Interim Financial Statements

H1 2026

AFARAK

FINANCIAL INTERIM RELEASE H1 2026

		H1/26	H1/25	2025
Revenue	EUR million	57.1	77.1	141.3
EBITDA	EUR million	1.6	6.9	-0.2
EBIT	EUR million	0.5	5.9	-2.6
Earnings before taxes	EUR million	0.1	3.4	-7.5
(Loss) / Profit for the period	EUR million	-0.7	2.4	-8.9
Earnings per share	EUR	0.00	0.01	-0.03
EBITDA margin		2.8%	9.0%	-0.2
EBIT margin		0.8%	7.7%	-1.8
Earnings margin		0.2%	4.5%	-5.3
Personnel (end of period)		625	613	626

FIRST HALF 2026 HIGHLIGHTS

- The Group recorded an improved performance during H1 2026 compared with H2 2025;
- Revenue decreased by 25.9% to EUR 57.1 (H1/2025: 77.1) million;
- Processed material sold decreased by 25.9% to 11,372 (H1/2025: 15,354) tonnes;
- Tonnage mined decreased by 12.8% to 130,256 (H1/2025: 149,410) tonnes;
- The Group's EBITDA was EUR 1.6 (H1/2025: 6.9) million and the EBITDA margin was 2.8% (H1/2025: 9%);
- EBIT was EUR 0.5 (H1/2025: 5.9) million, with the EBIT margin at 0.8% (H1/2025: 7.7%);
- Net financial items were negatively impacted by a fair value adjustment of EUR 0.5 million under IFRS 9 on outstanding foreign exchange forward contracts as at 30 June 2026. This resulted in a loss for the period totalled EUR -0.7 (H1/2025: 2.4) million;
- Cash flow from operations stood at EUR 1.5 (H1/2025: 0.1) million;
- The interest-bearing debt amounted to EUR 4.4 (30 June 2025: 4.9) (31 December 2025: 3.4) million;
- Cash and cash equivalents at 30 June totalled EUR 4.9 (30 June 2025: 5.8) (31 December 2025: 7.3) million.

OUTLOOK FOR THE SECOND HALF OF 2026

The demand for standard grade low carbon ferro-chrome is expected to improve after the summer holiday, given the very low inventories of the industry at present. The weak US$ will continue to impact the profit margins, and cheap imports from Kazakhstan, Turkey, Brasil and India will continue to weigh on the market price development. The specialty segment may be seeing more substantial improvements in demand.

The South African chrome ore business is expected to remain stable. The concentrate production in the new Vlaakport mine wash plant is running smoothly. The demand for Cr Ore in China is continuously growing, and the prices have recently started to increase again after a decline during Q2 2026.

CEO Mr. Guy Konsbruck

The market conditions throughout 2026 have been very complicated. Whereas the prices of LC FeCr have improved on USD terms, there has been steep decline in consumption, especially in Europe, especially due to the automotive and the oil and gas sector. The disruptions caused by the Iran war and the Ukraine war impacted our customer base gravely.

As a consequence, we decided to reduce our LC FeCR production in order to match the output and the demand. We expect the demand to pick up as of September, especially if a resolution of the Iran conflict could be reached quickly. In the meantime, we are actively pursuing future business opportunities as an attempt of diversifying our activities and creating new revenue streams.

OVERVIEW OF RESULTS

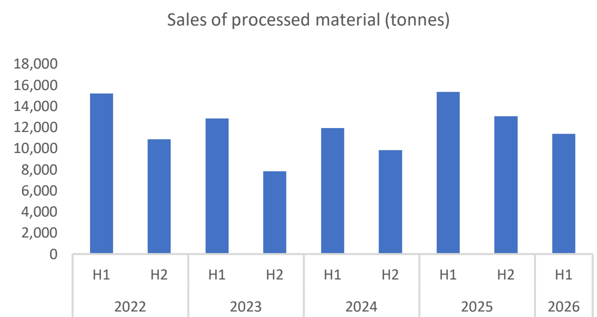
This Interim Report is prepared in accordance with the IAS 34 standard and is unaudited. All the corresponding comparable figures of 2025 are presented in brackets, unless otherwise explicitly stated.

