

# Financial Statements

2025



A F A R A K

## FINANCIAL STATEMENTS RELEASE 2025

		H2/25	H2/24	FY2025	FY2024
Revenue	EUR million	64.2	57.2	141.3	128.6
EBITDA	EUR million	-7.1	-1.6	-0.2	2.6
EBIT	EUR million	-8.5	-3.2	-2.6	-0.1
Earnings before taxes	EUR million	-11.0	-7.2	-7.5	-5.3
Loss for the period	EUR million	-11.4	-7.8	-8.9	-7.2
Earnings per share	EUR	-0.04	-0.03	-0.03	-0.03
EBITDA margin	%	-11.1	-2.9	-0.2	2.0
EBIT margin	%	-13.3	-5.6	-1.8	-0.1
Earnings margin	%	-17.1	-12.5	-5.3	-4.1
Personnel (end of period)		626	602	626	602

### SECOND HALF 2025 HIGHLIGHTS

- Revenue for the second half of 2025 increased to EUR 64.2 (H2/2024: 57.2) million;
- Speciality Alloys processed material sold increased by 32.7%, to 13,053 (H2/2024: 9,837) tonnes;
- Tonnage mined decreased by 43%, to 101,847 (H2/2024: 177,972) tonnes.
- Group's EBITDA decreased to EUR -7.1 (H2/2024: -1.6) million and the EBITDA margin stood at -11.1% (H2/2024: -2.9%);
- EBIT was EUR -8.5 (H2/2024: -3.2) million and the EBIT margin stood at -13.3% (H2/2024: -5.6%);
- Loss for the period totalled EUR -11.4 (H2/2024: -7.8) million;
- Cash flow from operations during H2 2025 was EUR 2.7 (H2/2024: -0.9) million;
- The interest-bearing debt of the Group reduced to EUR 3.4 (31 December 2024: 2.6) (30 June 2025: 4.9) million;
- Cash and cash equivalents at 31 December totalled EUR 7.3 (31 December 2024: 4.0) (30 June 2025: 5.8) million.

### FULL YEAR 2025 HIGHLIGHTS

- The Group revenue was higher compared to prior year EUR 141.3 (FY/2024: 128.6) million;
- Speciality Alloys Processed material sold increased by 30.6%, to 28,407 (FY/2024: 21,759) tonnes;
- Tonnage mined decreased by 31.3%, to 251,257 (FY/2024: 365,929) tonnes. The Zeerust mine in South Africa was disposed of mid-year.
- EBITDA during the year decreased to EUR -0.2 (FY/2024: 2.6) million. EBIT stood at EUR -2.6 (FY/2024: -0.1) million;
- Loss for the full year 2025 totalled EUR -8.9 (FY/2024: -7.2) million.

## MARKET SENTIMENT FOR Q1/2026

### **Our customer base is suffering**

For the fourth year in a row the EU steel industry has contracted in 2025, after a brief increase in Q1. The share of low priced imported steel in the EU is at a record high of 27%. In the case of stainless steel the share is 25%.

The output of steel in the EU has dropped by 3.4% year on year. Modest recovery is projected for 2026, but high uncertainty is expected, given:

Global overcapacity of 680 M mt of steel worldwide. Europe is disadvantaged by high energy cost and disrupted flows created by the 50% USA tariff implemented mid-2025.

## **Our margins are still under pressure**

While the market price for Lc Fe-Cr started to show more sustained improvements in the last quarter 2025, the falling USD exchange rate has wiped out most of the positive effect. Low Carbon Ferrochrome continues to be a USD commodity.

CBAM and new EU safeguard measures have started to show some positive effects early 2026, but the cost of energy and the rise of the carbon compliance cost is going to continue weighing heavily on European producers.

## CEO GUY KONSBRUCK

After a brief moderate peak in Q1, the business environment deteriorated again in 2025. The stainless-steel demand was historically low, especially in Europe. Demand for low carbon ferro-chrome suffered from this fact.

