FINANCIAL STATEMENTS RELEASE 2017

ROBIT PLC STOCK EXCHANGE RELEASE 20 FEBRUARY 2018 AT 1.56 P.M.

FINANCIAL STATEMENTS RELEASE JANUARY 1 – DECEMBER 31, 2017: ROBIT PLC'S GROWTH CONTINUED +38 %, PROFITABILITY DISAPPOINTING

Robit Plc's Annual Report January 1 - December 31, 2017
In text H1 refers to period January 1 - June 30, 2017 and H2 to period July 1 - December 31, 2017.
Figures from the corresponding period in 2016 are presented in brackets.
Percentages are calculated from thousands of euros.

During the reporting period, Robit Plc started to apply IFRS standards. The IFRS conversion accounts were published on May 12, 2017 and comparative figures have also been amended accordingly.

July 1 – December 31, 2017

- Net sales, EUR 45.6 million (43.0), growth 6 %
- EBITDA EUR 0.3 million (5.3), 0.7 % (12.4)
- EBITA EUR -1.9 million (3.2), -4.2 % (7.5)
- EBIT EUR -2.4 million (2.8), -5.2 % (6.4)
- Result for the period was EUR -3,3 million (2.6), -7.2 % (6.0)
- Adjusted EBITDA EUR 0.6 million (8.0), 1.3 % (18.8)
- Adjusted EBITA EUR -1.6 million (6.0), -3.6 % (13.9)

January 1 – December 31, 2017 in brief

- Net sales EUR 88.2 million (64.1), growth 38 %
- EBITDA EUR 1.6 million (7.5), 1.8 % (11.7)
- EBITA EUR -2.7 million (4.7), -3.1 % (7.4)
- EBIT EUR -3.6 million (4.3), -4.1 % (6.7)
- Result for the period was EUR -5.2 million (4.1), -5.9 % (6.4)
- Adjusted EBITDA EUR 3.5 million (10.3), 4.0 % (16.0)
- Adjusted EBITA EUR -0.9 million (7.5), -1.0 % (11.7)

July-December 2017 and the 2017 EBITDA, EBITA, EBIT and result for the period include items that affect comparability as presented in the table of key figures below.

- Robit listed on the official list of the Helsinki Stock Exchange. The total proceeds of the share issue were EUR 49.5 million and net proceeds EUR 46.7 million.
- Robit expanded its offering by acquiring assets and inventories from Halco USA in January and 51 percent of shareholding of Halco UK companies in February 2017.
- Korean new plant will be operational in February 2018.
- Robit PLC has 31st of December breached financial covenant net debt/EBITDA in its loan agreement. Because of this reason, EUR 28.0 million loans has been shown as short term loans in the financial statements. The company has discussed this issue with its lender and the situation will be cured. The company has EUR 42,2 million liquid funds as per 31st December 2017 and thus can maintain full debt service and liquidity in any circumstances.

CEO'S COMMENTS

The company's sales grew strongly with 38 percent in 2017, but was not in line with the sales target set for the year. Besides net sales being lower than expected, the result of the financial year 2017 was also pressed by the integration of new acquired units, costs relating to global implementation of the ERP system and intense personnel investments to ensure the company's planned growth, which appear as a significant growth of fixed costs in 2017. In addition, the profit was pressed by negative foreign exchange impact as well as write-offs made to stock value according to current assets' valuation policy.

Year 2017 was a year of many important changes in the group to strengthen the group for the further growth in the coming years. Year started with new operational structure and a new way of working after the completed acquisitions of DTA and Bulroc in 2016. The management group was strengthened strongly with many experienced professionals starting work and many other new people joined to Robit family, myself included. These upfront investments to new capabilities and talents increased substantially our fixed costs, but we believe that it will have a positive impact to year 2018 and beyond.

Organic growth of the traditional Robit products produced in Finland and Korea was good in many countries and regions. The sales of North and South America grew strongly especially with Top Hammer products produced in our Korean factory. As the capacity of the Korean factory came to full use, we decided to invest in March 2017 into new fully automated factory in Korea in a new location with better logistic connections. With the new factory, we are able to reduce delivery times of certain Top Hammer products like rods and shanks dramatically and to offer our customers even better availability and service. The project is progressing as planned and the factory will be taken into use in February 2018.

The acquired DTH businesses' (DTA and Bulroc in 2016) growth did not reach the set targets as the integration impacts have been slower than expected. In Australia, the performance of DTA was also impacted by strong competition from new market entrants. The sales of DTA decreased with 13 percent and Bulroc increased 4 percent.

Robit acquired Halco businesses in USA and United Kingdom early 2017 to create a second brand under the group to serve certain market segments where Robit has low presence. The acquired Halco units' performance did not meet the expectations in 2017 and thus was unprofitable. We have started measures to strongly improve the performance and to speed up the alignment of Halco and all the other acquired units.

The company continued to operate through its three business units, Top Hammer, Down-the-hole and Digital Services. Close co-operation within business units increased in 2017. Strengthening regional decision-making closer to customers and partners and more complete offering required businesses close co-operation.

Digital Services is one of key elements for our future growth. Digitalization is also impacting the industries in which we are operating. With products like Sense we are able to improve customers' productivity and safety. During 2017 we carried out long development projects together with several important customers to demonstrate the business benefits. At the same time, digitalization is a key element in our global supply chain development, making us more efficient and flexible and able to serve the customers with better availability and prices.

Growth with and through the distributors is the key element for Robit growth strategy. Real close and trusted co-operation with sharing the same targets will benefit the distributors as well as Robit and improve further market penetration and market knowledge. We have invested strongly in 2017 to develop the business with current distributors and starting up relationship with new stronger and bigger distributors. This is the element we want to come even more stronger and be clearly frontrunner and fast-moving group.

