ROBIT PLC STOCK EXCHANGE RELEASE 25 APRIL 2019 AT 8 A.M

ROBIT PLC INTERIM REPORT 1 JANUARY – 31 MARCH 2019: EFFICIENCY PROGRAMME ADVANCED ACCORDING TO PLAN

In text Q1 refers to period 1 January – 31 March 2019.
Figures from the corresponding period in 2018 are presented in brackets.
Percentages are calculated from thousands of euros.
In accordance with IFRS 16, leases have been reported in the balance sheet as of 1 January 2019 in assets and liabilities, which also impacts the comparability of the income statement for 2018. At EBITDA level, the impact is a EUR 0.5 million improvement on earnings, and at EBITA level the change has no material impact. The impact on financial expenses is EUR 0.1 million.

Robit publishes more comprehensive report than before on a quarterly basis to provide its shareholders with better information on the company's development.

1 January - 31 March 2019 in brief

- Net sales EUR 20.1 million (21.1), change of -5.0%
- EBITDA EUR 1.1 million (-0,5)
- Comparable EBITDA EUR 1.1 million (0.2), change of 490%*
- EBITA EUR -0.6 million (-1.6)
- Comparable EBITA EUR -0.6 million (-0.9)*
- Operating profit as percentage of net sales (EBIT%) was -3.9 (-8.6)
- Review period net income EUR -0.4 million (-3.1)
- Operating cash flow EUR -0.6 million (-1.4)
- Equity ratio at the end of the review period 49.9% (57.2)

Key financials	Q1 2019	Q1 2018	Change %	2018
Net sales, EUR 1,000	20 066	21 115	-5.0 %	82 683
EBITDA, EUR 1,000	1 139	-512		-4 782
Adjusted EBITDA*, EUR 1,000	1 139	193	490.9 %	-3 529
EBITA, EUR 1,000	-578	-1 594	63.7 %	-9 658
Adjusted EBITA*, EUR 1,000	-578	-889	-35.0 %	-8 405
Adjusted EBITA, percent of sales	-2.9 %	-4.2 %		-10.2 %
EBIT, EUR 1,000	-790	-1 809	56.3 %	-29 800
EBIT, percent of sales	-3.9 %	-8.6 %		-36.0 %
Result for the period, EUR 1,000	-380	-3 148	87.9 %	-31 384

*There were not items affecting comparability in Q1 2019. Q1 2018 items affecting comparability: restructuring costs of EUR 0.7 million. Further information about comparable items is given in Notes paragraphs 2 and 3.2.

ROBIT'S OUTLOOK FOR 2019

Overall, the outlook for Robit's target markets in 2019 is positive, although there are regional differences in the demand of market segments. Mining industry demand for consumables is stable and the market is expected to grow. The construction industry and underground construction are more cyclical, and regional variations are greater. The well drilling market is also expected to remain active. The typically stable demand for consumables as well as growth in sales made possible by current market share provide Robit with good opportunities to increase market share in 2019.

GUIDANCE FOR 2019

In 2019, the company's goal is to achieve positive EBITA profitability and a significant release of capital tied up in the business.

INTERIM CEO ILKKA MIETTINEN:

Robit will publish a more comprehensive report than before on a quarterly basis to provide its shareholders with better information on the company's development.

Robit's efficiency programme advanced according to plan. The programme is focused on four areas: developing the distributor network and the company's own sales, better management of working capital, more effective use of factory network capacity and resources, and ensuring the motivation and performance of personnel.

Robit is well placed to grow in the market by continuing to invest in the development of its sales and distributor network as well as better product availability. During the early part of the year, the company has entered into new distributor agreements, for example in North America and Asia. These measures are reflected in improved order intake during the review period. Order intake grew by 32% compared with the final quarter of 2018 and by 4% compared with the corresponding period the previous year. Net sales grew by 7% compared with the final quarter of 2018 and declined by 5% from the corresponding period the previous year, in constant currencies by 7%. Robit's demand continued to develop rather unevenly in different market areas. In large areas, such as Australia and North America, development of net sales continued to be challenging. New customer relationships were obtained in North America, Russia and South Africa.

In the first half of 2018, the effects of the implemented restructuring programme continued to be realised in 2018 and the cost benefits will be fully reflected in the 2019 result.

In making more effective use of working capital, significant improvements have been achieved in managing trade receivables, and delivery chain processes have been developed to better meet customer needs. During the early part of the year, a critical review has been undertaken of the company's delivery capacity and inventory management. Inventory turnover rate targets have been set for different types of products. The objective is to release the capital tied up in finished product inventories.

As part of the efficiency programme, Robit constantly reviews the utilisation rate of capacity and resources. In this context the company decided in March to move Down the Hole (DTH) product manufacturing at the Sherman factory in the USA to the company's other manufacturing plants. Production at the Sherman factory will end during the second quarter of the year.

