

Interim Financial Statements

H1 2025



A F A R A K

FINANCIAL INTERIM RELEASE H1 2025

		H1/25	H1/ 24	2024
Revenue	EUR million	77.1	71.4	128.6
EBITDA	EUR million	6.9	4.2	2.6
EBIT	EUR million	5.9	3.1	-0.1
Earnings before taxes	EUR million	3.4	1.9	-5.3
Profit	EUR million	2.4	0.5	-7.2
Earnings per share	EUR	0.01	0.00	-0.03
EBITDA margin		9.0%	5.9%	2.0%
EBIT margin		7.7%	4.3%	-0.1%
Earnings margin		4.5%	2.6%	-4.1%
Personnel (end of period)		613	588	602

FIRST HALF 2025 HIGHLIGHTS

- Revenue increased by 8% to EUR 77.1 (H1/2024: 71.4) million;
- Afarak successfully completed the sale of its Ilitha and Zeerust mining assets in South Africa, generating a gain of EUR 2.4 million;
- Processed material sold increased by 28.8% to 15,354 (H1/2024: 11,922) tonnes;
- Tonnage mined decreased significantly by 20.5% to 149,410 (H1/2024: 187,958) tonnes;
- The Group's EBITDA was EUR 6.9 (H1/2024: 4.2) million and the EBITDA margin was 9% (H1/2024: 5.9%);
- EBIT was EUR 5.9 (H1/2024: 3.1) million, with the EBIT margin at 7.7% (H1/2024: 4.3%);
- Profit for the period totalled EUR 2.4 (H1/2024: 0.5) million;
- Cash flow from operations stood at EUR 0.1 (H1/2024: -5.4) million;
- The interest-bearing debt amounted to EUR 4.9 (30 June 2024: 4.6) (31 December 2024: 2.6) million;
- Cash and cash equivalents at 30 June totalled EUR 5.8 (30 June 2024: 10.1) (31 December 2024: 3.9) million.

OUTLOOK FOR THE SECOND HALF OF 2025

The market for standard grade low carbon ferro-chrome is expected to be stable throughout the year with some modest upwards potential. The weak US\$ could easily wipe out any price increases, and cheap imports especially from Kazakhstan, and in a lesser way from Turkey and India/China will continue to weigh on the market price development. The specialty segment may be seeing more substantial improvements in demand and prices.

The chrome ore business, on the other hand, is expected to produce better margins. We have been finalizing investment decisions that will enable us to swiftly increase the output of chrome ore concentrates in South Africa. A new wash plant is planned to be commissioned by end of September in our Vlaakport mine, together with a solar energy plant which will make us independent from the grid

there and allow us to produce on steady and regular basis concentrates with high quality ratios. The Mecklenburg mine is also expected to increase output substantially. By selling Ilitha and Zeerust, our South African team is now able to focus fully on these two assets.

CEO Mr. Guy Konsbruck

Afarak managed to present substantially improved EBITDA and profit margins compared to H1/2024 in an extremely competitive and complicated market. The tariff escalation between USA and Europe, the geopolitical uncertainties did not support a positive evolution of the business environment.

Internally, unexpected boulder zones caused set-backs in the mining operations in Mecklenburg, which entailed a low production of Chrome ore. Hence, we could not achieve the expected results in that segment.

The fact that 80% of our sales happen in the USD currency which has strongly devaluated, added another adverse condition to this picture. Under the light of all the above, we can be satisfied with the results of H1/2025. Afarak has been for many years now the only Western producer of low carbon ferro-chrome, a critical material for production for Aerospace, Defense, Automotive, Green energies, and various other industries.

OVERVIEW OF RESULTS

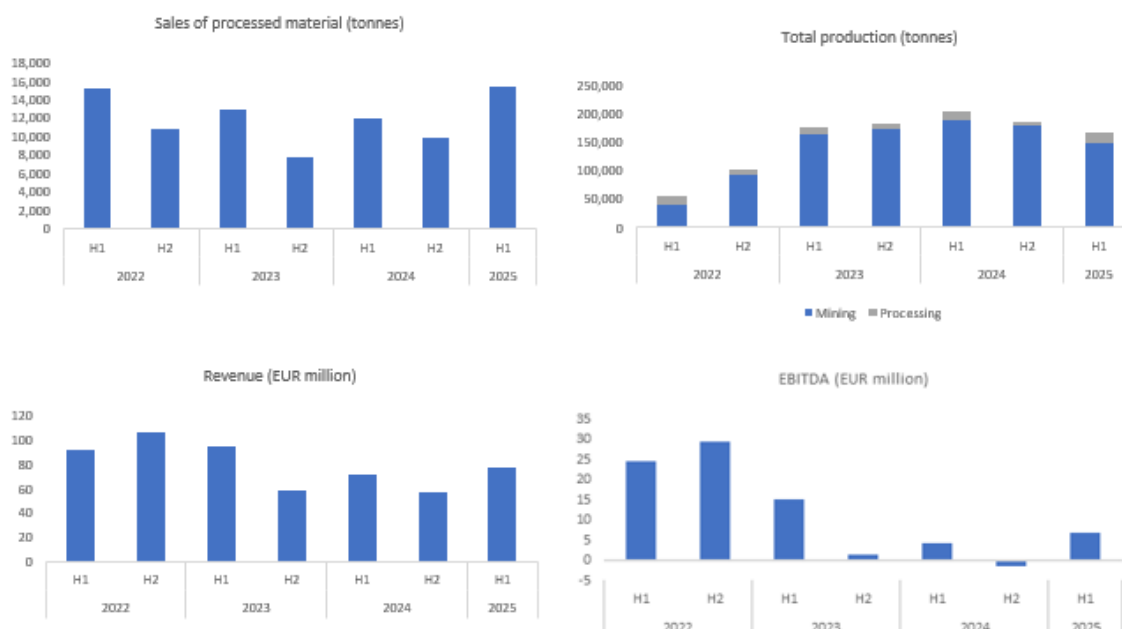
This Interim Report is prepared in accordance with the IAS 34 standard and is unaudited. All the corresponding comparable figures of 2024 are presented in brackets, unless otherwise explicitly stated.

