel annually.	1000 h	921 h	
To improve material efficiency in internal operations, Robit has set target to achieve over 90 percent waste recovery ratio in Robit factory locations.	90%	87%	

Shares and Share Turnover

On 31 December 2021, the company had 21,179,900 shares and 4,252 shareholders. The trading volume in January–December was 5,866,628 shares (7,539,280).

The company holds 88,464 treasury shares (0.4% of total shares). On 31 December 2021, the market value of the company's shares was EUR 85.4 million. The closing price of the share was EUR 4.03. The highest price in the review period was EUR 6.46 and the lowest price EUR 3.65.

Shareholding of the board members and management 31 Dec 2021	Shares	Share %
Shareholding of the board members	5 860 397	27,67 %
Harri Sjöholm *	5 759 427	27,19 %
Kim Gran	26 226	0,12 %
Mammu Kaario	22 106	0,10 %
Mikko Kuitunen	13 084	0,06 %
Anne Leskelä	6 226	0,03 %
Kalle Reponen	33 328	0,16 %
Group CEO	19 952	0,09 %
Other management team members	34 710	0,16 %
Total	5 915 059	27,93 %

*27,06 % owned by Harri Sjöholm through Five Alliance Ltd

Shareholdings by owner class (shares) 31 Dec 2021	Owners	Owners %	Votes	Shares	Share %
1 - 100	1 384	32,55	62 792	62 792	0,30
101 - 500	1 437	33,80	400 939	400 939	1,89
501 - 1 000	568	13,36	463 532	463 532	2,19
1 001 - 5 000	669	15,73	1 480 539	1 480 539	6,99
5 001 - 10 000	105	2,47	761 947	761 947	3,60
10 001 - 50 000	66	1,55	1 453 744	1 453 744	6,86
50 001 - 100 000	6	0,14	450 363	450 363	2,13
1 00 001 - 500 000	8	0,19	1 596 016	1 596 016	7,54
500 001 -	9	0,21	14 510 028	14 510 028	68,51
Total	4 252	100	21 179 900	21 179 900	100
In administrative registration	10		782 378	782 378	3,69
In waiting list	0		0	0	0
Shared accounts	0		0	0	0
On special purpose accounts total	0		0	0	0
Shares total			21 179 900	21 179 900	100

Risks and Business Uncertainties

Robit closely monitors the impact of COVID-19 on demand in the sector. In general, customer activities have returned to normal levels. The effects on Robit's operations are now limited and only affect individual countries or regions. COVID-19 continues to restrict travel and thus the implementation of some testing and sales growth projects. 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 design capacity. No disruptions in the supply chain have been identified that cannot be managed, for example, with current inventory levels and supplier cooperation.

The geopolitical situation, which is growing tenser, poses a risk to the company's business. The escalation of the situation may affect the development of net sales and profitability, especially in the East region, which accounts for 11% of the company's sales. In addition, the effects of possible sanctions on the smooth flow of payment transactions pose a risk to the company's cash flow and treasury management.

Other uncertainty factors include exchange rate development, the functioning and commissioning of new information systems, integration of corporate acquisitions, risks related to the security of supply and logistics as well as the 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 financial period.

Other Events in October–December 2021

On 22 October 2021, the company updated its previous profit guidance for 2021. According to the new guidance, Robit Plc expected the market situation to remain at a good level for the rest of the year. The company estimated that net sales would grow and comparable profitability would improve in 2021 as follows: net sales would be EUR 97 to 101 million and adjusted EBITDA would be at least EUR 7 million, assuming that the exchange rates remained at the level of September 2021. According to the old guidance, Robit expected the market situation to develop positively and believed COVID-19 restrictions to have a limited impact on the demand of the company's products in 2021. Robit Plc estimated that net sales for 2021 would grow and adjusted EBITDA profitability in euros would improve compared with 2020.

On 28 October 2021, the company published its interim financial reporting for 1 January–30 September 2021.

On 9 November 2021, the company published the company's schedule for financial information and the Annual General Meeting of 2022.

On 16 December 2021, the Board of Directors of Robit Plc decided to transfer a total of 19,500 shares of the company as Board fees to the members of the Board of Directors on the basis of the Board's 2021 term of office. The transfer was based on the authorisation given by the Annual General Meeting on 25 March 2021. At the closing price of 15 December 2021, the total value of the shares to be transferred was EUR 78,000. It was decided to transfer to CEO Tommi Lehtonen a total of 3,000 shares as part of the fixed annual salary. The transfer was based on the CEO agreement. At the closing price of 15 December 2021, the total value of the shares to be transferred was EUR 12,000.00. It was decided to transfer to CFO Arto Halonen a total of 1,500 shares as part of the fixed annual salary. The transfer was based on the executive employment contract. At the closing price of 15 December 2021, the total value of the shares to be transferred was EUR 6,000.00. Therefore, the total number of shares to be transferred was 24,000 and their total value at the closing price of 15 December 2021 was EUR 96,000. The share rewards were paid with Robit Plc's treasury shares held by the company, so the total number of Robit Plc's shares did not change. Before the transfer, Robit Plc held 112,464 treasury shares, which was 0.5% of the company's entire shareholding, and 88,464 after the transfers, which was 0.4% of the company's total shares. The share rewards were paid by 23 December 2021.

Events After the Review Period

On 20 January 2022, the company published the proposals of Robit Plc's Shareholders' Nomination Committee for the Annual General Meeting of 2022:

The Nomination Committee proposes that the Annual General Meeting elect six (6) members to the Board of Directors.

The Nomination Committee proposes to the Annual General Meeting that Kim Gran, Mikko Kuitunen, Anne Leskelä and Harri Sjöholm be re-elected as members of the Board of Directors for a term ending at the end of the next Annual General Meeting after the election. Of the current members of the Board, Mammu Kaario and Kalle Reponen have announced that they will no longer be available for the election of the members of the Board. Eeva-Liisa Virkkunen and Markku Teräsvasara are nominated as new members.

All candidates have given their consent to the selection and are independent of the company and its major shareholders, with the exception of Harri Sjöholm, who is dependent on the company and its major shareholders. Harri Sjöholm is the majority shareholder in Five Alliance Oy, which holds 27.06% of the company's shares.

The Nomination Committee proposes to the Annual General Meeting that the annual remuneration for the Chairman of the Board is EUR 50,000, 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. 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.

The Nomination Committee also proposes that the Board members and the Chairman be paid a meeting fee of EUR 500 per meeting attended for Board meetings and committee meetings. 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 2022. 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.

The Nomination Committee's proposals will be 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 Shareholders' Nomination Committee that prepared the proposals for the Annual General Meeting of 2022, with Harri Sjöholm (Chairman of the Board of Five Alliance Oy), Tuomas Virtala (CEO, Asset Management of OP Corporate Bank Plc) and Jukka Vähäpesola (CEO of Elo Mutual Pension Insurance Company) as the other members.

On 26 January 2022, the company announced that it was strengthening its management team. As of 26 January 2022, the following key personnel of the company were appointed as new members of Robit's management team: George Apostolopoulos, VP Global Sales; Adam Baker, VP Down the Hole; Jorge Leal, VP Top Hammer and Ville Pohja, VP Geotechnical. CFO Arto Halonen, CEO Tommi Lehtonen and HR Director Jaana Rinne will continue as members of the management team.

Key Figures Summary

	2021	2020	2019	2018	2017
Net sales, EUR 1 000	100 755	91 631	86 482	82 683	88 222
Net sales growth, percent	10 %	6.0 %	4.6 %	-6.3 %	37.7 %
EBITDA, EUR 1 000	7 595	5 116	1 605	-4 782	1 626
EBITDA, percent of sales	7.5 %	5.6 %	1.9 %	-5.8 %	1.8 %
Adjusted EBITDA	7 595	5 116	2 707	-3 529	3 500
Adjusted EBITDA, percent of sales	7.5 %	5.6 %	3.1 %	-4.3 %	4.0 %
EBITA, EUR 1 000	2 940	-48	-4 927	-9 658	-2 734
EBITA, percent of sales	2.9 %	-0.1 %	-5.7 %	-11.7 %	-3.1 %
Adjusted EBITA	2 940	-48	-3 720	-8 405	-861
Adjusted EBITA, percent of sales	2.9 %	-0.1 %	-4.3 %	-10.2 %	-1.0 %
EBIT, EUR 1 000	2 080	-868	-5 767	-29 800	-3 640
EBIT, percent of sales	2.1 %	-0.9 %	-6.7 %	-36.0 %	-4.1 %
Result of the period, EUR 1 000	886	-2 894	-7 265	-31 384	-5 190
Result of the period, percent of sales	0.9 %	-3.2 %	-8.4 %	-38.0 %	-5.9 %
Earnings per share (EPS), EUR	0.04	-0.14	-0.35	-1.49	-0.27
Return on equity (ROE), percent	1.8 %	-5.9 %	-13.4 %	-41.9 %	-7.3 %
Return on capital employed (ROCE), percent	2.5 %	-2.6 %	-8.7 %	-27.5 %	-5.8 %
Adjusted return on capital employed (ROCE), percent	2.5 %	-2.6 %	-7.4 %	-26.4 %	-4.2 %
Net interest-bearing debt, EUR 1 000	31 996	21 228	22 967	15 810	7 752
Equity ratio, percent	42.2 %	45.6 %	47.4 %	49.3 %	57.6 %
Equity per share, EUR	2.33	2.23	2.41	2.74	4.37
Net gearing, percent	65.1 %	45.2 %	45.3 %	27.4 %	8.4 %
Gross investments, EUR 1 000	4 293	1 281	1 375	4 630	13 341
Gross investments, percent of sales	4.3 %	1.4 %	1.6 %	5.6 %	15.1 %
Gross investments, excl. Acquisitions, EUR 1 000	4 293	1 281	1 375	4 630	11 139
R&D costs, EUR 1 000	436	566	569	1 228	1 482
R&D costs, percent of sales	0.4 %	0.6 %	0.7 %	1.5 %	1.7 %

	2021	2020	2019	2018	2017
Average number of employees	267	257	274	308	296
Number of employees at the end of period	273	261	252	286	329
Dividend, EUR *	0.0	0.0	0.0	0.0	0.1
Dividend of the result, percent	0.0 %	0.0 %	0.0 %	0.0 %	-37.0 %
Effective dividend yield	0.0 %	0.0 %	0.0 %	0.0 %	1.5 %
Price / earnings	213	-27	-8	-1	-37
Share price at the end of period	4.03	3.65	2.90	1.64	6.47
Lowest	3.65	1.7	1.58	1.58	6.42
Highest	6.46	3.65	3.97	8.18	11.73
Market capitalisation, EUR million	85.4	76.9	61.1	34.6	135.9

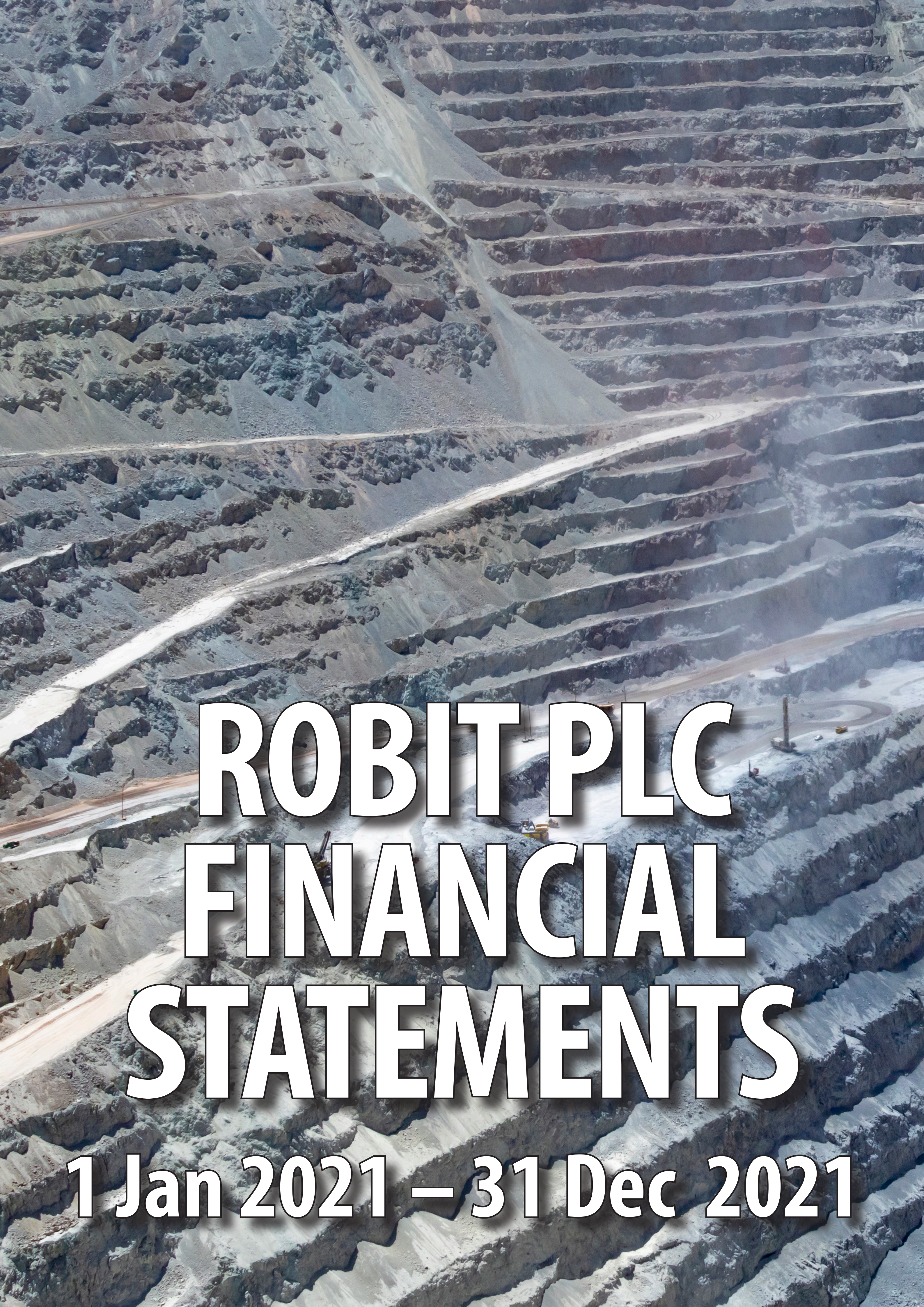
Corporate Governance Statement and Remuneration Review

Robit Corporate Governance Statement for 2021 is published as a separate statement on Robit's website:
https://www.robitgroup.com/investor/corporate-governance/corporate-governance-statement/

Robit Remuneration Report 2021 is published as a separate statement on Robit's website:
https://www.robitgroup.com/investor/corporate-governance/remuneration-statement/

Lempäälä, 15 February 2022

ROBIT PLC
Board of Directors



ROBIT PLC FINANCIAL STATEMENTS

1 Jan 2021 – 31 Dec 2021

Contents

This Financial Statements and Board of Directors' review 2021 have not been prepared in accordance with ESEF (European Single Electronic Format) regulations. The Financial Statements and Board of Directors' review 2021 in accordance with ESEF regulations are available electronically as an xHTML document in which the primary statements in the Financial Statements are marked with XBRL tags. The ESEF requirement is based on the harmonization of transparency requirements for listed companies pursuant to the Transparency Directive (2004/109/EC) and its amending Directive (2013/50/EU), as well as the European Commission Delegation Regulation (2019/815/EU). In Finland, the directive has been implemented in the Securities Markets Act (AML 7:5§). The Financial Statements and Board of Directors' review 2021 in accordance with ESEF regulations are available at www.robitgroup.com.