Robit's most important asset for business development is skilled and motivated personnel. In the review period, strategy workshops were held for personnel in all units. The objective of the workshops is to ensure that everyone understands the company's strategy. In addition, weekly pulse surveys were launched to measure employees' wellbeing and employee experience.

DEVELOPING THE OFFERING

The company's offering has been developed in the form of a new diamond bit for drilling holes several kilometres deep. The performance of DTH drill bits has been developed in collaboration with customers. Drilling results have been promising. In the well drilling segment, a new version has been developed in DTH drilling machines and bits. As diamond bit suitable for production drilling has been developed for mining automation needs.

A system better suited to customers' needs has been developed for the Sense product range. The U-Sense solution, suitable for underground well drilling, is being intensively developed.

REVENUE AND FINANCIAL PERFORMANCE

	Q1 2019	Q1 2018	Change %	2018
Net Sales, EUR 1.000	20 066	21 115	-5.0%	82 683

Net Sales growth, percent	-5.0%	5.6%		-6.3%
EBITDA, EUR 1.000	1 139	-512		-4 782
EBITDA, percent of sales	5.7%	-2.4%		-5.8%
Adjusted EBITDA, EUR 1.000*	1 139	193	490.9%	-3 529
Adjusted EBITDA, percent of sales	5.7%	0.9%		-4.3%
EBITA, EUR 1.000	-578	-1 594	63.7%	-9 658
EBITA, percent of sales	-2.9%	-7.5%		-11.7%
Adjusted EBITA, EUR 1.000*	-578	-889	-35.0%	-8 405
Adjusted EBITA, percent of sales	-2.9%	-4.2%		-10.2%
EBIT, EUR 1.000	-790	-1 809	56.3%	-29 800
EBIT, percent of sales	-3.9%	-8.6%		-36.0%
Result for the period, EUR 1.000	-380	-3 148	87.9%	-31 384
Result for the period, percent of sales	-1.9%	-14.9%		-38.0%
Earnings per share (EPS), EUR	-0.02	-0.15		-1.49
Return on equity (ROE), percent	-0.7%	-3.5%		-41.9%
Return on capital employed (ROCE), percent	-1.0%	-2.4%		-27.5%
Adjusted return on capital employed (ROCE), percent*	-1.0%	-1.9%		-26.4%
Net interest-bearing debt, EUR 1.000	24 799	12 315	101.4%	15 810
Equity ratio, percent	49.9%	57.2%		49.3%
Net gearing, percent	42.7%	14.0%		27.4%
Investments, EUR 1.000*	-42	2 943	101.4%	4 630
Investments, percent of sales	0.2%	13.9%		5.6%
Average number of employees	295	316	-6.4%	308
Number of employees at the end of period	283	302	-6.3%	286

*There were not items affecting comparability in Q1 2019. Q1 2018 items affecting comparability: restructuring costs of EUR 0.7 million. Further information about comparable items such as IFRS 16 impact, is given in paragraphs 2 and 3.2 of the accounting principles. ** Income from disposals of fixed assets and investments are netted. Gross investments were 135 thousand euros and asset disposal gains were 177 thousand euros Q1 2019.

NET SALES AND FINANCIAL PERFORMANCE: JANUARY – MARCH 2019

The Group's net sales for the review period totalled EUR 20.1 million (21.1), a decrease of 5% compared to the corresponding period the previous year. In constant currencies, the change was -6.7 %.

EUR 9.3 million (9.4) of net sales in the review period came from the Top Hammer business and EUR 10.8 million (11.7) from the Down the Hole (DTH) business. The decline in DTH net sales was due to, among other things, the collapse of a mine of a certain customer and slower than expected acquisition of new customers. Top Hammer net sales were equivalent to the comparison period, despite changes made at the distributor level.

EUR 8.5 million (8.4) of net sales came from the EMEA region, EUR 3.7 million (5.5) from Australia, EUR 3.1 million (2.8) from Asia, EUR 3.3 million (3.5) from the Americas, and EUR 1.6 million (0.9) from the East.

EBITA was EUR -0.6 million (-1.6). Comparable EBITA was EUR -0.6 million (-0.9), which is -2.9 % (-4.2) of net sales. Items affecting comparability in the comparative period were restructuring costs due to structural and business model changes at several Group companies (0.7 million euros).

EBIT for the review period was EUR -0.8 million (-1.8). This was -3.9% (-8.6) of the review period net sales.

Net financial expenses totalled EUR 0.2 million (-1.3), and EUR 0.4 million of this was interest expenses and EUR 0.6 million exchange rate changes (-1.2). The result before taxes was EUR -0.6 million (-3.1) and taxes were EUR 0.2 million (-0.1).

