ROBIT PLC STOCK EXCHANGE RELEASE 16 AUGUST 2018 AT 12.00 P.M.

ROBIT PLC INTERIM REPORT JANUARY – JUNE 2018: ROBIT PLC NET SALES AT LEVEL OF COMPARATIVE PERIOD – INTEGRATION OF ACQUISITIONS AND EXCHANGE RATES DEPRESSED GROWTH AND PROFITABILITY

Robit PLC Interim Report 1 January – 30 June 2018 (unaudited).
In the text H1 refers to the review period 1 January – 30 June 2018 and H2 refers to the review period 1 July – 31 December 2018.

January – June 2018 summary

- Net sales EUR 43.1 million (H1/2017: 42.6), change of +1.1%
- EBITDA EUR -0.9 million (H1/2017: 1.3), change of -171.8 %
- Comparable EBITDA EUR 0.1 million (H1/2017: 2.9), change of -97.6 %
- EBITA EUR -3.2 million (H1/2017: -0.8).
- Comparable EBITA EUR -2.2 million (H1/2017: 0.8).
- Operating profit as percentage of net sales (EBIT %) was -8.4 (H1/2017: -3.0).
- Review period net income EUR -4.4 million (H1/2017: -1.9).
- Operating cash flow EUR +1.1 million (H1/2017 0.1)
- Earnings per share at the end of the review period -0.21 euros (H1/2017: -0.11).
- Equity ratio at the end of the review period H1 55.2 % (H1/2017: 56.9).

Key financials	H1 2018	H1 2017	Change %	2017
Net sales, EUR 1.000	43 100	42 645	1,1 %	88 222
EBITDA, EUR 1.000	-948	1 320	-171,8 %	1 626
Adjusted EBITDA*, EUR 1.000	69	2 908	-97,6 %	3 500
EBITA, EUR 1.000	-3 186	-824	286,7 %	-2 734
Adjusted EBITA*, EUR 1.000	-2 169	764	-384,0 %	-861
Adjusted EBITA, percent of sales	-5,0 %	1,8 %		-1,0 %
EBIT, EUR 1.000	-3 616	-1 288	180,7 %	-3 640
EBIT, percent of sales	-8,4 %	-3,0 %		-4,1 %
Result for the period, EUR 1.000	-4 370	-1 898	130,2 %	-5 190

*) H1 2018 items affecting comparability were restructuring costs of EUR 1.0 million.
H1 2017 items affecting comparability: costs of EUR 1.3 million for changing stock exchange listing and share issue, and advisory fees of EUR 0.3 million pertaining to business acquisitions. Further information about comparable items is given in paragraph 4.2 of the accounting principles.

FUTURE OUTLOOK

According to Robit's revised guidance on 15 June 2018 euro-denominated EBITA for year 2018 (without items affecting comparability) will be slightly lower than the level of previous year 2017 provided that the market demand stays at the current level and there are no unpredictable market disruptions.

Previous guidance was: According to Robit's estimation, EBITA as percentage of net sales for year 2018 (without items affecting comparability) will improve significantly from the EBITA level of year 2017 provided that the market demand stays at the current level and there are no unpredictable market disruptions

CEO MIKA VIRTANEN:

The most important targets of Robit are profitable growth and networking capital improvement. The company's net sales in the review period was at the same level as in the comparative period, falling short of the company's 15% target for organic growth However, at comparable currency exchange rates, growth in net sales was 8%, which is clearly faster than the growth rate for the consumables market. Top Hammer business continued to grow significantly faster than the market (+18%). Instead the sales for the Down The Hole business took a negative turn compared to the comparative period (-9%), although Robit's piling market segment developed positively.

Production at the new automated production facility in Korea started up during the review period, strengthening the company's delivery reliability and boosting production volumes in the future. Through-put times at the new factory are already shorter than at the old facility.

Profitability during the review period did not reach target levels. The company has made business acquisitions in support of its growth strategy and getting these onto a profitable growth track has taken longer than anticipated. Profitability was hampered by items affecting comparability arising from the restructuring carried out in 2018. The restructuring measures focused on balancing capacity and integrating the business acquisitions. These actions and the reorganisation of operations will improve profitability in the future. Profitability was also still affected by the measures to ensure delivery reliability relating to the commissioning of the Korean facility, through which the company sought to safeguard deliveries to our customers throughout the changeover period. During the review period two factories were operating in Korea, resulting in a heavier cost structure than normal. The old factory in Korea was closed in June.

As part of its growth strategy the company is rationalising and developing its product portfolio and service offering. Robit is clarifying its brand offering and strengthening its best-known brand, Robit. The Halco business will continue as a separate brand.

The restructuring measures support the implementation of the growth strategy with our distributors. The investments and measures taken in the supply chain during the review period will support profitability and improve working capital turnover. The net cash flow turned positive during the review period.

MARKET REVIEW

Robit's business operations focus mainly on four market segments: mining, construction, tunnelling and well-drilling. The company has five market areas: Americas, Asia, Australasia, East and EMEA.

In the mining market, activity regarding equipment investments was at good level and was also stable in consumables. New mines continued to account for just a small part of the potential consumables market. In this segment Africa saw the best development in sales.

