

Robit Plc
Financial Statements Release
January–December 2022



ROBIT PLC STOCK EXCHANGE RELEASE 20 FEBRUARY 2023 AT 11:00 AM

ROBIT PLC FINANCIAL STATEMENTS RELEASE 1 JANUARY–31 DECEMBER 2022: NET SALES AND EBITDA INCREASED

In the text, 'review period' or 'last quarter of the year' refers to 1 October–31 December 2022 (Q4), and 'January–December' refers to 1 January–31 December 2022. Figures from the corresponding time period in 2021 are given in parentheses. All the figures presented are in euros. Percentages are calculated from thousands of euros.

1 October–31 December 2022 in brief

- Net sales EUR 26.2 million (26.3), change -0.3%. Without Russia, the change was +3.2%.
- EBITDA EUR 0.4 million (1.7)
- EBITA EUR -0.8 million (0.5)
- Operating profit as percentage of net sales (EBIT%) -4.0% (1.2)
- Review period net income EUR -2.2 million (-0.2)
- Net cash flow for operating activities EUR 1.6 million (-0.4)

1 January–31 December 2022 in brief

- Net sales EUR 112.0 million (100.8), change +11.1%. Without Russia, the change was +9.9%.
- EBITDA EUR 8.9 million (7.6)
- EBITA EUR 4.0 million (2.9)
- Operating profit as percentage of net sales (EBIT%) 2.7% (2.1)
- Review period net income EUR 0.9 million (0.9)
- Net cash flow for operating activities EUR 5.6 million (-4.2)
- Equity ratio at the end of the review period 46.5% (42.2)

Key financials	Q4 2022	Q4 2021	Change%	2022	2021	Change%
Net sales, EUR 1 000	26 210	26 285	-0.3%	111 962	100 755	11.1%
EBITDA*, EUR 1 000	379	1 650	-77.0%	8 851	7 595	16.5%
EBITDA, % of net sales	1.4%	6.3%		7.9%	7.5%	
EBITA, EUR 1 000	-822	543	-251.6%	3 959	2 940	34.7%
EBITA, % of sales	-3.1%	2.1%		3.5%	2.9%	
EBIT, EUR 1 000	-1 039	327	-418.1%	3 071	2 080	47.6%
EBIT, % of sales	-4.0%	1.2%		2.7%	2.1%	
Result for the period, EUR 1 000	-2 166	-152	-1 326.0%	628	886	-0.1%
Result for the period, % of sales	-8.3%	-0.6%		0.8%	0.9%	
Earnings per share (EPS)	-0.09	0.00	-7 845.7%	0.04	0.04	-2.9%
Return on equity (ROE), %**				1.6%	1.8%	
Return on capital employed (ROCE), %**				3.5%	2.5%	

*No items affecting comparability Q1-Q4/2022 or Q1-Q4/2021.

TREATMENT OF RESULT FOR THE FINANCIAL YEAR

The Board of Directors proposes to the Annual General Meeting that the parent company's profit for the financial year ended on 31 December 2022, EUR 1,478,741.96, be transferred to retained earnings.

DISTRIBUTION OF FUNDS TO SHAREHOLDERS

The Board of Directors proposes to the Annual General Meeting that a dividend of EUR 0.02 per share be distributed for the 2022 financial period.

ROBIT'S OUTLOOK FOR 2023

Robit expects the global mining industry demand to remain at the current level of the end of 2022, taking into account identified risk factors. The company has identified global factors such as the war in Ukraine, cost inflation and a potential global decline in economic trends.

Robit discerns construction industry demand to remain good in the company's key market area of North America but to decline in Europe. The demand is supported by the substantial construction industry funding that has already been decided. The general deterioration of the economic outlook and high-cost inflation may cause construction projects to be postponed.

GUIDANCE FOR 2023

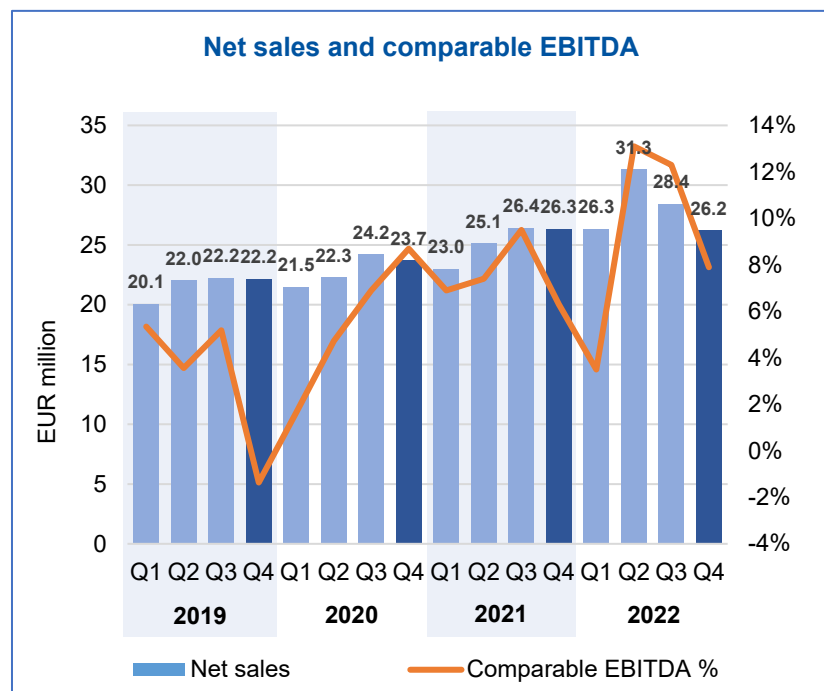
Robit estimates that net sales and comparable EBITDA profitability in euros in 2023 remains unchanged or increases slightly compared to 2022 assuming that there are no significant changes in the exchange rates from the level at the end of 2022.