FINANCING AND INVESTMENTS

The Group's net cash flow from operations totalled EUR -0.6 million (-1.4). Changes in working capital had an impact of EUR -0.8 million (-0.9). The change in working capital during the review period were caused by the EUR 0.9 million decrease in receivables, increase in inventories by EUR -1.0 million and decrease in non-interest-bearing debts by the EUR -0.7 million.

Net working capital was EUR 38.4 million (42.0) at the end of the review period.

The net cash flow for investment activities was EUR 0.0 million (-3.1). Gross investments in production during the review period totalled EUR 0.3 million (2.8).

The net cash flow from financing activities was EUR -9.2 million (-2.3), comprising net changes in loans. The company repaid its loans by EUR 7.5 million during the first quarter. In addition, the net cash flow from investing activities includes EUR 1.0 million of changes in bank overdrafts and EUR 0.6 million in rental liabilities reported under IFRS 16.

At the end of the review period the Group had liquid assets totalling EUR 18.0 million (35.2) and interest-bearing financing loans totalling EUR 42.8 million (47.5). Interest-bearing net debt was EUR 24.8 million (12.3) and without IFRS 16 debt impact EUR 16.7 million

The Group's equity at the end of the review period was EUR 58.0 million (88.0).

The Group's equity ratio was 49.9% (57.2%) and its net debt to equity ratio (gearing) was 42.7 % (14%) and without IFRS 16 impact 28.8%.

Depreciation and amortisations totalled EUR 1.9 million (1.3). EUR 0.2 million of this related to amortisations of customer relationships and brand value from business acquisitions.

PERSONNEL AND MANAGEMENT

The number of personnel decreased by 19 at the end of the comparison period and at the end of the review period the company's personnel numbered 283 (302) of which 79% were located outside Finland.

RESOLUTIONS OF THE ANNUAL GENERAL MEETING 2019

The General Meeting adopted the financial statements and consolidated financial statements for the financial period 1 January - 31 December 2018 and resolved that no dividend is paid based on the adopted balance sheet for the financial year 2018.

The General Meeting resolved to discharge the members of the board of directors and the managing directors from liability for the financial period ending 31 December 2018.

The General Meeting resolved that the Board of Directors consists of five (5) members. Harri Sjöholm, Mammu Kaario, Mikko Kuitunen, Kai Seikku and Kalle Reponen were re-elected as members of the Board.

Ernst & Young Oy, an Authorized Public Accounting 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 Authorized Public Accountant Mikko Järventausta will serve as the company's principal responsible auditor. The General Meeting resolved to pay the auditor's remuneration in accordance with the reasonable invoice approved by the company.

The General Meeting resolved to authorize the Board of Directors to resolve on the acquisition of a maximum of 2,108,390 shares of the company's own shares and/or accepting the same number of the company's own 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 shares in the company as of the date of the summons to the Annual 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 shall be used e.g. for the purposes of implementing the company's share-based incentive systems or for other purposes as decided by the Board of Directors. The authorization to repurchase own shares granted by the General Meeting on 28 March 2018 was revoked. The authorization is valid until the closing of the next Annual General Meeting, however, no longer than until 30 June 2020.

The Annual General Meeting resolved to authorize 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 summons 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 or for other purposes as decided by the Board of Directors. The authorization is valid until the closing of the next Annual General Meeting, however, no longer than until 30 June 2020. 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.

The General Meeting resolved that a shareholders' nomination board shall be established in order to prepare proposals concerning the election and remuneration of the Board Members as well as the remuneration of the members of the various Board committees that will be submitted to future Annual General Meetings and to any Extraordinary General Meetings where necessary. In addition, the General Meeting resolved that the work schedule of the shareholders' nomination board, which is appended as an Appendix 1 of the Board's proposal, is approved. The work schedule of the shareholders' nomination board is available on the company's website at https://www.robitgroup.com/?investor=corporate-governance/general-meeting. The shareholders' nomination board shall be comprised of representatives appointed by the company's four largest shareholders.

SHARES AND SHARE TURNOVER

On 31 March 2019 the company had 21,083,900 shares. On 31 March 2019 the company had 2,896 shareholders.

Trading volume was 2 611 041 shares (509697).

The company holds 28,633 of its own shares (0.14% of total shares). On 31 March 2019 the market value of the company’s shares was EUR 47.4 million (share price EUR 2.25).

RISKS AND BUSINESS UNCERTAINTIES

The risks and uncertainties to which the company is exposed relate to any changes in the company’s business environment, and to global economic and political developments.

