



07:00 London, 09:00 Helsinki, 10 November 2015 - Afarak Group Plc ("Afarak" or "the Company") (LSE: AFRK, OMX: AFAGR) Interim Report

## AFARAK GROUP PLC'S INTERIM REPORT FOR 1 JULY – 30 SEPTEMBER 2015

### Q3 HIGHLIGHTS (July-September 2015):

- Revenue increased by 10.3% to EUR 44.8 (Q3/2014: 40.6) million
- Processed material sold decreased by 23.9% to 20,059 (Q3/2014: 26,347) tonnes
- EBITDA was EUR 1.3 (Q3/2014: 2.1) million and the EBITDA margin was 2.8% (Q3/2014: 5.1%)
- Adjusted EBITDA was EUR 1.6 (Q3/2014: 0.9) million; adjusted EBITDA margin was 3.6% (Q3/2014: 2.2%)
- EBIT was EUR -0.7 (Q3/2014: 0.5) million and the EBIT margin was -1.5% (Q3/2014: 1.3%)
- Profit for the period totalled EUR -1.0 (Q3/2014: -0.7) million
- Production of processed material decreased by 4.0% to 19,348 (Q3/2014: 20,163) tonnes
- Tonnage mined increased by 154.0% to 127,004 (Q3/2014: 50,005) tonnes
- Cash flow from operations was EUR 9.9 (Q3/2014: 1.2) million and liquid funds at 30 September was EUR 22.3 (30 September 2014: 21.4) (30 June 2015: 10.5) million

KEY FIGURES (EUR million)	Q3/15	Q3/14	Change	Q1-Q3/15	Q1-Q3/14	Change	FY2014
Revenue	44.8	40.6	10.3%	138.5	131.1	5.7%	172.7
EBITDA	1.3	2.1	-39.7%	13.5	8.4	60.3%	8.4
EBITDA margin	2.8%	5.1%		9.8%	6.4%		4.9%
EBIT	-0.7	0.5		8.1	2.9		1.7
EBIT margin	-1.5%	1.3%		5.8%	2.2%		1.0%
Earnings before taxes	-2.0	-1.3		6.1	1.7		0.5
Earnings margin	-4.5%	-3.3%		4.4%	1.3%		0.3%
Profit from continuing operations	-1.0	-0.7		7.0	0.8		0.5
Profit from discontinued operations	0	0		0	0		1.8
Profit	-1.0	-0.7		7.0	0.8		2.2
Earnings per share, basic, EUR	0.00	-0.00		0.03	0.00		0.01

### Commenting on the third quarter results, Alistair Ruiters, CEO, said:

"The commodity market in general is experiencing pressures due to the slowdown of the global economy which as a result had an impact on sales prices as well as demand. Afarak is not immune to market volatility.

Afarak has reduced planned ferrochrome production volumes in the Speciality Alloys segment to mitigate the risk of straining its working capital. The tonnages mined increased significantly when compared to the previous year as a result of having all mines in operation. Vlakpoort mine has continued bulk sampling throughout the quarter which contributed positively to the increase in volumes.

The Group's revenue in the quarter under review continued at higher levels as reported in H1. This was due to all our mines being in operation, and increased volumes of traded specialised third party material. Lower production levels, planned plant maintenance, and high energy costs in South Africa led to an increase in the cost of production per tonne. This had an impact on the Group's performance in this quarter.

The results do not reflect the underlying quarterly performance of Afarak. When excluding the effects of extraordinary items such as the recent disposal of an associate and the sale of land in Turkey in the equivalent quarter last year, the adjusted EBITDA for this quarter would be EUR 1.6 million. This is approximately 75% better than the comparative adjusted EBITDA of 2014.

We continue to focus on our core business and the production of special grade material. At Mogale Alloys we are promoting the increased production of specialised material to generate enhanced returns. We continue to evaluate initiatives to strengthen our position in the industry with our main focus on generating cash and increasing profits. Our ability to generate cash from operations remains strong.

## **2015 OUTLOOK**

The global growth in stainless steel production is expected to lead an increase in demand for chrome products in 2015. However, as occurred in 2014 where the chrome industry has not been able to increase chrome product prices it is unclear whether this upswing in prices will occur in 2015.

At Mogale Alloys, part of the FerroAlloys division, the Company started production of medium carbon ferrochrome during the fourth quarter of 2014, this is expected to make a positive contribution towards the Company's profit margins in 2015. In the Speciality Alloys division Afarak expects to continue to see an increase in raw materials costs. In addition, the strengthening of the US dollar is also expected to improve the financial performance of the Company as compared to 2014. In 2015, Afarak's revenue is expected to remain at the same levels of 2014 and EBIT is expected to significantly improve as compared to 2014.

Fluctuations of exchange rates between the Euro, the South African Rand, the Turkish Lira and the US Dollar can significantly impact the Company's financial performance.

## **Disclosure procedure**

Afarak follows the disclosure procedure enabled by Disclosure obligation of the issuer (7/2013) published by the Finnish Financial Supervision Authority, and hereby publishes its Q3/2015 interim report enclosed to this stock exchange release. The Interim Report is attached to this release and is also available on the Company's website at [www.afarak.com](http://www.afarak.com).