CEO ARTO HALONEN

In the last quarter of the year, net sales remained at the level of corresponding period. Without Russia, net sales increased by 3.4%. EBITDA for the quarter was 1.4% of net sales. Profitability was encumbered by the costs incurred from ramping down the Russian company, the currency exchange rate losses and the increased costs. Orders received totalled EUR 23.0 million and dropped by 23.4% from the strong reference period. Without Russia, the decline in orders was 14.6%. The low level of orders received in the last quarter will reflect in the development of net sales in early 2023.

Robit's growth and profitability continued to develop positively in 2022, and we reached records in both net sales and EBITDA. Net sales in 2022 grew by 11.1% to EUR 112.0 million. EBITDA improved to 7.9% of net sales. Orders received totalled EUR 105.2 million and dropped by 0.5% from the strong reference period. Without Russia, orders increased by 2.9%.

The most significant event in the operating environment was the war of aggression initiated by Russia and its wide-ranging impacts. As a result, we ran down the operations of Robit's Russian company during the year. The cost inflation accelerated by the war also had a significant impact on the business environment during the year. Despite these challenges, we succeeded in our measures and continued the company's positive development in terms of both growth and profitability.



Success in promoting key goals

We set improving profitability, profitable growth and strengthening cash flow as our key goals for 2022. We succeeded in all three areas. The impact of the increase in the cost of raw materials caused by the war in Ukraine started to materialise during the year, but the impact was compensated for by the pricing measures taken. The effects of the competitive tendering of sea freight, the general decrease in sea freight rates and the logistics optimisation measures carried out by the company were reflected in a reduction in freight costs. Procurement savings projects also progressed as planned.

We achieved growth in most markets. Growth was strongest in the Americas area. Growth also took place in the Asia, EMEA and East areas. During the year, growth continued strongly in the Top Hammer business unit, and we completed the 2021–2022 investment programme to increase the Top Hammer capacity. In the Down the Hole business unit, we failed to meet our growth target. We restructured the business unit in the last quarter to accelerate its growth. The company's ability to deliver and capacity enable continued growth in both the Top Hammer and Down the Hole business units.

The net cash flow from operations was clearly strengthened during the year and improved approximately EUR 10 million. The positive development of cash flow was supported by improved profitability and the management of working capital.

Progress in achieving responsibility goals

Robit's responsibility work focuses on four key themes: responsible partnerships, reducing carbon dioxide emissions in the value chain, a happy and prosperous work community and efficiency throughout the product life cycle. Systematic work to achieve our goals progressed as planned. The satisfaction of our personnel strengthened and we succeeded in, among other things, reducing the CO2 emission intensity significantly.

During the year, we launched new products on the market that enable efficiency throughout the product life cycle. We launched the Robit Rbit button bit series for drifting and tunnelling in the third quarter of the year. With the Rbit series, we focus on helping our customers reduce the total cost of drilling with a higher penetration rate and lower cost per metre drilled.

Aiming to be the world's leading supplier of drilling consumables

At the end of the year, we sharpened our strategy and set a goal to be the world's leading supplier focused on drilling consumables. The achievement of the goal is steered by our long-term financial targets of 13% EBITDA and 15% annual growth, as well as our responsibility goals.

For 2023, we have raised four key development projects to implement the strategy:

- accelerating growth through the network of distributors
- strengthening expertise in the drilling consumables business
- strengthening Robit's position as the market leader in drill bit operations through research and product development projects
- improving availability and working capital management through the Fit for Service programme.

RESPONSIBILITY

Lost Time Incident Frequency (LTIF) developed negatively in the review period, and further measures to improve safety were added. Our factories are constantly working to increase safety awareness, and a new easy-to-use tool was introduced for the purpose of reporting safety observations. With regards to emission intensity, clear improvement has been achieved and, in terms of a responsible and sustainable delivery chain, we were able to reach our goals.

	Emission intensity	Waste	Consultative sales hours per year	LTIF	Sustainable suppliers	Sustainable distributors
12/2022	-26.0%	90%	714 h	6.4	92%	82%
12/2021	-0.5%	87%	921 h	2.1	79%	38%
Target	-50.0%	>90%	>1 000 h	0.0	>90%	>90%

NET SALES

Net sales by product area

EUR thousand	Q4 2022	Q4 2021	Change%	2022	2021	Change%
Top, Hammer	16 748	15 910	5.3%	66 834	56 287	18.7%
Down, the, Hole	9 462	10 375	-8.8%	45 128	44 468	1.5%
Total	26 210	26 285	-0.3%	111 962	100 755	11.1%

The Group's net sales in the fourth quarter of the year totalled EUR 26.2 million (26.3). The decrease from the reference period was -0.3% (11.0%) – without Russia, the growth was 3.2%. In constant currencies, the change was -4.2% (9.0). The Top Hammer business continued to grow in the fourth quarter, with net sales growing by 5.3%. The Down the Hole business decreased by -8.8% in the fourth quarter.

The Group's net sales in January–December totalled EUR 112.0 million (100.8). There was an increase of 11.1% from the corresponding period (10.0). In constant currencies, the change was 6.2% (10.7). In January–December, Top Hammer net sales grew strongly by 18.7% to EUR 66.8 million (56.3). The growth in net sales has been particularly supported by the good delivery capacity of the Finnish and South Korean factories. The Down the Hole business net sales declined by 1.5 per cent in January–February to EUR 45.1 million (44.5). The strong growth in net sales early in the year dwindled towards the end of the year as sales in the East area decreased significantly due to the halting of deliveries to Russia.