Other uncertainties include fluctuations in currency exchange rates, the functioning and commissioning of new information systems, successful integration of acquisitions, risks relating to delivery reliability and logistics, and IPR risks. Changes in the tax and customs regulations of export countries can hamper the company’s export sales or affect its profitability. Risks relating to data security and cyber threats may also have a harmful impact on Robit’s business operations. Any changes in the business environment may have a negative impact on our customers' payment behaviour and may increase the risk of legal procedures and demands as well as disputes relating to Robit’s products and other operations.

CHANGES IN GROUP STRUCTURE

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

OTHER EVENTS DURING THE REVIEW PERIOD

On 3 Jan 2019, Robit Plc announced that it renegotiated on the restructuring of EUR 35.0 million in loans with its main financing bank. In the new agreement, the 2019 financial year covenants will be monitored for EBITDA between 1 January-30 June 2019 and 1 January -31 December 2019, after which we will return to the old covenant condition. According to the agreement, the loan margin will be raised by an average of 1.1 percentage points. The loan margin will return to the normal level when the covenant condition interest-bearing net debt/EBITDA meets the terms of the original financing agreement.

Robit Plc has on 9 Jan 2019 received a notification from i Athanase Industrial Partner Ltd. in accordance with the Finnish Securities Market Act Chapter 9, Section 5. According to the announcement, the total number of Robit shares owned by Athanase Industrial Partner Ltd. increased above five (5) per cent of the shares of Robit Plc on 8 Jan,2019.

On 5 March 2009, the company announced that it would reorganize Halco's business in the USA. Group has decided to centralize the manufacturing of DTH bits from Robit Sherman factory, USA to other manufacturing units of the company and the production in Sherman ends. Halco business in North and South-America continues active and Halco continues to be able to serve its distributors and direct customers. This re-organizing has no impact on Robit branded business nor products in Americas region. This re-organizing reduces four persons from the production of the Sherman unit. The arrangement has no impact on Robit's guidance for the 2019.

The Board of Directors appointed at Robit Plc's Annual General Meeting held on 27 March 2019 elected a Chairman of the Board, a Vice Chairman of the Board, board members to serve on Robit Plc's remuneration committee, working committee and audit committee at its initial board meeting. The Board of Directorselected Harri Sjöholm as a Chairman of the Board and Mammu Kaario as Vice Chairman of the Board. The Board of Directors holds that all members of the Board of Directors, with the exception of Harri Sjöholm, are independent of the company and its key shareholders. Harri Sjöholm (Chairman), Mammu Kaario and Mikko Kuitunen were elected as members of the remuneration committee. Kalle Reponen (Chairman), Harri Sjöholm and Mikko Kuitunen were elected as members of the working committee. Mammu Kaario (Chairman), Kalle Reponen and Kai Seikku were elected as members of the audit committee.

EVENTS AFTER THE REVIEW PERIOD

There were no events after the review period.

Lempäälä, 25 April 2019

ROBIT PLC
Board
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Robit is a global growth company that sells drilling consumables globally to its customers in the following market segments: mining, construction and contracting, tunnelling and well drilling. The company's offering is divided into three product and service areas: Top Hammer, Down The Hole and Digital Services. The company has 16 own sales and warehousing facilities around the world and an active sales network across 115 countries. Robit has production facilities in Finland, South Korea, Australia, England and the USA.
Distribution:
Nasdaq Helsinki Oy

Key media
www.robitgroup.com

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

SUMMARY OF FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

EUR thousand	1 Jan - 31 Mar 2019	1 Jan - 31 Mar 2018	1 Jan - 31 Dec 2018
Net sales	**20 066**	**21 115**	**82 683**
Other operating income	806	9	1 187
Materials and services**	-12 385	-11 837	-50 248
Employee benefit expense	-4 344	-5 723	-19 168
Depreciation, amortization and impairment*	-1 929	-1 297	-25 018
Other operating expenses**	-3 005	-4 075	-19 236
EBIT (Operating profit)	**-790**	**-1 809**	**-29 800**
Finance income and costs			
Finance income	618	200	1 630
Finance cost*	-403	-1 483	-3 253
Finance income and costs net	215	-1 283	-1 623
Profit before income tax	**-575**	**-3 092**	**-31 423**
Income taxes			
Current taxes	80	-249	-385
Change in deferred taxes	115	193	424
Income taxes	195	-56	39
Result for the period	**-380**	**-3 148**	**-31 384**
Attributable to:			
Owners of the parent	589	-860	-814
Non-controlling interest	589	-860	-814
	209	**-4 008**	**-32 198**
Other comprehensive income			
Items that may be reclassified to profit or loss in subsequent periods:			
Translation differences	209	-4 008	-32 198
Other comprehensive income, net of tax	**0**	**0**	**0**
Total comprehensive income	**209**	**-4 008**	**-32 198**
Attributable to:			
Owners of the parent	411	-4 008	-32 198
Non-controlling interest	0	0	0
	411	**-4 008**	**-32 198**
Earnings per share attributable to the owners of the parent during the year:			
Basic and diluted earnings per share	-0,02	-0,15	-1,49

* According to IFRS 16 standard lease commitments are reported from 1.1.2019 onwards in balance sheet in fixed assets and borrowings. In Consolidated Statement of Comprehensive income leases are reported as depreciation costs and interest costs. More information about IFRS 16 standard in notes section 2. ** Changes in inventories of finished goods and work in progress are included in Materials and services- figures and Work performed by the Group and capitalised are included in Other operating expenses.