Market demand in the construction industry was also at a good level, especially in the EMEA area. Construction projects in the East area contributed positively to net sales.

Tunnelling developed most positively in Australasia and EMEA.

The well-drilling market was active in the Nordic countries. Demand in major countries for Robit in the Middle East was at a low level.

DEVELOPING THE OFFERING

Robit's Top Hammer product range has been further developed by expanding the new generation Evolution Bit product range. Customer feedback on these button bits has been extremely positive. Robit has also already made good progress in testing the new Top Hammer tube product offering. These new products, to be launched in the third quarter, will expand the market potential of Robit's offering for underground mines.

Growth for the Top Hammer products was restricted by the delay in the commissioning of the new Korean rod product manufacturing facility.

Sales of the DTH offering, which has grown significantly through acquisitions, developed well in the infrastructure construction related piling segment. Developments in DTH product sales to new markets for open-pit mining and underground mines have still not resulted in a significant share of the company's overall sales. However, the company managed to secure new DTH reference customers in open-pit-mining and underground mining. These customers form a basis for Robit to continue the development of the sales of DTH products in new geographic regions. During the review period Robit expanded its offering with Rotary bit products. This is a new growth opportunity for the company.

Development of the Digital Services offering continued with key customers. The company believes that this has considerable business potential for the coming years.

REVENUE AND FINANCIAL PERFORMANCE

	H1 2018	H1 2017	Change %	2017
Net Sales, EUR 1.000	43 100	42 645	1,1 %	88 222
Net Sales growth, percent	1,1 %	102,3 %		37,7 %
Gross margin, EUR 1.000	12 566	14 987	-16,2 %	28 557
Gross margin, percent of sales	29,2 %	35,1 %		32,4 %
EBITDA, EUR 1.000	-948	1 320	-171,8 %	1 626
EBITDA, percent of sales	-2,2 %	3,1 %		1,8 %
Adjusted EBITDA, EUR 1.000	69	2 908	-97,6 %	3 500
Adjusted EBITDA, percent of sales	0,2 %	6,8 %		4,0 %
EBITA, EUR 1.000	-3 186	-824	286,7 %	-2 734
EBITA, percent of sales	-7,4 %	-1,9 %		-3,1 %
Adjusted EBITA, EUR 1.000	-2 169	764	-384,0 %	-861
Adjusted EBITA, percent of sales	-5,0 %	1,8 %		-1,0 %
EBIT, EUR 1.000	-3 616	-1 288	180,7 %	-3 640
EBIT, percent of sales	-8,4 %	-3,0 %		-4,1 %
Result for the period, EUR 1.000	-4 370	-1 898	130,2 %	-5 190
Result for the period, percent of sales	-10,1 %	-4,5 %		-5,9 %
Earnings per share (EPS), EUR	-0,21	-0,11		-0,27
Return on equity (ROE), percent	-4,9 %	-2,6 %		-7,3 %
Return on capital employed (ROCE), percent	-3,7 %	-0,3 %		-5,8 %
Adjusted return on capital employed (ROCE), percent	-2,9 %	1,1 %		-4,2 %
Net interest-bearing debt, EUR 1.000	12 881	-3 922	-428,4 %	7 752
Equity ratio, percent	55,2 %	56,9 %		57,6 %
Net gearing, percent	15,2 %	-4,1 %		8,4 %
Gross investments, EUR 1.000	4 102	5 856	-30,0 %	13 341

Gross investments, percent of sales	9,5 %	13,7 %		15,1 %
Gross investments, excl.acquisition, EUR 1.000	4 102	3 654	12,3 %	11 139
R&D costs, EUR 1.000	911	772	18,1 %	1 482
R&D costs, percentage of sales	2,1 %	1,8 %		1,7 %
Average number of employees	310	294	5,4 %	296
Number of employees at the end of period	290	325	-10,8 %	329

***) H1 2018 items affecting comparability were restructuring costs EUR 1.0 million. H1 2017 items affecting comparability: costs of EUR 1.3 million for changing stock exchange listing and share issue, and advisory fees of EUR 0.3 million pertaining to business acquisitions.**

The group's net sales for the review period totalled EUR 43.1 million (42.6), growth of 1.1% compared to the comparative period.

EUR 18.9 million (16.1) of net sales in the review period came from the Top Hammer business and EUR 24.2 million (26.5) from the Down the Hole business. Net sales for the Digital Services business remain small as it continues to focus primarily on developing reference cases with key customers.

EUR 16.7 million (14.7) of net sales came from the EMEA region, EUR 11.3 million (12.7) from Australia, EUR 5.6 million (6.1) from Asia, EUR 6.6 million (7.0) from the Americas, and EUR 2.9 million (2.2) from the East.

EBIT for the review period was EUR -3.6 million (-1.3). This was -8.4 % (-3.0) of the review period net sales. EBITA was EUR -3.2 million (-0.8). Comparable EBITA was EUR -2.2 million (0.8), which is -5.0% (1.8) of net sales. Items affecting comparability are restructuring costs due to structural and business model changes at several group companies.