Net sales by market area

EUR thousand	Q4 2022	Q4 2021	Change%	2022	2021	Change%
EMEA	12 546	11 276	11.3%	48 651	45 298	7.4%
Americas	6 156	5 738	7.3%	26 349	19 960	32.0%
Asia	2 767	3 128	-11.5%	11 686	10 771	8.5%
Australasia	3 227	3 649	-11.6%	13 892	14 001	-0.8%
East	1 514	2 495	-39.3%	11 384	10 725	6.2%
Total	26 210	26 285	-0.3%	111 962	100 755	11.1%

Net sales' strong growth continued in the fourth quarter in the EMEA region, where net sales grew by 11.3%. Net sales increased in both South and North America. In the Asia, Australasia and East areas, net sales declined.

Between January and December, the net sales' growth was especially driven by the Americas, Asia and EMEA regions. In the East area, net sales improved thanks to the strong order book, and deliveries to Russia ended before the last quarter. In the Australasia region, net sales remained at the previous year's level.

PROFITABILITY

Key figures

EUR thousand	Q4 2022	Q4 2021	Change%	2022	2021	Change%
EBITDA, EUR 1 000	379	1 650	-77.0%	8 851	7 595	16.5%
EBITDA, % of net sales	1.4%	6.3%		7.9%	7.5%	
EBIT, EUR 1 000	-1 039	327	-418.1%	3 071	2 080	47.6%
EBIT, % of net sales	-4.0%	1.2%		2.7%	2.1%	
Result of the period, EUR 1 000	-2 166	-152	-1 326.0%	885	886	-0.1%
Result of the period, % of net sales	-8.3%	-0.6%		0.8%	0.9%	

The EBITDA for the fourth quarter was EUR 0.4 million (1.7). The EBITDA's share of net sales was 1.4% (6.3). The company's EBIT was EUR -1.0 million (0.3). EBIT was -4.0% (1.2) of the review period net sales. The result was weakened by the ramping down the operations of Russian company and the operating costs caused by Group organisational changes.

In January–December, the EBITDA was EUR 8.9 million (7.6). EBITDA's share of net sales was 7.9% (7.5). The company's EBIT was EUR 3.1 million (2.1). EBIT was 2.7% (2.1) of 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. The global increase of raw material costs created cost-related pressure throughout the financial period. Towards the end of the financial period, the company made organisational changes, which caused higher-than-normal operating costs. Generally speaking, fixed costs were successfully kept in check. Profitability was also encumbered by the inventory clearance in Russia at significantly lower prices than normal.

Financial income and expenses in the fourth quarter totalled EUR -0.5 million (-0.3), of which EUR -0.3 million (-0.4) was interest expenses and EUR -0.1 million (0.1) exchange rate changes. The result for the review period was EUR -2.2 million (-0.2).

In January–December, financial income and expenses totalled EUR -1.7 million (-1.3), of which EUR -1.3 million (-1.2) was interest expenses and EUR -0.2 million (0.1) exchange rate changes. The result for the financial period declined slightly to EUR 0.9 million (0.9).

CASH FLOW AND INVESTMENTS

Consolidated cash flow statement

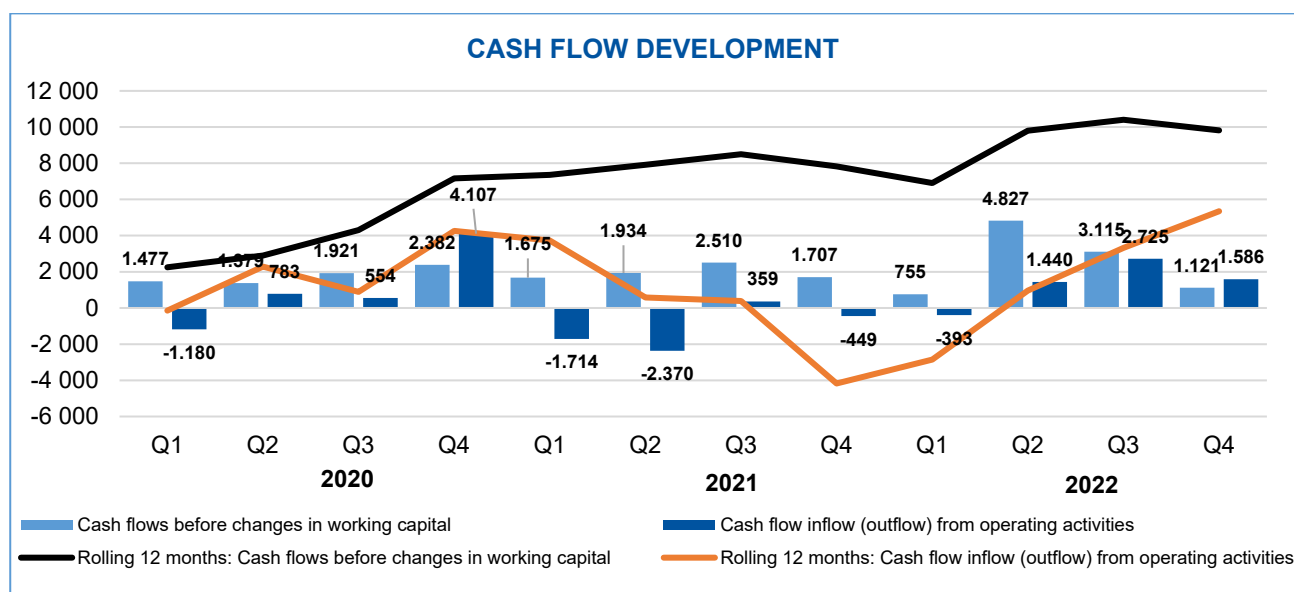
EUR thousand	Q4 2022	Q4 2021	2022	2021
Net cash flows from operating activities				
Cash flows before changes in working capital	1 109	1 707	10 014	7 826
Cash flows from operating activities before financial items and taxes	2 009	-237	7 277	-2 785
Net cash inflow (outflow) from operating activities	1 575	-449	5 556	-4 174
Net cash inflow (outflow) from investing activities	-75	-1 454	-1 057	-3 885
Net cash inflow (outflow) from financing activities	-611	2 391	-6 421	3 091
Net increase (+)/decrease (-) in cash and cash equivalents	888	487	-1 921	-4 968
Cash and cash equivalents at the beginning of the financial year	7 016	8 926	9 525	14 339
Exchange gains/losses on cash and cash equivalents	-216	113	84	154
Cash and cash equivalents at end of the year	7 688	9 525	7 688	9 525