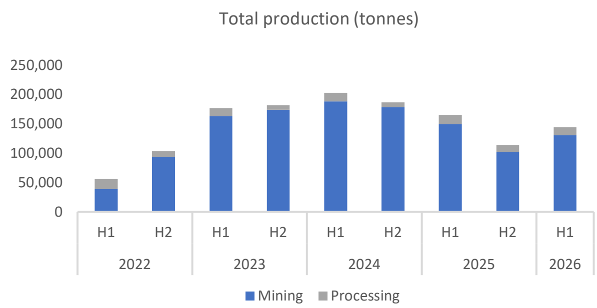
MARKET OVERVIEW

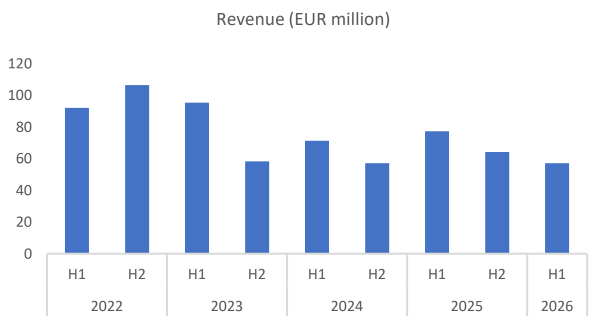
In H1 2026, the stainless-steel industry continued to face significant challenges, especially in the EU, with overall market conditions remaining difficult but with a 2.5% WW increase compared to 2025, the majority of the production took place in Asia with the highest production reported in China. The Low carbon ferrochrome prices for standard grade maintained a stable baseline during H1 2026 pricing. The European market experienced tight supplies of Ferrochrome due to the implementation of the CBAM mechanism. During H1 2026 the chrome ore prices have increased driven by a cost pressure trend, but the prices decreased during Q2 due to a slow market demand, high inventory levels, and a short terms spot purchasing policy driving the market.

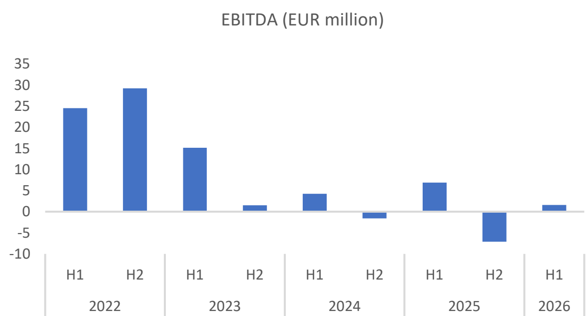
FIRST HALF 2026 COMPARED TO FIRST HALF 2025

Group revenue decreased by 25.9% in the first half of 2026, driven by low market demand for Low Carbon Ferrochrome resulted in reduced sales volumes. However, average selling prices increased compared to same period last year, partially offsetting the impact of lower sales volumes. As a result production at the processing plant in Germany was reduced to manage inventory levels. While raw material and energy costs were lower, profitability was adversely affected by higher unabsorbed fixed costs resulting from lower production levels. Mining activity in both Turkey and South Africa were lower year-on-year. The Group achieved positive EBITDA of EUR 1.6 (6.9) million. Net financial income and expenditure for the first half of the year totalled EUR -0.3 million (-1.2) million, including a EUR 0.5 million negative fair value adjustment under IFRS 9 on outstanding foreign exchange forward contracts as at 30 June 2026.