CONSOLIDATED BALANCE SHEET

EUR thousand	31-Mar-19	31-Mar-18	31-Dec-18
ASSETS			
Non-current assets			
Goodwill	5 373	24 301	5 159
Other intangible assets	6 668	7 696	6 923
Property, plant and equipment*	32 876	27 780	25 824
Loan receivables	323	561	334
Other receivables	3	4	3
Deferred tax assets	1 517	2 236	1 443
Total non-current assets	**46 760**	**62 579**	**39 686**
Current assets			
Inventories	32 469	31 410	30 808
Account and other receivables	18 673	25 428	18 640
Loan receivables	398	14	222
Income tax receivable	160	85	170
Cash and cash equivalents	17 959	35 221	27 470
Total current asset	**69 659**	**92 158**	**77 310**
Total assets	**116 419**	**154 737**	**116 996**
EQUITY AND LIABILITIES			
Equity attributable to owners of the parent			
Share capital	705	705	705
Share premium	202	202	202
Reserve for invested unrestricted equity	82 266	82 502	82 266
Cumulative translation difference	-1 395	-2 017	-1 983
Retained earnings	-23 378	9 801	7 958
Profit for the year	-380	-3 148	-31 384
Total equity	**58 020**	**88 044**	**57 763**
Liabilities			
Non-current liabilities			
Borrowings*	32 086	31 737	25 862
Deferred tax liabilities	1 521	2 383	1 551
Employee benefit obligations	1 032	1 204	1 123
Total non-current liabilities	**34 639**	**35 324**	**28 535**
Current liabilities			
Borrowings*	10 673	15 798	17 419
Advances received	119	744	142
Income tax liabilities	44	37	240
Account payables and other liabilities	12 776	14 819	12 740
Other provisions	148	-29	156
Total current liabilities	**23 759**	**31 369**	**30 697**
Total liabilities	**58 398**	**66 693**	**59 233**
Total equity and liabilities	**116 419**	**154 737**	**116 996**

* According to IFRS 16 standard lease commitments are reported from 1.1.2019 onwards in balance sheet in fixed assets and borrowings. More information about changes IFRS 16 standard caused in notes section 2.

CONSOLIDATED STATEMENT OF CASH FLOWS

EUR thousand	1 Jan - 31 Mar 2019	1 Jan - 31 Mar 2018	1 Jan - 31 Dec 2018
Cash flows from operating activities			
Profit before income tax	-487	-3 092	-31 423
Adjustments			
Depreciation, amortization and impairment charges	1 403	1 297	25 018
Finance income and finance costs	-317	1 283	1 623
Share-based payments to employees	43	16	85
Loss (+) / Gain (-) on sale of property, plant and equipment	-176	-3	95
Other non-cash transactions*	56	304	3 014
Cash flows before changes in working capital	521	-194	-1 588
Change in working capital			
Increase (-) in account and other receivables	882	-444	5 341
Increase (-) / decrease (+) in inventories	-949	-1 255	-2 370
Increase (+) in account and other payables	-696	835	-2 582
Cash flows from operating activities before financial items and taxes	-242	-1 051	-1 199
Interest and other finance expenses paid	-262	-145	-887
Interest and other finance income received	14	16	64
Income taxes paid	-105	-222	-188
Net cash inflow (outflow) from operating activities	**-596**	**-1 403**	**-2 210**
Cash flows from investing activities			
Purchases of property, plant and equipment	-255	-2 770	-4 082
Purchases of intangible assets	-39	-184	-555
Proceeds from the sale of property, plant and equipment	254	11	243
Proceeds from loan receivables	81	-206	-236
Net cash inflow (outflow) from investing activities	**42**	**-3 149**	**-4 630**
Cash flows from financing activities			
Proceeds from loans	0	170	1 112
Repayments of loans	-7 536	-756	-5 445
Change in bank overdrafts	-1 027	-1 678	-803
Payment of lease liabilities*	-610	-14	-356
Distribution of dividend	0	0	-2 100
Net cash inflow (outflow) from financing activities	**-9 174**	**-2 279**	**-7 592**
Net increase (+) / decrease (-) in cash and cash equivalents	-9 728	-6 831	-14 432
Cash and cash equivalents at the beginning of the financial year	27 470	42 172	42 172
Exchange gains/losses on cash and cash equivalents	217	-120	-270
Cash and cash equivalents at end of the year	**17 959**	**35 221**	**27 470**