The Group's cash flow before changes in working capital during the fourth quarter was EUR 1.1 million (1.7). Net cash flow for operating activities was EUR 1.6 million (-0.4). The changes in working capital had an impact of EUR 0.9 million (-1.9). The decrease in sales and other receivables had an impact on cash flow of EUR -0.5 million and on inventories of EUR 0.7 million. The decline in inventories primarily resulted from the shrinking inventories in the Top Hammer business. The increase in account payables and other payables had an impact of EUR 0.6 million on the cash flow from operating activities. The net cash flow from operations in the financial period was EUR 5.6 million (-4.2).

The net cash flow from investing activities in the fourth quarter was EUR -0.1 million (-1.5). Gross investments in production during the review period totalled EUR 0.2 million (1.5). The share of investments in net sales was 0.9% (6.0). The net cash flow for investment activities in the financial period was EUR -1.1 million (-3.9).

Net cash inflow (outflow) from financing activities for Q4 was EUR -0.6 million (2.4). Net changes in loans totalled EUR -1.8 million (-0.4). The change in bank overdrafts was EUR 1.6 million (3.3). The repayment of lease liabilities reported in net cash flow from financing activities under IFRS 16 totalled EUR -0.4 million (-0.5). The net cash flow from financing activities in the financial period was EUR -6.4 million (3.1).

Depreciation, amortisation and write-downs in the fourth quarter totalled EUR -1.4 million (-1.3). 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 -5.8 million (-5.5).



FINANCIAL POSITION

	31 December 2022	31 December 2021
Cash and cash equivalents, EUR thousand	7 688	9 525
Interest-bearing liabilities, EUR thousand	36 345	41 522
of which short-term interest-bearing financial liabilities:	8 922	10 500
Net interest-bearing liabilities, EUR thousand	28 657	31 996
Undrawn credit facility, EUR thousand	4 218	2 738
Gearing, %	56.4%	65.1%
Equity ratio, %	46.5%	42.2%

The Group had interest-bearing debt amounting to EUR 36.3 million (41.5), of which EUR 7.0 million (7.7) was interest-bearing debt under IFRS 16. The Group's liquid assets totalled EUR 7.7 million (9.5). Interest-bearing net liabilities were EUR 28.7 million (32.0), and interest-bearing net bank debt without IFRS 16 debt impact was EUR 21.7 million (24.3).

The Group's equity at the end of the review period was EUR 50.8 million (49.1). The Group's equity ratio was 46.5% (42.2) and its net gearing was 56.4% (65.1).

PERSONNEL AND MANAGEMENT

The number of personnel decreased by 14 from the end of the comparison period, and at the end of the review period it was 259 (273). At the end of the review period, 70% of the company's personnel were located outside Finland.

The company's Management Team at the end of the review period was composed of Arto Halonen (CEO), Jaana Rinne (HR Director), Ville Peltonen (CFO), George Apostolopoulos (VP Global Sales), Perttu Aho (VP Down the Hole), Jorge Leal (VP Top Hammer) and Ville Pohja (VP Geotechnical).

FINANCIAL TARGETS

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

	Long-term target	2020	2021	2022
Net sales growth, % p. a.	15%	6.0%	10.0%	11.1%
Adjusted EBITDA, % of net sales	13%	5.6%	7.5%	7.9%

SHARE-BASED INCENTIVE PROGRAMMES

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 remuneration that may be paid under the share scheme for the 2022–2023 two-year earning period 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.

Share-based incentive scheme 2022–2024

On 15 February 2022, Robit Plc's Board of Directors decided on a performance-based share reward scheme for key personnel. On 24 March 2022, Robit Plc's Board of Directors decided to increase the maximum size of the share reward scheme due to the change of CEO.

The share scheme includes earning periods of one and two years. The first earning period of the share scheme comprises the year 2022 and the second earning period comprises the years 2023–2024. The remuneration that may be paid under the share scheme for the 2021 one-year earning period is based on the company's predetermined net cash inflow target in the 2022 financial statements. The remuneration that may be paid under the share scheme for the 2023–2024 two-year earning period is based on the company's predetermined average earnings per share in the financial statements for the years 2023 and 2024. The remuneration that may be paid under the share scheme for both earning periods will be paid in May 2025.

