

## ROBIT PLC INTERIM REPORT 1 JANUARY – 31 MARCH 2020: NET SALES AND ORDER INTAKE GREW

In text Q1 refers to period 1 January – 31 March 2020.

Figures from the corresponding period in 2019 are presented in brackets.

All monetary figures are euro nominated

Percentages are calculated from thousands of euros.

### 1 January - 31 March 2020 in brief

- Net sales EUR 21.5 million (20.1), change of 7.1 %
- EBITDA EUR 0.4 million (1.1),
- Comparable EBITDA EUR 0.4 million (1.1),
- EBITA EUR -0.9 million (-0.6)
- Comparable EBITA EUR -0.9 million (-0.6)\*
- Operating profit as percentage of net sales (EBIT%) was -5.3 (-3.9)
- Review period net income EUR -2.0 million (-0.4)
- Operating cash flow EUR -0.9 million (-1.1)
- Equity ratio at the end of the review period 46.9% (49.9)

Key financials	Q1 2020	Q1 2019	Change %	2019
Net sales, EUR 1,000	21 490	20 066	7,1 %	86 482
EBITDA, EUR 1,000	354	1 139	-68,9 %	-451
Adjusted EBITDA*, EUR 1,000	354	1 139	-68,9 %	651
EBITA, EUR 1,000	-941	-578	-62,8 %	-5 044
Adjusted EBITA*, EUR 1,000	-941	-578	-62,8 %	-3 837
Adjusted EBITA, percent of sales	-4,4 %	-2,9 %		-4,4 %
EBIT, EUR 1,000	-1 145	-790	-44,9 %	-5 884
EBIT, percent of sales	-5,3 %	-3,9 %		-6,8 %
Result for the period, EUR 1,000	-2 010	-380	-428,9 %	-7 003

\*There were not items affecting comparability in Q1 2020.

### ROBIT'S OUTLOOK FOR 2020

The economic situation is exceptionally difficult forecast. At the time of the review, the demand and markets are particularly affected by the coronavirus pandemic. The uncertainty caused by the pandemic has rapidly changed the company's operating environment, and predicting the future outlook is very challenging. The coronavirus development is expected to impact Robit's demand, which is expected to slow to some extent in the coming months.

The outlook for Robit's target markets in 2020 has become more uncertain due to the pandemic. There are regional differences in demand, however, mainly related to movement restrictions caused by the coronavirus pandemic.

Robit's focus is on drilling consumables. Demand for drilling consumables is less sensitive to economic cycles and disruptions than demand for investment products. This, combined with the company's current market share, provides a good basis for maintaining market position.

### GUIDANCE FOR 2020

On 24 March 2020, the company announced that it was renouncing its guidance for 2020. The uncertainty created by the coronavirus for the development of the industry and the economy is adversely affecting normal forecasting of the business outlook. In these circumstances, Robit Plc is temporarily renouncing its guidance for financial year 2020.

Updating the outlook and guidance will be possible when the market situation provides a normal opportunity to do so.

The company's earlier guidance:

In 2020, Robit Plc is aiming for growth in net sales and for improved euro-denominated comparable EBITDA profitability than in the previous financial year.

#### **CEO TOMMI LEHTONEN:**

Robit's development in early 2020 was stable and in line with the company's expectations. During the first quarter, the company proceeded through its updated operational development themes – growth, profitability, business processes – to continue systematic work towards long-term strategic goals. The effects of the rapid global spread of the coronavirus pandemic on demand for the company's products were minor during the review period.

Orders received totaled EUR 24.9 million, up 6.8% on the comparison period and 31,5% higher than in the fourth quarter of 2019. In the first quarter, the Group's net sales grew by 7.1% year-on-year and totaled EUR 21.5 million (20.0). The Top Hammer (TH) business increased by 23.9% and the Down the Hole (DTH) decreased by 7.3%. During the review period, the company's working capital efficiency improved, but profitability and cash flow remained at an unsatisfactory level. The company has continued efficiency measures aimed at improving the company's market position.

In the first quarter, the mining business developed positively, particularly with regard to TH sales in the EMEA region. During the review period, the company received, among others, two large mining orders from the CIS and Eastern Europe. Growing the share of mining business is a strategic priority for us and we are pleased with recent developments.

For the DTH business, net sales did not develop in line with expectations in the mining and quarrying market. During the revenue period, however, we received several significant DTH mining orders. In the piling business, there were no significant project orders during the first quarter. Demand for piling projects in the key Nordic and Russian markets was lower than in the comparison period. The company is in active discussions with customers about significant new projects that are expected to be realized this year.