MARKET OVERVIEW

In H1 2025, the stainless-steel industry continued to face significant challenges, with overall market conditions remaining difficult. The Low carbon ferrochrome prices for standard grade remained low. In late 2024, chrome ore prices experienced a substantial decline, largely due to economic weakness in Chrome ore prices, which fell sharply in late 2024 due to economic weakness in China, began to recover from mid-January 2025, with market signals gradually turning more positive.

FIRST HALF 2025 COMPARED TO FIRST HALF 2024

Higher Group revenue by 8% in the first half of 2025, driven by increased sales volumes of Low Carbon Ferrochrome. However, average selling prices were lower than in the corresponding period last year, reflecting ongoing market challenges. The weakening of the US dollar also impacted prices and revenue in euro terms, although, this was partially mitigated by sales to third parties from the Group's mines in Turkey and South Africa. A gain from the sale of the Zeerust and Ilitha mining assets in South Africa contributed positively to the results. The processing plant in Germany operated throughout the period, achieving high production volumes. While raw material costs were lower, profitability was negatively affected by higher energy costs and continued pressure on margins from low selling prices. In Turkey, mining activity continued to increase, while production levels at South African mines were lower year-on-year. The Group achieved positive EBITDA of EUR 6.9 (4.2) million. Financial income and expenditure for the first half of the year totalled EUR -2.5 million (-1.2) million.



SEGMENT PERFORMANCE

SPECIALITY ALLOYS BUSINESS

The Speciality Alloys business consists of Türk Maden Şirketi A.S (“TMS”), the mining and beneficiation operation in Turkey, and Elektrowerk Weisweiler GmbH (“EWW”), the chromite concentrate processing plant in Germany. TMS supplies EWW with high quality chromite concentrate which produces speciality products including specialised low carbon and ultra-low carbon ferrochrome. Chrome ore from TMS that is not utilised for the production of specialised low carbon ferrochrome is sold to the market.

Speciality Alloys key figures

		H1/25	H1/ 24	2024
Revenue	EUR million	72.0	62.8	111.3
EBITDA	EUR million	5.9	3.4	1.7
EBIT	EUR million	5.0	2.4	-0.4
EBITDA margin		8.1%	5.4%	1.5%
EBIT margin		6.9%	3.9%	-0.4%
Total sales	Tonnes	27,833	23,476	43,510
Mining	Tonnes	12,479	11,554	21,751
Processing	Tonnes	15,354	11,922	21,759
Total production	Tonnes	56,154	46,382	87,907
Mining	Tonnes	40,228	31,929	64,945
Processing	Tonnes	15,926	14,454	22,963
Personnel		501	471	471

PERFORMANCE COMPARED TO FIRST HALF 2025/2024

- Revenue during the first half of 2025 increased by 14.7% to EUR 72.0 (62.8) million. Higher revenue due to higher sales volumes when compared to same period last year;
- Processing levels at the EWW plant in Germany were significantly higher than last year;
- The mining activity at TMS was higher during the first half of 2025, resulting in an increase of 26% when compared to prior period due to a maintenance shutdown at one of the Turkish mines during the month of June of last year;
- Despite market challenges and the effect of weakening of US dollar, the segment resulted in a positive EBITDA of EUR 5.9 (3.4) million.

FERROALLOYS BUSINESS

The FerroAlloys business consists of the Vlakpoort mine, Stellite mine, Mecklenburg mine and Zeerust mine in South Africa. The business produces chrome ore for sale to global markets.