Consolidated Statement of Comprehensive Income

EUR thousand	Note	1 Jan - 31 Dec 2021	1 Jan - 31 Dec 2020
Net sales	**2.1**	**100 755**	**91 631**
Other operating income	2.4	1 690	2 524
Materials and services	2.2	-65 699	-58 773
Employee benefit expense	2.3	-16 280	-15 747
Depreciation, amortization and impairment	2.5	-5 514	-5 984
Other operating expenses	2.4	-12 871	-14 520
EBIT (Operating profit)		**2 080**	**-868**
Finance income and costs			
Finance income	4.5	924	286
Finance cost	4.5	-2 253	-2 936
Finance income and costs net		-1 329	-2 650
Profit before income tax		**751**	**-3 518**
Income taxes			
Current taxes		-333	-380
Change in deferred taxes		468	1 004
Income taxes	6.2	135	624
Result for the period		**886**	**-2 894**
Attributable to:			
Owners of the parent		843	-2 894
Non-controlling interest		44	0
		886	**-2 894**
Other comprehensive income			
Items that may be reclassified to profit or loss in subsequent periods:			
Cash flow hedges	4.4	45	-
Translation differences	4.1	1 003	-1 088
Other comprehensive income, net of tax		**1 048**	**-1 088**
Total comprehensive income		**1 934**	**-3 981**

EUR thousand	Note	1 Jan - 31 Dec 2021	1 Jan - 31 Dec 2020
Attributable to:			
Owners of the parent		1 892	-3 981
Non-controlling interest		42	0
		1 934	**-3 981**
Earnings per share attributable to the owners of the parent during the year:			
Basic and diluted earnings per share	4.2	**0,04**	-0,14

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

Consolidated Balance Sheet

EUR thousand	Note	31-Dec-21	31-Dec-20
ASSETS			
Non-current assets			
Goodwill	3.1	5 487	5 134
Other intangible assets	3.2	2 695	3 809
Property, plant and equipment	5.1	27 396	24 641
Loan receivables	4.4	287	386
Other receivables		0	3
Derivatives	4.4	56	0
Deferred tax assets	6.2	1 926	1 528
Total non-current assets		**37 847**	**35 500**
Current assets			
Inventories	5.2	43 538	34 857
Account and other receivables	4.4, 5.3	25 337	18 621
Loan receivables	4.4	100	125
Income tax receivable	6.2	57	81
Cash and cash equivalents	4.4	9 525	14 339
Total current asset		**78 557**	**68 023**
Total assets		**116 403**	**103 523**

EUR thousand		31-Dec-21	31-Dec-20
EQUITY AND LIABILITIES			
Equity attributable to owners of the parent			
Share capital	4.1	705	705
Share premium	4.1	202	202
Reserve for invested unrestricted equity	4.1	82 570	82 570
Cumulative translation difference	4.1	-1 793	-2 798
Fair value reserve	4.1	45	-
Retained earnings	4.1	-33 738	-30 796
Profit for the year	4.1	843	-2 894
Equity attributable to parent company shareholders in total		**48 833**	**46 989**
Non-controlling interest		281	-
Total equity		**49 114**	**46 989**

EUR thousand	Note	31-Dec-21	31-Dec-20
Liabilities			
Non-current liabilities			
Borrowings	4.3	25 209	19 247
Lease liabilities	4.3	5 813	5 166
Deferred tax liabilities	6.2	694	798
Employee benefit obligations	2.3	725	628
Total non-current liabilities		32 441	25 838
Current liabilities			
Borrowings	4.3	8 619	9 941
Lease liabilities	4.3	1 881	1 213
Advances received	5.5	771	130
Income tax liabilities	6.2	259	283
Account payables and other liabilities	5.4	23 278	19 029
Provisions	5.5	40	100
Total current liabilities		34 848	30 696
Total liabilities		67 289	56 535
Total equity and liabilities		116 403	103 523

The above consolidated balance sheet should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity

A= Share capital
B = Share premium
C = Reserve for invested unrestricted equity
D = Cumulative translation difference
E = Fair value reserve
F = Retained earnings
G = Equity attributable to parent company shareholders
H = Non-controlling interest
I = Total equity

EUR Thousand	A	B	C	D	E	F	G	H	I
Equity on 31 December 2019	705	202	82 268	-1 710		-30 744			50 721
Other changes*						-223			-223
Equity on 1 January 2020	705	202	82 268	-1 710		-30 968			50 498
Profit for the period						-2 894			-2 894
Other comprehensive income									
Translation difference				-1 088					-1 088
Total comprehensive changes	0	0	0	-1 088		-2 894			-3 981
Equity issue			183						183
Share-based payments to employees			44			172			216
Use of treasury shares			74						74
Total transactions with shareholders, recognised directly in equity	0	0	301	0		172			473
Equity on 31 December 2020	705	202	82 570	-2 798		-33 690			46 989

EUR Thousand	A	B	C	D	E	F	G	H	I
Equity on 1 January 2021	705	202	82 570	-2 798		-33 690	46 989		46 989
Profit for the period						843	843	44	886
Other comprehensive income									
Cash flow hedges					45		45		45
Translation differences				1 005			1 005	-2	1 003
Total comprehensive changes				1 005	45	843	1 892	42	1 934
Share based payments to employees						-142	-142		-142
Use of treasury shares in the remuneration of the Board of Directors						94	94		94
Changes in non-controlling interests							0	240	240
Total transactions with shareholders, recognised directly in equity						-48	-48	240	191
Equity on 31 December 2021	705	202	82 570	-1 793	45	-32 896	48 833	281	49 114

* Other changes include corrections to 2019 IFRS 16 calculations and Robit SA inventory

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Consolidated Statement of Cash Flows

EUR thousand	Note	1 Jan - 31 Dec 2021	1 Jan - 31 Dec 2020
Cash flows from operating activities			
Profit before income tax		751	-3 518
Adjustments			
Depreciation, amortization and impairment charges	2.5	5 514	5 984
Finance income and finance costs	4.5	1 329	2 650
Share-based payments to employees	2.3	-178	182
Loss (+) on sale of property, plant and equipment	2.4	-144	158
Other non-cash transactions		553	1 704
Cash flows before changes in working capital		7 826	7 160
Change in working capital			
Increase (-) in account and other receivables		-6 452	1
Increase (-) / decrease (+) in inventories		-8 187	-5 000
Increase (+) in account and other payables		4 032	3 395
Cash flows from operating activities before financial items and taxes		-2 785	5 555
Interest and other finance expenses paid		-1 046	-1 083
Interest and other finance income received		22	28
Income taxes paid		-365	-238
Net cash inflow (outflow) from operating activities		**-4 174**	**4 263**
Cash flows from investing activities			
Purchases of property, plant and equipment	5.1	-4 169	-1 204
Purchases of intangible assets	3.3	-124	-77
Proceeds from the sale of property, plant and equipment		279	103
Proceeds from loan receivables	4.4	129	6
Net cash inflow (outflow) from investing activities		**-3 885**	**-1 173**

EUR thousand	Note	1 Jan - 31 Dec 2021	1 Jan - 31 Dec 2020
Cash flows from financing activities			
Share issue	4.1	0	79
Distribution of dividends		-9	0
Changes in loans	4.3	5 385	-1 751
Change in bank overdrafts	4.3	-478	-179
Payment of lease liabilities	4.3	-1 807	-1 774
Net cash inflow (outflow) from financing activities		**3 091**	**-3 626**
Net increase (+) / decrease (-) in cash and cash equivalents		-4 968	-536
Cash and cash equivalents at the beginning of the financial year	4.4	14 339	15 248
Exchange gains/losses on cash and cash equivalents		154	-370
Cash and cash equivalents at end of the year	**4.4**	**9 525**	**14 339**

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

1 About the Consolidated Financial Statements

1.1 General Information

These are the consolidated financial statements of Robit Plc (the "Company") and its subsidiaries (together referred as "Robit", or the "Group"). Robit is a Finnish Group that sells and services drilling consumables for global customers for applications in the tunnelling, geothermal heating and cooling, construction and mining industries. Robit has 9 offices and active sales networks in over 100 countries. Robit has production units in Finland, South Korea, Australia and UK.
Robit Corporation is a publicly listed company and its shares are listed on the NASDAQ OMX Helsinki Ltd main list with trading code ROBIT.
Robit Plc, the parent company of Robit is a Finnish public limited liability company. The registered address of Robit Plc is Vikkiniityntie 9, FI-33880 Lempäälä, Finland. Copies of the consolidated financial statements are available at the head office at Robit Oyj and at Robit's home pages www.robitgroup.com.
The Board of Directors of Robit Plc has approved these consolidated financial statements for issue on February 15th, 2022. Under the Finnish Limited Liability Companies Act, shareholders can approve or disapprove the consolidated financial statements in the Annual General Meeting held after the release. The Annual General Meeting is also entitled to amend the consolidated financial statements.

1.2 Basis of Preparation

The consolidated financial statements of Robit have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union, conforming with the International Accounting Standards (IAS) and IFRS standards as well as SIC and IFRIC interpretations applicable as per 31 December 2021. The notes to the consolidated financial statements also comply with the Finnish accounting and corporate legislation complementing the IFRS standards.

The consolidated financial statements of Robit have been prepared on a historical cost basis, except for the derivative financial instruments, that are measured at fair value through profit or loss. Financial statements are presented in thousands of euros. The figures presented in the financial statements are rounded and therefore the sum of individual figures may differ from the presented sum figure. Items included in the financial statements of each of the Group's subsidiaries are measured using the currency of the primary economic environment in which the subsidiary operates ('the functional currency'). The Company's functional currency is euro, which is also the presentation currency of Robit's consolidated financial statements.

Parent company Robit Plc financial statements have been prepared according to Finnish Accounting Standards (FAS).

1.3 Management Judgement and Sources of Uncertainty

The preparation of financial statements requires the use of estimates and assumptions that may affect the recognized amounts of assets and liabilities at the date of the financial statements. In addition, the recognized amounts of net sales and expenses during the periods presented are affected. Actual results may differ from previously made estimates.

The management's assumptions and estimates can be found in the following notes:

Key judgements and estimates	Note
Goodwill impairment testing	3.2.
Fair value of the acquired assets (customer relationships and brand)	3.1.
Other intangible assets (capitalized development expenses)	3.3.
Inventory valuation	5.2.
Deferred tax assets and liabilities	6.2.
Overdue receivables	4.6.

How Should Robit's Financial Statements be Read?

Robit has focused in its financial statements on the information, which it considers to be relevant to the stakeholders and other users of financial statements. The notes to the consolidated financial statements include six sections: About the consolidated financial statements, Robit's performance, Acquisitions and intangible assets, Capital structure and financing, Operating assets and liabilities and Other Notes. Each part includes related significant accounting principles. This presentation aims at providing the reader a clear understanding of the Group's financial position and performance as well as selected accounting policies.

2 Robit's Performance

2.1 Net Sales and Segment Information

Accounting policies

Product sales

Robit enters into contracts with customers to supply its products, such as drill bits and casing systems. In general, these products are standardised and require only limited specifications provided by customers. Robit is responsible for the purchase or production of the products and in some cases also for their delivery. The performance obligation ends when the goods have been delivered to the customer. If the performance obligation ends based on terms of delivery only when the customer has received the goods, sales revenue is recognised at the time of receipt. The time of recognition of sales is specified by terms and conditions in the sales contract, such as based on terms of delivery or the customer's acceptance procedure.

Longer-term supply contracts covering individual purchase orders are also entered into with customers, for example for the supply of consumables for mines or projects. The performance obligations associated with these longer-term contracts are recognised based on terms of delivery at the time of delivery and are not partially recognised, for example based on the degree of completion of the projects over time, because Robit's products are consumables in nature. Return or repayment obligations are generally not associated with supply contracts. Robit is responsible for ensuring that the products meet the customer's order in terms of technical specifications and also Robit's own quality standards at the time of delivery. If a technical or qualitative problem due to Robit is identified in a product, Robit is obliged to supply to customer with replacement products. These obligations are assessed for each contract in turn, and a separate warranty provision is recognised for them (presented in Note 5.5). Because the products are consumables in nature, no long-term warranty obligations that could be payable in future financial years are associated with the products.

Some customer contracts may contain a variable discount component that allows the customer to receive a quantity discount if the quantities of the original delivery contract are exceeded. In these cases, the realisation of the quantity discount is estimated for each contract in turn and deducted for sales revenue based on the most probable value. The significance of such contracts for the recognition of Robit's sales revenue is currently very minor, however. For these reasons, no significant judgmental decisions are made in the recognition of sales revenue.

Terms of payment and payment periods vary from customer to customer. The applied terms of payment and length of payment period granted to the customer are influenced by, among other things, the geographical location of the customer and the production plant and their distance from each other. In addition, the customer's terms of payment are influenced by the customer-specific credit risk, which is assessed based on the customer's geographical location, the customer's financial situation and the customer's previous payment behaviour. Typically, credit terms of payment are used with customers in cases where the performance obligation ends before payment is received from the customer. Cash discounts are generally not used but, if they are used, the cash discounts given are deducted from net sales. With some customers, an advance payment principle is applied, and the advance payments received from customers are entered in the balance sheet (disclosed in Note 5.6). Significant credit components are generally not associated with sales transactions.

Sales of products with after-sales support

Robit enters into service agreements with customers that include services such as technical support or training in addition to supplying the products. These services bring added value for the client and they are not part of the integration of products that takes place at the customer. The agreements therefore typically include more performance obligations, service and products sold. Selling prices are allocated to different performance obligations relative to their separate selling prices. Possible discounts are allocated proportionately to all performance obligations. Product sales revenue is recorded at a specific time (see above), whereas sales revenue for services is recognised over time as the customer simultaneously receives and consumes the services provided by Robit. The degree of fulfilment of a performance obligation relative to sales is measured using the output-based method, whereby the degree of fulfilment is measured based on the service provided to date.

Net sales by business unit

Net sales from external customers broken down by strategic business units is shown on the table below.

Net sales by product area

EUR thousand	1 Jan - 31 Dec 2021	1 Jan - 31 Dec 2020
Top Hammer	56 287	46 348
Down the Hole	44 468	45 283
Total	**100 755**	**91 631**

Net sales by market area

Net sales from external customers broken down by location of the customers is shown on the table below.

EUR thousand	1 Jan - 31 Dec 2021	1 Jan - 31 Dec 2020
EMEA	45 298	40 028
Americas	19 960	14 008
Asia	10 771	11 397
Australasia	14 001	13 654
East	10 725	12 544
Total	**100 755**	**91 631**

None of the Robit's customer generated more than 10 per cent of the Group's revenue for the year ended 31 December 2021 or 2020.

Segment information

The chief operating decision-maker has been identified as Robit's board of directors. The board of directors is responsible for strategy, appointing key management positions, significant development projects, business combinations, investments, organization structure and financing. A global skilled sales and distributor organizations recognizing customer needs and requirements in addition to high quality manufacturing based on local subcontractors and global sourcing function are cornerstones of Robit's operations. In accordance with its strategy, Robit is primarily a sales company on global markets.

Robit's sales organization is divided into geographical regions (EMEA, Americas, Asia, Australasia and East). Four manufacturing units located in Finland, South Korea, Australia and UK, are common resources for business operations. These manufacturing units serve the entire sales organization bus concentrating to manufacture certain type or certain size of products.

In order to manage the efficiency of the resources, the business is divided into two strategic business units (SBU): Top Hammer and Down the Hole. The SBU's are structured around the different drilling technologies but they have substantial synergies in sales, manufacturing and sourcing. Due to the Group's structure and nature of business, the business is presented as one segment, which includes group services and other items. The board of directors regularly reviews consolidated net sales and profitability of the group. In addition, the board of directors reviews net sales of the sales regions and the strategic business units.

2.2 Production's Materials and Services

Materials and services recognized as an expense during the year ended 31 December 2021 amounted to EUR 65 699 thousand (2020: EUR 58 773 thousand). Materials and services include purchases of raw materials such as steel, tungsten carbide, trading products and subcontracting services inventories and changes in inventories.

EUR thousand	1 Jan - 31 Dec 2021	1 Jan - 31 Dec 2020
Subcontracts	-948	-405
External services	-5 805	-3 549
Sales freights	-2 710	-1 803
Sales provisions and Royalties	-586	-502
Maintenance expenses	-647	-588
Cost of sales	-55 003	-51 927
Total	**-65 699**	**-58 773**

2.3 Employee Benefits

Accounting policies

Short-term benefits

Short-term employee benefits include wages and salaries, including non-monetary benefits and annual leave compensations expected to be settled within 12 months of the reporting date. Short-term benefits are recognized in other payables in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

Post-employment benefits

Robit's pension plans are defined contribution plans. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity with no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. Contributions to the defined contribution plans are charged directly to the statement of comprehensive income in the year to which these contributions relate.