We succeeded to substantially increase our sales, but the generated EBITDA of -0.2 M€ shows that the price pressure from low-cost imports (India, Kazakhstan, Russia and China) weighed heavily on our margins.

A setback in Cr Ore prices and some unexpected delays caused a below expectation result in our South African Chrome Ore operation

## OVERVIEW OF RESULTS

*This Interim Report is prepared in accordance with the IAS 34 standard and is unaudited. All the corresponding comparable figures of 2025 are presented in brackets, unless otherwise explicitly stated.*

### MARKET OVERVIEW

The expected recovery in the stainless steel market did not materialize in the second half of 2025. Continued pricing pressure and a weaker US dollar negatively impacted margins in the LC ferrochrome business despite ongoing cost-optimization measures.

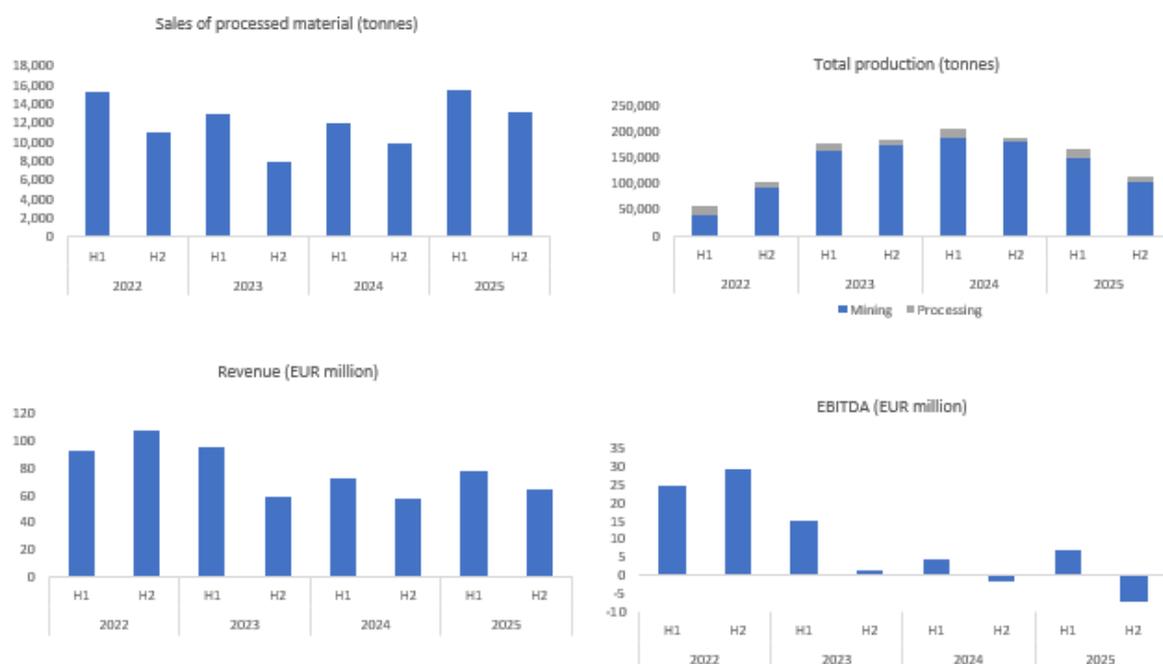
Chrome ore prices decreased in the second half of the year, resulting also in lower margins due to subdued stainless steel demand. Minor issues in the Vlaakport wash plant and solar plant commissioning caused some delays, so that we expect the plant to be at full capacity utilization within Q1/2026 now.

## H2 2025 COMPARED TO H2 2024

The Group faced challenging market conditions in the second half of 2025. Revenue increased due to higher sales volumes, however, pricing pressure weighed on profitability margins. Revenue was higher compared with the same period last year, amounting to EUR 64.2 (57.2) million. Operations at the mines in Turkey and the processing plant in Germany increased to meet demand. In South Africa, activity declined following the disposal of certain mines during the year, while minor plant issues temporarily reduced mining output. The decline in average selling prices for both low carbon ferrochrome and chrome ore, together with the weaker USD/EUR exchange rate, had an adverse impact on overall profitability. EBITDA was EUR -7.1 (-1.6) million and EBIT at EUR -8.5 (-3.2) million.