The development of sales operations in Australia was continued through the strengthening of resources. The measures taken are not yet reflected in the region's sales development, but we have received positive feedback from customers on the changes made, and our sales operations have clearly been strengthened.

The results of the annual customer survey, completed in the first quarter of the year, showed that the development measures for sales and customer service operations in the surveyed markets have been correct and that the customer experience has improved.

During the review period, the company decided to reorganize its sales operations in Hong Kong and transfer the area's business and local inventory management to a new distributor. The effects of the savings associated with the closure of Robit's own office branch will be realized from the second quarter of 2020 onwards.

The uncertainty caused by the coronavirus pandemic rapidly changed the company's operating environment during the review period. The company responded to the situation in early March by establishing a coronavirus working group consisting of key personnel, led by the CEO. The working group has prepared alternative plans, on the basis of which it will be possible to react to the changing environment with quick decisions as the situation evolves. The plans take into account, for example, the health of personnel, a possible slowdown in demand, supply chain disruptions and customer risks. At the same time, Robit is also seeking to take advantage of the new opportunities that will arise in this exceptional situation.

As a result of the uncertainty related to demand, the company launched in March consultations on possible temporary layoff arrangements in Finland. Savings measures were also implemented and prepared in the company's foreign units.

The coronavirus situation is expected to have a limited impact on the company's demand, and we believe that demand will slow down to some extent in the coming months. The company does not believe, however, that the situation caused by the pandemic will suddenly change customer demand for Robit's offering. At present, it appears that drilling operations on mining or construction sites will continue largely uninterrupted. The impact on Robit's operations will depend on how long tighter restrictive measures, such as mine closures, continue and whether these spread to new countries that are important to us.

## REVENUE AND FINANCIAL PERFORMANCE

	Q1 2020	Q1 2019	Change %	2019
Net Sales, EUR 1.000	21 490	20 066	7,1 %	86 482
Net Sales growth, percent	7,1 %	-5,0 %		4,6 %
EBITDA, EUR 1.000	354	1 139	-68,9 %	1 605
EBITDA, percent of sales	1,6 %	5,7 %		1,9 %
Adjusted EBITDA, EUR 1.000*	354	1 139	-68,9 %	2 707
Adjusted EBITDA, percent of sales	1,6 %	5,7 %		3,1 %
EBITA, EUR 1.000	-941	-578	-62,8 %	-4 927
EBITA, percent of sales	-4,4 %	-2,9 %		-5,7 %
Adjusted EBITA, EUR 1.000*	-941	-578	-62,8 %	-3 720
Adjusted EBITA, percent of sales	-4,4 %	-2,9 %		-4,3 %
EBIT, EUR 1.000	-1 145	-790	-44,9 %	-5 767
EBIT, percent of sales	-5,3 %	-3,9 %		-6,7 %
Result for the period, EUR 1.000	-2 010	-380	-428,9 %	-7 265
Result for the period, percent of sales	-9,4 %	-1,9 %		-8,4 %
Earnings per share (EPS), EUR	-0,10	-0,02		-0,35
Return on equity (ROE), percent	-4,1 %	-0,7 %		-13,4 %
Return on capital employed (ROCE), percent	-4,0 %	-1,0 %		-8,7 %
Adjusted return on capital employed (ROCE), percent*	-4,0 %	-1,0 %		-7,4 %
Net interest-bearing debt, EUR 1.000	25 563	24 799	3,1 %	22 967
Equity ratio, percent	46,9 %	49,9 %		47,4 %
Net gearing, percent	53,6 %	42,7 %		45,3 %
Investments, EUR 1.000*	-91	-293	-69,0 %	1 375
Investments, percent of sales	-0,4 %	-0,2 %		1,6 %
Average number of employees	271	295	-8,1 %	269
Number of employees at the end of period	252	283	-11,0 %	252

\*There were not items affecting comparability in Q1 2020.

## NET SALES AND FINANCIAL PERFORMANCE: JANUARY – MARCH 2020

The Group's net sales for the review period totalled EUR 21.5 million (20.1), a increase of 7,1 % compared to the corresponding period the previous year. In constant currencies, the change was 8.5 %.

Top Hammer net sales grew 24 % and exceeded the target level. Down the Hole business did not develop according to plan and decreased 6,5 %.