Net financial expenses totalled EUR 0.9 million (H1/2017: costs of 0.8), and EUR 0.3 million of this was interest expenses and EUR 0.6 million exchange rate losses. The result before taxes was EUR -4.5 million (-2.1) and taxes were EUR 0.2 million (0.2). The impact of exchange rate differences on business operations was negative during the review period.

FINANCIAL TARGETS

According to Robit's outlook, which it revised on 15 June 2018, relative EBITA profitability in euros (excluding items affecting comparability) for 2018 will be slightly lower than in the previous year, if market demand remains at its current level and no unforeseen disturbances occur in the market.

Previous guidelines were: relative EBITA profitability for 2018 (excluding items affecting comparability) will improve considerably from the 2017 level, if market demand remains at its current level and no unforeseen disturbances occur in the marketplace.

In line with its strategy the company is aiming to grow. Growth is targeted with an average annual organic growth rate of at least 15% over the cycle.

The long-term strategic goal is to achieve an EBITA marginal of over 13% over the economic cycle. To achieve this the company has made changes to its operative structures during the review period. The benefits of these are expected to be partially realised already in the second half of 2018 and fully during 2019.

The company intends to manage its working capital more efficiently whilst maintaining its ability to serve customers effectively globally in the chosen market segments.

FINANCING AND INVESTMENTS

The group's net cash flow from operations in the review period totalled EUR 1.1 million (0.1). Changes in working capital had an impact of EUR 2.2 million (-0.2).

The change in working capital during the review period from the closing figures for the annual financial statements were mainly caused by the EUR 5.5 million increase in non-interest-bearing debts and growth in inventories of EUR 3.7 million. Trade receivables were down EUR 0.4 million.

Net working capital was EUR 39.2 million (39.6) at the end of the review period.

The net cash flow for investment activities was EUR -4.1 million (-5.9). Gross investments in production during the review period totalled EUR 4.1 million (5.9). EUR 3.2 million of these were for the new Korean production facility.

The net cash flow from financing activities was EUR -5.6 million (49.8), comprising the payment of dividends and net changes in loans.

At the end of the review period the group had liquid assets totalling EUR 33.6 million (54.7) and interest-bearing financing loans totalling EUR 46.5 million (51.5). Interest-bearing net debt was EUR 12.9 million (-3.9)

The group's equity at the end of the review period was EUR 85.0 million (95.7).

The group's equity ratio was 55.2% (56.9%) and its net debt to equity ratio (gearing) was 15.2% (-4.1%).

The company failed to meet the terms of the covenant (interest bearing net loans / operating margin) on its long-term loans. The investor has agreed on 30 June 2018 to allow the violation of the condition. Because of this violation, loans of EUR 26 million which become payable in more than 12 months' time are still reported as short-term loans. When the company has negotiated new covenant terms, which take in to account the changes in reporting figures caused by IFRS 16 regulations, loans that mature in more than 12 months will be presented under long-term liabilities.

Depreciation totalled EUR 2.7 million (2.6). EUR 0.4 million of this related to depreciation arising from business acquisitions and divestments.

FUTURE OUTLOOK

Robit's goal is to grow faster than the market. Developing the product offering, alongside the company's growing own distribution network and improved distributor network, provides good growth prospects. A professional, effective and customer-oriented distributor network is even more vital for the company's future organic growth. By providing more comprehensive deliveries the company can give customers better service. These factors create a good foundation on which to build and strengthen the company's market share and position in the market.

The company will continue to look in to potential business acquisitions as part of the global trend of consolidation in the industry.

According to Robit's revised guidance on 15 June 2018 euro-denominated EBITA for year 2018 (without items affecting comparability) will be slightly lower than the level of previous year 2017 provided that the market demand stays at the current level and there are no unpredictable market disruptions.

Previous guidance was: According to Robit's estimation, EBITA as percentage of net sales for year 2018 (without items affecting comparability) will improve significantly from the EBITA level of year 2017 provided that the market demand stays at the current level and there are no unpredictable market disruptions

PERSONNEL AND MANAGEMENT

During the review period the company began cost-cutting measures affecting the entire organisation. The structural changes planned have resulted in a reduction in personnel that in total affects 60 people. At the end of the review period the company's personnel numbered 290 (325) of which 77% (73%) were located outside Finland.

During the review period the company formed a new management team. As from 14 March 2018 the company's management team comprises: CEO Mika Virtanen, EVP Tommi Lehtonen, CFO Ilkka Miettinen, Head of Supply Chain Jukka Pihamaa and Head of HR Jaana Rinne.

SHARE-BASED INCENTIVE SCHEME

In April 2017 Robit's Board of Directors decided on a share-based incentive scheme for the group's management and key personnel. The scheme is divided into two parts: the Performance Share Plan and the Matching Share Plan. The aim is to combine the objectives of shareholders and participants in the scheme with the company's long-term objectives. This will grow company value and increase personnel commitment to the company whilst offering scheme participants a competitive reward scheme that is based on increasing the company's profit and increasing share value. With the Matching Share Plan, one year after making an investment each participant in the scheme receives number of shares corresponding to the amount they invested, and after three year earning period up to a maximum of five times the number of shares, provided the company's objectives for sales growth and earnings per share have been met. For the 2017 programme there are currently 18,672 basic shares for which share rewards will be paid in September 2018.