The share scheme covers about 30 individuals. The total amount of share rewards payable on the basis of the earning periods 2022 and 2023–2024 corresponds to a maximum of 240,000 Robit Plc shares, which represents 1.1% of the company's current share capital.

RESOLUTIONS OF THE ANNUAL GENERAL MEETING 2022

Robit Plc's Annual General Meeting on 22 March 2022 adopted the financial statements presented for 1 January–31 December 2021 and resolved that no dividend would be paid based on the adopted balance sheet for the 2021 financial year.

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 2021.

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, Mikko Kuitunen, Anne Leskelä and Harri Sjöholm were re-elected as members of the Board of Directors. Eeva-Liisa Virkkunen and Markku Teräsvasara were elected new members of the Board of Directors.

The annual remuneration for the Chairman of the Board of Directors is EUR 50,000, 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 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 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 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.

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

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

The General Meeting resolved to authorise the Board of Directors to resolve on the acquisition of a maximum of 2,117,990 shares of the company and/or accepting the same number of the company's shares as a pledge, in one or several tranches by using funds in the unrestricted shareholders' equity. The maximum total of shares that will be acquired and/or accepted as a pledge corresponds to 10% of all the 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 other 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

at a price formed on the market. The authorisation is proposed to be used for the purposes of implementing the company's share-based incentive schemes or for other purposes as decided by the Board of Directors, for example.

It was resolved that the authorisation revokes the authorisation granted by the General Meeting on 25 March 2021 to decide on the acquisition of treasury shares.

The authorisation is valid until the closing of the next Annual General Meeting, but no longer than until 30 June 2023.

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 2,117,990, which amounts to 10% of all shares in the company as at 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, but no longer than until 30 June 2023. The authorisation will revoke all the previously granted, unused authorisations to decide on a share issue and the issuance of options or other special rights entitling to shares.

SHARES AND SHARE TURNOVER

On 31 December 2022, the company had 21,179,900 shares and 4,985 shareholders. The trading volume in January–December was 8,082,989 shares (5,866,628).

The company holds 52,308 treasury shares (0.2% of total shares). On 31 December 2022, the market value of the company's shares was EUR 55.7 million. The closing price of the share was EUR 2.63. The highest price in the review period was EUR 4.55 and the lowest price EUR 2.11.

RISKS AND BUSINESS UNCERTAINTIES

The geopolitical situation, which is growing tenser, poses a risk to the company's business. The war in Ukraine and the sanctions imposed on Russia affect the development of net sales and profitability especially in Russia, Belarus and Ukraine, which accounted for under 9% of the company's sales in the 2022 financial year. The crisis caused and may still cause a significant increase in the prices of raw materials. In respect of Russia, Robit complies with all the imposed sanctions and continuously monitors the situation.

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

Other uncertainty factors include exchange rate development, the functioning of information systems, integration of corporate acquisitions, risks related to the security of supply and logistics, and IPR risks. Fully transferring the increase in raw material costs to customer prices may pose a financial risk. Changes in export

countries' tax and customs legislation may adversely impact the company's export trade or its profitability. Risks related to information security and cyber threats may also have a detrimental effect on Robit's business. Potential changes in the business environment may adversely impact the payment behaviour of the Group's customers and increase the risk of litigation, legal claims and disputes related to Robit's products and other operations.

CHANGES IN GROUP STRUCTURE

The Group's subsidiary Robit Rocktools Ab was dissolved on 13 December 2022. The company hasn't conducted any business.

OTHER EVENTS IN OCTOBER–DECEMBER 2022

On 4 October 2022, the company announced that it had received a notification under Chapter 9, Section 5 of the Finnish Securities Markets Act from OP Fund Management Company Ltd on 3 October 2022. According to the information received, the total number of Robit shares owned by OP Fund Management Company Ltd decreased below five (5) per cent of the total shares of Robit Plc on 30 September 2022.

On 26 October 2022, the company published its interim financial reporting for 1 January–30 September 2022.

On 26 October 2022, the company published the company's schedule for financial information and the Annual General Meeting of 2023.

On 17 November 2022, the company announced that Perttu Aho (born 1968), B.B.A., had been appointed head of Robit Oyj's Down the Hole business unit (VP Down the Hole) and a member of the company's Management Team. At the same time, the company announced that the current VP of Down the Hole, Adam Baker, would be leaving his position as the head of the DTH business unit and member of the Management Team 31 December 2022.

On 17 November 2022, the company announced that Ville Peltonen, M.Sc. (Econ.), had been appointed Robit Plc's CFO and member of the Management Team as of 17 November 2022. Peltonen had been serving as the company's interim CFO as of 16 March 2022 after the previous CFO Arto Halonen moved to the position of the company's CEO.

On 12 December 2022, the Board of Directors of Robit Plc decided to transfer a total of 31,873 shares of the company as Board fees to the members of the Board of Directors on the basis of the Board's 2022 term of office. The transfer was based on the authorisation given by the Annual General Meeting on 22 March 2022. At the closing price of 09 December 2022, the total value of the shares to be transferred was EUR 80,000. It was decided to transfer to CEO Arto Halonen a total of 4,283 shares as part of the fixed annual salary. The transfer was based on the CEO agreement. At the closing price of 09 December 2022, the total value of the shares to be transferred was EUR 10,750. Therefore, the total number of shares to be transferred was 36,155 and their total value at the closing price of 09 December 2022 was EUR 90,750. 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 88,765 treasury shares, which was 0.4% of the company's entire shareholding, and 52,610 after the transfers, which was 0.2% of the company's total shares. The share rewards were paid by 14 December 2022.