FerroAlloys key figures

		H1/25	H1/ 24	2024
Revenue	EUR million	4.8	8.3	16.6
EBITDA	EUR million	2.6	2.5	4.3
EBIT	EUR million	2.5	2.3	3.9
EBITDA margin		54.7%	30.2%	25.9%
EBIT margin		52.4%	27.7%	23.4%
Total sales	Tonnes	39,933	56,553	111,276
Mining	Tonnes	39,933	56,553	111,276
Processing	Tonnes	0	0	0
Total production	Tonnes	109,182	156,029	300,985
Mining	Tonnes	109,182	156,029	300,985
Personnel		94	100	100

PERFORMANCE COMPARED TO FIRST HALF 2025/2024

- Revenue decreased significantly during the first half of 2025 due to lower mining activity in the South African mines;
- A gain of Eur 2.4 million from the sale of the Zeerust and Ilitha mining assets in South Africa contributed positively to the results;
- EBITDA stood at EUR 2.6 (2.5) million.

UNALLOCATED ITEMS

For the first half of 2025, the EBITDA from unallocated items was EUR -1.6 (-1.6) million when compared to same period of last year.

BALANCE SHEET, CASH FLOW AND FINANCING

The Group's total assets on 30 June 2025 stood at EUR 151.8 (170.7) (31 December 2024: 161.6) million and net assets totaled EUR 103.4 (109.1) (31 December 2024: 112.1) million. During the first half of 2025, currency movements had an effect on Afarak's balance sheet, with the translation reserve moving by EUR -11.1 (2.6) million due to the significant fluctuations in the foreign exchange rates. The Group's cash and cash equivalents, as at 30 June 2025, totalled EUR 5.8 (10.1) million (31 December 2024: 4.0). Operating cash flow in the first half of the year was EUR 0.1 (-5.4) million.

The equity ratio was 68.1% (63.9%) (31 December 2024: 69.3%). Afarak's gearing at the end of June 2025 was -0.8% (-5.1%) (31 December 2024:-1.2 %) while the interest-bearing debt was EUR 4.9 (4.6) (31 December 2024: 2.6) million.

INVESTMENTS, ACQUISITIONS AND DIVESTMENTS

Capital expenditure for the first half of 2025 increased to EUR 3.0 (2.6) million to sustain Group operations.

IMPAIRMENT TESTING

Afarak Group has carried out impairment testing on goodwill and other assets as of 30 June 2025 for the Speciality Alloys business and the South African mining business.

During H1 2025, there were no indication of impairment at both the Speciality Alloys business and the South African mining business.

GOING CONCERN

The company is in sound condition and presents a healthy balance sheet.

PERSONNEL

At the end of the first half of 2025, Afarak had 613 (588) employees. The average number of employees during the first half of 2025 was 605 (592).

SUSTAINABILITY

The company has not had any major incident during H1/2025.

Our goal is to keep the very highest standards across all the business unit concerning health and safety of our employees, which continue to be our key central focus.

SHARES & SHAREHOLDERS

On 30 June 2025, the registered number of Afarak Group SE shares was 277,041,814 (277,041,814) and the share capital was EUR 1,000,000 (23,642,049.60). The EGM resolved on 29 January 2025 to reduce the share capital of the Company from EUR 23,642,049.60 by EUR 22,642,049.60 in order to transfer funds to the fund for invested unrestricted equity. After the decision, the share capital of the Company was EUR 1,000,000.00, and the fund for invested unrestricted equity increased correspondingly by EUR 22,642,049.60.

On 30 June 2025, the Company had 15,641,514 (16,041,514) own shares in treasury, which was equivalent to 5.65% (5.79%) of the issued shares. The total number of shares outstanding, excluding the treasury shares held by the Company on 30 June 2025, was 261,400,300 (261,000,300).

At the beginning of the period under review, the Company's share price was EUR 0.29 on NASDAQ Helsinki and GBP 0.20 on the London Stock Exchange. At the end of the review period, the share price was EUR 0.28 and GBP 0.20 respectively. During the first half of 2025, the Company's share price on NASDAQ Helsinki ranged from EUR 0.26 to 0.37 per share and the market capitalisation, as at 30 June 2025, was EUR 77.57 (1 January 2025: 80.34) million. For the same period on the London

Stock Exchange, the share remained at GBP 0.20 per share and the market capitalisation was GBP 55.4 (1 January 2025: 55.4) million, as at 30 June 2025.

RISKS & UNCERTAINTIES

Afarak's financial performance is dependent on the general market conditions of the mining, smelting and minerals processing business. Global stainless-steel demand also carries direct influence on the company and it depends on the general pace of recovery of the global economy and the stimulus policies applied by the governments around the world. In particular, the chrome ore prices as well as the benchmark settlements have been extremely volatile in the past. This situation is likely to continue going forward.

Changes in foreign exchange rates, if adverse, could have a negative impact on the Group's profitability, in particular changes in US Dollar/South African Rand. To better manage its foreign exchange US Dollar/South African Rand exposure, the Group constantly evaluates its current and potential exposures and the need to enter into forward contract arrangements. The Group continuously assesses its working capital to minimise the time during which the Group is exposed to exchange movements and to ensure that it has sufficient funds to meet its liabilities.