SEGMENT PERFORMANCE

SPECIALITY ALLOYS BUSINESS

The Speciality Alloys business consists of Türk Maadin 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

		H1/26	**H1/ 25**	**2025**
Revenue	EUR million	53.0	72.0	130.9
EBITDA	EUR million	4.9	5.9	4.3
EBIT	EUR million	3.9	5.0	2.3
EBITDA margin	%	9.2	8.1	3.3
EBIT margin	%	7.3	6.9	1.8
Total sales	**Tonnes**	**26,629**	**27,833**	**57,973**
Mining	Tonnes	15,257	12,479	29,566
Processing	Tonnes	11,372	15,354	28,407
Total production	**Tonnes**	**50,422**	**56,154**	**105,432**
Mining	Tonnes	36,660	40,228	77,806
Processing	Tonnes	13,762	15,926	27,626
Personnel		509	501	500

PERFORMANCE COMPARED TO FIRST HALF 2026/2025

- Revenue during the first half of 2026 decreased by 26.4% to EUR 53.0 (72.0) million.
- Processing levels at the EWW plant in Germany were 13.6% lower than last year;
- The mining production at TMS declined due to a maintenance carried out at one of the Turkish mines;
- Despite market challenges the segment resulted in a positive EBITDA of EUR 4.9 (5.9) 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

		H1/26	H1/ 25	2025
Revenue	EUR million	4.1	4.8	9.9
EBITDA	EUR million	-1.9	2.6	-1.3
EBIT	EUR million	-2.0	2.5	-1.6
EBITDA margin	%	-45.6	54.7	-13.3
EBIT margin	%	-48.5	52.4	-15.6
Total sales	**Tonnes**	**29,860**	**39,933**	**113,083**
Mining	Tonnes	29,860	39,933	113,083
Processing	Tonnes	0	0	0
Total production	**Tonnes**	**93,596**	**109,182**	**173,451**
Mining	Tonnes	93,596	109,182	173,451
Personnel		103	94	105

PERFORMANCE COMPARED TO FIRST HALF 2026/2025

- Revenue decreased during the first half of 2026 due to lower mining activity in the South African mines;
- EBITDA stood at EUR -1.9 (2.6) million.

UNALLOCATED ITEMS

For the first half of 2026, the EBITDA from unallocated items was EUR -1.4 (-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 2026 stood at EUR 158.4 (151.8) (31 December 2025: 148.1) million and net assets totaled EUR 95.6 (103.4) (31 December 2025: 95.8) million. During the first half of 2026, currency movements had an effect on Afarak's balance sheet, with the translation reserve moving by EUR 1.9 (-11.1) million due to the fluctuations in the foreign exchange rates. The Group's cash and cash equivalents, as at 30 June 2026, totalled EUR 4.9 (5.8) million (31 December 2025: 7.3). Operating cash flow in the first half of the year was EUR 1.5 (0.1) million.

The equity ratio was 60.4% (68.1%) (31 December 2025: 64.7%). Afarak's gearing at the end of June 2026 was -0.6% (-0.8%) (31 December 2025: -4.1%) while the interest-bearing debt was EUR 4.4 (4.9) (31 December 2025: 3.4) million.

INVESTMENTS, ACQUISITIONS AND DIVESTMENTS

Capital expenditure for the first half of 2026 increased to EUR 4.4 (3.0) million to sustain Group operations.

IMPAIRMENT TESTING

Afarak Group has carried out impairment testing on goodwill and other assets as of 30 June 2026 for the Speciality Alloys business and the South African mining business.

During H1 2026, 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 2026, Afarak had 625 (613) employees. The average number of employees during the first half of 2026 was 624 (605).

SUSTAINABILITY

The company has not had any major incident during H1/2026.

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 2026, the registered number of Afarak Group SE shares was 277,041,814 (277,041,814) and the share capital was EUR 1,000,000 (1,000,000).

On 30 June 2026, 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 2026, was 261,400,300 (261,000,300).

At the beginning of the period under review, the Company's share price was EUR 0.26 on NASDAQ Helsinki and GBP 0.20 on the London Stock Exchange. At the end of the review period, the share price was EUR 0.25 and GBP 0.224 respectively. During the first half of 2026, the Company's share price on NASDAQ Helsinki ranged from EUR 0.23 to 0.51 per share and the market capitalisation, as at 30 June 2026, was EUR 69.26 (1 January 2025: 72.03) million. For the same period on the London Stock Exchange, the share price increased to GBP 0.224 from GBP 0.20 per share and the market capitalisation was GBP 62.06 (1 January 2025: 55.41) million, as at 30 June 2026.

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 9 June 2026.

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 2025.