EVENTS AFTER THE REVIEW PERIOD

On 11 January 2023, Robit Plc announced that its VP, Global Sales and Management Team member George Apostolopoulos would be leaving his duties for new challenges outside the company. Apostolopoulos will continue in his position until the summer of 2023. The process of recruiting Apostolopoulos' successor is under way. The sales of global sales areas has also been the responsibility of CEO Arto Halonen, and he will continue in his duties, bearing the responsibility of half of the sales.

On 18 January 2023, the company published the proposals of Robit Plc's Shareholders' Nomination Committee for the Annual General Meeting of 2023:

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 the following persons be re-elected as members of the Board of Directors for a term ending at the end of the next Annual General Meeting following the election: Mikko Kuitunen, Anne Leskelä, Harri Sjöholm, Markku Teräsvasara, Eeva-Liisa Virkkunen. Lasse Aho is proposed as a new member. Of the current Board members, Kim Gran has announced that he will no longer be available for election into the Board of Directors.

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 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 55,000, 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 in 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. If the meeting is held remotely and lasts no more than 1 hour, EUR 250 will be paid as a one-time meeting compensation. 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 2023. 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 2023, with Harri Sjöholm (Chairman of the Board of Five Alliance Oy), Jukka Vähäpesola (Head of Equities of Elo Mutual Pension Insurance Company) and Markus Lindqvist (Sustainability Director of Aktia Pankki Oyj) as the other members.

Lempäälä, 20 February 2023

ROBIT PLC
Board of Directors

For more information, contact:

Arto Halonen, CEO
+358 40 028 0717
arto.halonen@robitgroup.com

Ville Pelttonen, CFO
+358 40 759 9142
ville.pelttonen@robitgroup.com

Distribution:
Nasdaq Helsinki Ltd
Key media
www.robitgroup.com

Robit is a global expert focused on high-quality drilling consumables for mining and construction markets to help you drill further and faster. Robit strives to be world number one company in drilling consumables. Through our high and proven quality Top Hammer, Down the Hole and Geotechnical products, and our expert services, we deliver saving in drilling costs to our customers. Robit has its own sales and service points in eight countries and an active distributor 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. Further information at www.robgroup.com.

CONDENSED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

EUR thousand	10-12/2022	10-12/2021	2022	2021
Net sales	26,210	26,285	111,962	100,755
Other operating income	300	276	4,117	1,690
Materials and services*	-17,609	-17,611	-73,729	-65,699
Employee benefit expense	-4,536	-4,194	-17,075	-16,280
Depreciation, amortisation and impairment	-1,418	-1,323	-5,779	-5,514
Other operating expenses*	-3,986	-3,109	-16,425	-12,871
EBIT (Operating profit/loss)	-1,039	327	3,071	2,080
Finance income and costs				
Interest income and finance income	5	257	2,277	924
Interest cost and finance cost	-533	-571	-4,010	-2,253
Finance income and costs net	-528	-314	-1,733	-1,329
Profit/loss before tax	-1,568	13	1,338	751
Taxes				
Income tax	-375	-260	-533	-333
Change in deferred taxes	-223	95	80	468
Income taxes	-598	-165	-453	135
Result for the period	-2,166	-152	885	886
Attributable to:				
Parent company shareholders	-1,968	-25	819	843
Non-controlling interest**	-198	-127	66	44
	-2,166	-152	885	886
Other comprehensive income				
Items that may be reclassified to profit or loss in subsequent periods:				
Cash flow hedges	46	58	633	45
Translation differences***	-766	1,062	41	1,003
Other comprehensive income, net of tax	-720	1,121	674	1,048
Total comprehensive income	-2,886	969	1,560	1,934
Attributable to:				
Parent company shareholders	-3,084	1,096	1,501	1,892
Non-controlling interest**	198	-127	58	42
Consolidated comprehensive income	-2,886	969	1,560	1,934
Earnings per share				
Basic earnings per share	-0,09	0,00	0,04	0,04

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

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

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

EUR thousand	31 December 2022	31 December 2021
ASSETS		
Non-current assets		
Goodwill	5,203	5,487
Other intangible assets	1,498	2,695
Property, plant and equipment	24,929	27,396
Loan receivables	248	287
Other receivables	6	0
Derivatives	848	56
Deferred tax assets	1,859	1,926
Total non-current assets	34,590	37,847
Current assets		
Inventories	44,311	43,538
Account and other receivables	22,342	25,337
Loan receivables	80	100
Current tax assets	108	57
Cash and cash equivalents	7,688	9,525
Total current assets	74,529	78,557
Total assets	109,119	116,403
EQUITY AND LIABILITIES		
Equity		
Share capital	705	705
Share premium	202	202
Reserve for invested unrestricted equity	82,570	82,570
Translation differences	-1,744	-1,793
Fair value reserve	678	45
Retained earnings	-32,748	-33,738
Profit/loss for the year	819	843
Equity attributable to parent company shareholders in total	50,482	48,833
Non-controlling interests	339	281
Capital and reserves in total	50,822	49,114
Liabilities		
Non-current liabilities		
Borrowings	22,085	25,209
Lease liabilities	5,338	5,813
Deferred tax liabilities	690	694
Employee benefit obligations	732	725
Total non-current liabilities	28,846	32,441
Current liabilities		
Borrowings	7,278	8,619
Lease liabilities	1,644	1,881
Advances received	145	771
Income tax liabilities	321	259
Account payables and other liabilities	19,916	23,278
Other provisions	147	40
Total current liabilities	29,451	34,848
Total liabilities	58,297	67,289
Total equity and liabilities	109,119	116,403