Other long-term benefits

Other long-term employee benefits are long-service leave or sabbatical leave, jubilee or other long-service benefits and long-term disability benefits. Robit has other long-term employee benefits plans in Australia (long-service leave) and in Korea (severance payment). Robit key employees are obliged to take part into a long-term incentive plan based on initial investment to Robit shares. The expense is accrued to the period, on which the employee is able to utilize the benefit.

Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits.

EUR thousand	1 Jan - 31 Dec 2021	1 Jan - 31 Dec 2020
Wages and salaries	-13 507	-13 102
Pension costs - defined contribution plans	-1 264	-1 038
Social security expenses	-920	-660
Share-based payments	47	-300
Other long-term benefits	-289	-257
Other employee benefit expenses	-347	-390
Total	**-16 280**	**-15 747**

Robit's number of personnel increased in 2021 by 12 persons compared to 2020, with the total number of personnel being 273 at the end of the period under review (2020: 261). Robit's average number of personnel was 267 persons during the financial period 2021 and 257 in 2020.

Robit has both defined contribution plans and defined benefit plans. All pension plans are defined contribution plans. In Australia, the employees are entitled to be paid long-service leave after 10 years of service in the same business. This arrangement is defined as other long-term employee benefit and thus defined benefit plan. Expenses related to long-service leave amounted to EUR 46 thousand for the year ended 31 December 2021 (2020: EUR 8 thousand). The liability related to long-service fee amounted to EUR 257 thousand as at 31 December 2020 (2020: EUR 289 thousand).

In Korea, Robit has severance payment plan, where employees earn the benefit based on their service and the whole benefit is paid to an employee when an employment ends. This plan meets the criteria of being other long-term employee benefit and thus defined benefit plan. Expenses related to severance payment plan amounted to EUR 265 thousand for the year ended 31 December 2021 (2020: EUR 197 thousand). The employee benefit obligation recognized for severance payment plan amounted to EUR 467 thousand as at 31 December 2021 (2020: EUR 338 thousand).

Long-Term Remuneration: Share-Based Incentive Plan

Share-based incentive scheme 2018–2021

On 15 June 2018, Robit's Board of Directors decided on a new share-based incentive scheme for the Group's management and key personnel. The scheme has three parts: the key person's own investment in the company, reward shares and a performance-based additional share scheme. Obtaining a reward from the share scheme required the acquisition of Robit Plc's shares by the key person. The additional share scheme has two commitment periods, which started on 1 September 2018 and 1 September 2019. For shares subject to the share ownership conditions, the key person will receive shares as a reward after a commitment period of around three years. Receiving the shares is dependent on the continuation of the employment or service contract at the time of payment of the reward.

The rewards payable on the basis of the commitment period that started on 1 September 2018 will correspond to the value of a maximum of 24,000 Robit Plc shares, also including the component payable in cash. The targets set for the earning period 2018–2020 of the performance-based additional share scheme were not achieved, and no reward will be paid for the earning period of the performance-based additional share scheme that ended on 31 December 2020. The incentive scheme ended on 31 May 2021 when the rewards of the additional share scheme were paid, and they did not include any transfer restrictions in accordance with the rules of the scheme.

Long-term share-based incentive scheme for the CEO 2019–2024

On 24 September 2019, the Board of Directors of Robit Plc decided on a long-term share-based incentive scheme for the CEO. The scheme covers Tommi Lehtonen, who started as the CEO of the Group on 1 May 2019. The share reward scheme has three earning periods and covers the period from 1 January 2019 to 31 December 2024. The Board of Directors of Robit Plc sets targets for each two-year earning period starting from 2019. The earning periods end on 31 December 2020, 31 December 2022 and 31 December 2024. The rewards payable on the basis of this system will correspond to the value of a total of 160,000 Robit Plc shares, also including the amount of money used for taxes and tax-related payments. The number of shares corresponds to approximately 0.8% of the total number of the company's shares. The rewards of the incentive scheme are paid in three instalments after the end of each earning period. No reward was paid to the CEO for the earning period ending on 31 December 2020.

Share-based incentive scheme 2020–2023

On 25 February 2020, Robit's Board of Directors decided on a new share-based incentive scheme for the Group's management and key personnel, including own investment of the key personnel in Robit shares (base share plan), reward shares by the company (matching share plan) and performance-based additional share plan (performance matching plan). The share-based incentive scheme covers approximately 25 individuals. The company's matching shares and performance matching shares will be paid in April 2023. If all three main elements of the scheme are fulfilled in total as determined in the plan and according to the target setting of the Board of Directors of the company, the maximum amount of shares issued based on the plan will be 401,760 shares, corresponding to 2.1% of the entire current shareholding.

Share-based incentive scheme 2021–2024

On 15 June 2021, Robit Plc's Board of Directors decided on a performance-based share reward scheme for key personnel. The share scheme includes earning periods of one and two years. The first earning period of the share scheme comprises the year 2021 and the second earning period comprises the years 2022–2023. The share scheme's potential reward for the one-year earning period 2021 is based on the company's predetermined EBITDA target in the financial statements for 2021. The share scheme's possible reward for the two-year earning period 2022–2023 is based on the company's predetermined average earnings per share in the financial statements for the years 2022 and 2023. The share scheme's possible reward for both earning periods will be paid in May 2024.

The share scheme covers 21 individuals. The total amount of share rewards payable on the basis of the earning periods 2021 and 2022–2023 corresponds to a maximum of 155,000 Robit Plc shares, corresponding to 0.7% of the company's current share capital.

Instrument	LTI 2018	LTI 2019-2024	LTI 2020-2023	LTI 2021-2024	Total
Issuing date	14.6.2018	31.5.2019	24.3.2020	24.6.2021	
Initial amount, pcs	284 000	160 000	441 760	155 000	1 040 760
Dividend adjustment	No	No	No	No	
Initial allocation date	14.6.2018	24.9.2019	11.6.2020	15.6.2021	
Beginning of earning period	1.1.2018	1.1.2019	1.1.2020	1.1.2021	
End of earning period	31.12.2020	31.12.2024	31.12.2022	31.12.2023	
Vesting date	31.5.2021	31.12.2024	30.4.2024	30.4.2024	
Vesting conditions	Net sales & EPS	Defined separately for each vesting period	Net sales	EBITDA & EPS	
Maximum contractual life, years	2,5	6	3,8	2,9	
Remaining contractual life, years	0	3	2,3	2,4	
Number of persons at the end of year	0	1	17	21	
Payment method	Cash & Equity	Cash & Equity	Cash & Equity	Cash & Equity	

2.4 Other Operating Income and Expenses

Accounting policies

Government grants relating to costs are deferred and recognized in the profit or loss over the period necessary to match them with the costs that they are intended to compensate.

Robit as lessee
Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

Robit as a lessor
As of 1 January 2019, the Group has applied the IFRS 16 standard which replaces old IAS 17 Leases-standard. Robit adopted the IFRS 16 standard from 1 January 2019, using the modified retrospective approach whereby comparative financial information is not restated.

Other operating income

EUR thousand	1 Jan - 31 Dec 2021	1 Jan - 31 Dec 2020
Operational exchange rate income	1 353	1 484
Other operating income	337	1 040
Total	**1 690**	**2 524**

In December 2020 the company was given a ruling of a partial forgiveness of a R&D loan. This had a positive impact of 0.5 million to Other operating income.

Other operating expenses

EUR thousand	1 Jan - 31 Dec 2021	1 Jan - 31 Dec 2020
Administration costs	-6 587	-6 587
Lease payments	-31	-31
Premise expenses	-1 197	-1 197
Operational exchange rate expenses	-2 965	-2 965
Other operating expenses	-3 740	-3 740
Total	**-14 520**	**-14 520**

Auditor's fees

EUR thousand	1 Jan - 31 Dec 2021	1 Jan - 31 Dec 2020
Statutory fees	-301	-301
Tax consultancy	-22	-22
Other services	-3	-3
Total	**-327**	**-327**

Ernst & Young -company portion of statutory fees is 225 thousand euros for auditing.

2.5 Depreciation and Amortization

Accounting policies

Property, plant and equipment and other intangible assets are recognized on the balance sheet at cost less accumulated depreciations, amortizations and impairment losses, if any. Depreciation and amortization is recognized on a straight-line basis to write off the cost over the estimated economic useful life of assets. The assets' useful lives are reviewed, and adjusted when necessary, at each balance sheet date.

Depreciation and amortization periods are disclosed in notes 3.3 and 5.1.

EUR thousand	1 Jan - 31 Dec 2021	1 Jan - 31 Dec 2020
Depreciation by class		
Land and water	-51	-54
Buildings and constructions	-1 590	-1 559
Machinery and equipment	-2 236	-2 456
Other tangible assets	-301	-316
Total	**-4 178**	**-4 385**

Right of use asset (IFRS 16) depreciation amounted to EUR 1 662 thousand (2020: 1 496)

EUR thousand	1 Jan - 31 Dec 2021	1 Jan - 31 Dec 2020
Amortization by class		
Customer relationships and brand	-859	-820
Intangible rights	-69	-142
Other intangible assets	-408	-637
Total	**-1 336**	**-1 599**

Customer relationships and brand were recognized in connection of the acquisitions. Please refer to Note 3.

3 Acquisitions and Intangible assets

3.1 Acquisitions

Accounting policies

Robit applies the acquisition method to account for business acquisitions. Identifiable assets acquired and liabilities in business acquisitions are measured initially at their fair values at the acquisition date. The fair value of the consideration transferred comprises the initial cash paid to the sellers and an estimate of any future payments Robit may be liable to pay based on future performance of the business. This latter amount is classified as contingent consideration and can be either classified as equity or a financial liability. Where settlement of any part of cash consideration is deferred the amounts payable in the future are discounted to their present value. Goodwill is initially measured as the excess of the aggregate of the consideration transferred over the net identifiable assets acquired and liabilities assumed.

Key judgements and estimates – fair value of the acquired net assets

Net assets acquired through business combinations are measured at fair value. The measurement of fair value of the acquired net assets is based on market value of similar assets (property, plant and equipment), or an estimate of expected cash flows (intangible assets). The valuation, which is based on prevailing repurchase value, expected cash flows or estimated sales price, requires management judgement and assumptions. The management trusts that the applied estimates and assumptions are sufficiently reliable for determining fair values.

Acquisitions in 2021

No acquisitions in 2021.

Acquisitions in 2020

No acquisitions in 2020.

3.2 Goodwill & Impairment Testing

Accounting policy

Goodwill arises on the acquisition of subsidiaries. Goodwill represents the excess of the cost of the acquisition over the Group's interest in the net fair value of the assets and liabilities of the acquiree. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. The allocation is made to those cash generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose.

The Group uses value in use calculations when assessing the recoverable amount. In assessing the recoverable amount, estimated future net cash flows are discounted to their present value based on the weighted average pre-tax cost of capital. The weighted average cost of capital reflects the current market view of the time value of money and risks related to the units to be tested.

An impairment loss is charged to the statement of income when the carrying amount of CGU exceeds the recoverable amount. Impairment loss is first allocated to goodwill and then to other assets on a pro rata basis. Impairment losses recognized for goodwill in the statement of income are not reversed.

Key judgements and estimates – goodwill impairment testing

The management makes significant estimates and judgements in determining the level at which the goodwill is tested and whether there are any indications of impairment.

The goodwill in the Robit's balance sheet arose mainly in June and July 2016 when Robit acquired Robit Australia and Robit GB, but also acquisition in February 2017 of Halco. Robit has re-organized its Down the Hole business and substantial savings in production and supply chain are expected to be gained. Robit has two CGU's Top Hammer and Down the Hole).

Cash flow estimates are based on management's best estimates for future net sales, cost development, general market conditions and applicable tax rates. The estimate covers following three-year period. The cash flows beyond this period are based on the estimated growth rates stated below.
Management tests the effects of changes of significant estimates used in forecasts by sensitivity analyses in a way described below.

The table below presents the movements of goodwill:

EUR thousand	2021	2020
Carrying value at 1 January	5 134	5 420
Exchange differences	353	-286
Carrying value at 31 December	**5 487**	**5 134**

The table summarizes the allocation of goodwill to business units:

EUR thousand	2021	2020
Down the hole	5 399	5 046
Top Hammer	87	88
Total	**5 487**	**5 134**

The goodwill of **Top Hammer** cash-generating unit has been tested for impairment as of December 31, 2021. The values used for the goodwill testing and their impact are presented in the table below.

Based on the assumptions below, the recoverable amount of the Top Hammer cash-generating unit is estimated to exceed the carrying amount of tested net assets by EUR 5 582 thousand, which represents 11 % of the carrying amount of the tested assets.

Management has determined the values for key assumptions used in the impairment testing of the Top Hammer cash-generating unit as follows:

Assumption	Approach used to determine values
Net sales growth	The cumulative annual growth rate for the revenue is expected to be 7.2 % (2020: 10.0%) during the three-year forecast period. Net sales are expected to increase since training and development of the distribution network has been targeted better as well as the Korean facility's improved performance allows more active pricing and enables growth of market share.
EBITDA-margin	Average EBITDA-margin is expected to be 11.4% (2020: 11.5 %) during the three-year forecasting period. The long-term EBITDA is expected to be 14.0% (2020: 13.6 %) of the net sales. This is based on implemented measures and management's expectations for future development.
Long-term growth rate	The long-term growth rate beyond three year forecast period is expected to be 1.5% (2020: 1.5%) per annum. This in line with the expected long-term inflation rate.
Pre-tax discount rate	The pre-tax discount rate used in impairment testing is 13.3% (2020: 13.1 %). This reflects the specific risks relating to Down the Hole business and the countries in which it operates.

The recoverable amount of Top Hammer cash-generating unit would equal its carrying amount if any of the key assumptions were to change as follows (keeping other assumptions constant):

Assumed values in goodwill impairment calculations	From	To
Average EBITDA-margin during the three-year forecast period	11.4 %	7.0 %
Average EBITDA-margin (exceeding the three-year forecasting period)	14.0 %	12.8 %
Pre-tax discount rate	13.3 %	14.7 %

If the long-term growth rate of the Top Hammer cash-generating unit beyond the three-year forecast period was 0.5% instead of 1.5%, the recoverable cash flow would be 6.3% higher than the carrying amount:

Long-term growth rate exceeding the three-year forecasting period	Growth 1.5%	Growth 0.5%
Recovarable amount of cashflow exceeding carrying amount	11,3%	6,3%

The goodwill of **Down the Hole** cash-generating unit has been tested for impairment as of December 31, 2021. The values used for the goodwill testing and their impact are presented in the table below.

Based on the assumptions below, the recoverable amount of the Down the Hole cash-generating unit is estimated to exceed the carrying amount of tested net assets by EUR 4 931thousand, which represents 16 % of the carrying amount of the tested assets.

Management has determined the values for key assumptions used in the impairment testing of the Down the Hole cash-generating unit as follows:

Assumption	Approach used to determine values
Net sales growth	The cumulative annual growth rate for the revenue is expected to be 12.2% (2020: 8.2 %) during the three-year forecast period. Net sales is expected to increase due to the synergies related to business combinations after training of the distribution networks has been completed and the steady development of the market.
EBITDA-margin	Average EBITDA-margin is expected to be 9.9% (2020: 11.2%) during the three-year forecasting period. The long-term EBITDA is expected to be 12.0% (2020: 12.6%) of the net sales. This is based on implemented measures and management's expectations for future development.
Long-term growth rate	The long-term growth rate beyond three-year forecast period is expected to be 1.5% (2020: 1.5%) per annum. This in line with the expected long-term inflation rate.
Pre-tax discount rate	The pre-tax discount rate used in impairment testing is 13.3% (2020: 12.7%). This reflects the specific risks relating to Down the Hole business and the countries in which it operates.