## NET SALES

### Net sales by product area

EUR thousand	1 Jan - 31 Mar 2020	1 Jan - 31 Mar 2019	1 Jan - 31 Dec 2019	Change %
Top Hammer	11 475	9 263	40 322	23,9 %
Down the Hole	10 016	10 804	46 160	-7,3 %
<b>Total</b>	<b>21 490</b>	<b>20 066</b>	<b>86 482</b>	<b>7,1 %</b>

### Net sales by market area

EUR thousand	1 Jan - 31 Mar 2020	1 Jan - 31 Mar 2019	1 Jan - 31 Dec 2019	Change %
Europe, Middle East and Africa	9 731	8 460	36 190	15,0 %
North and South America	3 909	3 267	15 501	19,6 %
Asia	3 213	3 066	10 482	4,8 %
Australasia	3 001	3 675	15 405	-18,3 %
Russia and CIS countries	1 637	1 599	8 903	2,4 %
<b>Total</b>	<b>21 490</b>	<b>20 066</b>	<b>86 482</b>	<b>7,1 %</b>

EBITDA was EUR 0.4 million (1.1) and 1.6 % (5,7) of net sales. EBITDA included EUR 0.7 million exchange rate losses compared to comparison period EUR 0.4 million mainly unrealized exchange rate gains.

EBITA was EUR -0.9 million (-0.6), which was -4.4 % of net sales (-2,9). EBIT for the review period was EUR -1.1 million (-0.8). This was -5.3% (-3.9) of the review period net sales.

Net financial expenses totalled EUR -0,9 million (+0.2), and EUR 0.3 million of this was interest expenses and EUR -0.6 (+0.6) million exchange rate losses. The result before taxes was EUR -2.1 million (-0.6) and taxes were EUR 0.0 million (0.2).

## FINANCING AND INVESTMENTS

The Group's net cash flow from operations before paid interest and taxes totalled EUR -0.9 million (-0.2). Changes in working capital had an impact of EUR -2.4 million (-0.8). The change in working capital during the review period were caused by increase in receivables Eur 2.2 million, increase in inventories by EUR 0.9 million and increase in non-interest-bearing debts by the EUR 0.8 million.

Net working capital was EUR 37.6 million (38.4) at the end of the review period.

The net cash flow for investment activities was EUR -0.3 million (0.0). Gross investments in production during the review period totalled EUR 0.1 million (0.3).

The net cash flow from financing activities was EUR -1.3 million (-9.2), comprising net changes in loans 0.8 and EUR 0.5 million in assets in use liabilities reported under IFRS 16.

At the end of the review period the Group had liquid assets totalling EUR 12.1 million (18.0) and interest-bearing financing loans totalling EUR 37.7 million (42.8). Interest-bearing net debt was EUR 25.6 million (24.8) and without IFRS 16 debt impact EUR 19.6 million (16.7).

The Group's equity at the end of the review period was EUR 47.7 million (58.0).

The Group's equity ratio was 46.9% (49.9%) and its net debt to equity ratio (gearing) was 53.6 % (42.7 %).

Depreciation and amortisations totalled EUR 1.5 million (1.9). 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 31 at the end of the comparison period and at the end of the review period the company's personnel numbered 252 (283) of which 74,6 % were located outside Finland.

Arto Halonen Msc. Engineering, MBA (b. 1981) started as Chief Operating Officer March 31, 2020. Jukka Pihamaa Msc. Engineering, MBA (b. 1966) VP Supply Chain left his position March 31, 2020.

## RESOLUTIONS OF THE ANNUAL GENERAL MEETING 2020

On March 17, 2020, the Company announced that the Board of Directors has decided to cancel the Annual General Meeting from Monday, 23 March 2020 and to postpone the meeting to a later date as a result of the development of the interest rate virus situation and the policies of the Finnish Government on 16 March 2020.

On 27 March 2020, the company announced that the Annual General Meeting will be held on 22 April 2020. Shareholders have the opportunity to follow the Annual General Meeting as a webcast.

## SHARES AND SHARE TURNOVER

On 31 March 2020 the company had 21,083,900 shares. On 31 March 2020 the company had 3,439 shareholders.

Trading volume was 1 879 776 (2 611 041) shares.

The company holds 150,793 of its own shares (0.71 % of total shares). On 31 March 2020 the market value of the company's shares was EUR 42.4 million. Closing share price was EUR 2.00, the period highest EUR 3.18 and lowest EUR 1,70.