## 2025 COMPARED TO 2024

In 2025, higher sale volumes lead to an increase of 9.9% in Group revenue to EUR 141.3 (128.6) million. However, lower selling prices of Ferrochrome continued to weigh on performance. Mining activity helped mitigate this impact, as sales of chrome ore to third parties benefited from favourable prices in the early part of the year, which softened towards year-end. Lower energy costs and higher production volumes contributed to overall cost efficiencies. In addition, a gain recognized on the sale of the Zeerust and Ilitha mining assets in South Africa had a positive effect on the results. While raw material and energy costs were lower, profitability was negatively affected by low selling prices and weaker USD/EUR exchange rate. As a result of these market challenges, the Group achieved an EBITDA of EUR -0.2 (2.6) million during 2025. Financial income and expenditure during the year were EUR -4.9 (-5.2) 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

		H2/25	H2/24	FY2025	FY2024
Revenue	EUR million	58.9	48.5	130.9	111.3
EBITDA	EUR million	-1.6	-1.6	4.3	1.7
EBIT	EUR million	-2.7	-2.9	2.3	-0.4
EBITDA margin	%	-2.7	-3.4	3.3	1.5
EBIT margin	%	-4.5	-5.9	1.8	-0.4
Sales	Tonnes	13,053	9,837	28,407	21,759
Total production	Tonnes	49,278	41,525	105,432	87,907
Mining	Tonnes	37,578	33,016	77,806	64,945
Processing	Tonnes	11,700	8,509	27,626	22,963
Personnel		500	479	500	479

#### PERFORMANCE COMPARED TO SECOND HALF 2024/2025

- During the second half of 2025, revenue increased significantly by 21.4% to EUR 58.9 (48.5) million, due to an increase in sales volumes;
- The mining operations at TMS remained consistent, leading to an increase of 19.8% compared to same period last year;
- Processing levels at the EWW plant in Germany was higher than same period last year by 20.3%.
- EBITDA remained at the same level of EUR -1.6 (-1.6) million, attributed to a combination of an increase in tonnes sold at higher average prices when compared to same period last year.

#### PERFORMANCE COMPARED TO FULL YEAR 2024/2025

- Revenue for the full year increased by 17.6% to EUR 130.9 (111.3) million, driven by an increase in tonnes sold.
- EBITDA for the year was positive EUR 4.3 (1.7) million, and EBIT of EUR 2.3 (-0.4) million.

## FERROALLOYS BUSINESS

The FerroAlloys business consists of the Vlakpoort mine and Mecklenburg mine in South Africa. Zeerust mine was disposed during the year. The business produces chrome ore for sale to global markets.

### FerroAlloys key figures

		<b>H2/25</b>	<b>H2/24</b>	<b>FY2025</b>	<b>FY2024</b>
Revenue	EUR million	5.1	8.3	9.9	16.6
EBITDA	EUR million	-3.9	1.8	-1.3	4.3
EBIT	EUR million	-4.1	1.6	-1.6	3.9
EBITDA margin	%	-76.3	21.5	-13.3	25.9
EBIT margin	%	-78.8	19.0	-15.6	23.4
Sales	Tonnes	73,150	54,723	113,083	111,276
Mining production	Tonnes	64,269	144,956	173,451	300,985
Personnel		105	105	105	105

### PERFORMANCE COMPARED TO SECOND HALF 2024/2025

- Revenue during the second half of 2025 decreased to EUR 5.1 (8.3) million compared to same period last year;
- Production decreased sharply in the second half of 2025 to 64,269 (144,956) tonnes, when compared to the same period in 2024 due to the disposal of a South African mine at the end of H1 2025
- Consequently, the segment's EBITDA dropped to EUR -3.9 (1.8) million.