The recoverable amount of Down the Hole cash-generating unit would equal its carrying amount if any of the key assumptions were to change as follows (keeping other assumptions constant):

Down The Hole	2021	
Assumed values in goodwill impairment calculations	From	To
Average EBITDA-margin during the three-year forecast period	9.9 %	3.1 %
Average EBITDA-margin (exceeding the three-year forecasting period	12.0 %	10.0 %
Pre-tax discount rate	13.3 %	15.2 %

If the long-term growth rate of the Down the Hole cash-generating unit beyond the three-year forecast period was 0.5% instead of 1.5%, the recoverable cash flow would be 11.4% higher than the carrying amount:

Long-term growth rate exceeding the three-year forecasting period	Growth 1.5%	Growth 0.5%
Recovarable amount of cashflow exceeding carrying amount	16.2 %	11.4 %

3.3 Other Intangible Assets

Accounting policy

Intangible assets are recognized in the balance sheet when the asset can be controlled by Robit, the expected future benefits attributable to the asset will flow to Robit and the cost of the asset can be measured reliably. An intangible asset is initially recognized at cost, comprising of its purchase price and any directly attributable expenditures. Intangible assets are carried in the balance sheet at acquisition cost less any accumulated amortization and any accumulated impairment losses.

Intangible assets are amortized using the straight-line method depending on the useful life of the asset. The appropriateness of the amortization periods and method is assessed at each balance sheet date. The useful lives for Robit's intangible assets are as follows:

	Years
Customer relationships	7-10
Brand	15
Intangible rights	5
Other intangible assets	5

Development costs

Development costs are capitalized when certain criteria related to economic and technical feasibility are met, and it is expected that the product will generate future economic benefits. Capitalized development costs include mainly materials, supplies and direct labour costs. Earlier expensed development costs are not capitalized later. Intangible assets under development are not amortized, but they are tested for impairment at least annually.

Key judgements and estimates - capitalized development expenses

Costs incurred in the development phase of a development project are capitalized as intangible assets if a number of criteria are met. Management has made judgements and assumptions when assessing whether a project meets these criteria, and on measuring the costs and the economic life as well as the future cash inflows generated by the development projects. Expected returns from capitalized development projects involve estimates and judgement from the management about the future net sales and related costs. These estimates involve risks and uncertainties, and it is possible that, following changes in circumstances, expected returns from capitalized development projects change. Robit assesses indications of impairment for capitalized development projects. The value for capitalized development projects may decrease, if the expected returns from new services change.

Key judgements and estimates related to intangible assets acquired in connection with business combinations are discussed in section Acquisitions.

Other intangible assets

EUR thousand	Customer relation-ships	Brand	Intangible rights	Other intangible assets	Total
2021					
Cost at 1 January	5 788	823	669	5 810	13 091
Additions	0	0	86	38	124
Disposals	0	0	0	0	0
Reclassifications	0	0	0	0	0
Exchange differences	147	58	-1	13	217
Cost at 31 December	5 935	881	754	5 861	13 432
Accumulated amortization and impairment at 1 January	-3 561	-247	-652	-4 268	-9 282
Amortization	-802	-57	-69	-211	-1 336
Disposals And impairment	0	0	0	0	0
Exchange differences	-92	-19	1	0	-119
Accumulated amortization and impairment at 31 December	-4 454	-323	-720	-4 478	-10 737
Net book amount at 1 January	**2 227**	**576**	**17**	**1 543**	**3 809**
Net book amount at 31 December	**1 481**	**558**	**34**	**1 383**	**2 695**

EUR thousand	Customer relationships	Brand	Intangible rights	Other intangible assets	Total
2020					
Cost at 1 January	5 804	870	663	5 749	13 087
Additions	0	0	9	69	77
Disposals	0	0	0	0	0
Reclassifications	0	0	0	0	0
Exchange differences	-17	-47	-3	-7	-73
Cost at 31 December	5 788	823	669	5 810	13 091
Accumulated amortization and impairment at 1 January	-2 771	-203	-512	-4 188	-7 675
Amortization	-764	-56	-142	-637	-1 599
Disposals And impairment	0	0	0	0	0
Exchange differences	-26	11	3	3	-9
Accumulated amortization and impairment at 31 December	-3 561	-247	-652	-4 822	-9 282
Net book amount at 1 January	**3 034**	**667**	**151**	**1 561**	**5 412**
Net book amount at 31 December	**2 227**	**576**	**17**	**988**	**3 809**

Intangible assets customer relationships and brand were recognized in connection with the acquisitions of Robit Australia and Robit GB in 2016. Intangible rights include mainly patents. Robit aims to continue to strengthen its existing patent and intellectual property portfolio by acquiring and licensing strategic patents, other intellectual property rights and technologies. Other intangible assets inclue capitalised development costs and IT software.

Research and development

Robit continues to invest in its own product development projects and in collective product development projects in the industry in order to secure a competitive and innovative offering. Total costs relating to research and development recognized to the consolidated statement of comprehensive income were EUR 436 thousand in 2021 and EUR 566 thousand in 2020. Robit has, among others, developed the Robit Sense Systems technology designed for monitoring and measuring drilling results. Capitalized development expenses in the balance sheet amounted to EUR 436 thousand as at December 31st 2021 (2020: EUR 629 thousand).

4 Capital Structure and Financing

4.1 Share Capital and Reserves

Accounting policy

Robit's equity consists of share capital, share premium, the reserve for invested unrestricted equity, translation differences, and retained earnings. Changes in treasury shares owned by Robit are recorded in the retained earnings. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

Dividend distribution to the Company's shareholders is recognized as a liability in the Group's financial statements in the period in which the dividends are approved by the Company's shareholders.

Share capital and share premium

Ordinary shares are classified as equity. The parent company has one share class, and each share has equal right to dividend. Each share carries one vote at the general meeting. All shares issued by the parent company are fully paid. The shares have no nominal value.

The table below presents the number of outstanding shares for the reported periods:

Shares	Number
At 1 Jan 2020	**20 935 107**
Use of treasury shares to management compensation	7 936
Use of treasury shares to BoD compensation	19 893
Share issue	96 000
At 31 Dec 2020	**21 058 936**
Use of treasury shares to management compensation	13 000
Use of treasury shares to BoD compensation	19 500
At 31 Dec 2021	**21 091 436**

The amounts included in the share premium fund relate to share issues in accordance with the previous Finnish Limited Liability Companies Act, which was in force until 31 August 2006, whereby the share premium account was credited with the amounts in excess of the then current nominal value of the shares that were paid by shareholders in connection with share issues.

Own shares

The table below shows the changes in own shares during the reporting periods:

Shares	Number
At 1 Jan 2020	**148 793**
Use of treasury shares to management compensation	-7 936
Use of treasury shares to BoD compensation	-19 893
At 31 Dec 2020	**120 964**
Use of treasury shares to management compensation	-13 000
Use of treasury shares to BoD compensation	-19 500
At 31 Dec 2021	**88 464**

Reserve for invested unrestricted equity

Under the Finnish Companies Act, the subscription price of new shares is credited to the share capital, unless it is provided in the share issue resolution that it is to be credited in full or in part to the invested unrestricted equity reserve. Contributions to the reserve for invested unrestricted equity can also be made without share issues.

Part of the Board of Directors yearly compensation was paid with Robit's treasury shares in 2021 and 2020.

Dividends

The annual general meeting resolution March 25, 2021 was not pay dividend in 2021.

The annual general meeting on 22 April 2020 resolved to authorise Board of Directors to resolve that the maximum of EUR 0.03 per outstanding share, if any, be paid from the company's distributable funds to the shareholders, if the financial position of the Compaby is favourable to such distribution. The Board of Directors resolved not to use the authorisation and no such distribution was made in 2020.

Effect of hedging instruments on equity

EUR thousand	2021	2020
Fair value reserve 1.1.	0	-
Cash flow hedges		
Change in fair value recognized in other comprehensive income		
Interest rate swaps	56	-
Amount reclassified to profit or loss		
Interest rate swaps		
Tax effect	11	-
Fair value reserve 31.12.	45	-

4.2 Earnings per Share

Accounting policy

Basic earnings per share is calculated by dividing the profit attributable to owners of the parent company by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is calculated on the same basis as Basic EPS except that it reflects the impact of any potential commitments the Group has to issue shares in the future.

The Group did not have any instruments that would have dilutive impact on the earnings per share as at 31 December 2021 or 2020.

	1 Jan – 31 Dec 2021	1 Jan – 31 Dec 2020
Profit attributable to the owners of the parent company (euros)	842 503	-2 893 815
Weighted average number of shares (number of shares)	21 051 891	20 983 328
Basic and diluted earnings per share	**0,04**	**-0,14**

4.3 Borrowings

Accounting policy

Borrowings are recognized initially at fair value, net of transaction costs incurred, and are subsequently carried at amortised cost.

Transaction costs are amortized over the term of the loan and recognized as finance cost as part of interest expense using effective interest rate method. Borrowings are derecognized when loan has been repaid or liability has been extinguished for example in connection with refinancing.

Borrowings are recognized as current liabilities unless the Group has an unconditional right to defer the settlement of the liability for at least 12 months after the end of reporting period.
The benefit of a government loan (Business Finland loan) at a below market rate of interest is treated as a government grant. The loan itself is accounted for as described above. However, those government loans that have been withdrawn before the date of transition to IFRS are recorded at their nominal value in accordance with the transitional provisions of IFRS 1.

Carrying amounts of the borrowings:

EUR thousand	31-Dec-21	31-Dec-20
Non-current borrowings		
Loans from credit institutions	25 182	19 060
Other loans	27	41
Lease liabilities	5 813	5 312
Total non-current borrowings	**31 022**	**24 413**

Current borrowings		
Loans from credit institutions	5 187	5 850
Other loans	170	86
Bank overdrafts	3 262	3 739
Lease liabilities	1 881	1 479
Total current borrowings	**10 500**	**11 154**
Total borrowings	**41 522**	**35 567**

The Group's management has determined that there is no material difference between the borrowings' carrying value and fair value because significant part of Robit's loans are with variables interest rate. There have not been significant changes in interest rates since the issue date of the loans and margins of loans are considered to reflect different conditions and the subordination of the loans with reasonable accuracy. The management has assessed that there have not been significant changes in credit risk since the loans were drawn-down.

Loans from credit institutions

A credit facility, totalling EUR 30.3 million, of which EUR 25.0 million is secured by a negative pledge that imposes on Robit certain covenants and limitations regarding additional loans. The negative pledge states that (subject to certain exceptions) Robit will not provide any other security over its assets, and will ensure that the following financial performance measures (the original terms of the financing agreement) are met:

- Minimum equity ratio of 32.5% and
- Net debt/adjusted EBITDA ratio is defined to be 4.0

Robit Plc agreed in June 2021 on the restructuring of EUR 30.0 million in loans with its main financing bank and of that EUR 30.0 million was EUR 26.5 million drawn and converted old loans. The net debt/EBITDA ratio according to the new financing agreement at the next covenant review date on 31 December 2021 must not exceed 4.0. In financial year 2022 the net debt/EBITDA ratio must not exceed 3.0 on the first review date on 31 March and after that the ratio must not exceed 3.5 from the next review date 30 June 2022 onwards. The covenant of Robit Plc's financing agreement, net interest-bearing debt/EBITDA, was 4,5 and did not meet the terms of the financing agreement on 31 December 2021. The company obtained the consent of its main financier to the breach of the covenant on 21 December 2021. Robit amortized its loans by EUR 1.5 million at the end of December. The interest rate margin on the new financing agreement is 2.4%. Robit has EUR 9.5 million in cash assets at its disposal on 31 December 2021 and according to management estimates, will be able to meet its loan amortization obligations and liquidity.

Other loans from financial institutions includes mainly variable rate bank loans. Information regarding guarantees for the loans can be found in note 4.7.

Other loans

Other loans are Business Finland interest subsidized loans for Robit's research and development projects. The loans have an interest rate lower than the market rate.

Bank overdrafts

The Group had EUR 3 262 thousand liability as at 31 December 2021 (2020: EUR 3 739 thousand) related to its credit facility agreement including one Finnish bank limit. The maximum amount at 31 December 2021 was EUR 6 000 thousand (2020: EUR 4 000 thousand).

Finance lease liabilities

Lease liabilities are secured as the rights to the leased asset revert to the lessor in the event of default:
Lease liabilities are reported as use of asset liabilities with bank financing.

Net debt

EUR thousand	31-Dec-21	31-Dec-20
Cash and cash equivalents	-9 525	-14 339
Current loans	10 500	11 154
Non-current loans	31 022	24 413
Net debt	**31 996**	**21 228**
Cash	-9 525	-14 339
Gross debt - fixed interest rate	188	281
Gross debt - variable interest rate	41 522	35 286
Net debt	**31 996**	**21 228**

2021	Current leases	Non-current leases	Current loans	Non-current loans	Total
Debt 1.1.	1 479	5 312	9 589	19 101	35 481
Cash flows	-1 838	0	-3 455	0	-5 293
Changes in lease agreements	2 240	501	0	0	2 741
Other	0	0	2 484	6 108	8 593
Total	**1 881**	**5 813**	**8 619**	**25 209**	**41 522**

2020	Current leases	Non-current leases	Current loans	Non-current loans	Total
Debt 1.1.	2 700	4 070	9 490	18 035	34 295
Cash flows	-1 774	0	-3 554	0	-5 328
Changes in lease agreements	287	1 096	0	0	1 383
Other	0	0	4 005	1 212	5 217
Total	**1 213**	**5 166**	**9 941**	**19 247**	**35 567**

4.4 Financial Assets

Accounting policies

The Group classifies all its financial assets in category "loans and receivables". The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. The Group's loans and receivables are included in the consolidated balance sheet lines "Cash and cash equivalents", "Loan receivables", "Account and other receivables" and "Other receivables" (non-current).

Loans and receivables at amortised cost mainly consist of accounts receivable and cash and cash equivalents that are not quoted in an active market and that are not kept for trading purposes. Loans and receivables are measured initially at fair value plus transaction costs, if any, and subsequently, at amortised cost using the effective interest method. An impairment loss is recognized in the statement of comprehensive income if the carrying value of the loan receivable is higher than the estimated recoverable amount.

Derivatives

The Group uses derivative contracts to hedge interest rate risk. Derivative contracts are initially recognized at fair value and subsequently at fair value. Changes in the fair value of derivative contracts are recognized in financial items through profit or loss, unless they are designated as hedging instruments, in which case they are hedged in accordance with hedge accounting.

Hedge accounting can be used to reduce the volatility due to fair value measurement in the income statement. In this case, the asymmetry between the hedging instrument and the hedged item is eliminated when both affect the income statement simultaneously. When starting a hedging relationship subject to hedge accounting, the Group prepares a determination of the hedging relationship. the objective of risk management and the strategy for taking hedging.

EUR thousand	31-Dec-21	31-Dec-20
Carrying amounts of loans and receivables		
Loan receivables	125	125
Account and other receivables	18 621	18 621
Cash and cash equivalents	14 339	14 339
Total current	**33 085**	**33 085**
Loan receivables	386	386
Other receivables	0	0
Total non-current	**386**	**386**
Total	**33 471**	**33 471**

Loan receivables

Loan receivables previously reported as share loan receivables amounted to EUR 182 thousand as at 31 December 2021 (2020: EUR 247 thousand). In previous years Robit has issued shares to its key employees and has promissory notes to enable them to pay the share subscriptions. The interest rate used is the reference rate set by the Finnish Ministry of Finance every six months. Interest is paid two times a year. No margin has been added to the reference rate. The amount of interest subsidy is recognized as other operating expenses. In connection with the 2020 long term incentive plan and share issuance to key personnel, the company granted loans for the payment of share subscription. The payment period for these loans is 8 years and the interest rate is 12-month Euribor plus a margin of 0.99%.
Loan receivables are measured at amortised cost because the criteria below are met:

- the financial asset is held within a business model whose objective is holding financial assets in order to collect contractual cash flows, and
- the terms of contract of the financial asset provide for cash flows at certain times which are solely the payment of the principal and interest on the remaining amount of capital

Account and other receivables are described more detailed in note 5.3. Account and other receivables.