## RISKS AND BUSINESS UNCERTAINTIES

The company's short-term risks are related to the rapid changes in the operating environment caused by the coronavirus situation. At the beginning of March the company initiated measures that initially focused on safeguarding the health of personnel and on launching new ways of working, such as teleworking. In the second week of March, Robit established a coronavirus working group, which will extensively analyze business-related risks in the new situation. Based on a situation assessment, the company began preparing for declining demand by planning and implementing cost flexibilities. At the same time, measures were taken to ensure delivery capability, and an enhanced management system was put in place to safeguard the company's capacity to react quickly should potential risks materialize.

Management will monitor the situation weekly in each of the company's operating countries in order to identify and anticipate the effects of the coronavirus pandemic and specify corrective measures. The meetings will discuss each country's general coronavirus situation, official regulations and measures, and the effects of the pandemic on customers' operations and the supply chain. At the time of reporting, all of the company's factories are operating at planned capacity, and no disruptions in the supply chain have been identified that could not be compensated for with current inventory levels or alternative suppliers. At the customer interface, however, there are countries, such as South Africa and Peru, where operations have been significantly restricted, but even in these countries deliveries to some customers are continuing normally.

During the review period, the company entered into discussions on financial restructuring in order to prepare for a possible prolongation of the coronavirus situation and consequent further weakening of demand. Due to the situation in the financial markets, negotiations may be delayed. This will not have any material significance for the company's liquidity, however. Robit's cash and cash equivalents at the end of the review period on 31 March stood at EUR 12.1 million.

A continuation of the pandemic will also be reflected in the Group's financial risks. In the company's assessment, the risks will be associated with unfavorable changes in exchange rates in the short term due to prolonged business interruptions in regions important for Robit's operations. So far, for the most part exchange rate differences are unrealized, and the Group is able to partly mitigate exchange rate differences by arranging intra-group payments.

The development of the pandemic as well as restrictions imposed by governments might have an impact on the level of working capital due to a slowdown in inventory turnover and repatriation of trade receivables. Inventory management has already been enhanced, the effects of operating restrictions on sales companies' inventory levels are reviewed on a weekly basis, and production and deliveries are arranged as the situation changes. According to current knowledge and understanding, inventories are not subject to higher than normal material obsolescence risks. With regard to trade receivables, the collection of doubtful receivables has been further improved. As the pandemic continues, the liquidity of some distributors, in particular, might decline and, as a result, the risk of credit losses has been reviewed on the basis of different scenarios and not merely on the basis of historical credit losses. Based on the review, the loan loss provision has been increased in the Q1 2020 interim report.

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

Based on current knowledge, longer-term cash flows would not deviate substantially from the estimate made in connection with the publication of the financial statements for 2019, and goodwill has therefore not been tested at the time of reporting. Impairment criteria are reviewed on a quarterly basis and if there are material changes in the criteria, goodwill is tested at the time of the review.

In addition, uncertainty factors include exchange rate development, the functioning and commissioning of new information systems, risks related to security of supply and logistics, and IPR risks. 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 our customers' payment behavior and increase the risk of litigation, legal claims and disputes related to Robit's products and other operations.

## CHANGES IN GROUP STRUCTURE

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

## OTHER EVENTS DURING THE REVIEW PERIOD

The company announced on February 14, 2020 that Robit Plc books 0.8 million euros entry to the last quarter of 2019 EBITA. Robit Plc. decided to sharpen the manufacturing operations of its Down the Hole business segment during the first half of 2019. The company decided to unify the production of the Brighthouse factory in England to the company's other manufacturing units in Chesterfield, England and Perth, Australia. The decision of the manufacturing transfer was made in the beginning of July 2019 and in connection with this the company recognized a write-down of approximately 1.0 million euros on the assets in use in Halco Brighthouse production facility. In February 2020 Robit has re-leased these premises and re-evaluated the basis of the write-down. According to the evaluation the company books approximately 0.8 million euros for the last quarter of 2019. This liability does not have a significant impact for the result on the annual level.

The company announces on February 20<sup>th</sup>, 2020 that Robit Plc updated its financial targets and guidance for year 2020. Company's long-term target is to achieve organic net sales growth of 15 % annually and comparable EBITDA profitability of 13 %. In 2020, Robit Plc is aiming for growth in net sales and for improved euro-denominated comparable EBITDA profitability than the previous year.

Robit Plc renounced its guidance for 2020 on March 24<sup>th</sup>. Due to the uncertainty in the industry and economy caused by coronavirus, it is difficult to forecast the future of the business. In these circumstances, Robit Plc renounces its

guidance for 2020 for the time being. The company will update the outlook and guidance again when the market situation provides normal conditions for doing so.