### PERFORMANCE COMPARED TO FULL YEAR 2024/2025

- Revenue decreased in 2025 when compared to prior year to EUR 9.9 (16.6) million;
- Production within the FerroAlloys segment decreased significantly due to the disposal of a South African mine
- The above factors, resulted in a negative EBITDA of EUR -1.3 (4.3) million during the reporting period.

### UNALLOCATED ITEMS

For the second half of 2025, the EBITDA from unallocated items was EUR -1.6 (-1.8) million, while the full year EBITDA from unallocated items was EUR -3.2 (-3.4) million.

## BALANCE SHEET, CASH FLOW AND FINANCING

The Group's total assets on 31 December 2025 stood at EUR 148.1 (161.6) (30 June 2025: 151.8) million and net assets totalled EUR 95.8 (112.1) (30 June 2025: 103.4) million. During the second half, the translation differences on conversion of foreign denominated subsidiaries was adjusted by EUR 8.2 million. The Group's cash and cash equivalents, as at 31 December 2025, totalled EUR 7.3 (4.0) million (30 June 2025: 5.8). Operating cash flow in 2025 stood at EUR 2.8 (-6.3) million.

The equity ratio stood at 64.7% (69.3%) (30 June 2025: 68.1%). Afarak's gearing at the end of the year was -4.1% (-1.2%) (30 June 2025: -0.8%), as the company kept low interest-bearing debt of EUR 3.4 (2.6) (30 June 2025: 4.9) million.

## INVESTMENTS, ACQUISITIONS AND DIVESTMENTS

Capital expenditure for the second half of 2025 totalled EUR 8.7 (H2/2024 2.9) million and for the full year of 2025 totalled EUR 11.8 (5.8) million. Capital Expenditure was mainly incurred to sustain Group operations.

## IMPAIRMENT TESTING

Afarak Group has carried out impairment testing on goodwill and other assets as of 31 December 2025 for the Speciality Alloys business and the South African minerals processing business.

During H2 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 year 2025, Afarak had 626 (602) employees. The average number of employees during the year 2025 was 623 (594).

## PLEDGES AND CONTINGENT LIABILITIES

On 31 December 2025, the Group had loans from financial institutions totaling EUR 3.0 (2.3) million. The Group has provided real estate mortgages and other assets as collateral, and corporate guarantees for a combined total carrying value of EUR 11.7 (8.3) million.

## SUSTAINABILITY

There were no fatal accidents during 2025. The Board has taken seriously the incidents which have taken place in previous years to ensure that similar incidents do not happen in the future. Our goal is to ensure that our employees work in a safe environment at all times.

## SHARES & SHAREHOLDERS

On 31 December 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 31 December 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 31 December 2025, was 261,400,300 (261,000,300).

At the beginning of the period under review as at December 2024, 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 as at December 2025, the share price was EUR 0.26 and GBP 0.20 respectively. During the second half of 2025, the Company's share price on NASDAQ Helsinki ranged from EUR 0.28 to 0.33 per share and the market capitalisation, as at 31 December 2025, was EUR 72.03 (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 63.5 (1 January 2025: 55.41) million, as at 31 December 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 on 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.

#### THE 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

## OTHER INFORMATION

Afarak Group SE has, on 3 June 2025, a total of 277,041,814 shares and votes and the Company holds in total 15,641,514 of its own shares in treasury.

## 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.

On **24 October 2025**- Afarak's subsidiaries were commissioning a chrome ore processing plant at their Vlakpoort Mine, with the first concentrate expected during the last week of October. The plant has a capacity of 10.000 tons of concentrate per month, producing a metallurgical grade 40% chrome concentrate.

The plant will initially operate for 12hours per day driven by green energy, as it is equipped with a Photo Voltaic solar plant, and batteries which allows the washing activities to be independent from the power grid. As a back-up, diesel generators have also been installed.

The Vlakpoort Mine is situated on the Northern part of the western limb of the Bushveld complex in South Africa. The property has a minimum proven resource of 6.656m tons of chrome and 330,314 ounces of PGM. This includes the underground potential. The resource consists of the LG1-6, MG1-4 and the UG1- 2 and Merensky reefs.