Cash and cash equivalents consist of cash at hand and deposits held at call with banks.

Fair values of derivative financial instruments

Derivatives designated as cash flow hedges	Notional amount	Fair value assets	Fair value liabilities
Interest rate swaps			
Interest rate swap, EUR thousand	10.000	56	0

In 2020 Robit Group had no derivative financial instruments in use.

The fair values of interest rate swaps and interest rate derivatives are determined as the present value of the future cash flows based on market interest rates on the reporting date.

Financial instruments designated as hedging instruments

Cash flow hedges in 2021

	Maturity					
Interest rate swaps	2022	2023	2024	2025	2026-	Total
Hedged item: Floating rate EUR loan						
Notional amount, EUR thousand					10.000	10.000
Average fixed rate					0.325 %	0.325 %

In 2020 Robit Group had no financial instruments designated as hedging instruments in use.

Effect of hedging instruments on the statement of financial position and statement of comprehensive income

EUR thousand	2021
Notional amount	10 000
Assets	
Carrying amount	56
Line item in the statement of financial position	Trade and other receivables
Liabilities	
Carrying amount	0
Line item in the statement of financial position	Trade and other payables
Change in value for recognizing hedge ineffectiveness	
Hedged item	-56
Hedged instrument	56
Effective portion	
Amount recognized in other comprehensive income	45
Amount reclassified from the fair value reserve to profit or loss	0
Line item in the income statement	Financial items

4.5 Finance Income and Costs

Accounting policy

Finance costs consist of interest expenses on bank loans, bank overdrafts and other loans, foreign exchange losses on financing activities.

Transaction costs related to loans are expensed in profit or loss using effective interest rate method. The effective interest rate is the rate that discounts the estimated future payments through the expected life of a loan to the net carrying amount of the financial liability. The calculation includes all fees paid by the contracting parties and transaction costs.

Interest income is recognized using the effective interest rate, unless the receipt of interest is uncertain. In such cases the interest income is accounted for on a cash basis. Foreign exchange gains and losses on financing activities are recognized within finance income or costs.

Derivatives are initially recognized at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Fair value gains and losses on derivatives are recognized to the statement of comprehensive income.

EUR thousand	1 Jan - 31 Dec 2021	1 Jan - 31 Dec 2020
Finance income		
Foreign exchange gains on financing activities	912	258
Other finance income	10	25
Interest income on cash equivalents	1	2
Finance income total	924	286
Finance cost		
Foreign exchange losses on financing activities	-844	-1 519
Interest expenses on borrowings	-1 150	-1 148
Interest expense on deferred consideration	-55	-21
Other finance costs	-204	-248
Finance cost total	-2 253	-2 936
Finance income and costs total	**-1 329**	**-2 650**

4.6 Financial risk and capital management

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk and cash flow interest rate risk), credit risk and liquidity risk. The Group's overall risk management program focuses to seek to identify and mitigate potential risks arising from financial markets, customer transactions and liquidity requirements.

Risks are identified, assessed and mitigated as a part of daily management routines. Majority of Group financing is done by Robit Plc, minor investments or working capital needs may be financed locally.

The Board of Directors provides principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk and use of derivative financial instruments.

(a) Market risk

Foreign exchange risk
The following table demonstrates the sensitivity to a reasonably possible change in the base currency against the quote currency, with all other variables held constant, of the Group's profit before tax and equity due to changes in the fair value of financial assets and liabilities.

A reasonably possible change is assumed to be a 10% base currency appreciation or depreciation against the quote currency. A change of a different magnitude can also be estimated fairly accurately because the sensitivity is nearly linear.

	31 December 2021		31 December 2020	
	Base currency		Base currency	
	10 % stronger	10 % weaker	10 % stronger	10 % weaker
EUR thousand	Income statement	Income statement	Income statement	Income statement
Base currency/Quote currency				
EUR/USD	814	-814	181	-181
EUR/AUD	-7	7	-132	132
EUR/GBP	-188	188	243	-243
EUR/WON	-643	643	-536	536
EUR/ZAR	264	-264	132	-132
EUR/RUB	-121	121	-135	135

Cash flow interest rate risk
The Group's interest rate risk arises from long-term borrowings. Majority of the Group's loans are with variables interest rate which expose the Group to cash flow interest rate risk. During the presented periods, the Group's borrowings at variable rate were denominated in euro and South Korean Won.

At 31 December 2021, if interest rates had been 50 basis points higher with all other variables held constant, post-tax profit for the year would have been EUR 152 thousand lower as a result of higher interest expense on floating rate interest-bearing liabilities. Interest rate sensitivity has been calculated by shifting the interest curve by 50 basis points (due to low market interest environment the lower scenario has not been presented). The interest position includes all external variable rate interest-bearing liabilities.

	31 December 2021		31 December 2020	
	Interest rate		Interest rate	
	0,5 % higher	0,5 % higher	0,5 % higher	0,5 % matalampi
EUR thousand	Income statement	Income statement	Income statement	Tuloslaskelma
Impact of interest change	-152	-	-126	-

(b) Credit risk

Credit risk arises mainly from cash and cash equivalents and credit exposures to customers from outstanding receivables. Credit risk on cash and cash equivalents is managed at group level. Cash and cash equivalents are held in reputable mainly Nordic banks. Each local entity is responsible for managing the credit risk for their account receivables balances. The local entities have the responsibility to analyse the credit standing of each of their new clients before standard payment and delivery terms and conditions are offered.

Before accepting a customer, the customer's ability to pay the purchase transactions is carefully estimated through analysing customer's financial statements and current market position. Credit risk countering payment methods such as letter of credit and advance payments are used in high risk regions. The Group has been able to collect also significantly overdue receivables eventually.

The maximum exposure to the credit risk at the reporting dates are the carrying values of each class of financial assets mentioned above..

Key judgements and estimates - Overdue receivables

The Group applies the simplified approach defined in IFRS 9 for the recognition of expected credit losses, according to which lifetime expected losses can be recognised for all trade receivables.

For the purpose of determining expected credit losses, trade receivables are classified on the basis of shared credit risk characteristics and delayed payment. Expected loss rates are based on sales payment profiles over a 12-month period before 31 December 2021 and on actual credit losses incurred during that period. Actual loss rates are adjusted to reflect current and future-oriented information and macroeconomic factors that affect the ability of customers to make a payment of receivables.

The aging of the account receivables including bad debt provision deducted is as follows:

EUR thousand	31-Dec-21	31-Dec-20
Not due	17 231	13 389
Overdue by		
Less than 30 days	2 200	2 021
30-60 days	597	228
61-90 days	271	155
More than 90 days	924	654
Total	**21 223**	**16 448**

The Group has only one type of financial assets subject to the expected credit loss model: trade receivables from sales of product and maintenance services. Although cash and cash equivalents and liabilities recognised at amortised cost are also subject to impairment testing under IFRS 9, the impairment loss observed is not material.

On the basis of this, entries reducing the carrying amount of trade receivables were made, amounting to EUR 724 thousand in financial year 2020 and EUR 842 thousand in 2019. For the calculation of the impairment of trade receivables, see Note 5.3.

(c) Liquidity risk

Cash flow forecasting is performed in the Group's finance function. Group finance function monitors the Group's liquidity requirements monthly to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed facilities at all times. Cash and cash equivalents amounted to EUR 9 525 thousand as at 31 December 2021 (2020: EUR 14 339 thousand). Operating cash flows and liquid funds are the main source of financing for the future payments together with possible new debt or equity financing.

Covenants on the Group's interest-bearing financial liability drawn-down in 2021 are monitored regularly. The financial covenants are the equity ratio and the net debt in relation to EBITDA. The minimum equity ratio is agreed to be 32,5%. Minimum net debt to EBITDA ratio was defined to be 4.0 at 31 December 2021 review date. The net debt/EBITDA ratio according to the new financing agreement at the next covenant review date on 31 March 2022 must not exceed 4.0. Financial year 2021 will return to the original covenant on the net debt/EBITDA ratio, which must not exceed 2.5. The covenant of Robit Plc's financing agreement, net interest-bearing debt/EBITDA, was 4.5 and did not meet the terms of the financing agreement on 31 December 2021. The company obtained the consent of its main financier to the breach of the covenant on 21 December 2021. We are referring to note 4.3 information on the covenant breach.

The Group's equity ratio 42.2 % as at 31 December 2021 (2020: 45.5%) is strong and the Group is able to draw external financing in case that operational cash flows are not sufficient. The Group does not invest actively surplus cash held. The Group's target is to achieve both organic and structural growth and cash balances are directed to those purposes.

The table below analyses the Group's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

EUR thousand	Less than 6 months	6 – 12 months	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total contractual cash flows	Carrying amount (assets)/ liabilities
31-Dec-21							
Financial liabilities							
Account payables	17 458	0	0	0	0	17 458	17 458
Lease liabilities	974	974	1 434	3 457	2 363	9 203	7 879
Loans from credit institutions	3 288	1 898	3 387	19 117	2 678	30 369	30 369
Bank overdrafts	3 262	0	0	0	0	3 262	3 262
Other loans	85	85	17	0	0	197	197
Total financial liabilities	25 067	2 957	4 849	22 574	5 042	60 488	59 165

EUR thousand	Less than 6 months	6 – 12 months	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total contractual cash flows	Carrying amount (assets)/ liabilities
31-Dec-20							
Financial liabilities							
Account payables	15 603	0	0	0	0	15 603	15 603
Lease liabilities	991	832	931	2 398	3 021	7 939	6 791
Loans from credit institutions	3 439	2 406	18 494	342	229	24 910	24 910
Bank overdrafts	3 739	0	0	0	0	3 739	3 739
Other loans	86	0	40	0	0	126	126
Total financial liabilities	23 858	3 238	19 465	2 740	3 250	52 318	51 150

Capital management

Robit defines capital as equity plus borrowings as shown on the balance sheet 31 December 2021 EUR 82 942 thousand (2020 EUR 82 556 thousand). Robit's capital management's target is to keep capital structure that supports the business by ensuring the operating conditions and to increase shareholder value by aiming at a competitive return on invested capital. The capital structure shall take into account both current and future business needs, as well as ensure competitive cost of financing. Robit board monitors equity ratio and net interest-bearing debt to EBITDA ratio. The equity ratio is calculated as shareholders' equity divided by total assets less advances received.

The capital structure can be affected, among other things, by the dividend distribution and share issues. If necessary, Robit has the opportunity to acquire own shares and to issue new shares in accordance with mandates by General Meeting. The Group's equity ratio was 42.2 (2020: 45.5) per cent and the ratio of net debt to adjusted EBITDA was 4.5 as at 31 December 2021. We are referring to note 4.3 information on the covenant breach.

Cooperation with banks is based on long-term banking relationships. In the long-term goal is to service Robit's loan obligations by operating cash flow. During the phase of rapid growth, capital may be acquired both equity and debt financing terms.

4.7 Commitments and Contingent Liabilities

Guarantees given and contingent liabilities

EUR thousand	31-Dec-21	31-Dec-20
Guarantees and mortgages given on own behalf:		
Enterprise mortgages	41 069	41 069
Real estate mortgages	7 136	4 050
Total	**48 205**	**45 119**

EUR thousand	31-Dec-21	31-Dec-20
Other guarantees:		
Other guarantee liabilities	80	94
Total	**80**	**94**

Lease commitments

Robit leases factory buildings and land areas in Australia, UK and Korea under non-cancellable operating lease agreements. Robit leases also some office space under non-cancellable operating lease agreements. The lease terms vary from one year to ten years.

Robit also leases cars, office equipment and forklifts under non-cancellable operating lease agreements where the lease term varies from one year to five years.

Investments in real estate

The Group is obligated to revise the deductions it has made for the real estate investment completed in 2017 in case the taxable use of the real estate diminishes during the revision period. The last revision year will be 2026. The maximum amount of the liability amounts to EUR 90 thousand.

The Group is obligated to revise the deductions it has made for the real estate investment completed in 2018 in case the taxable use of the real estate diminishes during the revision period. The last revision year will be 2027. The maximum amount of the liability amounts to EUR 20 thousand.

The Group is obligated to revise the deductions it has made for the real estate investment completed in 2021 in case the taxable use of the real estate diminishes during the revision period. The last revision year will be 2030. The maximum amount of the liability amounts to EUR 185 thousand.

5 Operating Assets and Liabilities

5.1 Property, Plant and Equipment

Accounting policy

Property, plant and equipment is initially recognized at historical cost which comprises of the purchase price and other expenditures directly related to the acquisition that are necessary for bringing the asset to its operating condition and location. Items of property, plant and equipment are carried in the balance sheet at cost less any accumulated depreciation and any accumulated impairment losses. Items of property, plant and equipment leased under the lease terms are accounted for similarly to purchased property, plant and equipment. Repair and maintenance costs are recognized as expenses at the time they incur.

Depreciation on property, plant and equipment is calculated using the straight-line method over their estimated useful lives, as follows:

	Years
Buildings and structures	10-30
Machinery and equipment	5-15
Other tangible assets	5-10

The assets' useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Gains or losses on disposal of property, plant and equipment are included either within other operating income or other operating expenses in the statement of comprehensive income.

Property, plant and equipment is reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

EUR Thousand	Land	Buildings and constructions	Machinery and equipment	Other tangible assets	Advances paid and construction in progress	Total
2021						
Cost at 1 January	1 028	18 613	25 106	2 094	482	47 323
Additions	0	1 643	2 278	473	2 249	6 644
Disposals	0	0	-184	-98	0	-282
Reclassifications	0	-219	-6	-308	0	-533
Exchange differences	-7	228	366	47	9	643
Cost at 31 December	1 021	20 265	27 561	2 208	2 740	53 794
Accumulated depreciation and impairment at 1 January	-105	-5 036	-16 130	-1 411	0	-22 682
Depreciation	-52	-1 590	-2 236	-302	0	-4 180
Reclassifications	0	278	0	289	0	567
Disposals and impairment	0	0	158	69	0	227
Exchange differences	0	-15	-278	-37	0	-330
Accumulated depreciation and impairment at 31 December	-157	-6 363	-18 486	-1 393	0	-26 398
Net book amount at 1 January	922	13 577	8 976	683	482	24 641
Net book amount at 31 December	864	13 902	9 075	815	2 740	27 396

EUR thousand	Land	Buildings and constructions	Machinery and equipment	Other tangible assets	Advances paid and construction in progress	Total
2020						
Cost at 1 January	1 061	17 472	25 350	2 089	0	45 972
Other changes*	0	-1 314	-5	-57	0	-1 376
Additions	0	2 852	680	173	525	4 230
Disposals	0	0	-449	-1	-47	-496
Reclassifications	0	0	0	0	0	0
Exchange differences	-33	-396	-470	-111	3	-1 007
Cost at 31 December	1 028	18 613	25 106	2 094	482	47 323
Accumulated depreciation and impairment at 1 January	-56	-3 846	-14 108	-1 184	0	-19 193
Other changes*	0	318	5	26	0	349
Depreciation	-54	-1 559	-2 456	-316	0	-4 385
Reclassifications	0	0	0	0	0	0
Disposals and impairment	0	0	235	0	0	235
Exchange differences	4	51	194	62	0	311
Accumulated depreciation and impairment at 31 December	-105	-5 036	-16 130	-1 411	0	-22 682
Net book amount at 1 January	1 005	13 626	11 242	905	0	26 779
Net book amount at 31 December	922	13 577	8 976	683	482	24 641

* Other changes include corrections to 2019 IFRS 16 calculations

Right-of-use assets

	Right-of-use assets					
EUR thousand	Land	Buildings and constructions	Machinery and equipment	Other tangible assets	Total	Lease liabilities
As at 1 January 2021	759	5 131	1 046	262	7 198	6 791
Net changes	-6	474	-489	319	299	2 593
Depreciation	-52	-976	-61	-167	-1 255	
Interest expense						-364
Payments						-1 320
As at 31 December 2021	**701**	**5 166**	**1 400**	**414**	**7 681**	**7 694**

	Right-of-use assets					
EUR thousand	Land	Buildings and constructions	Machinery and equipment	Other tangible assets	Total	Lease liabilities
As at 1 January 2020	842	4 696	1 203	282	7 023	6 771
Net changes	-29	1 657	-9	106	1 724	1 749
Depreciation	-54	-1 221	-148	-126	-1 549	
Interest expense						-334
Payments						-1 395
As at 31 December 2020	**759**	**5 131**	**1 046**	**262**	**7 198**	**6 791**

Buildings comprise the factory building in Finland and some structures in Korea. Main part of machinery and equipment relates to production machinery. Other tangible assets include mainly Korean leasehold improvements.