KEY FIGURES

Key financials	H2 2017	H2 2016	Change %	2017	2016	Change %
Net sales, EUR 1.000	45 577	42 974	6,1 %	88 222	64 050	37,7 %
EBITDA, EUR 1.000	306	5 308	-94,2 %	1 626	7 495	-78,3 %
Adjusted EBITDA, EUR 1.000*	592	8 064	-92,7 %	3 500	10 251	-65,9 %
EBITA, EUR 1.000	-1 910	3 213	-159,5 %	-2 734	4 721	-157,9 %
Adjusted EBITA, EUR 1.000*	-1 625	5 960	-127,3 %	-861	7 468	-111,5 %
Adjusted EBITA, percent of sales*	-3,6 %	13,9 %		-1,0 %	11,7 %	
EBIT, EUR 1.000	-2 352	2 754	-185,4 %	-3 640	4 262	-185,4 %
EBIT, percent of sales	-5,2 %	6,4 %		-4,1 %	6,7 %	
Result for the period, EUR 1.000	-3 292	2 581	-227,6 %	-5 190	4 040	-227,1 %

**) The items affecting H2 2017 comparability are: expenses relating to acquisitions EUR 161 thousand and business re-organizing measures EUR 115 thousand*

**) In 2017 full years items affecting comparability were: share issue expenses EUR 1.290 thousand, acquisition-related expenses EUR 469 thousand, business re-organizing expenses 115*

**) In 2016 full years items affecting comparability were: acquisition-related expenses EUR 2.756 thousand*

NET SALES AND FINANCIAL PERFORMANCE: JULY – DECEMBER 2017

The group's net sales during the review period was EUR 45.6 million (43.0), an increase of 6 percent from the comparison period. Net sales development was not in line with expectations. Net sales development of the companies DTA and Bulroc acquired in summer 2016, remained weak and fell short of the set targets -5 % lower than in H2 2016. Halco business, acquired in January 2017, fell also short of the set targets and was not able to regain the market in the extent that was expected. The rest of Robit Plc's units continued their growth.

EUR 22.1 million (19.0) of the review period net sales came from the Top Hammer business, where especially Korean rod and shank product demand was good. EUR 23.5 million (23.9) of net sales came from the Down the Hole business. The Digital Services business still did not yet generate significant net sales and reference deliveries and testing co-operation with selected customers was deepened.

EMEA accounted for EUR 17.6 million (16.8), Australasia EUR 13.1 million (12.6), Asia 4.3 (6.4), Americas EUR 8.3 million (5.6) and East EUR 2.3 million (1.5) of the group's net sales.

EBITDA was EUR 0.3 million (5.3), 0.7 (12.4) percent and EBITA EUR – 1.9 million (3.2) -4.2 (7.5) percent. Review period profitability was affected by adjusted items that are specified below:

- acquisition-related expenses amounted to EUR 0.2 million
- re-organizing expenses EUR 0.1 million

Adjusted EBITDA was EUR 0.6 million (8.1), 1.3 percent (18.8) of the net sales. Adjusted EBITA was EUR -1.6 million (6.0), -3.6 (13.9) percent of net sales.

In addition to the adjustments, H2 2017 EBITDA and EBITA were still pressed by low utilization of the capacity and higher proportion of sales with lower margins. In expenses integration of new units, costs relating to global implementation of the ERP system and intense personnel investments to ensure the company's planned growth resulted as a significant growth of fixed costs in 2017. In addition, the profit was pressed by negative foreign exchange impact, write-offs made to stock and bad debts. The adverse impact of these items was EUR 3.7 million in total in the review period.

The group's EBIT for the review period was EUR -2.4 million (2.8). The EBIT-percent was – 5.2 percent (6.4) of the net sales for the review period.

NET SALES AND FINANCIAL PERFORMANCE: JANUARY – DECEMBER 2017

The group's net sales of the financial year were EUR 88.2 million (64.1), an increase of 38 percent from the comparison period, which was mainly due to structural growth. Though the growth was the biggest in Robit history, the net sales development was not in line with expectations. Full year net sales development of the companies DTA and Bulroc acquired in summer 2016, was weaker than expected and fell short of the set targets especially in Asia. Halco business, acquired in January 2017, fell also short of the set targets. The rest of Robit Plc's units continued their growth.

EUR 38.2 million (33.7) of the review period net sales came from the Top Hammer business, where especially Korean rod and shank product demand was good. EUR 50.0 million (30.4) of net sales came from the Down the Hole business. The Digital Services business did not yet generate significant net sales and focused mainly on reference deliveries.

EMEA accounted for EUR 32.3 million (29.1), Australasia, EUR 24.7 million (12.2), Asia 11.3 (10.9), Americas EUR 15.3 million (8.5) and East EUR 4.5 million (3.3) of the group's net sales.

EBITDA was EUR 1.6 million (7.5), 1.8 (11.7) percent and EBITA EUR – 2.7 million (4.7) -3.1 (7.4) percent. Profitability was affected by adjusted items that are specified below:

- EUR 1.3 million of listing costs were expensed and EUR 1.5 million were posted to the equity - amount of listing expenses totaled EUR 2.8 million,
- acquisition-related expenses amounted to EUR 0.5 million
- re-organizing expenses EUR 0.1 million

Adjusted EBITDA was EUR 3.5 million (10.3), 4.0 percent (16.0) of the net sales. Adjusted EBITA was EUR -0.9 million (7.5), -1.0 (11.7) percent of net sales.