In June 2018 Robit's Board of Directors decided on a new share-based incentive scheme for the group's management and key personnel. The scheme is divided into two parts: the Performance Share Plan and the Matching Share Plan. With the Matching Share Plan, three years after making an investment each participant in the scheme receives number of shares corresponding to the amount they invested minus their personal tax deduction. In addition after three year earning period the person can receive shares, which is related to company defined objectives for sales growth and earnings per share. In the new scheme 24,000 shares are participating. The Performance Share Plan will grant maximum of 136,000 shares issued provided the company's objectives for growth and profitability development are met.

RESOLUTIONS OF THE ANNUAL GENERAL MEETING

On 28 March 2018 Robit Plc's Annual General Meeting approved the proposed financial statements for 1 January – 31 December 2017 and decided that a dividend of EUR 0.10 per share would be distributed. The dividend date of record was 3 April 2018 and payment date 10 April 2018.

The AGM decided to discharge the members of the Board of Directors and the CEO from liability.

The AGM decided that the Board of Directors would comprise six members. The following were re-elected to the Board: Tapio Hintikka, Mammu Kaario, Hannu-Kalle Reponen and Harri Sjöholm, and Heikki Allonen and Kai Seikku were elected as new members. Heikki Allonen was elected Chairman of the Board of Directors. Board member Matti Kotola stepped down as a member of the Board.

Authorised Public Accountants Ernst & Young Oy were elected as the company's auditor, with Authorised Public Accountant Mikko Järventausta as Chief Auditor.

The AGM authorised the Board of Directors to decide on using the company's unrestricted equity to acquire a maximum of 2,108,390 of the company's shares in one or several instances. The maximum number of shares that can be acquired is equal to 10% of all shares in the company at the time of the notice to the AGM being given. However, the company and its subsidiaries cannot at any time own more than 10% of the total shares of the company. This authorisation entitles the purchase of shares only using available unrestricted equity. The previous authorisation given to the Board on 20 April 2017 to acquire shares was revoked. This authorisation is valid until the end of the next Annual General Meeting, and in any case until 30 June 2019 at the latest.

The AGM authorised the Board of Directors to decide on the issuing of shares and of special rights entitling to shares, as referred to in chapter 10 §1 of the Limited Liability Companies Act, in one or several instances and with or without consideration. The number of shares to be issued, including shares issued on the basis of special rights, can be a maximum of 3,000,000 shares, which is the equivalent of around 14% of all shares in the company at the time of notice to the AGM being given. The Board can decide to issue new shares or to release shares currently owned by the company. The authorisation is in force until the end of the next AGM, and in any case until 30 June 2019 at the latest. The authorisation revokes previous, unused authorisations to issue shares, options or other special rights to obtain shares.

CHANGES IN GROUP STRUCTURE

During the review period the company has established a new company, Robit Asia Limited in Hong Kong, and has purchased the remaining 49% of shares in Halco Brighouse Limited.

OTHER EVENTS DURING THE REVIEW PERIOD

The constituent meeting of the company's Board of Directors was held on 28 March 2018, when the Board elected members for the following committees from among its members: remuneration committee, nomination committee, work committee and audit committee. The following were elected to the remuneration committee: Heikki Allonen (chair), Mammu Kaario and Kai Seikku. The following were elected to the nomination committee: Heikki Allonen (chair), Kai Seikku and Harri Sjöholm. The following were elected to the working committee: Heikki Allonen (chair), Kalle Reponen and Tapio Hintikka. The following were elected to the audit committee: Mammu Kaario (chair), Kalle Reponen and Kai Seikku. In addition Mammu Kaario was elected as vice-chairman of the Board.

The company reorganised its management team on 14 March 2018. The management team comprises Mika Virtanen (CEO), Tommi Lehtonen (EVP), Ilkka Miettinen (CFO), Jukka Pihamaa (Head of Supply Chain) and Jaana Rinne (Head of HR).

On 14 March 2018 the company completed the structural and operating model changes it had announced on 29 January 2018. The company moved from being a matrix organisation to a linear organisational model. With the new organisational model the company seeks to bring its expertise and decision making closer to its customers' business, offering faster and more effective implementation. As part of reforming the structural and operating models, the company will also invest in improving the effectiveness and increasing the flexibility of the supply chain. The company also announced it would begin cost-cutting measures affecting the entire organisation globally. As a result of the structural changes the company announced it would be cutting 60 jobs worldwide during 2018. This brings annual savings of over EUR 3 million.

On 8 February 2018 the company opened a major production facility near Seoul in South Korea, which will enable it to meet more effectively the growing demand for the Top Hammer line of rods and shanks. The total investment in the facility was around EUR 10 million.

On 29 January 2018 the company's Board of Directors purchased the remaining shares in its subsidiary Halco Brighouse Ltd. that were owned by the company's management. The purchase price for the shares was around GBP 0.075 million (around EUR 0.86 million).

On 29 January 2018 the Board formed an audit committee and at its constituent meeting after the AGM chose the following Board members for the committee: Mammu Kaario (chair), Hannu-Kalle Reponen and Kai Seikku.

On 18 January 2018 the company appointed Tommi Lehtonen (b. 1970) as Robit Plc's Executive Vice President.