The company's previous guidance was: In 2020, Robit Plc is aiming for growth in net sales and for improved euro-denominated comparable EBITDA profitability than the previous year.

Robit Plc's Board of Directors decided on March 25<sup>th</sup>, 2020 on share-based incentive scheme for key personnel. The purpose of the variable long-term incentive scheme is to encourage key personnel to implement the company's important strategic objectives. The targets are based on Robit Plc's long-term strategic goals in a way that they strive to promote Robit Plc's long-term financial success.

Incentive scheme covers years 2020-2022. The 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). Share-based incentive scheme covers approximately 25 individuals. Matching shares and performance matching shares will be paid in April 2023. If all three main elements of the scheme will be fulfilled in total as determined in the plan and according to the target setting of the Board of Directors of the company, the maximum amount of shares issued based on the plan will be 450 000 shares, corresponding to 2,1 percent of the current outstanding shares of the company.

The company announced that it changes its previous proposal for distribution of funds. Due to the uncertainty in the industry and difficulty to forecast the outlook caused by Coronavirus Pandemic, Robit announced on March 24, that the company will renounce its guidance for 2020. For the reasons mentioned above the company wants to ensure good cash availability even in the event of an exceptional market situation. Hence Robit Plc's Board of Directors has made a decision to change the previous proposal for the Annual General Meeting regarding the distribution of funds. According to the defined proposal the Board of Director's proposes to the Annual General Meeting that it would authorize the Board of Director's to decide subsequently on the possible distribution of funds for the shareholders, after the market disruption caused by the Coronavirus Pandemic is cleared up. The possible distribution of funds, maximum EUR 0,03 per outstanding share would be paid from the company's distributable funds in case the company's financial situation supports that.

Robit Plc invited the shareholders on March 27<sup>th</sup> 2020 to the Annual General Meeting to be held on Wednesday 22 April 2020. The company had cancelled on March 17<sup>th</sup> the earlier convened AGM due to development of the coronavirus situation.

#### EVENTS AFTER THE REVIEW PERIOD

Robit Plc's Annual General Meeting was held on 22 April 2020. The resolutions of the Annual General Meeting have been announced on 22 April 2020 in a separate stock exchange release.

Lempäälä, 23 April 2020

ROBIT PLC

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*Robit is a strongly internationalised growth company servicing global customers and selling drilling consumables for applications in mining, construction and contracting, tunnelling and well drilling. The company's offering is divided into two product and service ranges: Top Hammer and Down-the-Hole. Robit has 13 of its own sales and service points throughout the world as well as an active sales network in 115 countries. Robit's manufacturing units are located in Finland, South Korea, Australia and the UK. Robit's shares are listed on NASDAQ Helsinki Ltd. Further information is available at: [www.robitgroup.com](http://www.robitgroup.com)*

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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 2020	1 Jan - 31 Mar 2019	1 Jan - 31 Dec 2019
<b>Net sales</b>	<b>21 490</b>	<b>20 066</b>	<b>86 482</b>
Other operating income	1 004	806	1 703
Materials and services*	-12 984	-12 385	-55 088
Employee benefit expense	-3 901	-4 344	-17 308
Depreciation, amortization and impairment	-1 499	-1 929	-7 372
Other operating expenses*	-5 256	-3 005	-14 184
<b>EBIT (Operating profit)</b>	<b>-1 146</b>	<b>-790</b>	<b>-5 767</b>
Finance income and costs			
Finance income	94	618	807
Finance cost	-999	-403	-1 700
Finance income and costs net	-905	215	-893
<b>Profit before income tax</b>	<b>-2 051</b>	<b>-575</b>	<b>-6 660</b>
Income taxes			
Current taxes	-8	80	-488
Change in deferred taxes	48	115	-116
Income taxes	41	195	-604
<b>Result for the period</b>	<b>-2 010</b>	<b>-380</b>	<b>-7 265</b>
Attributable to:			
Owners of the parent	-2 010	-380	-7 265
Non-controlling interest	0	0	0
	<b>-2 010</b>	<b>-380</b>	<b>-7 265</b>
<b>Other comprehensive income</b>			
Items that may be reclassified to profit or loss in subsequent periods:			
Translation differences	-1 045	589	273
<b>Other comprehensive income, net of tax</b>	<b>-1 045</b>	<b>589</b>	<b>273</b>
<b>Total comprehensive income</b>	<b>-3 054</b>	<b>209</b>	<b>-6 992</b>
Attributable to:			
Owners of the parent	-3 054	209	-6 992
Non-controlling interest	0	0	0
	<b>-3 054</b>	<b>209</b>	<b>-6 992</b>
<b>Earnings per share attributable to the owners of the parent during the year:</b>			
Basic and diluted earnings per share	-0,10	-0,02	-1,49

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

\*\* Since the beginning of this year the Group has internal loans that are recognised as net investments in foreign operations in accordance with IAS 21 " The Effects of Changes in Foreign Exchange Rates".