* According to IFRS 16 standard lease payments are deducted from operating activities and added to financing activities in cash flow calculation. EUR 540 thousand from lease payments relates to IFRS 16 lease payments. More information about IFRS 16 standard in notes section 2.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

EUR thousand	Share capital	Share premium	Reserve for invested unrestricted equity	Cumula-tive transla-tion diffe-rence	Retained earnings	Total
Equity at 1.1.2018	**705**	**202**	**82 502**	**-1 157**	**9 868**	**92 120**
Profit for the period					-3 148	-4 370
Other comprehensive income						
Translation differences				-860		-670
Total comprehensive changes				**-860**	**-3 148**	**-4 008**
Deferred tax revaluations					-83	-83
Share-based payments to employees					16	16
Total transactions with owners, recognized directly in equity	**0**	**0**	**0**	**0**	**-66**	**-66**
Equity at 31.3.2018	**705**	**202**	**82 502**	**-2 017**	**6 653**	**88 045**

EUR thousand	Share capital	Share premium	Reserve for invested unrestricted equity	Cumula-tive transla-tion diffe-rence	Retained earnings	Total
Equity at 1.1.2019	**705**	**202**	**82 266**	**-1 983**	**-23 426**	**57 764**
Profit for the period					-380	-380
Other comprehensive income						
Translation differences				589		589
Total comprehensive changes				**589**	**-380**	**209**
Share-based payments to employees					43	43
Total transactions with owners, recognized directly in equity	**0**	**0**	**0**	**0**	**43**	**43**
Equity at 31.3.2019	**705**	**202**	**82 266**	**-1 395**	**-23 763**	**58 016**

*The implementation of IFRS 16 had no effect on shareholders' equity as of 1 January 2019, as the assets and liabilities entered in the balance sheet due to the new standard were equal.

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6. **Changes to property, plant and equipment**
7. **Given guarantees**
8. **Impairment testing**
9. **Business acquisitions**
10. **Derivatives**

1. SCOPE AND PRINCIPLES OF THE INTERIM REPORT

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

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

2. IMPLEMENTATION OF NEW IFRS STANDARDS

As of 1 January 2018, 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.

Impact of the adoption of IFRS 16 standard

IFRS 16 specifies the principles by which leases are recorded and measured, how they are presented in the financial statements and what information about them is presented. As a result, almost all rental or leasing agreements are recorded in the balance sheet, as there is no longer differentiation between operating leases and finance leases. According to the new standard, an asset (the right to use the asset that has been leased) is recognised, as is a financial debt corresponding to the lease or rental payment. The only exceptions will be rental agreements relating to short-term rental of low value assets.

At the balance sheet date, the Group has non-cancellable operating leases amounting to EUR 5,538 thousand. A total of EUR 8 073 thousand of leasing liabilities and leasing assets were recognized on 1 January 2019 in accordance with the standard.

EUR thousand	**1-Jan-19**
Assets	
Right-of-use assets	9 262
Assets prior reported as finance leases	-1 179
Prepayments	-10
Total assets	8 073
Liabilities	
Interest-bearing loans	8 072
Total liabilities	8 072

The Group has leases for various premises, equipment, machinery, vehicles and other equipment. Prior to the adoption of IFRS 16, the Group classified all leases as either finance leases or operating leases. A lease was classified as a finance lease if it transferred all the risks and rewards of ownership of the leased asset to the Group; otherwise it was classified as an operating lease. Financial leases were capitalised at the inception of the lease at the fair value of the leased asset. In an operating lease, the leased asset was not capitalised and the leases were recognised as rental expenses in profit or loss over the lease term.

With the adoption of IFRS 16, the Group applies a uniform recognition and valuation method for all leases, except for short-term leases and leases of low-value assets.

Leases previously classified as finance leases

The Group did not change the original carrying amounts of the recognised assets and liabilities (i.e. the right-of-use assets and lease liabilities are equal to the lease payments and liabilities recognised in accordance with IAS 17). The requirements of IFRS 16 were applied to these leases from 1 January 2019.

Leases previously classified as operating leases

The Group recognised right-of-use assets and lease liabilities for those leases that were previously classified as operating leases, except for short-term leases and leases of low value assets.