Assets leased under leases

Robit leases laptops, cars and some production machinery in UK and South Africa under non-cancellable finance lease agreements. IFRS 16 standard has been applied to the use of right assets.

Refer to note 4.7. for disclosure of contractual obligations to purchase.

5.2 Inventories

Accounting policy

Materials and supplies, work in progress and finished goods are stated at the lower of cost and net realizable value. The cost of inventories comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. The costs of purchase of inventories comprise the purchase price, import duties and other taxes, transport, handling and other costs directly attributable to the acquisition of finished goods, materials and services. Trade discounts, rebates and other similar items are deducted in determining the costs of purchase. The costs of conversion of inventories include direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Costs are determined using weighted average costs.

Key judgements and estimates - Inventory valuation

Inventory valuation requires management estimates and judgements specially relating to obsolescence and recording inventory to net realizable value based on expected selling prices as well as the management's assessment of the general market development in the Robit's main markets. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to complete the sales.

EUR thousand	31-Dec-21	31-Dec-20
Materials and supplies	6 733	5 136
Work in progress	2 350	2 265
Finished goods	34 455	27 456
Total	**43 538**	**34 857**

The inventories include mainly raw materials used in the production and finished products, such as button bits, drilling rods, casing systems hammer components and assembled hammers. Inventory of finished goods include obsolescence provision of EUR 1 817 thousand. The increase of the provision was EUR 439 thousand and the release EUR 193 thousand due to the sale of slow-moving inventories and scrapping of unsalable inventories, in respect of which the risk of obsolescence has been reduced.

Movements in the provision for obsolescence of inventory that are assessed for impairment are as follows:

EUR thousand	31-Dec-21	31-Dec-20
At 1 January	1 573	1 236
Provision for impairment recognised during the year	439	650
Inventories written off during the year	-0	-61
Unused amounts reversed	-193	-252
At 31 Dec	1 817	1 573

5.3 Account and Other Receivables

Accounting policies

Account receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. Account receivables are recognized initially at fair value and subsequently at amortized cost less impairment. The Group uses a simplified approach to estimating expected credit losses. To estimate credit losses, trade receivables are grouped on the basis of credit risk characteristics and past-due dates. Impairment is recognized in the statement of comprehensive income under other operating expenses.

Other receivables include mainly prepaid expenses and accrued income from the usual operating activities of the Group.

The current account and other receivables comprised of the following:

EUR thousand	31-Dec-21	31-Dec-20
Account receivables	21 223	16 448
Prepayments and accrued income	586	107
Other receivables*	3 527	2 066
Total	**25 337**	**18 621**

* Incl. mainly VAT receivables EUR 1 565 thousand.

The carrying amounts of current trade receivables and other receivables are considered to be close to their fair values. This is due to their short-term nature.

Movements in the provision for impairment of trade receivables that are assessed for impairment are as follows:

EUR thousand	31-Dec-21	31-Dec-20
At 1 January	723	842
Provision for impairment recognised during the year	172	290
Receivables written off during the year as uncollected	-40	-367
Unused amounts reversed	-19	-41
At 31 Dec	**836**	**723**

Change in provisions in the income statement: During the year, the following gain/(losses) were recognised in profit or loss in relation to impaired receivables.

EUR thousand	31-Dec-20	31-Dec-20
Impairment losses		
Individually impaired receivables	-40	-294
Movement in provision for impairment	-103	-115
Reversal of previous impairment losses	0	17
	-143	**-382**

Classification of accounts receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are generally due for settlement within 30-90 days and therefore are all classified as current. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The group holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method. Details about the group's impairment policies and the calculation of the loss allowance are provided in note 4.6.

5.4 Account and other payables

Accounting policy

Account payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Account payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest rate method.

The current account and other payables comprise of the following:

EUR thousand	31-Dec-21	31-Dec-20
Account payables	17 458	15 603
Accrued expenses	4 145	2 971
Other	1 675	454
Total	**23 278**	**19 029**

Material items included in accrued expenses:

EUR thousand	31-Dec-21	31-Dec-20
Accrued salaries	1 268	1 115
Accrued social security costs	312	254
Accrued interests	9	6
Other *	2 557	1 596
Total	**4 145**	**2 971**

* Mainly accrued outsourcing fees, accrued audit fees and accrued rental expenses.

The carrying amounts of account payables and other payables are considered to be the same as their fair values, due to their short-term nature.

5.5 Provisions

Accounting policy

Return or repayment obligations are generally not associated with supply contracts. Robit is responsible for ensuring that the products meet the customer's order in terms of technical specifications and also Robit's own quality standards at the time of delivery. If a technical or qualitative problem due to Robit is identified in a product, Robit is obliged to supply to customer with replacement products. These obligations are assessed for each contract in turn, and a separate warranty provision is recognised for them. Because the products are, in nature, consumables, no long-term warranty obligations that could be payable in future financial years are associated with the products.

A provision has been made estimating warranty claims for the products sold in which a technical or qualitative problem has been identified. These claims are expected to be settled over the next year and are therefore reported as current provisions. The amount of the provision was EUR 0 thousand at 31 December 2021 (2020: EUR 89 thousand).

Movements in the provision for warranty provisions

EUR thousand	31-Dec-21	31-Dec-20
At 1 January	89	43
Provision for warranty costs recognised during the yea	64	120
Warranty costs during the year	-70	-40
Unused amounts reversed	-82	-35
At 31 Dec	0	89

5.6 Advance Payments Received

Advance payments received amounted to EUR 771 thousand as at 31 December 2021 (2020: EUR 130 thousand). Advance payments are usually required from clients that are not creditworthy. In normal course of business advance payments are not an usual way of doing business.

6 Other Notes

6.1 Subsidiaries and Foreign Currencies

Accounting policy

Consolidation

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group and are de-consolidated from the date that control ceases. All intercompany transactions, receivables, liabilities, unrealized profits and distribution of profits within Robit Group are eliminated in the consolidated financial statements. Accounting principles of subsidiaries have been changed where necessary to ensure consistency with the principles adopted by the Group.

Foreign currency translation

Assets and liabilities in foreign subsidiaries are translated into euro at the rate prevailing on the balance sheet date. Income and expenses in foreign subsidiaries are translated into euro using an average rate. Translation differences that arise when translating the financial statements of subsidiaries are recognized in other comprehensive income and accumulated in translation differences reserve in equity.

Foreign currency denominated transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or if items have been revalued, using the measurement date exchange rates. Foreign exchange gains and losses arising in respect of business operations, such as sales and purchases, are recognized in relevant lines above operating profit. Foreign exchange differences arising from financing transactions are recognized in finance income and costs.

The exchange differences charged/credited to the statement of comprehensive income are as follows:

EUR thousand	1 Jan - 31 Dec 2021	1 Jan - 31 Dec 2020
Included in EBIT /operating profit	47	-1 481
In finance income and expenses	57	-1 262
Total	**104**	**-2 743**

Group's subsidiaries as at 31 December 2020 and 2019 were as follows:

	Parent % 31.12.2021	Parent % 31.12.2020	Group % 31.12.2021	Group % 31.12.2020
Halco Brighouse Ltd, UK, Parent Robit UK			100 %	100 %
Halco Drilling Ltd UK, Parent Robit UK*			100 %	100 %
Robit Rocktools Ab, Sweden*	100 %	100 %	100 %	100 %
Robit Africa Holdings Ltd, South-Africa*	100 %	100 %	100 %	100 %
Robit Asia Ltd, Hong Kong	100 %	100 %	100 %	100 %
Robit Australia Holdings Ltd, Australia*	100 %	100 %	100 %	100 %
Robit Australia Pty Ltd**, Australia, parent Robit Australia Holdings Ltd			100 %	100 %
Robit Finland Oy Ltd, Finland	100 %	100 %	100 %	100 %
Robit GB Ltd, UK	100 %	100 %	100 %	100 %
Robit Inc, USA	100 %	100 %	100 %	100 %
Robit Korea LTD, South-Korea	100 %	100 %	100 %	100 %
Robit OOO, Russia	100 %	100 %	100 %	100 %
Robit Plc-BFC, Dubai*	100 %	100 %	100 %	100 %
Robit S.A.C, Peru, 1% owned by Robit Inc	99 %	99 %	100 %	100 %
Robit SA, South Africa***	74 %	74 %	100 %	100 %
Robit UK Ltd, UK*	100 %	100 %	100 %	100 %
Robit USA LLC, USA, parent Robit INC.			100 %	100 %
TOO Robit, Kazakhstan	100 %	100 %	100 %	100 %

* Companies were dormant or holding companies.

** The name of Bulroc Ltd was changed in 2018 to Robit GB Ltd and Drilling Tools Australia Ltd Pty was changed in 2018 to Robit Australia Ltd Pty. Robit USA LLC name as changed to Halco USA LLC in 2019.

*** During 2015 Robit SA established a Black Employees Empowerment Trust ('the Trust', "BEET") in South Africa. The purpose of the Trust is to support the local black employees of Robit SA and generate better business opportunities for Robit when operating in South Africa. Robit SA directed a share issue to the Trust. As a result, the Trust owns 26% of the shares of Robit SA. However, Robit SA is considered to have control over the Trust. 4% of the shares were issued directly to one of the key employees of Robit SA. The purpose and nature of the arrangement is to remunerate certain employees of Robit SA. This arrangement is accounted as a remuneration.

6.2 Taxes

Income tax expense

Accounting policy

The income tax expense consists of current tax and changes in deferred tax. Tax is recognized in the consolidated profit or loss statement or if tax relates to items recognized in other comprehensive income or directly in equity, then the related tax is recognized in other comprehensive income or equity correspondingly.

The current income tax charge is calculated on the basis of the local tax laws and tax rates enacted or substantively enacted at the end of the reporting period in relevant countries where the Group operates and generates taxable income.

Income taxes recognized in consolidated income statements differ from the income taxes calculated using the Finnish tax rate as follows:

EUR thousand	1 Jan - 31 Dec 2021	1 Jan - 31 Dec 2020
Current tax:		
Current tax on profits for the year	-351	-380
Adjustments in respect of prior years	18	0
Total current tax expense	-333	-380
Deferred tax:		
Decrease (-) / increase (+) in deferred tax assets	281	-459
Decrease (+) / increase (-) in deferred tax liabilities	187	467
Adjustments in respect of prior years	-18	79
Total deferred tax expenses	450	1 005
Income tax expense	**135**	**624**

EUR thousand	1 Jan - 31 Dec 2021	1 Jan - 31 Dec 2020
Profit before tax	**751**	**-3 518**
Tax calculated at Finnish tax rate	151	-705
Tax effect of:		
Effect of other tax rates for foreign subsidiaries	-8	1
Expenses not deductible for tax purposes	439	358
Income not subject to tax	125	-150
Unrecognized deferred tax assets from tax losses	-46	-479
Utilization of previously unrecognized tax losses	-821	443
Other adjustments	0	0
Adjustment in respect of prior years	25	-92
Taxes in income statement	**-135**	**-624**

Deferred income tax

Accounting policy

Deferred tax assets and liabilities are accounted for using the liability method for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to be applied when the related deferred tax asset is realized or the deferred tax liability is settled.

Deferred tax liabilities are recognized for all taxable temporary differences except for deferred tax liability where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised.

Realisable value of deferred tax assets is assessed at each balance sheet date and adjustments are made in case there is indication that utilisation of deferred tax assets would no longer be probable.

Deferred tax assets and liabilities are offset only when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Key judgements and estimates - deferred tax assets and liabilities

Judgement is required in assessing whether deferred tax assets and certain deferred tax liabilities are recognized on the balance sheet. Deferred tax assets are recognized only where it is considered more likely than not that they will be recovered, which is dependent on the generation of sufficient future taxable profits. Assumptions about the generation of future taxable profits depend on management's estimates of future cash flows that relate among others to the amount of future net sales, operating costs and finance costs. The Group's ability to generate taxable income depends also on factors related to general economy, finance, competitiveness and regulations that the Group is unable to control. These estimates and assumptions are subject to risk and uncertainty, hence it is possible that changes in circumstances will alter expectations, which may impact the amount of deferred tax assets and deferred tax liabilities recognized on the balance sheet and the amount of other tax losses and temporary differences not yet recognized.

The Group's management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities. The amount of current income tax liabilities for identified uncertain tax positions is recognized when it is probable that certain tax positions will be challenged and may not be fully sustained upon review by tax authorities.

The gross movement on the deferred tax account is as follows:

EUR thousand	31-Dec-21	31-Dec-20
As at 1 of January	732	-192
Recognized in profit or loss	468	1 004
Recognized in equity	-11	0
Acquisition of subsidiaries	0	0
Exchange rate differences	46	-80
As at 31 of December	1 234	732

The following table presents the movements in deferred income tax assets and liabilities during the year, without taking into consideration the offsetting of balances with the same tax jurisdiction:

EUR thousand	At 1 Jan	Recognized in profit or loss	Recignised directly to equity	Acquisition of subsidiaries	Exchange rate differences	At 31 Dec
2021						
Deferred tax assets						
Inventories	274	216	0	0	27	517
Employee benefits	320	-38	0	0	2	285
Property, plant and equipment	201	10	0	0	17	228
Tax losses	514	0	0	0	14	528
Other	473	92	0	0	14	578
Total	1 782	281	0	0	75	2 137
Set-off of deferred taxes	-254					-211
Deferred tax assets, net	1 528					1 926

	At 1 Jan	Recognized in profit or loss	Recignised directly to equity	Acquisition of subsidiaries	Exchange rate differences	At 31 Dec
2021						
Deferred tax liabilities						
Property, plant and equipment	356	46	0	0	12	414
Intangible assets	909	-254	0	0	19	674
Other items	-213	22	11	0	-2	-182
Total	1 052	-187	11	0	29	905
Set-off of deferred taxes	-254					-211
Deferred tax liabilities, net	798					694

EUR thousand	At 1 Jan	Recognized in profit or loss	Recignised directly to equity	Acquisition of subsidiaries	Exchange rate differences	At 31 Dec
2020						
Deferred tax assets						
Inventories	311	-37	0	0	0	274
Employee benefits	284	42	0	0	-6	320
Property, plant and equipment	496	-277	0	0	-18	201
Tax losses	0	514	0	0	0	514
Other	28	530	0	0	-85	473
Total	1 119	772	0	0	-108	1 782
Set-off of deferred taxes	-49					-254
Deferred tax assets, net	1 069					1 528

2020	At 1 Jan	Recognized in profit or loss	Recignised directly to equity	Acquisition of subsidiaries	Exchange rate differences	At 31 Dec
Deferred tax liabilities						
Property, plant and equipment	140	208	0	0	8	356
Intangible assets	1 165	-232	0	0	-24	909
Other items	8	-209	0	0	-12	-213
Total	1 313	-233	0	0	-29	1 052
Set-off of deferred taxes	-49					-254
Deferred tax liabilities, net	1 264					798

6.3 Related party transactions

Related parties of the Group consist of the parent company and Group companies mentioned in note 6.1. Related parties are also key management personnel and their close family members as well as entities controlled by them. Key management personnel are the members of the Board of Directors, CEO and management team of Robit. Five Alliance Oy has significant influence in Robit Plc and its ownership as at 31 December 2019 was 26.86% (26.99 % as at 31 December 2019). The chairman of the board of directors Harri Sjöholm has control in Five Alliance Oy.