## CONSOLIDATED BALANCE SHEET

EUR thousand	31-Mar-19	31-Mar-18	31-Dec-18
<b>ASSETS</b>			
<b>Non-current assets</b>			
Goodwill	5 206	5 373	5 420
Other intangible assets	4 715	6 668	5 412
Property, plant and equipment	26 378	32 876	26 779
Loan receivables	274	323	266
Other receivables	3	3	3
Deferred tax assets	987	1 517	1 069
<b>Total non-current assets</b>	<b>37 562</b>	<b>46 760</b>	<b>38 949</b>
<b>Current assets</b>			
Inventories	31 578	32 469	32 771
Account and other receivables	20 569	18 673	20 112
Loan receivables	134	398	154
Income tax receivable	61	160	127
Cash and cash equivalents	12 123	17 959	15 248
<b>Total current asset</b>	<b>64 465</b>	<b>69 659</b>	<b>68 412</b>
<b>Total assets</b>	<b>102 027</b>	<b>116 419</b>	<b>107 361</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to owners of the parent</b>			
Share capital	705	705	705
Share premium	202	202	202
Reserve for invested unrestricted equity	82 268	82 266	82 268
Cumulative translation difference	-2 755	-1 395	-1 710
Retained earnings	-30 686	-23 378	-23 480
Profit for the year	-2 010	-380	-7 265
<b>Total equity</b>	<b>47 725</b>	<b>58 020</b>	<b>50 721</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Borrowings	22 761	32 086	22 106
Deferred tax liabilities	1 130	1 521	1 264
Employee benefit obligations	514	1 032	512
<b>Total non-current liabilities</b>	<b>24 404</b>	<b>34 639</b>	<b>23 881</b>
<b>Current liabilities</b>			
Borrowings	14 925	10 673	16 109
Advances received	318	119	266
Income tax liabilities	29	44	289
Account payables and other liabilities	14 575	12 776	15 921
Other provisions	52	148	174
<b>Total current liabilities</b>	<b>29 899</b>	<b>23 759</b>	<b>32 760</b>
<b>Total liabilities</b>	<b>54 303</b>	<b>58 398</b>	<b>56 641</b>
<b>Total equity and liabilities</b>	<b>102 027</b>	<b>116 419</b>	<b>107 361</b>

## CONSOLIDATED STATEMENT OF CASH FLOWS

EUR thousand	1 Jan - 31 Mar 2020	1 Jan - 31 Mar 2019	1 Jan - 31 Dec 2019
<b>Cash flows from operating activities</b>			
Profit before income tax	-2 051	-487	-6 660
Adjustments			
Depreciation, amortization and impairment charges	1 499	1 403	5 538
Finance income and finance costs	905	-317	479
Share-based payments to employees	58	43	197
Loss (+) / Gain (-) on sale of property, plant and equipment	-2	-176	263
Other non-cash transactions*	1 067	56	1 476
Cash flows before changes in working capital	1 477	521	1 293
Change in working capital			
Increase (-) in account and other receivables	-2 215	882	-1 047
Increase (-) / decrease (+) in inventories	-929	-949	-695
Increase (+) in account and other payables	770	-696	2 251
Cash flows from operating activities before financial items and taxes	-897	-242	1 802
Interest and other finance expenses paid	-76	-262	-992
Interest and other finance income received	10	14	74
Income taxes paid	-217	-105	-444
<b>Net cash inflow (outflow) from operating activities</b>	<b>-1 181</b>	<b>-596</b>	<b>439</b>
<b>Cash flows from investing activities</b>			
Purchases of property, plant and equipment	-89	-255	-1 243
Purchases of intangible assets	-2	-39	-132
Proceeds from the sale of property, plant and equipment	3	254	2 133
Proceeds from loan receivables	-233	81	131
<b>Net cash inflow (outflow) from investing activities</b>	<b>-321</b>	<b>42</b>	<b>889</b>
<b>Cash flows from financing activities</b>			
Acquisition of treasury shares			-328
Repayments of loans	-819	-7 536	-11 278
Change in bank overdrafts	67	-1 027	74
Payment of lease liabilities*	-505	-610	-2 237
<b>Net cash inflow (outflow) from financing activities</b>	<b>-1 257</b>	<b>-9 174</b>	<b>-13 770</b>
<b>Net increase (+) / decrease (-) in cash and cash equivalents</b>	<b>-2 759</b>	<b>-9 728</b>	<b>-12 442</b>
Cash and cash equivalents at the beginning of the financial year	15 248	27 470	27 470
Exchange gains/losses on cash and cash equivalents	-363	217	219
<b>Cash and cash equivalents at end of the year</b>	<b>12 123</b>	<b>17 959</b>	<b>15 248</b>