In addition to these adjustments, EBITDA and EBITA were pressed by the integration of new units, costs relating to global implementation of the ERP system and intense personnel investments to ensure the company's planned growth, which appeared as a significant growth of fixed costs in 2017. In addition, the profit was pressed by negative foreign exchange impact, write-offs made to stock and bad debts. The adverse impact of these items was EUR 4,9 million in total.

The group's EBIT for the review period was EUR -3.6 million (4.3). The EBIT-percent was – 4.1 percent (6.7) of the net sales for the review period.

The group's net financial expenses were EUR 2.4 million (0.9 income), of which interest expenses were EUR 0.5 million and exchange rate difference 1.7 million negative. Result before taxes was EUR -6.1 million (5.2) and taxes EUR 0.9 million (-1.1).

FINANCIAL TARGETS

The company will continue as a growth company. Growth is targeted with an average annual organic growth rate of at least 15 percent over the cycle.

During the review period, the company's growth was 37,7 percent to comparative period. Growth of the company without the Impact of acquired units, DTA, Bulroc and Halco was 10 %. The company's targets to grow through acquisitions were implemented in the beginning of the year, when Robit acquired assets, inventories and IPRs from Halco International LLC and Halco America LLC on January 12, 2017 as well as a majority of Halco Brighouse Ltd's shares on February 16, 2017.

The long-term strategic goal is to achieve an EBITA margin of over 13 percent over the economic cycle. Completed integration projects will further enhance the importance of optimizing the product range, inventory turnover, lead times and logistics efficiency. The company will intensify its management of working capital, while maintaining the good service of customers in the globally chosen market segments in the future.

FINANCING AND INVESTMENTS

The group's net cash flow from operating activities before financing and taxes for the review period was EUR -0.2 million (1.5). The effect of changes in working capital was EUR -3.2 million (-6.2). In the reporting period, the change in working capital during the review period was mainly due to increase in receivables of EUR 3.7 million and inventories EUR 1.8 million. The increase in non-interest-bearing liabilities was EUR 2.2 million. The trend in the working capital was far from target despite continuous efforts. Robit will continue pursuing more efficient working capital management. Net working capital amounted to EUR 40.1 million (38.7) at the end of the review period.

Net cash flow from investing activities was EUR 13.3 million (58.0). Gross investments without acquisitions were EUR 11.6 million (2.6). Of the investments, EUR 6.9 million related to the Korean new plant's investment and EUR 2,2 million to acquired Halco assets.

Net cash flow from financing activities EUR 46.9 million (34.9) consists of EUR 46.7 million of the share issue and EUR 1.0 million net change in loans.

Liquid assets at the end of the review period totaled EUR 42.2 million (10.5) and interest-bearing financial liabilities totaled EUR 49.9 million (47.4).

The group's equity at the end of the review period was EUR 92.1 million (50.1).

At the end of the review period, the group's equity ratio was 57.6 per cent (43.9) and the net debt to equity ratio was 8.4 percent (73.7) as a result of the company's good financial position after share issue.

Depreciations and amortizations were 5.2 (3.2) million. The growth of depreciation of EUR 2.1 million was mainly due to the increase in the depreciation through the companies acquired in 2016 and 2017, and EUR 0.9 million to the amortization of the purchase price allocations of the acquisitions.

EBITDA and comparable EBITDA	**1 Jul - 31 Dec 2017**	**1 Jul - 31 Dec 2016**	**1 Jan - 31 Dec 2017**	**1 Jan - 31 Dec 2016**
EBIT / Operating profit	-2 352	2 754	-3 640	4 262
Depreciation and amortisation	2 659	2 554	5 267	3 233
EBITDA	306	5 308	1 626	7 495
Items affecting comparability				
Expenses of list change and share issue			1 290	
M&A expenses	171	2 187	469	2 756
Reorganising expenses	115		115	
Items affecting comparability in total	**286**	**2 187**	**1 874**	**2 756**
Comparable EBITDA	**592**	**7 495**	**3 500**	**10 251**

EBITA
1 000 euro

EBIT /Operating profit	**-2 352**	**2 754**	**-3 640**	**4 262**
Amortizations of acqusitions	451	459	907	459
EBITA	**-1 901**	**3 213**	**-2 733**	**4 721**

Comparable EBITA
1 000 euro

EBIT / Operating profit	**-2 352**	**2 754**	**-3 640**	**4 262**
Items affecting comparability				
Reversal of inventory step-up		2 195		2 195
M&A expenses	161	552	467	552
Expenses of list change and share issue			1 290	
Reorganising expenses	115		115	
Comarable EBIT	**-2 076**	**5 501**	**-1 768**	**7 009**
Amortizations of acqusitions	451	459	907	459
Comparable EBITA	**-1 625**	**5 960**	**-861**	**7 468**

OFFERING DEVELOPMENT

For the Top Hammer product line, growth was still driven by providing customers with one-stop shopping. The significance of the South Korean factory was high and the volume of shanks and rods produced in Korea developed favorably. To support growth, it was decided on a new state-of-art factory investment in Korea. The Top Hammer business volume was EUR 38.2 million (EUR 33.6 million in the comparison period 2016).

Down the Hole products of the acquired companies represented a significant part of the DTH SBU sales. SBU competitiveness will be improved by actions getting higher volumes and improving efficiency. The DTH business volume was EUR 49.9 million (30.5). The integration of the DTH product offering to the Robit sales network was slower than expected especially in second half of the year.

Digital Services business area made its first customer deliveries during the review period. During the review period, several long-term tests were carried out with end-customers in different drilling environments. Currently, the focus is on deliveries and testing of reference sites and refine the data with our customers in order to align this with their business targets. Technology and related service have gained great interest in the market. The first deliveries for M-Sense and S-Sense were completed during the review period.