The remuneration of Board of Directors
Salaries, remuneration and other benefits paid in 2020 and 2019 to the Board of Directors were as follows:

EUR thousand	2021	2020
Harri Sjöholm	59,8	45,3
Mammu Kaario	41,8	40,8
Kai Seikku	-	2,3
Kalle Reponen	42,7	42,0
Mikko Kuitunen	38,3	38,0
Anne Leskelä	41,6	36,3
Kim Gran	40,8	37,5
Total	**264,9**	**242,0**

Remuneration to the Chairman of the Board of Directors is EUR 45 thousand per year and to each member of the Board of Directors EUR 30 thousand per year. In addition, members of the board receive EUR 500 for each meeting they attend. Committee meeting fee is 500 for each attended meeting. Remuneration for the members of the Board of Directors 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. Meeting fees are paid in cash. Travel claims are paid according to company travel policy. Members of the board do not participate into share-based remuneration plans and they do not have any pension agreements with the company. There are no restriction in the shareholdings granted as the annual board fee.

Total 19 500 shares were granted to the Board of Directors.

As annual board fee 4 500 shares were granted to the chairman of the board Harri Sjöholm and 3 000 shares to Mammu Kaario, Kim Gran, Anne Leskelä, Mikko Kuitunen and Kalle Reponen.

The remuneration of Board of directors and the CEO
The Board of Directors decides on the salary, remuneration and other benefits received by the CEO. The salary, remuneration and other fringe benefits paid in 2021 to the CEO, Tommi Lehtonen, amounted to EUR 201 thousand. During the financial year, 3 000 shares, which is worth of EUR 12 thousand, were granted to the CEO in respect of his CEO agreement. In addition, a pension scheme fee of 8 thousand was paid on behalf of CEO. For more information on the share reward program, see section 2.3.

The remuneration of the Management team
Decisions concerning incentive and remuneration system for management are made by the Board of Directors based on the proposal made by the CEO. The salary for all members of the management team consists of a fixed basic salary and a results-based bonus. The bonus is determined based on the company performance, the business area in question and other key operative objectives. Remuneration of the management team members in 2021 and 2020 were as follows:

Compensation to other management

EUR thousand	1 Jan - 31 Dec 2021	1 Jan - 31 Dec 2020
Salaries and other short-term employee benefits	298	441
Signing bonus	-	26
Severance payment	-	30
Share-based payments	16	6
Total	314	503

The management team members did not have voluntary pension plans that would have been classified as defined contribution plan.

For more information on the share-based incentive program, see section 2.3.

Share-based payments and shareholder loans

During 2021 management team received 3 000 shares as a part of a share-based incentive program. There were no share-based payments to management during the 2020 relating to share-based incentive programs. For more information on the share-based incentive program, see section 2.3.

Share holdings of the board of directors and the management

The total number of shares was 21 179 900 as at 31 December 2021 (2020: 21 179 900). The shareholding of the management was as follows:

Shareholding of management as at 31.12.2020	Shares	Percentages of shares
Members of the Board of directors	5 860 397	27,67 %
Harri Sjöholm *	5 759 427	27,19 %
Mammu Kaario	22 106	0,10 %
Kim Gran	26 226	0,12 %
Anne Leskelä	6 226	0,03 %
Kalle Reponen	33 328	0,16 %
Mikko Kuitunen	13 084	0,06 %
CEO	19 952	0,09 %
Other members of the management team	34 710	0,15 %
Total	5 915 059	

**27,06% owned by Harri Sjöholm through Five Alliance Oy*

6.4 Subsequent Events

There were no material subsequent events.

6.5 New and Amended Standards Adopted by the Group

During the period no new or amended standards were implemented that would of affected the Financial Statements.

Parent Company Financial Statements

Robit Plc
Business ID: 0825627-0

Robit Plc (parent company)		
Income statement	**1.1.- 31.12.2021**	**1.1.- 31.12.2020**
	€	€
Net sales	**5 771 749,21**	**2 821 096,08**
Other operating income	513 470,95	831 682,52
Personnel expenses		
Wages and salaries	-1 679 719,50	-1 585 795,00
Indirect personnel expenses		
Pension expenses	-236 330,58	-207 400,34
Other indirect security expenses	-50 888,14	-41 932,41
Total personnel expenses	-1 966 938,22	-1 835 127,75
Depreciation and amortisation		
Depreciation according to plan	-1 094 208,51	-1 518 301,03
Other operating expenses	-7 024 524,32	-6 507 978,54
OPERATING PROFIT (LOSS)	**-3 800 450,89**	**-6 208 626,72**
Financial income and expenses		
Financial income and expenses		
Other interest and financial income		
From group companies	1 401 102,84	1 284 563,04
From others	1 082 787,90	2 987,13
Interest and other financial expenses		
Impairment of investments	0,00	-90 000,00
To group companies	-807 890,06	-75 408,27
To others	-772 931,34	-1 997 040,05
Total financial income and expenses	903 069,34	-874 898,15
PROFIT (LOSS) BEFORE APPROPRIATIONS AND TAXES	**-2 897 381,55**	**-7 083 524,87**
Appropriations		
Change in depreciation difference, increase (-) or decrease (+)	-18 570,84	35 367,29
Group contribution	1 397 000,00	2 162 000,00
Income taxes	0,00	0,00
PROFIT (LOSS) FOR THE FINANCIAL YEAR	**-1 518 952,39**	**-4 886 157,58**

1 Jan - 31 Dec 2021

Robit Plc
Business ID: 0825627-0

Balance sheet

Assets	Dec 31, 2021	Dec 31, 2020
NON-CURRENT ASSETS		
Intangible assets		
Development costs	435 744,84	629 338,09
Intellectual property rights	360 185,93	464 416,08
Other non-current expenses	1 661 404,37	2 081 448,73
Total non-current assets	2 457 335,14	3 175 202,90
Tangible assets		
Land and waters areas	195 178,87	163 040,87
Buildings and structures	3 823 943,21	3 150 410,35
Machinery and equipment	59 728,10	112 196,87
Other tangible assets	18 405,01	36 354,73
Total tangible assets	4 097 225,19	3 462 002,82
Investments		
Shares in group companies	52 164 794,18	52 164 794,18
Total investments	52 164 794,18	52 164 794,18
Total non-current assets	58 719 384,51	58 801 999,90
Current assets		
Receivables		
Long-term		
Receivables from group companies	25 459 409,03	26 163 339,95
Loan receivables	178 620,16	128 278,28
Long-term receivables total	25 638 029,19	26 291 618,23
Short-term		
Receivables from group companies	13 032 156,50	7 204 066,24
Trade receivables	0,00	70 000,63
Loan receivables	98 820,99	123 669,45
Other receivables	20 598,41	101 276,07
Accrued income	116 755,30	113 435,94
Short-term receivables total	13 268 331,20	8 149 231,83
Securities		
Other shares	3 422 256,29	5 933 032,00
Financial assets	3 422 256,29	5 933 032,00
Cash and equivalents	734,47	42 721,50
Total current assets	42 329 351,15	44 310 741,67
TOTAL ASSETS	101 048 735,66	103 112 741,57

Robit Plc
Business ID: 0825627-0

	1.1.- 31.12.2021 €	1.1.- 31.12.2020 €
Equity		
Share capital	705 025,14	705 025,14
Share premium reserve	201 825,51	201 825,51
Invested unrestricted equity reserve	85 202 252,88	85 202 252,88
Retained earnings (loss)	-23 674 168,30	-18 917 344,10
Profit (loss) for the financial year	-1 518 952,39	-4 886 157,58
Total equity	60 915 982,84	62 305 601,85
Accrued appropriations		
Depreciation difference	406 283,26	387 712,42
LIABILITIES		
Long-term liabilities		
Loans from financial institutions	22 019 584,00	18 521 599,23
Total long-term liabilities	22 019 584,00	18 521 599,23
Short-term liabilities	6 271 694,53	
Loans from financial institutions	507 923,50	7 825 273,33
Accounts payable	10 423 401,74	286 860,93
Payables to group companies	207 723,33	13 354 474,56
Other liabilities	296 142,46	181 806,17
Accrued liabilities	17 706 885,56	249 413,08
Total short-term liabilities	22 019 584,00	21 897 828,07
Short-term liabilities total	39 726 469,56	40 419 427,30
TOTAL EQUITIES AND LIABLITIES	**101 048 735,66**	**103 112 741,57**

Robit Plc
Business ID: 0825627-0

Cash flow statements (parent company)	1.1.- 31.12.2021	1.1.- 31.12.2020
Cash flow from operations:		
PROFIT (LOSS) BEFORE APPROPRIATIONS AND TAXES	-3 800 451	-6 208 627
Adjustments:		
Depreciation according to plan	1 112 779	1 482 934
Financial income and expenses		
Other adjustments	823 171	485 294
Cash flow before changes in working capital	**-1 864 500**	**-4 240 399**
Changes in working capital:		
Increase (-) or decrease (+) in trade and other receivables	361 291	-3 986 453
Increase (-) or decrease (+) in inventories	0	0
Increase (-) or decrease (+) in trade payables	-3 114 943	9 588 569
Cash flow from operations before taxes	-4 618 152	1 361 718
Interest paid and other finance costs from operations	-1 014 788	-811 916
Interests and other financial income from operations	134 310	197 723
Direct income taxes paid	0	0
Cash flow from operations (A)	**-5 498 630**	**747 525**
Cash flows from investing activities:		
Investments in tangible and intangible items	-1 011 593	-65 588
Investments in group companies	0	-25 182
Granted subsidiary loans	0	1 286 298
Repayment of loan receivables	1 379 838	0
Changes in long-term receivables	37 080	-104 157
Cash flow from investments (B)	**405 325**	**1 091 371**
Cash flows from investing activities	**-5 093 305**	**1 838 896**
Cash flows from investing activities		
Proceeds from financial instruments and deposits	2 500 000	0
Changes in short-term loans	-24 078 015	-5 139 653
Changes in long-term loans	26 500 000	3 000 000
Changes of own shares	129 333	183 360
Cash flow from financing (C)	**5 051 318**	**-1 956 293**
Change in cash and cash equivalents (A+B+C)	**-41 987**	**-117 397**
Cash and cash equivalents at beginning of financial year	47 722	160 118
Cash and cash equivalents at the end of financial year	734	42 722
Cash and cash equivalents according to balance sheet	**-41 987**	**-117 397**

Notes to the Financial Statements

Applied Accounting Principles

Company information

Robit group is specializing to sell, design and manufacture drilling consumables. Robit Plc is a company listed in Nasdaq OMX Helsinki Ltd main list Finland marketplace with trading code ROBIT. Robit Plc has a registered address in Vikkiniityntie 9, FI-33880 Lempäälä, Finland.

Group information

Robit Plc is the parent company of Robit group. The consolidated financial statements are prepared in accordance with IFRS and the parent company's separate financial statements in accordance with Finnish GAAP. The Group's accounting principles are described in the Group's notes. Copy of the consolidated group accounts is available in the group headquarters at Vikkiniityntie 9, FI-33880, Lempäälä, Finland.

Material events during the period

As a result of rapid growth, the company is investing approximately EUR 6.0 million in increasing TH production capacity in Finland and South Korea. The company's production facilities in Lempäälä were expanded by approximately 750 square meters from the previous warehouse space and a new replacement warehouse warehouse facility was created, approximately 650 square meters. As a result of the expansion, TH and DTH production in Lempäälä will be divided into its own production units, and the expansion also included equipment and automation investments. Investments in South Korea's Hwaseong site include investments in machinery, robotics and automation. The above-mentioned investments will enable an increase in capacity at the core of production and, in this way, a significant increase in overall delivery capacity and growth. In Finland, full production capacity was reached at the end of 2021 and in South Korea in early 2022.

Material events after the financial period

Robit Plc did not have any material events after the financial period.

Valuation principles of Non-Current assets

Variable costs resulting from acquisition and manufacture os 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. Buildings and movable assets are depreciated during their economic life.

Depreciation periods

Development costs	5 years	Straight-line depreciation
Other long-term expenses	5-7 years	Straight-line depreciation
Capitalized listing expenses	5-10 years	Straight-line depreciation
Buildings	30 years	Straight-line depreciation
Machinery and equipment of buildings	15 years	Straight-line depreciation
Structures	10 years	Straight-line depreciation
Machinery and equipment	5-10 years	Straight-line depreciation
Other tangible assets	5-10 years	Straight-line depreciation

The depreciation time of development expenses and other tangible assets vary between 5 to 7 years and they are in line with management's view of the economic lifetime.

Investment

Investments are valued by acquisition price.

Valuation of inventories

Inventories are presented at 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.

Net sales by geographical market area:

	31.12.2021	31.12.2020
Domestic	1 053 619	617 647
European community	393 569	145 088
Other countries	4 324 561	2 058 361
Total	5 771 749	2 821 096

Personnel information

Average count of personnel		
Office workers	12	10

Salaries of Members of the Board of Directors and managing director

	31.12.2021	31.12.2020
CEO Tommi Lehtonen	217 234	213 219

	2021	2020
Members of the Board of Directors		
Harri Sjöholm	59 750	45 250
Kai Seikku (until 22.4.2020)	-	2 250
Kalle Reponen	42 676	42 000
Mammu Kaario	41 847	40 750
Mikko Kuitunen	38 250	38 000
Anne Leskelä (since 22.4.2020)	41 553	36 250
Kim Gran (since 22.4.2020	40 820	37 500
	264 897	242 000

Auditors' fees detail

1)	Statutory audit	100 971	94 603
2)	Assignments according to the Auditing act 1,1 §		
3)	Tax consulting		
4)	Other services	3 000	11 250
		103 971	105 853

Depreciation according to plan by balance sheet items

Development costs	210 796,46	400 878,88
Intellectual property rights	198 032,54	200 719,83
Other non-current expenses	433 044,36	646 322,79
Buildings	181 916,66	182 387,76
Machinery and equipment	52 468,77	70 042,05
Other tangible assets	17 949,72	17 949,72
	1 094 208,51	1 518 301,03

Tangible and intangible assets	**31.12.2021**	**31.12.2020**
Development costs		
Acquisition cost 1.1.	2 286 036,24	2 229 086,00
Additions	17 203,21	56 950,24
Reclassification	0,00	0,00
Acquisition cost 31.12.	2 303 239,45	2 286 036,24
Accumulated depreciation 1.1.	-1 656 698,15	-1 255 819,27
Depreciation for the financial period	-210 796,46	-400 878,88
Book value 31.12.	435 744,84	629 338,09
Intangible assets		
Acquisition cost 1.1.	1 195 558,32	1 195 558,32
Additions	8 637,84	8 637,84
Reclassification	0,00	0,00
Acquisition cost 31.12.	1 204 196,16	1 204 196,16
Accumulated depreciation 1.1.	1 204 196,16	-539 060,25
Depreciation for the financial period	93 802,39	-200 719,83
Book value 31.12.	1 297 998,55	464 416,08
Other non-current expenses		
Acquisition cost 1.1.	7 073 453,80	7 073 453,80
Additions	0,00	0,00
Reclassification	0,00	0,00
Acquisition cost 31.12.	7 073 453,80	7 073 453,80
Accumulated depreciation 1.1.	-4 992 005,07	-4 345 682,28
Depreciation for the financial period	-433 044,36	-646 322,79
Book value 31.12.	1 661 404,37	2 081 448,73
Land and water areas		
Acquisition cost 1.1.	163 040,87	163 040,87
Additions	32 138,00	0,00
Book value 31.12.	195 178,87	163 040,87
Buildings and structures	**31.12.2021**	**31.12.2020**
Acquisition cost 1.1.	5 342 534,68	5 342 534,68
Additions	855 449,52	0,00
Acquisition cost 31.12.	6 197 984,20	5 342 534,68
Accumulated depreciation 1.1.	-2 192 124,33	-2 009 736,57
Depreciation for the financial period	-181 916,66	-182 387,76
Book value 31.12.	3 823 943,21	3 150 410,35
Machinery and equipment		
Acquisition cost 1.1.	2 308 377,55	2 308 377,55
Acquisition cost 31.12.	2 308 377,55	2 308 377,55
Accumulated depreciation 1.1.	-2 196 180,68	-2 126 138,63
Depreciation for the financial period	-52 468,77	-70 042,05
Book value 31.12.	59 728,10	112 196,87