Bridge calculation from operating lease commitments to lease liabilities according to the standard:

EUR thousand	
Operating lease commitments as at 31 December 2018	**5 538**
Weighted average rate as at 1 January 2019	5.6%
Discounted operating lease commitments as at 1 January 2019	4 534
Less:	
Commitments relating to short-term and low-value assets	-87
Add:	
Commitments relating to leases previously classified as finance leases	775
Extensions at management's discretion not recognized at 31 December 2018	3 625
Lease liabilities as at 1 January 2019	**8 847**

Accounting principles

Right-of-use assets:

The Group records right-of-use assets on the date of adoption of the standard on 1 January 2019. Right-of-use assets are valued at acquisition cost less accumulated depreciation and impairment and are restated through reassessments of the leases.

Leases

On the date of adoption of the standard, 1 January 2019, the Group recognised lease commitments valued at the contractual or estimated present value of the lease term. Lease payments include fixed payments less any income from re-leasing.

When calculating the present value of lease payments, the Group uses the estimated discount rate of the property investor’s yield requirement for buildings and land. In machinery and equipment as well as vehicles are used the interest rates specified in the financing agreements or the local estimated additional financing interest rate.

Short-term leases and leases of low-value assets

The Group applies the exemption for short-term leases. This is also applied to leases of low-value assets. Short-term leases and leases of low-value assets are recognised as an expense.

Special consideration in determining the lease term

The Group defines leases as non-cancellable. If a lease includes the possibility to extend or terminate the lease, the extension is taken into account at management's discretion in significant lease items such as premises, land, plant and machinery.

Changes in reporting period in the balance sheet

EUR thousand	Land	Buildings and constructions	Machinery and equipment	Other tangible assets	Total	Lease liabilities
	Right-of-use assets					
As at 1 January 2019	1 092	6 545	1 559	65	9 262	8 847
Net changes	-181	317	-245	341	233	240
Depreciation	-14	-453	-26	-45	-537	
Interest expense						-107
Payments						-434
As at 31 March 2019	**897**	**6 410**	**1 289**	**361**	**8 957**	**8 547**

3.1 KEY FIGURES

CONSOLIDATED KEY FIGURES	Q1 2019	Q1 2018	2018
Net sales, EUR 1,000	20 066	21 115	82 683
EBIT, EUR 1,000	-790	-1 809	-29 800
EBIT, percent of sales	-3.9%	-8.6%	-36.0%
Earnings per share (EPS), EUR	-0.02	-0.15	-1.49
Return on equity (ROE), percent	-0.7%	-3.5%	-41.9%
Return on capital employed (ROCE), percent	-1.0%	-2.4%	-27.5%
Equity ratio, percent	49.9%	57.2%	49.3%
Net gearing, percent	42.7%	14.0%	27.4%
Gross investments, EUR 1,000	-42	2 943	4 630
Gross investments, percent of sales	0.19%	13.94%	5.6%
Number of shares	21 083 900	21 083 900	21 083 900
Own shares	28 634	86 320	27 507
Percentage of total shares	0.14%	0.41%	0.13%

ADJUSTED CONSOLIDATED KEY FIGURES	Q1 2019	Q1 2018	2018
Adjusted EBITDA, EUR 1,000	1 139	193	-3 529
Adjusted EBITDA, percent of sales	5.7%	0.9%	-4.3%
Adjusted EBITA, EUR 1,000	-578	-889	-8 405
Adjusted EBITA, percent of sales	-2.9%	-4.2%	-10.2%
Adjusted EBIT, EUR 1,000	-790	-1 104	-28 547
Adjusted EBIT, percent of sales	-3.9%	-5.2%	-34.5%
Adjusted return on equity (ROE), percent	-0.7%	-2.7%	-40.2%
Adjusted return on capital employed (ROCE), percent	-1.0%	-1.9%	-26.4%

3.2 CONSOLIDATING ALTERNATIVE KEY FIGURES

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

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

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

Comparable EBITDA and EBITA

EUR thousand	1 Jan - 31 Mar 2019	1 Jan - 31 Mar 2018	1 Jan - 31 Dec 2018
EBIT / Operating profit	**-790**	**-1 809**	**-29 800**
Depreciation and amortisation	1 929	1 297	25 018
EBITDA	**1 139**	**-512**	**-4 782**
Items affecting comparability			
Reorganising expenses	0	704	1 253
Comparable EBITDA	**1 139**	**193**	**-3 529**
EBIT /Operating profit	**-790**	**-1 809**	**-29 800**
Amortizations of acqusitions	212	215	853
Impairment	0	0	19 289
EBITA	**-578**	**-1 594**	**-9 658**
EBIT /Operating profit	**-790**	**-1 809**	**-29 800**
Items affecting comparability			
Reorganising expenses	0	704	1 253
Comparable EBIT	**-790**	**-1 104**	**-28 547**
Items affecting comparability			
Amortizations of acqusitions	212	215	853
Impairment	0	0	19 289
Comparable EBITA	**-578**	**-889**	**-8 405**