FUTURE OUTLOOK

Robit management is estimating that the good market conditions, which started in 2017 will continue and even improve. World's economic growth is expected to speed up and thus fuel the demand. There has been a strong cyclical change in the demand especially in the mining industry after several slow years. The increased demand in the capital product is estimated to impact consumables with certain delay. All the other customer segments of Robit are expected to continue in the good level.

The expanded product offering from Halco acquisition and previous acquisitions combined with the company's expanded and more developed distribution network will enable good growth opportunities for the group. The professional, efficient and customer-oriented distribution network is essential for the future organic growth of the company.

Digitalization is improving the offering base to support important key elements to our customers e.g. productivity and safety. According to the management estimate, the above-mentioned factors create good conditions for strengthening the company's market share and market position in the future.

Robit announced in January 29, 2018 that it will start the negotiations with the employee representatives to adjust its business model and organization and move to line structure. This will clarify the structure and increase organizational efficiency and thus drive improved financial performance. The changes may lead to reductions of personnel.

The company continues to evaluate suitable potential acquisition targets as part of the global consolidation trend in the industry, which the company's management expects to continue further.

SHARES AND SHARE TURNOVER

The number of shares on December 31, 2017 was 21,083,900 shares.

The number of shareholders on December 31, 2017 was 2 178.

The company held 86.320 treasury shares (0.4 percent of the number of shares) on December 31,2017.

The market capitalization on December 31, 2017 was EUR 136 million (share price was EUR 6.47).

During the review period, the company made a directed share issue to institutional investors, which were issued 5,000,000 new shares. The issue price was EUR 9.90 per share and a total of EUR 49.5 million of new capital was collected.

PERSONNEL AND MANAGEMENT

At the end of the review period, the company's personnel amounted to 329 (263). The increase in the number of employees was due to the personnel of the companies acquired during the previous financial year and the period under review. During the review period, the number of employees grew by 66, two thirds of which came from acquisitions and one third through additional recruitment. Of the company's personnel, 76 percent were outside Finland.

Company strengthened its management with the following persons: Group CEO Mika Virtanen, Group CFO Ilkka Miettinen, VP Down the Hole Tommi Lehtonen, VP East Jorma Juntunen, VP EMEA Kari Alenius, VP Americas Mikko Vuojolainen, VP Supply Jukka Pihamaa and Head of HR Jaana Rinne. VP Top Hammer Olli Kuismanen, VP Americas Mikko Mattila and HR Manager Terhi Mäkinen left the company.

The Board of Directors of Robit decided on April 20, 2017 on new share-based incentive plan for the Group management and Group key employees. The plan is divided in two; to Performance Share Plan and Matching Share Plan. The aim of the new plans is to combine the objectives of the shareholders and the persons participating in the plans in order to increase the value of the company in the long-term, to bind the participants to the company, and to offer them competitive reward plans based on earning and accumulating the company’s shares.

RESOLUTIONS OF GENERAL MEETINGS

Robit Plc's Annual General Meeting on March 28, 2017 approved the presented financial statements for January 1 - December 31, 2016 and decided that a dividend of EUR 1 598 922.60 to be paid. It was resolved to discharge the members of the Board of Directors from liability for the financial period of 2016 and the CEO for the financial period of 2016.

The following persons were elected as the Board of Directors: Mammu Kaario as a new member and Tapio Hintikka, Matti Kotola, Hannu-Kalle Reponen and Harri Sjöholm as old members. Anni Ronkainen was no longer available for re-election to the Board of Directors. It was resolved to elect Harri Sjöholm as Chairman of the Board of Directors.

Ernst & Young Oy, an Authorized Public Accounting firm, was elected as the company's auditor and Authorized Public Accountant Mikko Järventausta as the auditor-in-charge.

Robit Plc's Extraordinary General Meeting held on 20 April 2017 made the following key resolutions:

The Extraordinary General Meeting resolved to authorize the Board of Directors to decide on the acquisition of a maximum of 1,608,390 own shares, in one or several tranches, using the Company's unrestricted shareholder's equity. The maximum number of shares to be acquired equals to approximately 10percent of all shares in the Company at the date of the notice to the EGM. However, the Company, together with its subsidiary companies, may not at any point own more than 10percent of all the shares in the Company. Own shares may be purchased under the authorization using only the unrestricted shareholders' equity.

The shares are acquired otherwise than in proportion to the share ownership of the shareholders in public trading arranged by Nasdaq Helsinki Ltd at the market price on the date of the acquisition or otherwise at a price formed on the market. The Company's own shares may be acquired, for instance, to carry out possible corporate transactions or as part of share-based incentive systems, or for other purposes as decided by the Board of Directors, as well as otherwise for further transfer, retention or cancellation. The Board of Directors is authorized to decide on all other terms and conditions regarding the acquisition of the Company's own shares.

The Extraordinary General Meeting resolved that this authorization cancels the authorization granted by the Annual General Meeting on 18 March 2016 to decide on the acquisition of own shares.

The authorization is in force until the end of the following Annual General Meeting, however not longer than until 30 June 2018.

The Board of Directors resolved to authorize the Board of Directors to decide on the issuance of shares and special rights entitling to shares referred to in chapter 10, section 1 of the Limited Liability Companies Act, in one or more tranches, either against or without consideration.

The number of shares to be issued, including the shares to be issued on the basis of special rights, may not exceed 7,000,000, which equals to approximately 43.5percent of all the shares in the Company at the date of the notice to the EGM. The Board of Directors may decide to issue either new shares or to transfer any own shares held by the Company.