According to Robit's revised guidance on 15 June 2018 euro-denominated EBITA for year 2018 (without items affecting comparability) will be slightly lower than the level of previous year 2017 provided that the market demand stays at the current level and there are no unpredictable market disruptions.

Previous guidance was: According to Robit's estimation, EBITA as percentage of net sales for year 2018 (without items affecting comparability) will improve significantly from the EBITA level of year 2017 provided that the market demand stays at the current level and there are no unpredictable market disruptions

SHARES AND SHARE TURNOVER

On 30 June 2018 the company had 21,083,900 shares. On 30 June 2018 the company had 2 387 shareholders.

The company holds 86,320 of its own shares (0.4% of total shares). On 30 June 2018 the market value of the company's shares was EUR 103 million (share price EUR 4.90).

EVENTS AFTER THE REVIEW PERIOD

There are no significant events to report as of 16 August 2018.

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.

Lempäälä, 16 August 2018

Robit Plc

CEO Mika Virtanen
Board of Directors

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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 - 30 Jun 2018	1 Jan - 30 Jun 2017	1 Jan - 31 Dec 2017
Net sales	**43 100**	**42 645**	**88 222**
Other operating income	364	110	1 482
Materials and services	-27 673	-23 503	-50 609
Employee benefit expense	-10 841	-9 059	-18 943
Depreciation, amortization and impairment	-2 668	-2 608	-5 267
Other operating expenses	-5 898	-8 872	-18 526
EBIT (Operating profit)	**-3 616**	**-1 288**	**-3 640**
Finance income and costs			
Finance income	1 283	639	1 333
Finance cost	-2 197	-1 475	-3 758
Finance income and costs net	-915	-836	-2 425
Profit before income tax	**-4 530**	**-2 124**	**-6 065**
Income taxes			
Current taxes	0	-210	-238
Change in deferred taxes	161	435	1 113
Income taxes	160	226	875
Result for the period	**-4 370**	**-1 898**	**-5 190**
Attributable to:			
Owners of the parent	-4 370	-1 898	-5 190
Non-controlling interest	0	0	0
	-4 370	**-1 898**	**-5 190**
Other comprehensive income			
Items that may be reclassified to profit or loss in subsequent periods:			
Translation differences	-670	-986	-1 301
Other comprehensive income, net of tax	**-670**	**-986**	**-1 301**
Total comprehensive income	**-5 040**	**-2 884**	**-6 492**
Attributable to:			
Owners of the parent	-5 040	-2 884	-6 492
Non-controlling interest	0	0	0
	-5 040	**-2 884**	**-6 492**
Earnings per share attributable to the owners of the parent during the year:			
Basic and diluted earnings per share	-0,21	-0,11	-0,27

* Changes in inventories of finished goods and work in progress are included in Materials and services- figures and Work performed by the Group and capitalized are included in Other operating expenses.

CONSOLIDATED BALANCE SHEET

EUR thousand	30-Jun-18	30-Jun-17	31-Dec-17
ASSETS			
Non-current assets			
Goodwill	24 509	25 573	25 029
Other intangible assets	7 593	8 314	8 088
Property, plant and equipment	27 750	20 901	26 280
Loan receivables	567	376	517
Other receivables	3	153	3
Deferred tax assets	2 285	1 078	1 903
Total non-current assets	**62 707**	**56 395**	**61 820**
Current assets			
Inventories	33 223	32 726	30 141
Account and other receivables	24 949	24 338	25 921
Loan receivables	14	31	17
Income tax receivable	172	27	139
Cash and cash equivalents	33 589	54 698	42 172
Total current asset	**91 948**	**111 819**	**98 391**
Total assets	**154 655**	**168 214**	**160 211**

EUR thousand	30-Jun-18	30-Jun-17	31-Dec-17
EQUITY AND LIABILITIES			
Equity			
Share capital	705	705	705
Share premium	202	202	202
Reserve for invested unrestricted equity	82 502	82 436	82 502
Cumulative translation difference	-1 827	-842	-1 157
Retained earnings	7 800	15 059	15 057
Profit for the year	-4 370	-1 898	-5 190
Total equity attributable to owners of the parent	**85 011**	**95 661**	**92 118**
Total equity	**85 011**	**95 661**	**92 118**
Liabilities			
Non-current liabilities			
Borrowings	6 602	42 340	3 511
Deferred tax liabilities	2 464	1 938	2 241
Employee benefit obligations	1 223	1 178	988
Total non-current liabilities	**10 289**	**45 456**	**6 740**
Current liabilities			
Borrowings	39 869	9 122	46 413
Advances received	574	330	324
Income tax liabilities	-59	195	70
Account payables and other liabilities	18 971	17 449	14 546
Total current liabilities	**59 355**	**27 096**	**61 353**
Total liabilities	**69 643**	**72 553**	**68 093**
Total equity and liabilities	**154 655**	**168 214**	**160 211**