Guy Konsbruck, CEO of Afarak Group, said, "Afarak continues on its path to further improve its value chain and increase its production of Chrome ore concentrate. At a later stage, the washing plant can be completed with a PGM recovery plant. I Congratulate our South African team for the professional and timely implementation of this project. We are particularly thrilled to have this new plant operate mostly on solar power."

On **6 November 2025**- Afarak published information as per Financial Supervisory Authority (FIN-FSA) request to inform its shareholders accordingly regarding the matter against Dr Danko Koncar whereby FIN-FSA ordered supplementary amounts of conditional fines even though this is not a company matter.

## EVENTS SINCE THE END OF THE REVIEW PERIOD

On **20 January 2026**- Afarak Group SE has issued a flagging notification relating to Jorma Nieminen whose ownership combined with those of his companies 4capes Oy and Osuusasunnot Oy in Afarak's shares has exceeded the 5 percent threshold.

## FLAGGING NOTIFICATIONS

On **20 January 2026**- Afarak Group SE has issued a flagging notification pursuant to Chapter 9, Section 5 of the Finnish Securities Markets Act, stating that the combined ownership of Jorma Nieminen and his companies 4capes Oy and Osuusasunnot Oy in Afarak's shares has exceeded the 5 percent threshold.

According to the notification, the direct and indirect shareholding of Jorma Nieminen in Afarak has increased to 13,897,071 shares, corresponding to 5.02 percent of Afarak's total number of shares and voting rights.

## FINANCIAL INFORMATION

### FINANCIAL TABLES

#### FINANCIAL DEVELOPMENT AND ASSETS AND LIABILITIES BY SEGMENT

<b>FY 2025</b> 12 months EUR '000	Speciality Alloys	Ferro Alloys	Unallocated items	Eliminations	Group total
Revenue	130,892	9,944	2,747	-2,305	141,278
EBITDA	4,314	-1,323	-3,203	0	-212
EBIT	2,325	-1,554	-3,383	0	-2,612
Segment's assets	150,481	42,451	6,114	-50,944	148,102
Segment's liabilities	44,426	44,931	23,780	-60,860	52,277

<b>FY 2024</b> 12 months EUR '000	Speciality Alloys	Ferro Alloys	Unallocated items	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

	H1/23	H2/23	H1/24	H2/24	H1/25	H2/25
<b>Sales (tonnes)</b>						
Mining	56,150	63,616	68,107	64,920	52,412	90,237
Processing	12,881	7,854	11,922	9,837	15,354	13,053
Trading	23	142	275	0	0	0
<b>Total</b>	<b>69,054</b>	<b>71,612</b>	<b>80,304</b>	<b>74,757</b>	<b>67,766</b>	<b>103,290</b>
<b>Average rates*</b>						
EUR/USD	1.081	1.082	1.081	1.083	1.093	1.130
EUR/ZAR	19.679	20.229	20.248	19.425	20.082	2.179
<b>Euro (million)</b>						
Revenue	95.3	58.3	71.4	57.2	77.1	64.2
EBITDA	15.1	1.5	4.2	-1.6	6.9	-7.1
EBIT	14.4	0.6	3.1	-3.2	5.9	-8.5
EBITDA margin	15.8 %	2.5 %	5.9%	-2.9%	9.0%	-11.1%
EBIT margin	15.1 %	1.1 %	4.3%	-5.6%	7.7%	-13.3%