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

CONSOLIDATED CASH FLOW STATEMENT

EUR thousand	Q4 2022	Q4 2021	2022	2021
Cash flows from operating activities				
Profit before tax	-1,568	13	1,338	751
Adjustments:				
Depreciation, amortisation and impairment	1,418	1,323	5,779	5,514
Finance income and costs	528	314	1,733	1,329
Share-based payments to employees	22	-37	115	-178
Loss (+)/Gain (-) on sale of property, plant and equipment	-50	24	-74	-144
Other non-cash transactions	759	70	1,122	553
Cash flows before changes in working capital	1,109	1,707	10,014	7,826
Change in working capital				
Increase (-) in account and other receivables	-479	-410	2,975	-6,452
Increase (-)/decrease (+) in inventories	740	-1,454	-606	-8,187
Increase (+) in account and other payables	639	-80	-5,107	4,028
Cash flows from operating activities before financial items and taxes	2,009	-237	7,277	-2,785
Interest and other finance expenses paid	-529	-152	-1,250	-1,046
Interest and other finance income received	16	6	20	22
Income taxes paid	78	-69	-490	-365
Net cash inflow (outflow) from operating activities	1,575	-449	5,556	-4,174
Cash flows from investing activities				
Purchases of property, plant and equipment	-185	-1,541	-1,194	-4,169
Purchases of intangible assets	-52	-32	-131	-124
Proceeds from the sale of property, plant and equipment	69	55	150	279
Proceeds from loan receivables	93	65	119	129
Net cash inflow (outflow) from investing activities	-75	-1,454	-1,057	-3,885
Cash flows from financing activities				
Distribution of dividends*	-30	-9	-30	-9
Changes in non-current loans	-1,771	-346	-3,187	5,385
Change in bank overdrafts	1,588	3,262	-1,480	-478
Payment of leasing liabilities	-398	-515	-1,723	-1,807
Net cash inflow (outflow) from financing activities	-611	2,391	-6,421	3,091
Net increase (+)/decrease (-) in cash and cash equivalents	888	487	-1,921	-4,968
Cash and cash equivalents at the beginning of the financial year	7,016	8,926	9,525	14,339
Exchange gains/losses on cash and cash equivalents	-216	113	84	154
Cash and cash equivalents at end of the year	7,688	9,525	7,688	9,525

*Dividend paid to the foundation of Robit SA as a minority shareholder in accordance with the agreement

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

A = Share capital

B = Share premium

C = Reserve for invested unrestricted equity

D = Cumulative translation difference

E = Fair value reserve

F = Retained earnings

G = Equity attributable to parent company shareholders

H = Non-controlling interests

I = Capital and reserves in total

EUR thousand	A	B	C	D	E	F	G	H	I
Equity on 1 January 2021	705	202	82,570	-2,798	0	-33,690	46,989	0	46,989
Profit of 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
Change in non-controlling interests								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
EUR thousand	A	B	C	D	E	F	G	H	I
Equity on 1 January 2022	705	202	82,570	-1,793	45	-32,896	48,883	281	49,114
Profit for the period						820	820	66	886
Other comprehensive income									
Cash flow hedges					633		633		633
Translation differences				49			49	-8	41
Total comprehensive changes				49	633	820	1,502	58	1,559
Share-based payments to employees						46	46		46
Use of treasury shares in the remuneration of the Board of Directors						80	80		80
Change in non-controlling interests						-30	-30		-30
Total transactions with shareholders, recognised directly in equity						97	97		97
Equity on 31 December 2022	705	202	82,570	-1,744	678	-31,928	50,483	339	50,822

NOTES

Contents

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

1. SCOPE AND PRINCIPLES OF THE INTERIM REPORT

This financial statement release has been prepared in accordance with the IAS 34 standard for interim financial reporting and using the same principles as for the annual financial statement. The financial statement release and interim reports have not been audited. The company's financial statements for 2021 have been audited.

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

2.1 KEY FIGURES

Consolidated key figures	Q4 2022	Q4 2021	2022	2021
Net sales, EUR 1,000	26 210	26 285	111 962	100 755
EBIT, EUR 1000	-1 039	327	3 071	2 080
EBIT, % of net sales	-4.0%	1.2%	2.7%	2.1%
Earnings per share (EPS), EUR	-0.90	0.00	0.04	0.04
Return on equity (ROE), %			1.6%	1.8%
Return on capital employed (ROCE), %			3.5%	2.5%
Equity ratio, %			46.5%	42.2%
Net gearing, %			56.4%	65.1%
Gross investments, EUR 1,000	237	1 573	1 326	4 293
Gross investments, % of net sales	0.9%	6.0%	1.2%	4.3%
Number of shares (outstanding shares)			21 127 592	21 091 436
Treasury shares (owned by the Group)			52 308	88 464
Percentage of votes/shares			0.24%	0.42%

2.2 CONSOLIDATING ALTERNATIVE KEY FIGURES

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

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

The following events affect comparability: costs relating to being listed on the stock exchange and share issue, acquisition costs and business restructuring costs.