The AGM resolved that no dividend would be paid for 2025. The AGM authorized the Board of Directors to resolve in its discretion on the distribution of an aggregate maximum of EUR 0.01 per share as dividend from the retained earnings and/or as assets from the reserve for invested unrestricted equity. The authorization is valid until the next Annual General Meeting in 2027. 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) were re-elected as Board members.

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.

AUTHORIZATION TO THE BOARD OF DIRECTORS TO DECIDE UPON SHARE ISSUE AND UPON ISSUING OTHER SPECIAL RIGHTS THAT ENTITLE TO SHARES

The AGM resolved to authorize the Board of Directors to issue shares and stock options and other special rights that entitle to shares in one or more tranches up to a maximum of 250,000,000 new shares or shares owned by the Company. This equates to approximately 90.24% of the Company's currently registered shares. The authorization may be used among other things to raise additional finance and enabling corporate and business acquisitions or other arrangements and investments of business activity or for employee incentive and commitment schemes. By virtue of the authorization, the Board of Directors can decide both on share issues against payment and on share issues without payment. The payment of the subscription price can also be made with consideration other than money. The authorization contains the right to decide on derogating from shareholders' pre-emptive right to share subscriptions provided that the conditions set in the Finnish Companies' Act are fulfilled. The authorization replaces all previous authorizations and it is valid two (2) years from the decision of the Annual General Meeting.

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 had a total of 277,041,814 shares and votes and the Company held in total 15,641,514 of its own shares in treasury as at the date of the AGM.

FLAGGING NOTIFICATION

Afarak Group SE has on 19 January 2026 received a flagging notification from Jorma Nieminen 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.

REPORTING

EVENTS DURING THE REVIEW PERIOD

There are no events to report during the period under review.

EVENTS SINCE THE END OF THE REVIEW PERIOD

On **1 July 2026**, Afarak Group announced that together with its group companies is evaluating the potential acquisition of the metal factory of ABS SISAK d.o.o. located in Sisak, Croatia.

FINANCIAL INFORMATION

FINANCIAL TABLES

FINANCIAL DEVELOPMENT AND ASSETS AND LIABILITIES BY SEGMENT

H1/26 6 months EUR'000	**Speciality Alloys**	**Ferro Alloys**	**Unallocated**	**Eliminations**	**Group total**
Revenue	53,009	4,074	1,005	-971	**57,117**
EBITDA	4,859	-1,859	-1,428	0	**1,572**
EBIT	3,871	-1,975	-1,444	0	**452**
Segment's assets	158,377	46,906	3,333	-50,227	**158,389**
Segment's liabilities	49,868	50,317	22,530	-59,933	**62,782**

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**

2025 12 months EUR'000	**Speciality Alloys**	**Ferro Alloys**	**Unallocated**	**Eliminations**	**Group total**
Revenue	130,892	9,944	2,747	-2,304	**141,279**
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**

RESULTS DEVELOPMENT

	H1/23	H2/23	H1/24	H2/24	H1/25	H2/25	H1/26
Sales (tonnes)							
Mining	56,150	63,616	68,107	64,920	52,412	90,237	45,117
Processing	12,881	7,854	11,922	9,837	15,354	13,053	11,372
Trading	23	142	275	0	0	0	0
Total	**69,054**	**71,612**	**80,304**	**74,757**	**67,766**	**103,290**	**56,490**
Average rates*							
EUR/USD	1.081	1.082	1.081	1.083	1.093	1.130	1.166
EUR/ZAR	19.679	20.229	20.248	19.425	20.082	20.224	19.140
Euro (million)							
Revenue	95.3	58.3	71.4	57.2	77.1	64.2	57.1
EBITDA	15.1	1.5	4.2	-1.6	6.9	-7.1	1.6
EBITDA margin	15.8%	2.5%	5.9%	-2.9%	9.0%	-11.1%	2.8%
EBIT	14.4	0.6	3.1	-3.2	5.9	-8.5	0.5
EBIT margin	15.1%	1.1%	4.3%	-5.6%	7.7%	-13.3%	0.8%