Afarak's processing operations in Germany and South African mines are intensive users of energy, primarily electricity. Fuel and energy prices globally have been characterised by volatility and cost inflation. In South Africa the majority of the electricity supply, price and availability are controlled by one entity, Eskom. Increased electricity prices and/or reduced, or uncertain electricity supply, or allocation may negatively impact Afarak's current operations, which could have an impact on the Group's financial performance.

CORPORATE GOVERNANCE

ANNUAL GENERAL MEETING

Afarak Group SE's Annual General Meeting was held in Helsinki on 3 June 2025.

The AGM adopted the financial statements and the consolidated financial statements and discharged the members of the Board of Directors and the CEO from liability for the financial period 2024.

The AGM resolved that no dividend would be paid for 2024. The AGM authorized the Board of Directors to resolve in its discretion the distribution of an aggregate maximum of EUR 0.005 per share as dividend from the retained earnings and/or as assets from the reserve for invested unrestricted equity. The authorization is valid until 31 December 2025. The Board will make separate resolutions on the amount and timing of distribution of the dividend and/or assets from the reserve for invested unrestricted equity. The Company shall make a separate announcement of such Board resolution.

The AGM also adopted the Remuneration Report for the Company's governing bodies.

BOARD OF DIRECTORS

The AGM resolved that the Board of Directors would comprise of three (3) members: Dr Jelena Manojlovic (UK citizen) and Mr. Thorstein Abrahamsen (Norwegian citizen) were re-elected as Board members and Mr. Julien Duniague (Swiss citizen) was elected as a new Board member.

The AGM resolved that the Non-executive Board Members shall be paid EUR 5,000 per month and the Chairman of the board shall be paid an additional EUR 1,500 per month. Non-Executive Board

Members who serve on the Board's Committees shall be paid additional EUR 1,500 per month for committee work. Those members of the Board of Directors that are executives of the Company are not entitled to receive any remuneration for Board membership. Board Members shall be compensated for travel and accommodation expenses as well as other costs directly related to Board and Committee work in accordance with the company's travel rules.

THE AUDITOR

The AGM resolved that the Company will pay the fee to the auditor against an invoice that is inspected by the Company and that according to the recommendation by the Audit Committee, the Authorised Public Accountant Tietotili Audit Oy was re-elected as the Auditor of the Company. Tietotili Audit Oy has informed the Company that the individual with the principal responsibility at Tietotili Audit Oy, is Authorised Public Accountant Urpo Salo.

THE SUSTAINABILITY REPORTING ASSURER

The AGM resolved that the Company will pay the fee to the sustainability reporting assurer against an invoice that is inspected by the Company and that according to the recommendation by the Audit Committee, Authorized Sustainability Audit Firm Tietotili Audit Oy was elected as the sustainability reporting assurer of the Company. Tietotili Audit Oy has informed the Company that the sustainability reporting assurer with the main responsibility would be authorized sustainability auditor Urpo Salo.

THE MEETING OF THE BOARD OF DIRECTORS

Following the AGM, the Board of Directors held a meeting in which Mr Thorstein Abrahamsen was unanimously re-elected as the Chairperson. The Board Committees and their composition are as follows:

Audit and Risk Management Committee

Julien Duniague, chairperson
Jelena Manojlovic
Thorstein Abrahamsen

Remuneration and Nomination Committee

Jelena Manojlovic, chairperson
Thorstein Abrahamsen
Julien Duniague

Health, Safety and Sustainable Development Committee

Thorstein Abrahamsen, chairperson
Jelena Manojlovic
Julien Duniague
Guy Konsbruck
Stefano Bonati
Kylie Gauci

FLAGGING NOTIFICATION

No flagging notifications were raised from 1 January 2025 till the date of this report

REPORTING

EVENTS DURING THE REVIEW PERIOD

On **29 January 2025** - an extraordinary general meeting for Afarak Group SE was held whereby it was resolved to **reduce the**

a) share capital of the Company from EUR 23,642,049.60 by EUR 22,642,049.60 to transfer funds to the fund for invested unrestricted equity.

After the measure the share capital of the Company will be EUR 1,000,000.00 and the fund for invested unrestricted equity will increase correspondingly with EUR 22,642,049.60.

The entry into force of the reduction of the share capital is subject to the completion of the creditor protection procedure set out in Chapter 14 of the Limited Liability Companies Act.

All practical measures related to the reduction of the share capital shall be decided by the Board of Directors.

b) share premium reserve as evidenced by the Company's balance sheet as of 31 December 2023 by transferring all funds recorded therein, i.e. EUR 25,223,189.79 to the Company's fund for invested unrestricted equity.

The reduction of the share premium reserve is done without remuneration and will not have an effect on the number of shares, holdings of shares nor rights attached to the shares.