\*Average rates in the respective half year

## CONSOLIDATED INCOME STATEMENT, SUMMARY

EUR '000	H2/25	H2/24	FY/25	FY/24
<b>Revenue</b>	<b>64,210</b>	<b>57,227</b>	<b>141,279</b>	<b>128,641</b>
Other operating income	4,221	4,030	8,141	5,405
Operating expenses	-75,542	-62,889	-149,632	-131,439
Depreciation and amortisation	<u>-1,419</u>	<u>-1,594</u>	<u>-2,400</u>	<u>-2,753</u>
<b>Operating loss</b>	<b>-8,530</b>	<b>-3,226</b>	<b>-2,612</b>	<b>-146</b>
Financial income and expense	-2,432	-3,944	-4,912	-5,151
<b>Loss before tax</b>	<b>-10,962</b>	<b>-7,170</b>	<b>-7,524</b>	<b>-5,297</b>
Income tax	<u>-417</u>	<u>-583</u>	<u>-1,415</u>	<u>-1,921</u>
<b>Loss for the period</b>	<b>-11,379</b>	<b>-7,753</b>	<b>-8,939</b>	<b>-7,218</b>
Loss attributable to				
Owners of the parent	-10,988	-7,787	-8,933	-7,572
Non-controlling interests	<u>-391</u>	<u>34</u>	<u>-6</u>	<u>354</u>
Total	-11,379	-7,753	-8,939	-7,218
Earnings per share for profit attributable to the shareholders of the parent company, EUR				
Basic earnings per share, EUR	-0.04	-0.03	-0.03	-0.03
Diluted earnings per share, EUR	-0.04	-0.03	-0.03	-0.03

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

EUR '000	H2/25	H2/24	FY2025	FY2024
<b>Loss for the period</b>	<b>-11,379</b>	<b>-7,753</b>	<b>-8,939</b>	<b>-7,218</b>
<b>Other comprehensive income</b>				
Remeasurement of defined benefit pension plans	863	1,166	863	1,166
Exchange differences on translating foreign operations – Group	2,986	1,976	-8,195	4,587
<b>Other comprehensive income, net of tax</b>	<b>3,849</b>	<b>3,142</b>	<b>-7,332</b>	<b>5,753</b>
<b>Total comprehensive income for the period</b>	<b>-7,530</b>	<b>-4,611</b>	<b>-16,271</b>	<b>-1,465</b>
Total comprehensive income attributable to:				
Owners of the parent	-7,165	-4,630	-16,238	-1,796
Non-controlling interests	-365	19	-33	331

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION, SUMMARY

	31.12.2025	31.12.2024
<b>ASSETS</b>		
<b>Non-current assets</b>		
Goodwill	45,223	49,779
Other intangible assets	5,091	4,942
Property, plant and equipment	48,547	46,925
Deferred tax	980	478
Other non-current assets	<u>1,630</u>	<u>1,679</u>
<b>Non-current assets total</b>	<b>101,471</b>	<b>103,803</b>
<b>Current assets</b>		
Inventories	18,856	28,829
Trade receivables	12,267	7,502
Other receivables	8,183	17,514
Cash and cash equivalents	<u>7,325</u>	<u>3,954</u>
<b>Current assets total</b>	<b>46,631</b>	<b>57,799</b>
<b>Total assets</b>	<b>148,102</b>	<b>161,602</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to owners of the parent</b>		
Share capital	1,000	23,642
Share premium reserve	105	25,364
Paid-up unrestricted equity reserve	263,471	215,556
Legal Reserve	1,517	-47
Translation reserves	-46,241	-38,073
Retained earnings	<u>-124,017</u>	<u>-114,397</u>
<b>Equity attributable to owners of the parent</b>	<b>95,836</b>	<b>112,045</b>
<b>Non-controlling interests</b>	<b><u>-10</u></b>	<b><u>23</u></b>
<b>Total equity</b>	<b>95,826</b>	<b>112,068</b>
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
Deferred tax liabilities	4,825	8,283
Provisions	9,574	11,776
Pension liabilities	9,927	11,249
Financial liabilities	<u>581</u>	<u>357</u>
<b>Non-current liabilities total</b>	<b>24,907</b>	<b>31,665</b>
<b>Current liabilities</b>		
Trade payables	14,525	7,075
Other current liabilities	<u>12,844</u>	<u>10,794</u>
<b>Current liabilities total</b>	<b>27,369</b>	<b>17,869</b>
<b>Total liabilities</b>	<b>52,276</b>	<b>49,534</b>
<b>Total equity and liabilities</b>	<b>148,102</b>	<b>161,602</b>