*Average rates in the respective half year

CONSOLIDATED INCOME STATEMENT, SUMMARY

EUR '000	H1/26	H1/ 25	2025
Revenue	**57,117**	**77,069**	**141,279**
Other operating income	444	3,920	8,141
Operating expenses	-55,989	-74,090	-149,632
Depreciation and amortisation	-1,121	-981	-2,400
Impairment	1	0	0
Operating profit	**452**	**5,917**	**-2,612**
Financial income and expense	-322	-2,480	-4,912
Profit before tax	**130**	**3,437**	**-7,524**
Income tax	-796	-997	-1,415
Profit for the period	**-666**	**2,440**	**-8,939**
Profit attributable to			
Owners of the parent	-473	2,055	-8,933
Non-controlling interests	-193	385	-6
Total	**-666**	**2,440**	**-8,939**
Earnings per share for profit attributable to the shareholders of the parent company, EUR			
Basic earnings per share, EUR	0.00	0.01	-0.03
Diluted earnings per share, EUR	0.00	0.01	-0.03

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

EUR '000	H1/26	H1/25	2025
Profit for the period	**-666**	**2,440**	**-8,939**
Other comprehensive income			
Remeasurement of defined benefit pension plans	0	0	863
Exchange differences on translating foreign operations – Group	1,838	-11,182	-8,195
Other comprehensive income/(loss), net of tax	**1,838**	**-11,182**	**-7,332**
Total comprehensive income for the period	**1,172**	**-8,742**	**-16,271**
Total comprehensive income attributable to:			
Owners of the parent	1,379	-9,074	-16,238
Non-controlling interests	-207	332	-33

CONSOLIDATED STATEMENT OF FINANCIAL POSITION, SUMMARY

EUR '000	30.6.2026	30.6.2025	31.12.2025
ASSETS			
Non-current assets			
Goodwill	46,664	44,840	45,223
Other intangible assets	5,488	4,841	5,091
Property, plant and equipment	52,919	44,106	48,547
Deferred tax	937	311	980
Other non-current assets	1,919	1,804	1,630
Non-current assets total	**107,927**	**95,902**	**101,471**
Current assets			
Inventories	25,380	20,532	18,856
Trade receivables	11,620	12,909	12,267
Other receivables	8,547	16,671	8,183
Cash and cash equivalents	4,915	5,814	7,325
Current assets total	**50,462**	**55,926**	**46,631**
Total assets	**158,389**	**151,828**	**148,102**
EQUITY AND LIABILITIES			
Equity attributable to owners of the parent			
Share capital	1,000	1,000	1,000
Share premium reserve	100	111	105
Paid-up unrestricted equity reserve	262,164	263,429	263,471
Legal reserve	1,441	-37	1,517
Translation reserves	-44,389	-49,201	-46,241
Retained earnings	-124,490	-112,293	-124,017
Equity attributable to owners of the parent	**95,826**	**103,009**	**95,836**
Non-controlling interests	**-218**	**355**	**-10**
Total equity	**95,608**	**103,364**	**95,826**
Liabilities			
Non-current liabilities			
Deferred tax liabilities	5,026	4,529	4,825
Provisions	10,604	7,408	9,574
Pension liabilities	9,654	10,951	9,927
Financial liabilities	632	422	581
Non-current liabilities total	**25,916**	**23,310**	**24,907**
Current liabilities			
Trade payables	14,601	12,119	14,525
Other current liabilities	22,265	13,036	12,844
Current liabilities total	**36,866**	**25,154**	**27,369**
Total liabilities	**62,782**	**48,464**	**52,276**
Total equity and liabilities	**158,389**	**151,828**	**148,102**

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

EUR '000	30.6.2026	30.6.2025	31.12.2025
Cash and cash equivalents	**4,915**	**5,814**	**7,325**
Interest-bearing receivables			
Current	0	0	0
Non-current	216	80	59
Interest-bearing receivables	**216**	**80**	**59**
Interest-bearing liabilities			
Current	3,769	4,540	2,841
Non-current	607	401	559
Interest-bearing liabilities	**4,376**	**4,941**	**3,400**
NET TOTAL	**755**	**953**	**3,984**