CONSOLIDATED STATEMENT OF CASH FLOWS

EUR thousand	1 Jan - 30 Jun 2018	1 Jan - 30 Jun 2017	1 Jan - 31 Dec 2017
Cash flows from operating activities			
Profit before income tax	-4 530	-2 124	-6 065
Adjustments			
Depreciation, amortization and impairment charges	2 668	2 608	5 267
Finance income and finance costs	936	836	2 425
Share-based payments to employees	33	0	19
Loss (+) / Gain (-) on sale of property, plant and equipment	5	0	110
Disposals (+) on sale of property, plant and equipment	32	145	525
Other non-cash transactions	264	0	703
Cash flows before changes in working capital	-594	1 465	2 983
Change in working capital			
Increase (-) in account and other receivables	411	-2 276	-3 714
Increase (-) / decrease (+) in inventories	-3 683	-2 212	-1 753
Increase (+) in account and other payables	5 453	4 333	2 247
Cash flows from operating activities before financial items and taxes	1 586	1 309	-238
Interest and other finance expenses paid	-397	-557	-1 010
Interest and other finance income received	35	173	146
Income taxes paid	-155	-849	-926
Net cash inflow (outflow) from operating activities	**1 069**	**76**	**-2 027**
Cash flows from investing activities			
Purchases of property, plant and equipment	-3 522	-3 253	-10 155
Purchases of intangible assets	-460	-761	-1 494
Proceeds from the sale of property, plant and equipment	27	0	424
Proceeds from loan receivables	-146	361	86
Acquisition of subsidiaries, net of cash acquired	0	-2 202	-2 202
Net cash inflow (outflow) from investing activities	**-4 102**	**-5 856**	**-13 341**
Cash flows from financing activities			
Proceeds from share issues, net of expenses	0	47 962	46 709
Proceeds from loans	0	6 000	11 314
Repayments of loans	-3 100	-3 532	-10 811
Change in bank overdrafts	-125	1 072	2 070
Payment of finance lease liabilities	-211	-130	-701
Distribution of dividend	-2 100	-1 578	-1 599
Net cash inflow (outflow) from financing activities	**-5 536**	**49 794**	**46 982**
Net increase (+) / decrease (-) in cash and cash equivalents	-8 568	44 014	31 613
Cash and cash equivalents at the beginning of the financial year	42 172	10 519	10 519
Exchange gains/losses on cash and cash equivalents	-15	164	40
Cash and cash equivalents at end of the year	**33 589**	**54 698**	**42 172**

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 1.1.2017	**705**	**202**	**32 368**	**144**	**16 638**	**50 057**
Profit for the period					-1 898	-1 898
Other comprehensive income						
Translation differences				-986		-986
Total comprehensive changes				**-986**	**-1 898**	**-2 884**
Dividend distribution					-1 579	-1 579
Halco share issue			1 797			1 797
Share issue			48 270			48 270
Total transactions with owners, recognized directly in equity	**0**	**0**	**50 067**	**0**	**-1 579**	**48 488**
Equity at 30.6.2017	**705**	**202**	**82 435**	**-842**	**13 161**	**95 661**

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					-4 370	-4 370
Other comprehensive income						
Translation differences				-670		-670
Total comprehensive changes				**-670**	**-4 370**	**-5 040**
Dividend distribution					-2 100	-2 100
Share-based payments to employees					33	33
Total transactions with owners, recognized directly in equity	**0**	**0**	**0**	**0**	**-2 067**	**-2 067**
Equity at 30.6.2018	**705**	**202**	**82 502**	**-1 827**	**3 431**	**85 013**

NOTES

Contents

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

IFRS 15

IFRS 15 replaces IAS 18, which relates to sales contracts of goods and services, and IAS 11, which relates to long-term construction projects. Since 1 January 2018 Robit has applied the new IFRS 15 *Revenue from Contracts with Customers* standard. IFRS 15 includes a five-step model for recognising revenue from customer contracts. According to IFRS 15 revenue is reported as income up to the amount that is expected to be received from the customer in return for a product or service. The revenue is recorded as income when either control of the product or the service has been transferred to the customer. Recognition of revenue occurs either over time or at a point in time.

The implementation of the new standard has not affected the date of recognition or the presentation in the balance sheet. At Robit the new standard does not affect the measuring or timing of sales entries.

When Robit supplies consumables, the sales revenue is recognised at the time that control of the goods is transferred to the customer, normally meaning at the time of delivery. Aftersales support services are recognised over time at the point when the customer simultaneously receives and uses the service Robit supplies.

IFRS 9

The IFRS 9 Financial Instruments standard replaces the IAS 39 classification and measuring models and contains new instructions for classifying and measuring financial assets and liabilities, a new model based on expected credit losses for measuring impairment of financial assets, and new requirements for general hedge accounting.

Under IAS 39, impairment of sales revenue was recorded when there was reasonable evidence that the entity in question is not going to receive their due receivables. In implementing IFRS 9 the group applied a simplified impairment model for “expected credit losses” from trade receivables. According to the new model a provision for expected credit loss is recorded at a value that corresponds to the expected credit losses. The new impairment model is based on forward-looking information and on previous experiences and current expectations.

The implementation of IFRS 9 has not had a significant impact on the classification or measuring of financial assets or the recording of impairment on sales receivables or other financial receivables.