Adjusted EBITDA and EBITA

EUR thousand	Q4 2022	Q4 2021	2022	2021
EBIT (Operating profit)	-1,039	327	3,071	2,080
Depreciation, amortisation and impairment	1,418	1,323	5,779	5,514
EBITDA	379	1,650	8,851	7,595
Items affecting comparability	0	0	0	0
Adjusted EBITDA	379	1,650	8,851	7,595
EBIT (Operating profit)	-1,039	327	3,071	2,080
Amortisation of acquisitions	217	216	888	859
EBITA	-822	543	3,959	2,940
Items affecting comparability	0	0	0	0
Adjusted EBITA	-822	543	3,959	2,940

2.3 CALCULATION OF KEY FIGURES

EBITDA:

EBIT + Depreciation, amortisation and impairment

EBITA

EBIT + Amortisation of customer relationships

Net working capital

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

Earnings per share (EPS), EUR

Profit (loss) for the financial year

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

Return on equity (ROE),%

Profit (loss) for the financial year

Equity (average during the financial year) x 100

Return on capital employed (ROCE),%

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

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

Net interest-bearing financial liabilities

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

Equity ratio, %

Equity

Balance sheet total – Advances received x 100

Gearing, %

Net interest-bearing financial liabilities

Equity x 100

3. BREAKDOWN OF NET SALES

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

NET SALES

Net sales by product area

EUR thousand	Q4 2022	Q4 2021	Muutos%	2022	2021	Muutos%
Top Hammer	16,748	15,910	5.3%	66,834	56,287	18.7%
Down the Hole	9,462	10,375	-8.8%	45,128	44,468	1.5%
Total	26,210	26,285	-0.3%	111,962	100,755	11.1%

Net sales by market area

EUR thousand	Q4 2022	Q4 2021	Muutos%	2022	2021	Muutos%
EMEA	12,546	11,276	11.3%	48,651	45,298	7.4%
Americas	6,156	5,738	7.3%	26,349	19,960	32.0%
Asia	2,767	3,128	-11.5%	11,686	10,771	8.5%
Australasia	3,227	3,649	-11.6%	13,892	14,001	-0.8%
East	1,514	2,495	-39.3%	11,384	10,725	6.2%
Total	26,210	26,285	-0.3%	111,962	100,755	11.1%

4. FINANCING ARRANGEMENTS

The company's cash and cash equivalents were EUR 7.7 million on 31 December 2022. In addition, the company has EUR 3.5 million undrawn of the financing agreement of EUR 30 million signed on 8 June 2021. The company's sufficient liquidity is secured through cash and a loan that has not been drawn down.

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

BORROWINGS/LOANS/INTEREST-BEARING LOANS

EUR thousand	31 December 2022	31 December 2021
Non-current borrowings		
Loans from credit institutions	22,073	25,182
Other loans	11	12
Lease liabilities	5,338	5,828
Total non-current borrowings	27,423	31,022
Current borrowings		
Loans from credit institutions	5,462	5,187
Other loans	10	0
Bank overdrafts	1,782	3,262
Lease liabilities	1,669	2,051
Total current borrowings	8,922	10,500
Total borrowings	36,345	41,522

5. CHANGES TO PROPERTY, PLANT AND EQUIPMENT

EUR thousand	31 December 2022	31 December 2021
Cost at the beginning of period	53,794	47,323
Other changes*	2,251	6,644
Additions	-195	-282
Disposals	0	-533
Reclassification	-288	644
Exchange differences	55,562	53,794
Cost at the end of period		
Accumulated depreciation and impairment at the beginning of period	-26,398	-22,682
Depreciation	-4,477	-3,902
Disposals	131	227
Reclassification	0	289
Exchange differences	110	-330
Accumulated depreciation and impairment at the end of period	-30,634	-26,398
Net book amount at the beginning of period	27,396	24,642
Net book amount at the end of period	24,928	27,396

6. GIVEN GUARANTEES

EUR thousand	31 December 2022	31 December 2021
Guarantees and mortgages given on own behalf	48,425	48,205
Other guarantee liabilities	49	80
Total	48,474	45,285

7. GOODWILL IMPAIRMENT TESTING

The amount of goodwill is reviewed at least annually in accordance with the IFRS provisions. The values of the goodwill testing variables are also revised if there have been material changes in business, competition, the market or other assumptions of goodwill testing.

In the situation on 31 December 2022, the company has carried out the annual impairment testing of the Down the Hole and Top Hammer cash-generating units. In connection with the testing, the company has assessed the changes in the company's operating environment and their impact on the company's long-term profitability and cash flows. Based on the impairment testing, there is no need for goodwill write-downs.

The recoverable amount of the Top Hammer cash-generating unit is estimated to exceed the carrying amount of the tested net assets by EUR 9,137,000, which represents 18% of the carrying amount of the tested assets.

The recoverable amount of the Down the Hole cash-generating unit is estimated to exceed the carrying amount of the tested net assets by EUR 11,094,000, which represents 40% of the carrying amount of the tested assets.

8. ACQUISITIONS

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

9. DERIVATIVES

The company hedges the most significant net currency positions that can be predicted in time and volume and interest rate risk.

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

On 8 June 2021, the company concluded a financing agreement of EUR 30 million and, in connection with this, an interest rate swap of EUR 10 million with an interest rate cap in order to hedge part of its exposure to fluctuating interest rates. The company applies hedge accounting to the interest rate swap in accordance with IFRS 9. This effectively leads to the recording of interest expenses in the income statement on a hedged floating rate loan at a fixed rate.

The company's main interest rate risk arises from long-term loans with floating interest rates that expose the Group's cash flow to interest rate risk. The Group's policy is to use, if necessary, a floating to fixed interest rate swap.

Interest derivatives

EUR thousand	31 December 2022	31 December 2021
Interest rate swaps		
Nominal value	10,000	10,000
Fair value	848	56

Robit

Robit Plc • Vikkiniityntie 9 • FI-33880 Lempäälä (Tampere), Finland

Tel. +358 3 3140 3400 • investors@robitgroup.com • Business ID: 0825627-0 • robitgroup.com

Robit's investor relations: investors@robitgroup.com