Other tangible assets	31.12.2021	31.12.2020
Acquisition cost 1.1.	99 065,05	99 065,05
Acquisition cost 31.12.	99 065,05	99 065,05
Accumulated depreciation 1.1.	-62 710,32	-44 760,60
Depreciation for the financial period	-17 949,72	-17 949,72
Book value 31.12.	18 405,01	36 354,73

Shares in subsidiaries

Opening balance 1.1.	52 164 794,18	52 229 612,11
Additions x)	0,00	25 182,07
Deductions xx)	0,00	-90 000,00
Nook value31.12.	52 164 794,18	52 229 612,11

x) Robit SA 4%

xx) Robit Kazakstan write-down 2020

The shares held by the company of which the ownership exceeds 20 %

	31.12.2021	31.12.2020
	Share %	Share %
Robit Ab, Sweden	100 %	100 %
Robit Korea LTD, Korea	100 %	100 %
Robit OOO, Russia	100 %	100 %
Robit Inc. USA	100 %	100 %
Robit SA Ltd, South Africa	74 %	74 %
Robit S.A.C, Peru 1)	99 %	99 %
Robit Africa Holdings Ltd, South Africa2)	100 %	100 %
Robit Finland Oy Ltd, Suomi	100 %	100 %
Robit Australia Holdings Ltd, Australia	100 %	100 %
Robit GB Ltd, UK	100 %	100 %
TOO Robit, Kazakastan	100 %	100 %
Robit UK Ltd, UK	100 %	100 %
Robit Asia Ltd, Hong Kong	100 %	100 %

	31.12.2021	31.12.2020
Receivables from group companies		
Trade receivables	7 334 239,97	2 979 176,47
Group loan receivables	25 459 409,03	30 852 304,95
Other group receivables	5 697 916,53	2 394 450,29
	38 491 565,53	37 704 038,76
Loans from group companies		
Account payables	2 156 581,35	4 042 127,69
Groups loans	6 584 693,28	6 584 693,28
Other accruals	1 682 127,11	2 727 653,59
	10 423 401,74	13 354 474,56
Material items in receivables carried forward		
Personnel cost accruals	290 690,94	246 368,66
Other accruals	5 451,52	3 044,42
	296 142,46	258 030,14

Changes of equity during the financial period

	31.12.2021	31.12.2020
Share capital 1.1.	705 025,14	705 025,14
Changes	0,00	0,00
Share capital 31.12.	705 025,14	705 025,14
Share premium reserve	201 825,51	201 825,51
Invested unrestricted equity fund 1.1	85 202 252,88	85 018 892,88
Treasury shares x)	0,00	183 360,00
Invested unrestricted equity fund 31.12	85 202 252,88	85 202 252,88
Retained earnings of previous periods 1.1.	-18 917 344,10	-12 600 035,48
Prior year loss	-4 886 157,58	-4 652 562,00
Acquisition/distribution of own shares	129 333,38	118 403,88
Adjustment to previous period	0,00	-1 783 150,50
Retained earnings 31.12	-23 674 168,30	-18 917 344,10
Profit / loss for the period	-1 518 952,39	-4 886 157,58
	-25 193 120,69	-17 252 597,48
Restricted equity	906 850,65	906 850,65
Distributable shareholders´ equity	60 009 132,19	61 398 751,20
Shareholders' equity	**60 915 982,84**	**62 305 601,85**
Distributable equity		
Invested unrestricted equity fund	85 202 252,88	85 202 252,88

	31.12.2021	31.12.2020
Retained earnings of previous periods	-23 674 168,30	-18 917 344,10
Profit / loss for the period	-1 518 952,39	-4 886 157,58
Capitalised R&D expenses	-435 744,84	-629 338,09
	59 573 387,35	**60 769 413,11**

Accrued appropriations

Depreciation difference, buildings	385 191,65	345 568,24
Depreciation difference, machinery and equipments	21 091,61	42 144,18
	406 283,26	**387 712,42**

Deferred tax assets and liabilities not presented in balance sheet

Deferred tax asset from recognized losses	3 306 593,52	2 452 361,85
Deferred tax liabilities from depreciation differences	81 256,65	77 542,48

Amount of shares in the company by their class of share and main provisions concerning each class of share.

	31.12.2021	31.12.2020
All shares are of the same class	21 179 900 shares	21 179 900 shares

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

	31.12.2021	31.12.2020
Receivables (before classified as receivables from shareholders)	195 461,48	241 448,64
Loans maturing in more than 5 years		
Loans from financing institutions	0,00	0,00

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

	31.12.2021	31.12.2020
Of own debts and liabilities		
Business mortgages pledged as a security	41 068 787,90	41 068 787,90
Real estate mortgages pledged as a security	2 856 000,00	1 856 000,00
	43 924 787,90	42 924 787,90
Amount of loan		
Loans from financial institutions	25 029 377,00	26 346 872,56

The covenants relating to loans

The Company has financial institution loans of 25.029.377,00€, related with following covenants:

1) Group equity ratio must be over 32,5%

2) The Company has prohibition of the security for business mortgages pledged. (Negative pledge)

3) Net debt to adjusted EBITDA to be 4 or less. EBITDA is adjusted by the annualized net performance of

the possibly acquired companies.

It has been agreed with the main financier that in 2020 EBITDA covenant is absolute EBITDA.

Margin was increased to 2.4 % per cent until original covenant net debt to EBITDA will be met.

Robit did not meet the covenant term. Robit has received a waiver to breach the covenant as of December 21, 2021. The entity paid down EUR 1.5 million of loans at the end of December. Additionally, during 2022 the net debt to adjusted EBITDA covenant will be 3.5 or less.

Lease liabilities

	31.12.2021	31.12.2020
Items to be paid pursuant to the lease agreements		
During the following financial period	58 943,02	11 502,24
In later periods	218 573,17	20 128,92
Total	277 516,19	31 631,16

Lease liabilities related to company cars and computers.

These terms of contract are in line with general practices in this field.

Other liabilities	31.12.2021	31.12.2020
Guarantee liabilities	77 152,13	93 454,83

Parent company has granted a counter guarantee on behalf of its subsidiary.

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 2017 in case the taxable use of the real estate diminishes during the revision period. The last revision year will be 2026. The maximum amount of the liability amounts to EUR 90.444,56.

The company is obligated to revise the deductions of value added tax it has made for the real estate investment completed in 2018 in case the taxable use of the real estate diminishes during the revision period. The last revision year will be 2027. The maximum amount of the liability amounts to EUR 19.945,34.

The company is obligated to revise the deductions of value added tax it has made for the real estate investment completed in 2021 in case the taxable use of the real estate diminishes during the revision period. The last revision year will be 2030. The maximum amount of the liability amounts to EUR 184.777,10.

Related party transactions

Company did not do any transactions that were out of normal business activities during 2021 with related parties.

More details of related party transactions in the group report.

Signatures to the Financial Statements and the Board of Directors' Report

Robit Plc
Business ID: 0825627-0

Date and place

Helsinki February 15, 2022

Harri Sjöholm
Chairman of the Board

Mikko Kuitunen
Board member

Anne Leskelä
Board member

Mammu Kaario
Board member

Kalle Reponen
Board member

Kim Gran
Board member

Tommi Lehtonen
CEO

The auditor's note

Our auditor´s report has been issued today.

Helsinki February 15, 2022

Ernst & Young Oy
Authorized Public Accountants

Toni Halonen
Authorized Public Accountant

List of accounting books and record formats and storage methods

Robit Plc 9.1
Business ID: 0825627-0

List of accounting books and record formats and storage methods.

Accounting Books	Method of storage
Journal	Electronically (Netsuite)
General Ledger	Electronically (Netsuite)
VAT calculations	Electronically (Netsuite)
Accounts Receivable	Electronically (Netsuite)
Accounts Payable	Electronically (Netsuite)
Payroll accounting	Computerised partial bookkeeping, lists of transactions wage lips and pay sheets on CD
Balance sheet book	Separately bound
Itemisations of balance sheet	Separately bound

Voucher		Method of storage
Accounting voucher	00	Paper documents
Projects	01	Paper documents
Sampo USD	09	Paper documents
Nordea	10	Paper documents, statements of account on CD
Cash vouchers	11	Paper documents, statements of account on CD
Nordea USD -193	12	Paper documents
Nordea -211	13	Paper documents, statements of account on CD
Nordea -823	14	Paper documents, statements of account on CD
Sampo	16	Paper documents, statements of account on CD
Sampo CAD	17	Paper documents
Handelsbanken	18	Paper documents
Osuuspankki	19	Paper documents, statements of account on CD
VAT vouchers	20	CD
Sales invoices	30	Paper documents
Account sales, non-ledger	32	Paper documents
Account sales, payments	35	Paper documents
Purchasing invoices, WF	53	CD
Salaries	60	Paper documents
Financial statement receipts	95	Paper documents
Note vouchers	0	Paper documents

EY
Building a better working world

Ernst & Young Oy
Alvar Aallon katu 5 C
FI-00100 Helsinki
FINLAND

Tel. +358 207 280 190
www.ey.com/fi
Business ID 2204039-6,
domicile Helsinki

AUDITOR'S REPORT (Translation of the Finnish original)

To the Annual General Meeting of Robit Plc

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Robit Plc (business identity code 0825627-0) for the year ended 31 December 2021. The financial statements comprise the consolidated balance sheet, statement of comprehensive income, statement of changes in equity, statement of cash flows and notes, including summaries of significant accounting policies, as well as the parent company's balance sheet, income statement, statement of cash flows and notes.

In our opinion

- the consolidated financial statements give a true and fair view of the group's financial position as well as its financial performance and its cash flows in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU.
- the financial statements give a true and fair view of the parent company's financial performance and financial position in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements.

Our opinion is consistent with the additional report submitted to the Audit Committee.

Basis for Opinion

We conducted our audit in accordance with good auditing practice in Finland. Our responsibilities under good auditing practice are further described in the *Auditor's Responsibilities for the Audit of Financial Statements* section of our report.

We are independent of the parent company and of the group companies in accordance with the ethical requirements that are applicable in Finland and are relevant to our audit, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

In our best knowledge and understanding, the non-audit services that we have provided to the parent company and group companies are in compliance with laws and regulations applicable in Finland regarding these services, and we have not provided any prohibited non-audit services referred to in Article 5(1) of regulation (EU) 537/2014. The non-audit services that we have provided have been disclosed in note 2.4 to the consolidated financial statements and in note Auditors' fees detail to the parent company financial statements.

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

EY
Building a better working world

We have also addressed the risk of management override of internal controls. This includes consideration of whether there was evidence of management bias that represented a risk of material misstatement due to fraud.

Key Audit Matter	How our audit addressed the Key Audit Matter
Revenue recognition *We refer to the Group's accounting principles and the note 2.1.* Robit Group's revenues in 2021 amounted to 100,8 million euros consisting mainly of drilling machinery consumables such as drill bits and casing systems. Revenue from sale of goods is recognized at a point in time, when control of the goods is transferred to customer, typically at the time of delivery of the goods. The Group focuses on revenue as a key performance measure which could create the incentive for revenue to be recognized too early. Revenue recognition was a key audit matter and a significant risk of material misstatement referred to in EU Regulation No 537/2014, point (c) of Article 10(2) because of the risk of correct timing of revenue recognition (cut off).	Our audit procedures to address the risk of material misstatement relating to revenue recognition included, among others: • we assessed the reasonableness of the Group's accounting policies over revenue recognition and compliance with applicable accounting standards. • we assessed the process and methods for revenue recognition. • we tested the recorded sales transactions during the year against underlying documents on a sample basis. • we tested the sales cut off on either side of the balance sheet date on a sample basis. • we obtained confirmations of receivable balances at year end from customers and analyzed credit invoices issued after the balance sheet date. • we performed analytical procedures on revenues. • we considered the appropriateness of the Group's disclosures in respect of revenues.
Goodwill valuation *We refer to the Group's accounting principles and the note 3.2.* At the financial statement date, the value of Robit Group's goodwill amounted to 5,5 million euros representing 5 % of total assets and 11 % of total equity. The Group management uses assumptions in respect of determining weighted average cost of capital and future market and economic conditions such as economic growth, revenue and margin developments. Goodwill valuation was a key audit matter and a significant risk of material misstatement referred to in EU Regulation No 537/2014, point (c) of Article 10(2) because the impairment testing involves estimates and significant judgment from management.	Our audit procedures to address the risk of material misstatement relating to goodwill valuation included, among others: • we involved our valuation specialists to assist us in evaluating the assumptions and methodologies used by the Group in the testing, in particular those related to the determination of weighted average cost of capital. • we focused on the sensitivity in the available headroom by cash generating unit and whether any reasonably possible change in assumptions could cause the carrying amount to exceed its recoverable amount. We tested the allocation of the assets, liabilities, revenues and expenses to each of the cash generating units. • we assessed retrospectively the outcome of the management's historical estimates. • we considered the appropriateness of the Group's disclosures in respect of impairment testing.

2 (5)

A member firm of Ernst & Young Global Limited

EY
Building a better working world

Key Audit Matter	How our audit addressed the Key Audit Matter
Valuation of trade receivables *We refer to the Group's accounting principles and the notes 4.4, 4.6 and 5.3.* Valuation of trade receivables was a key audit matter because of the significance of overdue trade receivables to the financial statements as a whole. As of balance sheet date December 31, 2021, the carrying value of trade receivables amounted to 21,2 million euros. Carrying value of trade receivables is a result of gross receivables netted by a provision for credit losses. Valuation of trade receivables requires management to estimate the amount of expected credit losses for the accrued provision for credit losses.	We performed, among others, the following audit procedures: • we evaluated the valuation methods applied on valuation of trade receivables as well as performed analyses of overdue and undue gross receivable balance development and corresponding movement in credit loss provision during the year. • we sent receivable balance confirmation requests to the Group's customers and compared trade receivable balances to subsequent cash receipts. • we analysed management's estimates of expected credit losses of the most significant aged and overdue receivables considering historical payment patterns as well as recent communications with the counterparties and dunning procedures. • we considered the appropriateness of the Group's disclosures in respect of trade receivables.

Responsibilities of the Board of Directors and the Managing Director for the Financial Statements

The Board of Directors and the Managing Director are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU, and of financial statements that give a true and fair view in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors and the Managing Director are responsible for assessing the parent company's and the group's ability to continue as going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting. The financial statements are prepared using the going concern basis of accounting unless there is an intention to liquidate the parent company or the group or cease operations, or there is no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance on whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with good auditing practice will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with good auditing practice, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 parent company's or the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the parent company's or the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the parent company or the group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events so that the financial statements give a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Reporting Requirements

Information on our audit engagement

We were first appointed as auditors by the Annual General Meeting on 26 March 2013, and our appointment represents a total period of uninterrupted engagement of nine years. Robit Plc has been a public interest entity since 17 May 2017.

EY
Building a better working world

Other information

The Board of Directors and the Managing Director are responsible for the other information. The other information comprises the report of the Board of Directors and the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon. We have obtained the report of the Board of Directors prior to the date of this auditor's report, and the Annual Report is expected to be made available to us after that date.

Our opinion on the financial statements does not cover the other information.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. With respect to report of the Board of Directors, our responsibility also includes considering whether the report of the Board of Directors has been prepared in accordance with the applicable laws and regulations.

In our opinion, the information in the report of the Board of Directors is consistent with the information in the financial statements and the report of the Board of Directors has been prepared in accordance with the applicable laws and regulations.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Helsinki, 15th February 2022

Ernst & Young Oy
Authorized Public Accountant Firm

Toni Halonen
Authorized Public Accountant

Definitions of Key Figures

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

Robit
FURTHER. FASTER.

Robit PLC • Vikkiniityntie 9, FI-33880 Lempäälä (Tampere), Finland
Tel. +358 3 3140 3400 • investors@robitgroup.com • Business ID: FI08256270 • robitgroup.com

If You have any feedback or comments on Robit's annual report 2021, please contact via e-mail investors@robitgroup.com