The authorization entitles the Board of Directors to decide on all terms of the share issue and transfer of special rights entitling to shares, including the right to deviate from the shareholders' pre-emptive right. The authorization may be used to finance the Company's growth, as consideration in corporate transactions, as part of the Company's incentive systems, or for other purposes as decided by the Board of Directors.

The authorization remains in force for five years from the end of the Extraordinary General Meeting. This authorization cancels any previous unused authorizations to decide on the share issue and issuance of options or other special rights entitling to shares.

CHANGES IN GROUP STRUCTURE

During the review period, the company acquired 51 percent of Halco UK's shareholding (Halco Brighouse Ltd, Halco Drilling Tools Ltd). A new subsidiary, Robit LLC, was established in the USA, which acquired Halco USA's assets. In addition, the company established a new subsidiary in Kazakhstan (TOO Robit).

RISKS AND BUSINESS UNCERTAINTIES

The company's risks and uncertainties are related to the company's operating environment, its possible changes and global economic development.

In addition, uncertainty factors include exchange rate developments, the functioning and introduction of new information systems, the integration of acquisitions, security of supply and logistics risks, IPR risks and uncertainties associated with the company's operations. In addition, changes in tax and customs legislation in the export countries may harm the export trade or profitability of the company.

The possible realization of the risks is expected to have a negative impact mainly on the company's growth, financial position and profitability as well as the image. The company's management does not expect these risks and uncertainties to be significant at the time of the review.

OTHER EVENTS DURING THE REVIEW PERIOD

Mika Virtanen, M.Sc. Engineering, (43), was appointed the new Group CEO of Robit Plc in May 1, 2017. Virtanen has made a career of over 20 years in several management positions in metal and automation industry. He worked since 2002 for Cargotec Corporation in international operations before joining Robit.

Company listed on Nasdaq Helsinki main list on May 17, 2017.

The listing enabled a new share issue for institutional investors. The gross proceeds from the issue totaled EUR 49.5 million to finance growth.

EVENTS AFTER THE REVIEW PERIOD

On January 29th, 2018 Robit group announced a press release, according to which the organization model will be changed to apply line organization to be closer to the customer operations. This will clarify the structure and increase organizational efficiency and thus drive improved financial performance. On the other hand the changes may result to reductions of the positions in the group. Required local negotiations have been commenced early February 2018.

Robit announced in January 29th, 2018 that it has acquired the remaining 49 percent of the shares of Halco Brighouse Ltd from the members of Halco management team with a total consideration of 75.000 GBP.

FINANCIAL GUIDANCE

Company has set the following key targets transcending the economic cycle:

- to increase its net sales organically on average by a minimum of 15 per cent per annum (CAGR)
- to achieve an EBITA margin of above 13 per cent

During 2017 Robit made following changes in the profit guidance:

In May 2017, the company's management estimated that the company's percentage profitability (excluding adjustment items) will remain in 2017 at the 2016 level if market demand remains at current level and there are no other disturbances in the market. On August 17th, 2017 Robit changed profit guidance as follows: According to the current view of company's management, the relative EBITA profitability (excluding comparable items) will be lower if market demand is maintained at current level and there are no other disturbances in the market.

On December 18t, 2017 Robit changed profit guidance as follows: According to management's current estimation, Robit Plc's EBITA for year 2017 (without items affecting comparability) will be zero or slightly negative provided that the market demand stays at the current level and there are no unpredictable market disruptions.

Year 2018 EBITA as percentage of net sales (without items affecting comparability) will be significantly higher than year 2017 provided that the market demand stays at the current level and there are no unpredictable market distractions 2018.

With the strengthening of the personnel and increased distributors co-operations during 2017 combined with new modern capacity Robit will improve group’s financial performance significantly in 2018. Planned new strategy and actions will enhance the profitability improvement in 2018.

DIVIDEND PROPOSAL

The distributable funds of the parent company at December 31, 2017 are EUR 93 428 331,99. The Board of Directors proposes a dividend distribution of 0.10 euro per share to be paid on the outstanding 20 997 580 shares, resulting in a total proposed dividend of EUR 2 099 758 euros.

The Board proposes the dividend to be payable from 10 April 2017. All the shares existing on the dividend record date are entitled to the dividend for 2017 except for the own shares held by the parent company (86.320 shares).

ANNUAL GENERAL MEETING

The Annual General Meeting is scheduled to be held on March 28th, 2018 at 2.00 p.m. Finnish time in Tampere-talo, Yliopistonkatu 55, FI33200 Tampere.

FINANCIAL INFORMATION EVENTS AND REPORTING SCHEDULE IN 2018

An analyst and press conference in connection with the publication of the financial statements release will be held in English for analysts, investors and media representatives on Tuesday 20th February 2018 at 2.00 p.m. Finnish time. The conference will take place in Helsinki at Event Arena Bank (meeting room 22), Unioninkatu 22, FI00130 Helsinki. Doors will open at 1.30 p.m.

Robit will present its net sales figures from the time period January 1, – March 31, 2018 on April 19th, 2018 and January 1, - September 30, 2018 on October 18th, 2018. Half-year financial statements Jan 1 – June 30, 2018 will be released on August 16th, 2018.

ACCOUNTING POLICIES

This financial statement bulletin has been prepared in accordance with IAS 34 Interim Financial Reporting, using the same accounting policies as the annual financial statements. The figures have been rounded, so the amounts presented in the spreadsheet rows and columns may differ from the total figures for the same.