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

EUR '000	Property, plant and equipment	Intangible Assets
Acquisition cost 1.1.2026	**89,102**	**122,816**
Additions	3,834	305
Disposals	-8	227
Right-of-use assets (IFRS 16)	236	0
Reclass between items	213	0
Effect of movements in exchange rates	-427	3,333
Acquisition cost 30.6.2026	**92,950**	**126,681**
Accumulated depreciation and impairment 1.1.2026	**-40,555**	**-72,503**
Depreciation	-1,025	-97
Disposals	13	0
Effect of movements in exchange rates	1,536	-1,930
Accumulated depreciation and impairment at 30.6.2026	**-40,031**	**-74,531**
Carrying amount at 1.1.2026	**48,547**	**50,313**
Carrying amount at 30.6.2026	**52,919**	**52,151**
Acquisition cost 1.1.2025	**84,673**	**136,174**
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
Acquisition cost 31.12.2025	**89,102**	**122,816**
Accumulated depreciation and impairment 1.1.2025	**-37,747**	**-81,454**
Depreciation	-2,296	-105
Disposals	142	434
Effect of movements in exchange rates	-654	8,622
Accumulated depreciation and impairment at 31.12.2025	**-40,555**	**-72,503**
Carrying amount at 1.1.2025	**46,925**	**54,721**
Carrying amount at 31.12.2025	**48,547**	**50,313**

CONSOLIDATED STATEMENT OF CASH FLOWS, SUMMARY

EUR '000	**H1/26**	**H1/25**	**2025**
Net profit	-666	2,440	-8,939
Adjustments to net profit	1,029	-5,750	-63
Changes in working capital	1,155	3,423	11,764
Net cash from operating activities	**1,518**	**112**	**2,762**
Capital expenditure of non-current assets, net:	-4,343	-237	-45
Other investments, net	-164	-23	2
Repayments of loan receivables and loan given, net	1,045	-63	493
Net cash from investing activities	**-3,462**	**-323**	**450**
Capital Redemption	-1,307	0	0
Movement in short term financing activities*	844	2,651	864
Net cash used in financing activities	**-463**	**2,651**	**864**
Net increase in cash and cash equivalents	**-2,407**	**2,440**	**4,076**
Cash at the beginning of the period	7,325	3,954	3,954
Translation differences	-3	-580	-705
Cash at the end of the period	4,915	5,814	7,325
Change in the statement of financial position	**-2,407**	**2,440**	**4,076**

*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 31.12.2024	**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**	**110**	**263,429**	**-49,201**	**-112,293**	**-37**	**103,009**	**355**	**103,364**
Profit for the period 7-12/2025 + comprehensive income				2,960	-10,987		**-8,027**	-391	**-8,418**
Translation differences		-35	42				**7**	26	**33**
Remeasurements of defined benefit pension plans					863		**863**	0	**863**
Share-based payments							**0**	0	**0**
Disposal of non-controlling interest					-47		**-47**	0	**-47**
Reclassification between reserves					-1,553	1,503	**-50**	0	**-50**
Other changes in equity		30				51	**81**	0	**81**
Equity at 31.12.2025	**1,000**	**105**	**263,471**	**-46,241**	**-124,017**	**1,517**	**95,836**	**-10**	**95,826**
Profit for the period 1-6/2026 + comprehensive income				1,852	-473		**1,379**	-193	**1,186**
Translation differences		-5					**-5**	-14	**-19**
Capital redemption			-1,307				**-1,307**	0	**-1,307**
Other changes in equity						-77	**-77**	0	**-77**
Equity at 30.06.2026	**1,000**	**100**	**262,164**	**-44,389**	**-124,490**	**1,441**	**95,826**	**-218**	**95,608**

FORWARD FOREIGN EXCHANGE CONTRACTS NOT DESIGNATED IN HEDGE ACCOUNTING RELATIONSHIPS

The Group enters into forward foreign exchange contracts to manage its exposure to foreign currency risk arising from operational activities. These instruments are not designated in hedge accounting relationships and are measured at fair value through profit or loss in accordance with IFRS 9.