The entry into force of the reduction of the share premium reserve is subject to the completion of the creditor protection procedure set out in Chapter 14 of the Limited Liability Companies Act.

All practical measures related to the reduction of the share premium reserve shall be decided by the Board of Directors.

On **31 March 2025** - changes in Afarak Group SE treasury shares took place pursuant to the share issue authorization granted by the Company's Annual General Meeting held on May 31, 2024, the Board of Directors has resolved on a directed share issue without payment. Based on the share issue 400,000 of the Company's treasury shares ("Shares") have now been transferred to CEO Guy Konsbruck. The Shares form a part of the remuneration package under the CEO agreement.

After the execution of the share issue 15,641,514 treasury shares shall remain in the possession of Afarak, representing approximately 5.65 per cent of the total shares and votes of the Company.

On **28 May 2025** - registration in the Finnish Trade register of resolution taken during Afarak SE Extraordinary General meeting on 29 January 2025 to reduce share capital by EUR 22,642,049.60. The reduced amount has been transferred to the reserve for invested unrestricted equity in accordance with the resolution. Following the registration, the Company's share capital amounts to EUR 1,000,000.

The reduction of share capital has no effect on the number of the Company's shares.

On **28 May 2025** - registration in the Finnish Trade register of resolution taken during Afarak SE Extraordinary General meeting on 29 January 2025 to reduce Company's share premium reserve by EUR 25,223,189.79.

Following the reduction, the amount of the share premium reserve recorded in Afarak's balance sheet is zero. The reduced amount has been transferred to the reserve for invested unrestricted equity.

The reduction of the share premium reserve has no effect on the number of shares in the Company.

On **27 June 2025** - the Board of Directors of Afarak has approved the arrangement for the sale of Zeerust's Chrome Mine Limited plant, assets and mining right. Zeerust is a South African company which holds the Chrome mine located in the North West province at approximately 35 kilometers east of the Bushveld Complex. The buyer is PLANTCOR MINING AND PLANT HIRE (PTY) LTD, a private company with limited liability, duly registered and incorporated in accordance with the laws of South Africa (the "Transaction").

The signing of the Transaction has taken place and the total purchase price for this transaction was ZAR 40 million (around 2 million euro) which had to be paid in the following five working days.

EVENTS SINCE THE END OF THE REVIEW PERIOD

No events were reported from 1 July 2025 till the date of this report.

FINANCIAL INFORMATION

FINANCIAL TABLES

FINANCIAL DEVELOPMENT AND ASSETS AND LIABILITIES BY SEGMENT

H1/25 6 months EUR'000	Speciality Alloys	Ferro Alloys	Unallocated	Eliminations	Group total
Revenue	71,972	4,788	1,462	-1,152	77,069
EBITDA	5,855	2,621	-1,577	0	6,899
EBIT	4,970	2,510	-1,562	0	5,917
Segment's assets	151,962	43,219	5,379	-48,732	151,828
Segment's liabilities	47,171	36,961	21,946	-57,613	48,464
H1/24 6 months EUR'000	Speciality Alloys	Ferro Alloys	Unallocated	Eliminations	Group total
Revenue	62,814	8,313	1,104	-817	71,414
EBITDA	3,361	2,509	-1,632	0	4,238
EBIT	2,424	2,306	-1,650	0	3,080
Segment's assets	157,864	54,462	6,815	-48,427	170,714
Segment's liabilities	49,406	47,303	31,169	-66,257	61,621
2024 EUR'000	Speciality Alloys	Ferro Alloys	Unallocated	Eliminations	Group total
Revenue	111,275	16,577	3,284	-2,495	128,641
EBITDA	1,715	4,289	-3,397	0	2,607
EBIT	-448	3,872	-3,570	0	-146
Segment's assets	154,750	49,429	4,630	-47,207	161,602
Segment's liabilities	42,270	42,478	21,034	-56,248	49,534

RESULTS DEVELOPMENT

	H1/22	H2/22	H1/23	H2/23	H1/24	H2/24	H1/25
Sales (tonnes)							
Mining	10,764	57,118	56,150	63,616	68,107	64,920	52,412
Processing	15,205	10,880	12,881	7,854	11,922	9,837	15,354
Trading	25	0	23	142	275	0	0
Total	25,994	67,998	69,054	71,612	80,304	74,757	67,766
Average rates*							
EUR/USD	1.093	1.014	1.081	1.082	1.081	1.083	1.093
EUR/ZAR	16.848	17.560	19.679	20.229	20.248	19.425	20.082
Euro (million)							
Revenue	92.1	106.6	95.3	58.3	71.4	57.2	77.1
EBITDA	24.5	29.2	15.1	1.5	4.2	-1.6	6.9
EBITDA margin	26.7%	27.4%	15.8%	2.5%	5.9%	-2.9%	9.0%
EBIT	24.0	28.2	14.4	0.6	3.1	-3.2	5.9
EBIT margin	26.1%	26.5%	15.1%	1.1%	4.3%	-5.6%	7.7%