3.3 CALCULATION 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

$$\text{Equity ratio,\%} = \frac{\text{Equity}}{\text{Balance sheet total – advances received}} \times 100$$

$$\text{Gearing,\%} = \frac{\text{Net interest-bearing financial liabilities}}{\text{Equity}} \times 100$$

4. BREAKDOWN OF TURNOVER

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

NET SALES

Net sales by product area

EUR thousand	1 Jan - 31 Mar 2019	1 Jan - 31 Mar 2018	1 Jan - 31 Dec 2018
Top Hammer	9 263	9 439	36 598
Down the Hole	10 804	11 674	46 074
Digital services	0	1	10
Total	**20 066**	**21 115**	**82 683**

Net sales by market area

EUR thousand	1 Jan - 31 Mar 2019	1 Jan - 31 Mar 2018	1 Jan - 31 Dec 2018
Europe, Middle East and Africa	8 460	8 432	31 919
North and South America	3 267	3 453	12 941
Asia	3 066	2 809	11 593
Australasia	3 675	5 521	19 884
Russia and CIS countries	1 599	900	6 346
Total	**20 066**	**21 115**	**82 683**

5. FINANCING ARRANGEMENTS

Robit Plc and its main financing bank have agreed that in financial year 2019 the covenant condition will be absolute EBITDA at 30 June 2019 and at 31 December 2019. The interest rate margin on loans is increased by 1.1% (new margin of 2.75%) until Robit Corporation's covenant interest-bearing net debt / EBITDA reaches the value specified in the financing agreement.

At 31 March 2019, the company has EUR 18.0 million in liquid funds and can therefore maintain its debt servicing and liquidity in any circumstances.

Borrowings/Loans/Interest-bearing loans

EUR thousand	31-Mar-19	31-Mar-18	31-Dec-18
Non-current borrowings			
Loans from credit institutions	24 681	29 941	24 678
Other loans	661	736	660
Lease liabilities	6 744	1 060	524
Total non-current borrowings	**32 086**	**31 737**	**25 862**
Current borrowings			
Loans from credit institutions	5 976	12 672	13 246
Other loans	76	75	76

FURTHER. FASTER.

Bank overdrafts	2 818	2 971	3 845
Lease liabilities	1 803	80	251
Total current borrowings	**10 673**	**15 798**	**17 419**
Total borrowings	**42 758**	**47 535**	**43 280**

* According to IFRS 16, leases have been reported as of 1 January 2019 in fixed assets and loans. Of the lease payments in Q1 2019 EUR 7,811 thousand are IFRS 16 rents and EUR 734 thousand are former finance lease liabilities. For more information on IFRS 16, see Note 2.

6. CHANGES IN PROPERTY, PLANT AND EQUIPMENT

EUR thousand	**31-Mar-19**	**31-Mar-18**	**31-Dec-18**
Cost at the beginning of period	39 890	37 483	37 482
Acquisition of subsidiaries	0	4	0
Additions	8 401	2 770	4 082
Disposals	-191	-13	-1 368
Reclassifications	-124	-27	0
Exchange differences	546	-518	-306
Cost at the end of period	48 522	39 699	39 890
Accumulated depreciation and impairment at the beginning of period	-14 066	-11 202	-11 202
Depreciation	-1 488	-876	-4 055
Disposals	114	5	1 029
Exchange differences	-206	154	161
Accumulated depreciation and impairment at the end of period	-15 646	-11 919	-14 066
Net book amount at the beginning of period	**25 824**	**26 282**	**26 280**
Net book amount at the end of period	**32 876**	**27 780**	**25 824**

* According to IFRS 16 standard lease commitments are reported from 1.1.2019 onwards in balance sheet in fixed assets and borrowings. 8 083 thousand euros of additions in Q1 2019 relates to IFRS 16 reporting change. More information about changes IFRS 16 standard caused in notes section 2.

7. IMPAIRMENT TESTING

The amount of goodwill is reviewed at least annually in accordance with IFRS. The values of the goodwill testing variables are also revised if there have been material changes in business, competition, the market or other assumptions of goodwill testing. The company has three cash-generating units (Top Hammer, Down the Hole and Halco). In the situation at 31 March 2019, the company has reviewed the assumptions used in goodwill testing, such as forecasts for the current and future years and changes in interest rates. Based on the management's assessment, there is no need to make changes, but the margin involved in goodwill items is small.

8. GUARANTEES GIVEN

EUR thousand	**31-Mar-19**	**31-Mar-18**	**31-Dec-18**
Guarantees and mortgages given on own behalf	46 025	46 025	46 025
Other guarantee liabilities	261	517	261
Total	**46 286**	**46 542**	**46 286**

*Lease liabilities are reported with in accordance with IFRS 16 and further information on IFRS 16 liabilities can be found in note section 2.

9. ACQUISITIONS

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

10. DERIVATIVES

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