SUMMARY OF FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

EUR thousand	1 Jul - 31 Dec 2017	1 Jul - 31 Dec 2016	1 Jan - 31 Dec 2017	1 Jan - 31 Dec 2016
Net sales	**45 577**	**42 974**	**88 222**	**64 050**
Changes in inventories of finished goods and work in progress	-1 589	-1 410	-2 649	-67
Work performed by the Group and capitalized	-104	103	43	201
Other operating income	1 372	141	1 482	241
Materials and services	0	0		
Purchases during the period	-20 148	-13 002	-36 758	-20 290
Change in stocks	1 756	-926	2 683	-634
External services and subcontracts total	-7 125	-5 899	-13 885	-11 727
Materials and services	-25 517	-19 828	-47 960	-32 651
Employee benefit expense	-9 884	-7 355	-18 943	-11 113
Depreciation, amortization and impairment	-2 659	-2 554	-5 267	-3 233
Other operating expenses	-9 549	-9 318	-18 568	-13 167
EBIT (Operating profit)	**-2 352**	**2 754**	**-3 640**	**4 262**
Finance income and costs				
Finance income	694	1 308	1 333	3 316
Finance cost	-2 283	-772	-3 758	-2 411
Finance income and costs net	-1 589	537	-2 425	906
Profit before income tax	**-3 941**	**3 291**	**-6 065**	**5 168**
Income taxes				
Current taxes	-28	-855	-238	-1 100
Change in deferred taxes	678	122	1 113	-28
Income taxes	649	-733	875	-1 128
Result for the period	**-3 292**	**2 558**	**-5 190**	**4 040**
Attributable to:				
Owners of the parent	-3 292	2 558	-5 190	4 040
Non-controlling interest	0	0	0	0
	-3 292	**2 558**	**-5 190**	**4 040**

Other comprehensive income

Items that may be reclassified to profit or loss in subsequent periods:				
Translation differences	-315	24	-1 301	43
Other comprehensive income, net of tax	**-315**	**24**	**-1 301**	**43**
Total comprehensive income	**-3 608**	**2 581**	**-6 492**	**4 083**
Attributable to:				
Owners of the parent	-6 492	4 083	-6 492	4 083
Non-controlling interest	2 884	-1 502	0	0
	-3 608	**2 581**	**-6 492**	**4 083**

Earnings per share attributable to the owners of the parent during the year:

Basic and diluted earnings per share	-0,27	0,26

CONSOLIDATED BALANCE SHEET

EUR thousand	**31-Dec-17**	**31-Dec-16**
ASSETS		
Non-current assets		
Goodwill	25 029	25 469
Other intangible assets	8 024	8 333
Property, plant and equipment	26 280	16 611
Loan receivables	517	720
Other receivables	3	157
Deferred tax assets	1 903	720
Total non-current assets	**61 820**	**52 011**
Current assets		
Inventories	30 141	30 176
Account and other receivables	25 921	21 248
Loan receivables	17	48
Income tax receivable	139	0
Cash and cash equivalents	42 172	10 519
Total current asset	**98 391**	**61 991**
Total assets	**160 211**	**114 002**

EUR thousand	**31-Dec-17**	**31-Dec-16**
EQUITY AND LIABILITIES		
Equity attributable to owners of the parent		
Share capital	705	705
Share premium	202	202
Reserve for invested unrestricted equity	82 502	32 368
Cumulative translation difference	-1 157	144
Retained earnings	15 057	12 597
Profit for the year	-5 190	4 040
Total equity	**92 118**	**50 056**
Total equity	**92 118**	**50 056**
Liabilities		
Non-current liabilities		
Borrowings	3 511	36 601
Deferred tax liabilities	2 241	2 093
Derivative financial instruments	0	0
Employee benefit obligations	988	947

Total non-current liabilities	**6 740**	**39 641**
Current liabilities		
Borrowings	46 413	10 828
Derivative financial instruments	0	38
Advances received	324	282
Income tax liabilities	70	736
Account payables and other liabilities	14 546	12 421
Total current liabilities	**61 353**	**24 305**
Total liabilities	**68 093**	**63 946**
Total equity and liabilities	**160 211**	**114 002**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

EUR thousand	Share capital	Share premium	Reserve for invested unrestricted equity	Cumulative translation difference	Retained earnings	Total
Equity at 1.1.2016	**705**	**202**	**32 322**	**101**	**13 229**	**46 559**
Profit for the period					4 040	4 040
Other comprehensive income						
Translation differences				43		43
Total comprehensive changes				**43**	**4 040**	**4 083**
Dividend distribution					-631	-631
Share issue					-	-
Use of treasury shares to BoD compensation			46		-	46
Total transactions with owners, recognized directly in equity					**-631**	**-585**
Equity at 31.12.2016	**705**	**202**	**32 368**	**144**	**16 638**	**50 057**

EUR thousand	Share capital	Share premium	Reserve for invested unrestricted equity	Cumulative translation difference	Retained earnings	Total
Equity at 1.1.2017	**705**	**202**	**32 368**	**144**	**16 638**	**50 057**
Profit for the period					-5 190	-5 190
Other comprehensive income						
Translation differences				-1 301		-1 301
Total comprehensive changes				**-1 301**	**-5 190**	**-6 492**
Dividend distribution					-1 599	-1 599
halco share issue			1 797			1 797
Share issue			48 271			48 271
Share-based payments to employees					19	19
Use of treasury shares to BoD compensation			66			66
Total transactions with owners, recognized directly in equity	**0**	**0**	**50 134**	**0**	**-1 580**	**48 554**
Equity at 31.12.2017	**705**	**202**	**82 502**	**-1 157**	**9 868**	**92 119**