*Average rates in the respective half year

CONSOLIDATED INCOME STATEMENT, SUMMARY

EUR '000	H1/25	H1/ 24	2024
Revenue	77,069	71,414	128,641
Other operating income	3,920	1,375	5,405
Operating expenses	-74,090	-68,550	-131,439
Depreciation and amortisation	-981	-1,159	-2,753
Operating profit	5,917	3,080	-146
Financial income and expense	-2,480	-1,207	-5,151
Profit before tax	3,437	1,873	-5,297
Income tax	-997	-1,338	-1,921
Profit for the period	2,440	535	-7,218
Profit attributable to			
Owners of the parent	2,055	215	-7,572
Non-controlling interests	385	320	354
Total	2,440	535	-7,218
Earnings per share for profit attributable to the shareholders of the parent company, EUR			
Basic earnings per share, EUR	0.01	0.00	-0.03
Diluted earnings per share, EUR	0.01	0.00	-0.03

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

EUR '000	H1/25	H1/24	2024
Profit for the period	2,440	535	-7,218
Other comprehensive income			
Remeasurement of defined benefit pension plans	0	0	1,166
Exchange differences on translating foreign operations – Group	-11,182	2,611	4,587
Other comprehensive income/(loss), net of tax	-11,182	2,611	5,753
Total comprehensive income for the period	-8,742	3,146	-1,465
Total comprehensive income attributable to:			
Owners of the parent	-9,074	2,834	-1,796
Non-controlling interests	332	312	331

CONSOLIDATED STATEMENT OF FINANCIAL POSITION, SUMMARY

EUR '000	30.6.2025	30.6.2024	31.12.2024
ASSETS			
Non-current assets			
Goodwill	44,840	48,572	49,779
Other intangible assets	4,841	4,884	4,942
Property, plant and equipment	44,106	39,889	46,925
Deferred tax	311	810	478
Other non-current assets	1,804	1,353	1,679
Non-current assets total	95,902	95,507	103,803
Current assets			
Inventories	20,532	32,314	28,829
Trade receivables	12,909	14,014	7,502
Other receivables	16,671	18,809	17,514
Cash and cash equivalents	5,814	10,070	3,954
Current assets total	55,926	75,207	57,799
Total assets	151,828	170,715	161,602
EQUITY AND LIABILITIES			
Equity attributable to owners of the parent			
Share capital	1,000	23,642	23,642
Share premium reserve	111	25,223	25,364
Paid-up unrestricted equity reserve	263,429	215,460	215,556
Legal Reserve	-37	17	-47
Translation reserves	-49,201	-40,065	-38,073
Retained earnings	-112,293	-115,187	-114,397
Equity attributable to owners of the parent	103,009	109,090	112,045
Non-controlling interests	355	3	23
Total equity	103,364	109,093	112,068
Liabilities			
Non-current liabilities			
Deferred tax liabilities	4,529	8,367	8,283
Provisions	7,408	13,017	11,776
Pension liabilities	10,951	12,572	11,249
Financial liabilities	422	369	357
Non-current liabilities total	23,310	34,325	31,665
Current liabilities			
Trade payables	12,119	9,019	7,075
Other current liabilities	13,036	18,277	10,794
Current liabilities total	25,154	27,296	17,869
Total liabilities	48,464	61,621	49,534
Total equity and liabilities	151,828	170,714	161,602

SUMMARY OF CASH, INTEREST-BEARING RECEIVABLES AND INTEREST-BEARING LIABILITIES

EUR '000	30.6.2025	30.6.2024	31.12.2024
Cash and cash equivalents	5,814	10,070	3,954
Interest-bearing receivables			
Current	0	0	0
Non-current	<u>80</u>	<u>90</u>	<u>83</u>
Interest-bearing receivables	80	90	83
Interest-bearing liabilities			
Current	4,540	4,206	2,260
Non-current	<u>401</u>	<u>346</u>	<u>335</u>
Interest-bearing liabilities	4,941	4,552	2,595
NET TOTAL	953	5,608	1,442

SUMMARY OF GROUP'S PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

EUR '000	Property, plant and equipment	Intangible Assets
Acquisition cost 1.1.2025	84,673	136,174
Additions	2,794	202
Disposals	-1,797	16
Right-of-use assets (IFRS 16)	101	0
Reclass between items	-21	0
Effect of movements in exchange rates	-3,114	-13,733
Acquisition cost 30.6.2025	82,636	122,659
Accumulated depreciation and impairment 1.1.2025	-37,748	-81,453
Depreciation	-945	-36
Disposals	108	0
Effect of movements in exchange rates	55	8,511
Accumulated depreciation and impairment at 30.6.2025	-38,530	-72,978
Carrying amount at 1.1.2025	46,925	54,721
Carrying amount at 30.6.2025	44,106	49,681
Acquisition cost 1.1.2024	68,540	128,244
Additions	5,493	261
Disposals	-113	-97
Right-of-use assets (IFRS 16)	79	0
Reclass between items	501	391
Effect of movements in exchange rates	1,789	7,319
Hyperinflation adjustment (Turkish entities)	8,384	56
Acquisition cost 31.12.2024	84,673	136,174
Accumulated depreciation and impairment 1.1.2024	-31,043	-76,605
Depreciation	-2,648	-105
Disposals	40	4
Effect of movements in exchange rates	-4,097	-4,747
Accumulated depreciation and impairment at 31.12.2024	-37,748	-81,453
Carrying amount at 1.1.2024	37,497	51,638
Carrying amount at 31.12.2024	46,925	54,721