IFRS 2

As from 30 June 2018 Robit will be applying the amended standard IFRS 2: Classification and Measurement of Share-based Payment Transactions. The amended standard clarifies the quantifying and reporting of the cash part of share-based transactions. When a company has agreed upon the net principle, so that it is committed to withhold and pay the taxes due from share bonuses on behalf of the recipient of the bonus, the entire value of the reward is to be recorded as a reward paid in shares. As a result of the IFRS 2 amendment the tax consequences of the new 2018 share-based rewards scheme are recorded as own capital. Since the 2017 share-based incentive scheme does not adhere to the net principle the changes to the IFRS 2 standard do not affect earlier entries.

3. IFRS STANDARD TO BE ADOPTED AT A LATER DATE

IFRS 16

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 will no longer be differentiation between operative rental agreements and finance leasing contracts. According to the new standard an asset (the right to use the asset that has been leased) is recorded, as is a financial debt corresponding to the payment of lease or rental. The only exceptions will be rental agreements relating to short-term rental of low value assets.

In 2018 the group has begun the commissioning stage of the IFRS 16 project. The group intends to implement IFRS 16 using a simplified retrospective application approach when implementation begins on 1 January 2019, which means that reference periods will not be adjusted.

4.1 KEY FIGURES

CONSOLIDATED KEY FIGURES	H1 2018	H1 2017	2017
Net sales, EUR 1.000	43 100	42 645	88 222
EBIT, EUR 1.000	-3 616	-1 288	-3 640
EBIT, percent of sales	-8,4 %	-3,0 %	-4,1 %
Earnings per share (EPS), EUR	-0,21	-0,11	-0,27
Return on equity (ROE), percent	-4,9 %	-2,6 %	-7,3 %
Return on capital employed (ROCE), percent	-3,7 %	-0,3 %	-5,8 %
Equity ratio, percent	55,2 %	56,9 %	57,6 %
Net gearing, percent	15,2 %	-4,1 %	8,4 %
Gross investments, EUR 1.000	4 102	5 856	13 341
Gross investments, percent of sales	9,5 %	13,7 %	15,1 %
Number of shares	21 083 900	21 083 900	21 083 900
Own shares	86 320	94 674	86 320
Percentage of total shares	0,41 %	0,45 %	0,41 %

4.2 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.

EBITDA and comparable EBITDA

EUR thousand	1 Jan - 30 Jun 2018	1 Jan - 30 Jun 2017	1 Jan - 31 Dec 2017
EBIT	**-3 616**	**-1 288**	**-3 640**
Depreciation and amortisation	2 668	2 608	5 267
EBITDA	**-948**	**1 320**	**1 626**
Items affecting comparability			
Expenses of list change and share issue		1 290	1 290
M&A expenses		298	469
Restructuring expenses	1 017	0	115
Items affecting comparability in total	**1 017**	**1 588**	**1 874**
Comparable EBITDA	**69**	**2 908**	**3 500**

EBITA

EUR thousand	1 Jan - 30 Jun 2018	1 Jan - 30 Jun 2017	1 Jan - 31 Dec 2017
EBIT	**-3 616**	**-1 288**	**-3 640**
Amortizations of acqusitions	-429	-464	907
EBITA	**-4 045**	**-1 752**	**-2 733**
EBIT	**-3 616**	**-1 288**	**-3 640**
Items affecting comparability			
Expenses of list change and share issue		1 290	1 290
M&A expenses		298	467
Restructuring expenses	1 017		115
Comparable EBIT	**-2 599**	**300**	**-1 768**
Amortizations of acqusitions	429	464	907
Comparable EBITA	**-2 169**	**764**	**-861**

4.3 Calculation of key figures

EBITDA* =Operating profit + depreciation and amortisation

EBITA =Operating profit + amortisation of goodwill

$$\text{Earnings per share (EPS), euros} = \frac{\text{Profit (loss) for the financial year}}{\text{Amount of shares adjusted with the share issue (average during the financial year)}}$$

$$\text{Return on equity, \%} = \frac{\text{Profit (loss) for the financial year}}{\text{Equity (average during the financial year)}} \times 100$$

$$\text{Return on capital employed (ROCE), \%} = \frac{\text{Profit before appropriations and taxes + interest expenses and other financing expenses}}{\text{Equity (average during the financial year) + interest-bearing financial liabilities (long-term and short-term loans from financial institutions, average during the financial period)}} \times 100$$

Net interest-bearing debt = Long-term and short-term loans from financial institutions – cash and cash equivalents – short-term financial securities

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

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

5. 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 - 30 Jun 2018**	**1 Jan - 30 Jun 2017**	**1 Jan - 31 Dec 2017**
Top Hammer	18 940	16 114	38 183
Down the Hole	24 151	26 458	49 979
Digital services	9	73	61
Total	**43 100**	**42 645**	**88 222**

Net sales by market area

EUR thousand	**1 Jan - 30 Jun 2018**	**1 Jan - 30 Jun 2017**	**1 Jan - 31 Dec 2017**
Europe, Middle East and Africa	16 656	14 683	32 299
North and South America	6 617	6 991	15 328
Asia	5 635	6 121	11 344
Australasia	11 250	12 660	24 737
Russia and CIS countries	2 941	2 190	4 515
Total	**43 100**	**42 645**	**88 222**

6. FINANCING ARRANGEMENTS

Robit Plc failed to meet the terms of the covenant for its long-term loans (interest-bearing net loans / operating margin) on 31 December 2017. For this reason, EUR 28 million of loans which become payable in over 12 months' time are reported as short-term loans. The investor has agreed to allow the violation of the covenant.