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

EUR '000	31.12.2025	31.12.2024
<b>Cash and cash equivalents</b>	<b>7,325</b>	<b>3,954</b>
Interest-bearing receivables		
Current	0	0
Non-current	59	83
<b>Interest-bearing receivables</b>	<b>59</b>	<b>83</b>
Interest-bearing liabilities		
Current	2,841	2,260
Non-current	559	335
<b>Interest-bearing liabilities</b>	<b>3,400</b>	<b>2,595</b>
<b>NET TOTAL</b>	<b>3,984</b>	<b>1,442</b>

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

EUR '000	Property, plant and equipment	Intangible assets
<b>Acquisition cost 1.1.2025</b>	<b>84,673</b>	<b>136,174</b>
Additions	10,927	512
Disposals	-5,068	-320
Right-of-use assets (IFRS 16)	401	0
Reclass between items	-740	-374
Effect of movements in exchange rates	-1,047	-13,176
Hyperinflation adjustment (Turkish entities)	-44	0
<b>Acquisition cost 31.12.2025</b>	<b>89,102</b>	<b>122,816</b>
<b>Accumulated depreciation and impairment 1.1.2025</b>	<b>-37,747</b>	<b>-81,454</b>
Depreciation	-2,296	-105
Disposals	142	434
Effect of movements in exchange rates	-654	8,622
<b>Accumulated depreciation and impairment at 31.12.2025</b>	<b>-40,555</b>	<b>-72,503</b>
<b>Carrying amount at 1.1.2025</b>	<b>46,925</b>	<b>54,721</b>
<b>Carrying amount at 31.12.2025</b>	<b>48,547</b>	<b>50,313</b>
<b>Acquisition cost 1.1.2024</b>	<b>68,540</b>	<b>128,247</b>
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	7,317
Hyperinflation adjustment (Turkish entities)	8,384	55
<b>Acquisition cost 31.12.2024</b>	<b>84,673</b>	<b>136,174</b>
<b>Accumulated depreciation and impairment 1.1.2024</b>	<b>-31,041</b>	<b>-76,606</b>
Depreciation	-2,650	-104
Disposals	40	4
Effect of movements in exchange rates	-4,096	-4,748
<b>Accumulated depreciation and impairment at 31.12.2024</b>	<b>-37,747</b>	<b>-81,454</b>
<b>Carrying amount at 1.1.2024</b>	<b>37,497</b>	<b>51,640</b>
<b>Carrying amount at 31.12.2024</b>	<b>46,925</b>	<b>54,721</b>

## CONSOLIDATED STATEMENT OF CASH FLOWS, SUMMARY

EUR '000	FY2025	FY2024
Loss from continuing operation	-8,939	-7,218
Adjustments to profit for the period	-63	-9,713
Changes in working capital	11,764	10,636
<b>Net cash used in operating activities</b>	<b>2,762</b>	<b>-6,295</b>
Capital expenditure on non-current assets, net	-45	-5,687
Other investments, net	2	-15
Proceeds from repayments of loans and loans given	493	-1,495
<b>Net cash used in investing activities</b>	<b>450</b>	<b>-7,197</b>
Proceeds from borrowings	0	3
Repayment of borrowings, and other financing activities	0	-49
Movement in short-term financing activities*	864	-602
<b>Net cash from / used in financing activities</b>	<b>864</b>	<b>-648</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>4,076</b>	<b>-14,140</b>
Cash at the beginning of the period	3,954	18,032
Translation differences	-705	62
Cash at the end of the period	7,325	3,954
<b>Change in the statement of financial position</b>	<b>4,076</b>	<b>-14,140</b>