CONSOLIDATED STATEMENT OF CASH FLOWS, SUMMARY

EUR '000	H1/25	H1/24	2024
Net profit	2,440	535	-7,218
Adjustments to net profit	-5,750	3,098	-9,713
Changes in working capital	3,423	-8,986	10,636
Net cash from operating activities	112	-5,353	-6,295
Capital expenditure of non-current assets, net:	-237	-2,713	-5,687
Other investments, net	0	-18	-15
Repayments of loan receivables and loan given, net	-63	-1,499	-1,495
Net cash from investing activities	-300	-4,230	-7,197
Proceeds from borrowings	0	3	3
Repayments of borrowings, and other financing activities	0	-51	-49
Movement in short term financing activities*	2,651	1,389	-602
Net cash used in financing activities	2,651	1,341	-648
Net increase in cash and cash equivalents	2,463	-8,242	-14,140
Cash at the beginning of the period	3,954	18,032	18,032
Translation differences	-580	280	62
Cash at the end of the period	5,814	10,070	3,954
Change in the statement of financial position	2,440	-8,242	-14,140

*This includes trade receivable facilities.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

A = Share capital
 B = Share premium reserve
 C = Paid-up unrestricted equity reserve
 D = Translation reserve
 E = Retained earnings
 F = Legal reserve
 G = Equity attributable to owners of the parent, total
 H = Non-controlling interests
 I = Total equity

EUR '000	A	B	C	D	E	F	G	H	I
Equity at 31.12.2023	23,642	25,223	215,359	-42,683	-115,512	18	106,047	-306	105,741
Profit for the period 1-6/2024 + comprehensive income				2,618	216		2,834	320	3,154
Translation differences							0	-11	-11
Share-based payments			101				101	0	101
Other changes in equity					109	-1	108	0	108
Equity at 30.06.2024	23,642	25,223	215,460	-40,065	-115,187	17	109,090	3	109,093
Profit for the period 7-12/2024 + comprehensive income				1,992	-7,788		-5,796	33	-5,763
Translation differences					-4		-4	-12	-16
Remeasurements of defined benefit pension plans					1,166		1,166		1,166
Share-based payments			96				96		96
Acquisition of non-controlling interest					-9		-9	-99	-108
Hyperinflation adjustment (Turkish entities)		141			7,534		7,675	98	7,773
Other changes in equity					-109	-64	-173		-173
Equity at 31.12.2024	23,642	25,364	215,556	-38,073	-114,397	-47	112,045	23	112,068
Profit for the period 1-6/2025 + comprehensive income				-11,128	2,054		-9,074	385	-8,689
Translation differences							0	-53	-53
Share-based payments			8				8	0	8
Acquisitions and disposals of subsidiaries					50		50	0	50
Reduction of Share capital and Share premium	-22,642	-25,223	47,865				0	0	0
Other changes in equity		-30				10	-20	0	-20
Equity at 30.06.2025	1,000	111	263,429	-49,201	-112,293	-37	103,009	355	103,364

RELATED PARTY TRANSACTIONS DURING THE REVIEW PERIOD

EUR '000	H1/25	H1/24	2024
Financing expense to other related parties	0	0	0
Trade and other receivables from other related parties	56	47	52
Loan payables to other related parties	0	0	0

FINANCIAL INDICATORS

	H1/25	H1/ 24	2024
Return on equity, % p.a.	4.5%	1.0%	-6.6%
Return on capital employed, % p.a.	16.6%	11.6%	2.6%
Equity ratio, %	68.1%	63.9%	69.3%
Gearing, %	-0.8%	-5.1%	-1.2%
Personnel at the end of the period	613	588	602

EXCHANGE RATES

The balance sheet date rate is based on exchange rate published by the European Central Bank for the closing date. The average exchange rate is calculated as an average of daily rates from the European Central Bank during the year.

The key exchange rates applied in the accounts:

Average rates

	H1/25	H1/ 24	2024
TRY	41.0912	34.2364	35.5734
USD	1.0927	1.0813	1.0824
ZAR	20.0823	20.2476	19.8297

Balance sheet rates

	30.6.2025	30.6.2024	31.12.2024
TRY	46.5682	35.1868	36.7372
USD	1.172	1.0705	1.0389
ZAR	20.8411	19.497	19.6188

FORMULAS FOR FINANCIAL INDICATORS

Financial ratios and indicators have been calculated with the same principles as applied in the 2024 financial statements. These principles are presented below.