Robit Plc failed to meet the terms of the covenant on its long-term loans (interest-bearing net loans / operating margin) on 30 June 2018. The investor has agreed to allow the violation of the covenant. Permission has not been extended further than a 12-month period because the company's key figures used in determining covenant levels will change as the company implements the IFRS 16 standard for lease accounting. For this reason, loans totalling EUR 26 million, which fall due in over 12 months' time, are also presented in short-term liabilities.

Borrowings/Loans/Interest-bearing loans

EUR thousand	30-Jun-18	30-Jun-17	31-Dec-17
Non-current borrowings			
Loans from credit institutions	4 949	41 512	1 818
Other loans	736	735	637
Finance lease liabilities	916	93	1 056
Total non-current borrowings	**6 602**	**42 340**	**3 511**
Current borrowings			
Loans from credit institutions	35 269	4 871	41 606
Other loans	68	0	75
Bank overdrafts	4 522	3 657	4 647
Finance lease liabilities	10	593	85
Total current borrowings	**39 869**	**9 122**	**46 413**
Total borrowings	**46 470**	**51 462**	**49 924**

7. CHANGES IN PROPERTY, PLANT AND EQUIPMENT

EUR thousand	30-Jun-18	30-Jun-17	31-Dec-17
Cost at the beginning of period	37 482	23 797	23 797
Acquisition of subsidiaries	0	3 765	3 472
Additions	3 531	3 224	11 126
Disposals	-944	-316	-810
Reclassifications	-8	-170	648
Exchange differences	-301	-610	-751
Cost at the end of period	39 760	29 690	37 482
Accumulated depreciation and impairment at the beginning of period	-11 202	-7 186	-7 186
Depreciation	-1 826	-1 917	-3 672
Disposals	912	171	285
Reclassifications	0	0	-795
Exchange differences	106	143	166

Accumulated depreciation and impairment at the end of period	-12 010	-8 789	-11 202
Net book amount at the beginning of period	**26 280**	**16 611**	**16 611**
Net book amount at the end of period	**27 750**	**20 901**	**26 280**

8. IMPAIRMENT TESTING

Robit's net sales and profitability have not developed as expected during the review period. There is therefore an increased level of uncertainty about the value of the company's goodwill. Impairment testing will be carried out during the second half of 2018, when the impacts of changes to cost structures can be better estimated. At the point of reporting, 30 June 2018, the company's market capitalisation is greater than its net assets.

9. COMMITMENTS AND CONTINGENT LIABILITIES

EUR thousand	30-Jun-18	30-Jun-17	31-Dec-17
Guarantees and mortgages given on own behalf	46 025	46 025	46 025
Pledged bank accounts	0	0	0
Other guarantee liabilities	517	646	517
Total	**46 542**	**46 671**	**46 542**

Operating lease commitments

EUR thousand	30-Jun-18	30-Jun-17	31-Dec-17
No later than 1 year	1 154	589	1 455
Later than 1 year and no later than 5 years	3 030	1 345	3 957
Later than 5 years	2 016	2 595	3 066
Total	**6 200**	**4 529**	**8 478**

10. ACQUISITIONS

ACQUISITIONS IN 2018

Robit did not make any business acquisitions during the review period but the company did purchase the remaining 49 percent of shares in Halco Brighouse Ltd., which it now fully owns. The company has already been consolidated into the group's 2017 financial statement according to 100 percent ownership.

During the review period the company founded a subsidiary in Hong Kong (Robit Asia Ltd).

ACQUISITIONS IN 2017

In February 2017 Robit acquired shares in Halco's English companies, 51percent of Halco Brighouse Ltd and 100 percent of Halco Drilling Tools Ltd. A new subsidiary, Robit LLC, was also established in the USA, which purchased Halco's USA's capital assets and inventory.

In addition, the company founded a subsidiary in Kazakhstan (TOO Robit).

11. DERIVATIVES

The company’s Board of Directors has approved the company’s financial policies and on that basis the company has begun to hedge its most significant financial positions. Hedging did not yet have a significant impact during the reporting period.

PRESS CONFERENCES

A press conference in connection with the publication of this interim report will be held for analysts, investors and media representatives in Helsinki on 16 August 2018 at 2 pm Finnish time. The press conference will be held at Tapahtumatalo Bank.

Doors open half an hour before the conference. The conference will be in English.

The press conference will be held by the company's CEO and CFO. The interim report will be presented, including a market review, key events in the first half-year and the result.

Questions can be posed before the event via e-mail investors@robitgroup.com or during the presentation.

The presentation can also be streamed live online at www.31415.fi/robit3 or alternatively www.3141.fi/robit3. Streaming does not require registration.

Presentation material and video of the presentation will be available after the press conference at https://www.robitgroup.com/?investor=financial-information.

FINANCIAL REPORTING SCHEDULE IN 2018

The company will publish its net sales figures for the period 1 January 2018 – 30 September 2018 on Thursday 18 October 2018.

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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 19 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.

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