CONSOLIDATED STATEMENT OF CASH FLOWS

EUR thousand	1 Jan - 31 Dec 2017	1 Jan - 31 Dec 2016
Cash flows from operating activities		
Profit before income tax	-6 065	5 168
Adjustments		
Depreciation, amortization and impairment charges	5 267	3 233
Finance income and finance costs	2 425	-906
Share-based payments to employees	19	0
loss (+) on sale of property, plant and equipment	110	135
Disposal on sale of PPE	545	
Other non-cash transactions	703	46
Cash flows before changes in working capital	2 983	7 677
Change in working capital		
Increase (-) in account and other receivables	-3 714	-8 187
Increase (-) / decrease (+) in inventories	-1 753	-37
Increase (+) in account and other payables	2 247	2 048
Cash flows from operating activities before financial items and taxes	-238	1 456
Interest and other finance expenses paid	-1 010	-737
Interest and other finance income received	263	20
Income taxes paid	-926	-521
Net cash inflow (outflow) from operating activities	**-1 911**	**264**
Cash flows from investing activities		
Purchases of property, plant and equipment	-10 155	-1 749
Purchases of intangible assets	-1 494	-892
Proceeds from the sale of property, plant and equipment	424	77
Proceeds from loan receivables	86	2
Proceeds from currency forward contracts	0	1 156
Acquisition of subsidiaries, net of cash acquired	-2 202	-56 622
Net cash inflow (outflow) from investing activities	**-13 341**	**-58 027**
Cash flows from financing activities		
Proceeds from share issues, net of expenses	46 709	
Proceeds from loans	11 314	36 815
Repayments of loans	-10 811	-1 871
Change in bank overdrafts	2 070	636
Payment of finance lease liabilities	-701	-67
Distribution of dividend	-1 599	-631
Net cash inflow (outflow) from financing activities	**46 982**	**34 881**
Net increase (+) / decrease (-) in cash and cash equivalents	31 613	-22 862
Cash and cash equivalents at the beginning of the financial year	**10 519**	33 310
Exchange gains/losses on cash and cash equivalents	**40**	91
Cash and cash equivalents at end of the year	**42 172**	**10 519**

BORROWINGS

EUR thousand	31-Dec-17	31-Dec-16
Non-current borrowings		
Loans from credit institutions	1 818	35 787
Other loans	637	702
Finance lease liabilities	1 132	113
Total non-current borrowings	**3 511**	**36 601**
Current borrowings		

Loans from credit institutions	41 606	8 162
Other loans	75	
Bank overdrafts	4 647	2 585
Finance lease liabilities	85	81
Total current borrowings	**46 413**	**10 828**
Total borrowings	**49 924**	**47 429**

Robit PLC has 31st of December breached financial covenant net debt/EBITDA in its loan agreement. Because of this reason, EUR 28.0 million loans has been shown as short term loans in the financial statements. The company has discussed this issue with its lender and the situation will be cured. The company has EUR 42.2 million liquid funds as per 31st December 2017 and thus can maintain full debt service and liquidity in any circumstances.

Changes in property, plant and equipment

EUR thousand	**31-Dec-17**	**31-Dec-16**
Cost at the beginning of period	23 797	12 696
Additions	11 125	1 789
Acquisition of subsidiaries	3 472	9 325
Disposals	-810	-235
Reclassifications	647	0
Exchange differences	-751	222
Cost at the end of period	37 482	23 797
Accumulated depreciation and impairment at the beginning of period	-7 186	-4 944
Depreciation	-3 672	-2 241
Disposals	285	23
Reclassifications	-795	0
Exchange differences	166	-23
Accumulated depreciation and impairment at the end of period	-11 202	-7 186
Net book amount at the beginning of period	**16 611**	**7 752**
Net book amount at the end of period	**26 280**	**16 611**

Long-term remuneration: share-based incentive plan

The Board of Directors of Robit decided in April 2017 on new share-based incentive plan for the Group management and Group key employees. The plan is divided in two; to Performance Share Plan and Matching Share Plan. The aim of the new plans is to combine the objectives of the shareholders and the persons participating in the plans in order to increase the value of the company in the long-term, to bind the participants to the company, and to offer them competitive reward plans based on earning and accumulating the company's shares.

Matching Share Plan

The Matching Share Plan includes one year vesting period, calendar year 2017. The prerequisite for receiving reward on the basis of this plan is that a person participating in the plan owns or acquires the company's shares up to the number determined by the Board of Directors. Furthermore, receiving of reward is tied to the continuance of participant´s employment or service upon reward payment. Global Management Team members and some other key employees belong to the target group of the Matching Share Plan. The rewards are to be paid on the basis of the Matching Share Plan correspond to the value of an approximate maximum total of 28.000 Robit Group shares, of which the maximum portion of the Chairman of the Board & CEO would be the value of 5.000 shares, Global Management Team members 3.000 shares and other Key employees 1.000 shares. The taxes and other expenses related to the granted shares will be covered by Robit Group. The management acquired the shares from the public trading or used current shareholdings. One year after the Matching Share Plan, a person participating in the plan receives a corresponding number of shares of the investment that he has invested in the plan.

Performance Share Plan

The Performance Share Plan includes currently one vesting period, calendar years 2017. The Board of Directors will decide separately on new vesting periods. In addition, the Board of Directors will decide on the Plan's performance criteria and required performance levels for each criterion as well as the participating persons at the beginning of an earnings period. The Performance Share Plan is directed to approximately 24 people. The potential reward of the Plan from the performance period 2017 will be based on the Robit Group´s net sales and earnings per share. When the criteria are met, the person participating in the plan can receive up to three times of initial investment.

Acquisitions 2017

In 2017 Robit has executed its global growth strategy by strengthening its appearance in USA and UK. First Robit acquired the manufacturing assets and IPRs from Halco International LLC and Halco America LLC ("Halco US") as at 12 January 2017.