The following table presents outstanding forward foreign exchange contracts as at 30 June 2026 and 31 December 2025:

Type	Maturity	Average exchange rate	Foreign currency (USD '000)	Fair value (EUR '000)
30.06.2026				
Sell USD / Buy EUR	Less than 3 months	1.179	10,730	-273.8
Sell USD / Buy EUR	3 to 6 months	1.1762	11,000	-223.9
Sell USD / Buy EUR	More than 6 months	1.15	2,000	3.3
Total 30 June 2026		**1.1752**	**23,730**	**-494.5**
31.12.2025				
Sell USD / Buy EUR	Less than 3 months	1.1793	5,800	-14.4
Sell USD / Buy EUR	3 to 6 months	1.1843	3,500	-32.2
Total 31 December 2025		**1.1812**	**9,300**	**-46.6**

All contracts relate to selling USD and buying EUR.

The fair value represents the mark-to-market valuation based on observable market data, including ECB spot rates at the reporting date.

A net fair value loss of EUR 494.5 thousand on outstanding forward foreign exchange contracts was recognised in profit or loss as at 30 June 2026.

Derivative financial instruments

EUR '000	Assets 30 Jun 2026	Liabilities 30 Jun 2026	Assets 31 Dec 2025	Liabilities 31 Dec 2025
FX forwards	0	494.5	0	46.6
Total	**0**	**494.5**	**0**	**46.6**

RELATED PARTY TRANSACTIONS DURING THE REVIEW PERIOD

EUR '000	H1/26	H1/25	2025
Trade and other receivables from other related parties	70	56	62

FINANCIAL INDICATORS

	H1/26	H1/ 25	2025
Return on equity, % p.a.	-1.4%	4.5%	-8.6%
Return on capital employed, % p.a.	5.6%	16.6%	3.7%
Equity ratio, %	60.4%	68.1%	64.7%
Gearing, %	-0.6%	-0.8%	-4.1%
Personnel at the end of the period	625	613	626

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

	H1/26	H1/25	2025
TRY	52.0657	41.0912	44.8161
USD	1.1666	1.0927	1.1300
ZAR	19.1396	20.0823	20.1789

Balance sheet rates

	30.6.2026	30.6.2025	31.12.2025
TRY	53.1642	46.5682	50.4838
USD	1.1394	1.172	1.175
ZAR	18.6544	20.8411	19.4439

FORMULAS FOR FINANCIAL INDICATORS

Financial ratios and indicators have been calculated with the same principles as applied in the 2025 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 2025. Afarak has applied the same accounting principles in the preparation of this Interim Report as in its financial statements for 2025, except for the adoption of new standards and interpretations that become effective in 2026. 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

		H1/26	H1/25	2025
Share price development in London Stock Exchange				
Average share price*	EUR	0.26	0.23	0.23
	GBP	0.23	0.20	0.20
Lowest share price*	EUR	0.23	0.23	0.00
	GBP	0.20	0.20	0.00
Highest share price*	EUR	0.26	0.23	0.23
	GBP	0.22	0.20	0.20
Share price at the end of the period**	EUR	0.26	0.23	0.23
	GBP	0.22	0.20	0.20
Market capitalisation at the end of the period**	EUR million	72.01	64.77	63.50
	GBP million	62.06	55.41	55.41
Share trading development				
Share turnover	thousand shares	143	0.00	0.00
Share turnover	EUR thousand	38	0.00	0.00
Share turnover	GBP thousand	32	0.00	0.00
Share turnover	%	0.1	0.00	0.00
Share price development in NASDAQ Helsinki				
Average share price	EUR	0.32	0.31	0.31
Lowest share price	EUR	0.23	0.26	0.24
Highest share price	EUR	0.51	0.38	0.38
Share price at the end of the period	EUR	0.25	0.28	0.26
Market capitalisation at the end of the period	EUR million	69.26	77.57	72.03
Share trading development				
Share turnover	thousand shares	21,297	9,222	19,413
Share turnover	EUR thousand	6,813	2,878	5,698
Share turnover	%	7.7	3.3	7.01

* 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.