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

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

EUR thousand	Share capital	Share premium	Reserve for invested unrestricted equity	Cumulative translation difference	Retained earnings	Total
<b>Equity at 1.1.2020</b>	<b>705</b>	<b>202</b>	<b>82 268</b>	<b>-1 710</b>	<b>-30 744</b>	<b>50 721</b>
Profit for the period					-2 010	-2 010
Other comprehensive income						
Translation differences				-1 045		-1 045
<b>Total comprehensive changes</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-1 045</b>	<b>-2 010</b>	<b>-3 054</b>
Share-based payments to employees					58	58
<b>Total transactions with owners, recognized directly in equity</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>58</b>	<b>58</b>
<b>Equity at 31.3.2020</b>	<b>705</b>	<b>202</b>	<b>82 268</b>	<b>-2 755</b>	<b>-32 696</b>	<b>47 725</b>

## NOTES

### Contents

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

## 1. SCOPE AND PRINCIPLES OF THE INTERIM REPORT

This interim report has been prepared in accordance with the IAS 34 standard for interim financial reporting and using the same principles as for the annual financial 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.

### 2.1 KEY FIGURES

CONSOLIDATED KEY FIGURES	Q1 2020	Q1 2019	2019
Net sales, EUR 1,000	21 490	20 066	86 482
EBIT, EUR 1,000	-1 145	-790	-5 884
EBIT, percent of sales	-5,3 %	-3,9 %	-6,8 %
Earnings per share (EPS), EUR	-0,10	-0,02	-1,49
Return on equity (ROE), percent	-4,1 %	-0,7 %	-12,9 %
Return on capital employed (ROCE), percent	-4,0 %	-1,0 %	-8,3 %
Equity ratio, percent	46,9 %	49,9 %	49,9 %
Net gearing, percent	53,6 %	42,7 %	32,9 %
Gross investments, EUR 1,000	-91	-293	97
Gross investments, percent of sales	-0,4 %	-1,4 %	0,1 %
Number of shares	21 083 900	21 083 900	21 083 900
Own shares	148 793	27 507	148 793
Percentage of total shares	0,71 %	0,13 %	0,71 %

ADJUSTED CONSOLIDATED KEY FIGURES	Q1 2020	Q1 2019	2019
Adjusted EBITDA, EUR 1,000	354	1 139	651
Adjusted EBITDA, percent of sales	1,7 %	5,7 %	0,8 %
Adjusted EBITA, EUR 1,000	-941	-578	-3 837
Adjusted EBITA, percent of sales	-4,4 %	-2,9 %	-4,4 %
Adjusted EBIT, EUR 1,000	-1 145	-790	-4 678
Adjusted EBIT, percent of sales	-5,3 %	-3,9 %	-5,4 %
Adjusted return on equity (ROE), percent	-	-	-10,7 %
Adjusted return on capital employed (ROCE), percent	-4,0 %	-1,0 %	-6,9 %

### 2.2 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 2020	1 Jan - 31 Mar 2019	1 Jan - 31 Dec 2019
<b>EBIT / Operating profit</b>	<b>-1 145</b>	<b>-790</b>	<b>-5 767</b>
Depreciation and amortisation	1 499	1 929	7 372
<b>EBITDA</b>	<b>354</b>	<b>1 139</b>	<b>1 605</b>
<b>Items affecting comparability</b>			
Reorganising expenses	0	0	1 102
<b>Comparable EBITDA</b>	<b>354</b>	<b>1 139</b>	<b>2 707</b>
<b>EBIT / Operating profit</b>	<b>-1 145</b>	<b>-790</b>	<b>-5 767</b>
Amortizations of acquisitions	204	212	840
<b>EBITA</b>	<b>-941</b>	<b>-578</b>	<b>-4 927</b>
<b>EBIT / Operating profit</b>	<b>-1 145</b>	<b>-790</b>	<b>-5 767</b>
<b>Items affecting comparability</b>			
Reorganising expenses	0	0	1 102
<b>Comparable EBIT</b>	<b>-1 145</b>	<b>-790</b>	<b>-4 665</b>
<b>Items affecting comparability</b>			
Amortizations of acquisitions	204	212	840
Impairment		0	0
<b>Comparable EBITA</b>	<b>-941</b>	<b>-578</b>	<b>-3 824</b>