In February 2017 Robit purchased a majority (51%) of Halco Brighouse Ltd's shares, which is the Halcos operating company in England. The agreement includes the acquisition of 100% of the shares in Halco Drilling Ltd and Paddico (320) Ltd, which owns 51% of Halco Brighouse Ltd shares ("Halco UK"). The deal included also the right and obligation to purchase the rest of the shares (49%) after a year on the basis of an option.

These acquisitions strengthen Robit's Down the Hole business and complement the acquisition that were executed in Australia and UK in 2016.

Purchase consideration

Total consideration for the acquisitions amounted to EUR 4 078 thousand, of this EUR 1 798 thousand was settled by issuing shares in Robit, EUR 1 812 thousand was settled in cash at closing. Deferred consideration amounting to EUR 468 thousand was settled in cash on April. The exercise price of the option to acquire 49% of the shares in Halco Brighouse Ltd is linked to the net sales in 2017 and it is capped to EUR 350 thousand (GBP 300 thousand).

As the deal of Halco UK included obligation to purchase rest of the shares (49%) in Halco Brighouse Ltd from the key employees of Halco Brighouse Ltd, the company has been consolidated in full to the Robit Group. The price for the remaining shares is tied to the adjusted sales of Halco Brighouse Ltd and is considered as employee benefit. As at the reporting date, the management's estimate is that the payable for the remaining shares is the maximum GBP 75 thousand.

The following table summarizes the consideration paid for Halco UK and Halco US, the fair values of assets acquired and liabilities assumed at the acquisition date.

The assets and liabilities recognised as a result of the acquisition are as follows:

EUR thousand	**Fair Value**
Intangible assets	187
Property, plant and equipment	3 472
Inventories	338
Account receivables and other receivables	813
Cash and cash equivalents	78
Deferred tax liabilities	-239
Finance lease liabilities	-622
Advance payments	-72
Account payables and other current liabilities	-630
Net identifiable assets acquired	**3 324**
Goodwill	754
Net assets acquired	**4 078**

Acquisition-related costs (EUR 467 thousand) have been charged to administrative expenses in the consolidated income statement for the period ended 31 Dec 2017.

The fair value of the 200 thousand ordinary shares issued as the consideration paid for Halco UK was based on the published share price on 16 February 2017. There were no significant issuing costs.

CONSOLIDATED KEY FIGURES	**H2 2017**	**H2 2016**	**2017**	**2016**
Net sales, EUR 1.000	45 577	42 974	88 222	64 050
EBIT, EUR 1.000	-2 352	2 754	-3 640	4 262
EBIT, percent of sales	-5,2 %	6,4 %	-4,1 %	6,7 %
Earnings per share (EPS), EUR	-	-	-0,27	0,26
Return on equity (ROE), percent	-	-	-7,3 %	9,9 %
Return on capital employed (ROCE), percent	-	-	-5,8 %	4,7 %
Equity ratio, percent	57,6 %	43,9 %	57,6 %	43,9 %
Net gearing, percent	8,4 %	73,7 %	8,4 %	73,7 %
Gross investments, EUR 1.000	7 485	24 755	13 341	58 027
Gross investments, percent of sales	-	-	15,12 %	90,60 %
Number of shares	21 083 900	15 883 900	21 083 900	15 883 900
Own shares	86 320	94 674	86 320	94 674
Percentage of total shares	0,41 %	0,60 %	0,41 %	0,60 %
ADJUSTED CONSOLIDATED KEY FIGURES	**H2 2017**	**H2 2016**	**2017**	**2016**
Adjusted EBITDA, EUR 1.000	592	8 064	3 500	10 251
Adjusted EBITDA, percent of sales	1,3 %	18,8 %	4,0 %	16,0 %
Adjusted EBITA, EUR 1.000	-1 625	5 960	-861	7 468
Adjusted EBITA, percent of sales	-3,6 %	13,9 %	-1,0 %	11,7 %
Adjusted EBIT, EUR 1.000	-2 067	5 510	-1 767	7 018
Adjusted EBIT, percent of sales	-2,0 %	12,8 %	-2,0 %	11,0 %
Adjusted return on equity (ROE), percent	-	-	-4,7 %	9,9 %
Adjusted return on capital employed (ROCE), percent	-	-	-4,2 %	7,8 %

CALCULATION OF KEY FIGURES

EBITDA	=	Operating profit + Depreciation and amortization
EBITA	=	Operating profit + Amortization of goodwill
Earnings per share (EPS), EUR	=	$\dfrac{\text{Profit (loss) for the reporting period}}{\text{Amount of shares adjusted with the share issue (average during the reporting period)}}$
Return on equity, percent	=	$\dfrac{\text{Profit (loss) for the reporting period}}{\text{Equity (average during the reporting period)}} \times 100$
Return on capital employed (ROCE), percent	=	$\dfrac{\text{Profit before appropriations and taxes + Interest expenses and other financing expenses}}{\text{Equity (average during the reporting period) + Interest-bearing financial liabilities (long-term and short-term loans from financial institutions, average during the reporting period)}} \times 100$
Net interest-bearing debt	=	Long-term and short-term loans from financial institutions – Cash and cash equivalents – Short-term financial securities
Equity ratio, percent	=	$\dfrac{\text{Equity}}{\text{Balance sheet total – Advances received}} \times 100$
Net gearing, percent	=	$\dfrac{\text{Net interest-bearing financial liabilities}}{\text{Equity}} \times 100$

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Robit is a strongly internationalized growth company selling and servicing global customers in drilling consumables for applications in mining, construction and contracting, tunneling and well drilling. The company's offering is divided into three product and service range: Top Hammer and Down-the-Hole products as well as Digital Services. Robit has 21 own sales and service points as well as active sales networks in 115 countries. The manufacturing units are located in Finland, South Korea, Australia, UK and USA.

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