\*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
<b>Equity at 31.12.2023</b>	<b>23,642</b>	<b>25,223</b>	<b>215,359</b>	<b>-42,683</b>	<b>-115,512</b>	<b>18</b>	<b>106,047</b>	<b>-306</b>	<b>105,741</b>
Profit for the period 1-12/2024 + comprehensive income				4,610	-7,572		-2,962	353	-2,609
Translation differences					-4		-4	-23	-27
Share-based payments			197				197		197
Remeasurements of defined benefit pension plans					1,166		1,166		1,166
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						-65	-65		-65
<b>Equity at 31.12.2024</b>	<b>23,642</b>	<b>25,364</b>	<b>215,556</b>	<b>-38,073</b>	<b>-114,397</b>	<b>-47</b>	<b>112,045</b>	<b>23</b>	<b>112,068</b>
Profit for the period 1-12/2025 + comprehensive income				-8,168	-8,933		-17,101	-6	-17,107
Translation differences		-35	42				7	-27	-20
Share-based payments			8				8	0	8
Remeasurements of defined benefit pension plans					863		863	0	863
Acquisition and disposals of subsidiaries					3		3	0	3
Reclassification between reserves					-1,553	1,503	-50	0	-50
Reduction of Share capital and Share Premium	-22,642	-25,223	47,865				0	0	0
Other changes in equity						61	61	0	61
<b>Equity at 31.12.2025</b>	<b>1,000</b>	<b>105</b>	<b>263,471</b>	<b>-46,241</b>	<b>-124,017</b>	<b>1,517</b>	<b>95,836</b>	<b>-10</b>	<b>95,826</b>

## RELATED PARTY TRANSACTIONS DURING THE REVIEW PERIOD

EUR '000	FY2025	FY2024
Financing expense to other related parties	0	0
Trade and other receivables from other related parties	62	52
Loan payable to other related party	0	0

## FINANCIAL INDICATORS

	FY2025	FY2024
Return on equity, % p.a.	-8.6%	-6.6%
Return on capital employed, % p.a.	3.7%	2.6%
Equity ratio, %	64.7%	69.3%
Gearing, %	-4.1%	-1.2%
Personnel at the end of the period	626	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

	FY2025	FY2024
TRY	44.8161	35.5734
USD	1.1300	1.0824
ZAR	20.1789	19.8297

Balance sheet rates

	31.12.2025	31.12.2024
TRY	50.4838	36.7372
USD	1.175	1.0389
ZAR	19.4439	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.

IAS 29 Financial Reporting in Hyperinflationary Economies applies where an entity's functional currency is that of a hyperinflationary economy. The standard requires the financial statements of an entity with a functional currency that is hyperinflationary to be restated for the changes in the general pricing power of the functional currency. The Group assessed the impact of IAS 29, and as of 31 December 2024, the standard has been applied to the annual consolidated financial statements.

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 is unaudited.

## SHARE-RELATED KEY FIGURES

		H2/2025	H2/2024	FY2025	FY 2024
<b>Share price development in London Stock Exchange</b>					
Average share price*	EUR	0.23	0.24	0.23	0.24
	GBP	0.20	0.20	0.20	0.20
Lowest share price*	EUR	0.00	0.00	0.00	0.00
	GBP	0.00	0.00	0.00	0.00
Highest share price*	EUR	0.23	0.24	0.23	0.24
	GBP	0.20	0.20	0.20	0.20
Share price at the end of the period**	EUR	0.23	0.24	0.23	0.24
	GBP	0.20	0.20	0.20	0.20
Market capitalisation at the end of the period**	EUR million	63.50	66.82	63.50	66.82
	GBP million	55.41	55.41	55.41	55.41
<b>Share trading development</b>					
Share turnover	thousand shares	0	0	0	0
Share turnover	EUR thousand	0	0	0	0
Share turnover	GBP thousand	0	0	0	0
Share turnover	%	0.00	0.00	0.00	0.00
<b>Share price development in NASDAQ Helsinki</b>					
Average share price	EUR	0.28	0.26	0.31	0.31
Lowest share price	EUR	0.24	0.22	0.24	0.22
Highest share price	EUR	0.33	0.42	0.38	0.42
Share price at the end of the period	EUR	0.26	0.29	0.26	0.29
Market capitalisation at the end of the period	EUR million	72.03	80.34	72.03	80.34
Share trading development					
Share turnover	thousand shares	10,191	9,791	19,413	23,635
Share turnover	EUR thousand	2,820	2,625	5,698	7,494
Share turnover	%	3.68	3.53	7.01	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.