## 2.3 CALCULATION OF KEY FIGURES

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

## 3. 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 2020	1 Jan - 31 Mar 2019	1 Jan - 31 Dec 2019	Change %
Top Hammer	11 475	9 263	40 322	23,9 %
Down the Hole	10 016	10 804	46 160	-7,3 %
<b>Total</b>	<b>21 490</b>	<b>20 066</b>	<b>86 482</b>	<b>7,1 %</b>

#### Net sales by market area

EUR thousand	1 Jan - 31 Mar 2020	1 Jan - 31 Mar 2019	1 Jan - 31 Dec 2019	Change %
Europe, Middle East and Africa	9 731	8 460	36 190	15,0 %
North and South America	3 909	3 267	15 501	19,6 %
Asia	3 213	3 066	10 482	4,8 %
Australasia	3 001	3 675	15 405	-18,3 %
Russia and CIS countries	1 637	1 599	8 903	2,4 %
<b>Total</b>	<b>21 490</b>	<b>20 066</b>	<b>86 482</b>	<b>7,1 %</b>

#### 4. FINANCING ARRANGEMENTS

In the financial year 2020, the covenant is the initial agreed ratio of net debt to EBITDA ratio in the end of 30 June 2020 and 31 December 2020, which shall not exceed 2.5. Another covenant is a degree of equity ratio, which should be at least 32.5%.

The company available cash is EUR 12.1 million at the period ending 31 March 2020 and thus is able to handle its debt management and liquidity.

##### **Borrowings/Loans/Interest-bearing loans**

EUR thousand	31-Mar-19	31-Mar-18	31-Dec-18
Non-current borrowings			
Loans from credit institutions	17 452	24 681	17 450
Other loans	584	661	585
Lease liabilities	4 725	484	315
<b>Total non-current borrowings</b>	<b>22 761</b>	<b>32 086</b>	<b>22 106</b>
Current borrowings			
Loans from credit institutions	9 074	5 976	9 414
Other loans	76	76	76
Bank overdrafts	3 986	2 818	3 919
Lease liabilities	1 789	252	284
<b>Total current borrowings</b>	<b>14 925</b>	<b>10 673</b>	<b>16 109</b>
<b>Total borrowings</b>	<b>37 686</b>	<b>42 758</b>	<b>38 215</b>

#### 6. CHANGES IN PROPERTY, PLANT AND EQUIPMENT

EUR thousand	31-Mar-19	31-Mar-18	31-Dec-18
Cost at the beginning of period	45 952	39 890	39 890
Additions	1332	8 401	9 832
Disposals	-1	-191	-4 177
Reclassifications	0	-124	0
Exchange differences	-1 802	546	407
Cost at the end of period	45 502	48 522	45 952
Accumulated depreciation and impairment at the beginning of period	-18 844	-14 066	-14 066
Depreciation	-1 114	-1 488	-5 957
Disposals	0	114	949
Reclassification			81
Exchange differences	834	-206	-200
Accumulated depreciation and impairment at the end of period	-19 124	-15 646	-19 193
<b>Net book amount at the beginning of period</b>	<b>26 759</b>	<b>25 824</b>	<b>25 824</b>
<b>Net book amount at the end of period</b>	<b>26 378</b>	<b>32 876</b>	<b>26 779</b>

#### 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 two cash-generating units (Top Hammer and Down the Hole). As of 31 March 2020, the company has reviewed the assumptions used in goodwill testing, such as forecasts for the current and future years and changes in interest rates. In addition, the company has assessed the changes caused by the



covid-19 pandemic in the company's operating environment and their impact on the company's long-term profitability and cash flows. The impact will depend on how long, among other things, the restrictions imposed are in force and how they affect profitability in countries and industries that are important to Robit. Based on the review, management estimates no need to make any changes, but the factors affecting goodwill items will be reviewed during the second quarter.

## 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
<b>Total</b>	<b>46 286</b>	<b>46 542</b>	<b>46 286</b>

## 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.