Return on equity, % = Profit for the period / Total equity (average for the period) * 100

Return on capital employed, % = (Profit before taxes + financing expenses) / (Total assets - interest-free liabilities) average * 100

Equity ratio, % = Total equity / (Total assets - prepayments received) * 100

Gearing, % = (Interest-bearing debt - liquid funds) / Total equity * 100

Net interest-bearing debt = Interest-bearing debt - liquid funds

Earnings per share, basic, EUR = Profit attributable to owners of the parent company / Average number of shares during the period

Earnings per share, diluted, EUR = Profit attributable to owners of the parent company / Average number of shares during the period, diluted

Operating profit (EBIT) = Operating profit is the net of revenue plus other operating income, plus gain/loss on finished goods inventory change, minus employee benefits expense, minus depreciation, amortisation and impairment and minus other operating expense. Foreign exchange gains or losses are included in operating profit when generated from ordinary activities. Exchange gains or losses related to financing activities are recognised as financial income or expense.

Earnings before interest, taxes, depreciation and amortisation (EBITDA) = Operating profit + depreciation + amortisation + impairment losses

ACCOUNTING POLICIES

This Interim Report is prepared in accordance with IAS 34 'Interim Financial Reporting' and should be read in conjunction with Afarak's financial statements for 2024. Afarak has applied the same accounting principles in the preparation of this Interim Report as in its financial statements for 2024, except for the adoption of new standards and interpretations that become effective in 2025. The changes did not have material impact on the Interim Report.

The preparation of the Interim Report in accordance with IFRS requires management to make estimates and assumptions that affect the valuation of the reported assets and liabilities and other information, such as contingent liabilities and the recognition of income and expenses in the income statement. Although the estimates are based on the management's best knowledge of current events and actions, actual results may differ from the estimates.

The figures in the tables have been rounded off, which must be considered when calculating totals. Average exchange rates for the period have been used for income statement conversions, and period-end exchange rates for balance sheet.

The Interim Report data are unaudited.

SHARE-RELATED KEY FIGURES

		H1/25	H1/24	2024
Share price development in London Stock Exchange				
Average share price*	EUR	0.23	0.23	0.24
	GBP	0.20	0.20	0.20
Lowest share price*	EUR	0.23	0.23	0.24
	GBP	0.20	0.20	0.20
Highest share price*	EUR	0.23	0.23	0.24
	GBP	0.20	0.20	0.20
Share price at the end of the period**	EUR	0.23	0.23	0.24
	GBP	0.20	0.20	0.20
Market capitalisation at the end of the period**	EUR million	64.77	65.47	66.82
	GBP million	55.41	55.41	55.41
Share trading development				
Share turnover	thousand shares	0	5	5
Share turnover	EUR thousand	0	2	0
Share turnover	GBP thousand	0	2	176
Share turnover	%	0.00	0.00	0.00
Share price development in NASDAQ Helsinki				
Average share price	EUR	0.31	0.36	0.31
Lowest share price	EUR	0.26	0.27	0.22
Highest share price	EUR	0.38	0.42	0.42
Share price at the end of the period	EUR	0.28	0.29	0.29
Market capitalisation at the end of the period	EUR million	77.57	80.34	80.34
Share trading development				
Share turnover	thousand shares	9,222	13,844	23,635
Share turnover	EUR thousand	2,878	4,869	7,494
Share turnover	%	3.3	5.0	8.53

* Share prices have been calculated on the average EUR/GBP exchange rate published by Bank of Finland.

** Share price and market capitalisation at the end of the period have been calculated on the EUR/GBP exchange rate published by Bank of Finland at the end of the period.

Formulas for share-related key indicators

Average share price = Total value of shares traded in currency / Number of shares traded during the period

Market capitalisation, million = Number of shares * Share price at the end of the period

FORWARD LOOKING STATEMENTS

This report contains forward-looking statements. Often, but not always, forward-looking statements can be identified by the use of forward-looking terminology, including the terms “believes”, “expects”, “intends”, “may”, “will” or “should” or, in each case, their negative or other variations or comparable terminology. By their nature, forward-looking statements involve uncertainty because they depend on future circumstances, and relate to events, not all of which are within the Company's control or can be predicted by the Company.

Although the Company believes that the expectations reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations will prove to have been correct. Actual results could differ materially from those set out in the forward-looking statements. Save as required by law (including the Finnish Securities Markets Acts (746/2012), as amended, or by the Listing Rules or the Disclosure and Transparency Rules of the UK Financial Services Authority), the Company undertakes no obligation to update any forward-looking statements in this report that may occur due to any changes in the Directors' expectations or to reflect events or circumstances after the date of this report.