## **Investor Conference Call**

Management will host an investor conference call in English on 10 November 2015 at 14.00 Finnish time, 12.00 UK time. Please dial-in at least 10 minutes beforehand, quoting the reference: 38313.

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Financial reports and other investor information are available on the Company's website: [www.afarak.com](http://www.afarak.com).

Afarak Group is a chrome mining and minerals producer focused on delivering sustainable growth with a Speciality Alloys business in southern Europe and a FerroAlloys business in South Africa. The Company is listed on NASDAQ Helsinki (AFAGR) and the Main Market of the London Stock Exchange (AFRK).

Distribution:  
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## AFARAK GROUP PLC: Q3 INTERIM REPORT FOR 1 JULY– 30 SEPTEMBER 2015

This Interim Report is prepared in accordance with the IAS 34 standard and is unaudited. All the corresponding comparable figures of 2014 are presented in brackets, unless otherwise explicitly stated.

### SALES

Processed material:

Tonnes	Q3/15	Q3/14	Q1-Q3/15	Q1-Q3/14	FY2014
Processing, Speciality Alloys	6,287	7,070	21,631	22,852	28,448
Processing, FerroAlloys	13,771	19,277	51,381	51,081	68,903
Processing, Total	20,058	26,347	73,013	73,933	97,351

The Group's processed material sold, which includes all the products produced at the Mogale Alloys and Elektrowerk Weisweiler processing plants, were 20,058 (Q3/2014: 26,347) tonnes, a decrease of 23.9% compared to the equivalent period in 2014. Afarak continued its policy of not compromising sales to sell more volume during the third quarter of 2015.

### AFARAK GROUP'S FINANCIAL PERFORMANCE

#### REVENUE AND PROFITABILITY

EUR million	Q3/15	Q3/14	Change	Q1-Q3/15	Q1-Q3/14	Change	FY2014
Revenue	44.8	40.6	10.3%	138.5	131.1	5.7%	172.7
EBITDA	1.3	2.1	-39.7%	13.5	8.4	60.3%	8.4
EBITDA margin	2.8%	5.1%		9.8%	6.4%		4.9%
EBIT	-0.7	0.5		8.1	2.9		1.7
EBIT margin	-1.5%	1.3%		5.8%	2.2%		1.0%
Profit	-1.0	-0.7		7.0	0.8		2.2

Revenue for the third quarter of 2015 increased by 10.3% to EUR 44.8 (40.6) million compared to the equivalent period in 2014. This increase in revenue was mainly attributable to the Ferroalloys segment as a result of higher sales volumes deriving from the Mecklenburg mine which was not in operation during the third quarter of last year due to the unrest in the local community. Revenue generated from the Vlakpoort mine, which commenced its bulk sampling last June, also contributed to the increase in revenue in the Ferroalloys segment.

EBITDA for the third quarter of 2015 decreased to EUR 1.3 (2.1) million when compared to the equivalent period of last year as a result of lower sales prices and increase in the cost of production in the denomination currency of both segment. Cost of production in the Speciality Alloys segment increased due higher overhead cost allocation as a result of lower production. In the FerroAlloys segment costs increased as a result of higher energy costs in the South African winter period. EBITDA of the comparative quarter in 2014 had been positively affected by EUR 1.2 million relating to profit on the sale of land in Turkey which distorts the underlying performance. EBITDA was also negatively affected with joint venture share of profits which amounted to EUR -0.6 (-0.9) million. The negative result of the joint venture is mainly due to the effect of unrealised difference on exchange rate losses of EUR -1.1 (-0.3) million mainly on its loan balances denominated in US Dollar with its other shareholder. Similarly to the Joint Venture the Group results for the quarter resulted in a loss due to the effects of unrealised exchange losses on a US Dollars denominated loan in our South African operation.

Earnings per share was EUR 0.00 (-0.00).

## **BALANCE SHEET, CASH FLOW AND FINANCING**

The Group's liquidity, as at 30 September 2015, was EUR 22.3 (21.4) (30 June 2015: 10.5) million. Operating cash flow in the third quarter was EUR 9.9 (1.2) million. Afarak's gearing at the end of the third quarter was -2.4% (-3.9%) (30 June 2015: 1.5%). Net interest-bearing debt was EUR -4.2 (-11.6) (30 June 2015: 2.9) million.

Total assets on 30 September were EUR 279.2 (281.9) (30 June 2015: 289.7) million. The equity ratio was 63.0% (65.6%) (30 June 2015: 64.5%).

## **INVESTMENTS, ACQUISITIONS AND DIVESTMENTS**

Capital expenditure for the third quarter 2015 totalled EUR 2.4 (2.6) million which relates primarily to the FerroAlloys segment where Mogale Alloys replaced the furnace refractories during the shutdown period and acquired new plant vehicles. At Vlakpoort mine the Group continued investing to ramp up the bulk sample operation. In the Speciality Alloys segment TMS continued the investment in the new plant at Tavas and a fines tailing processing plant at Kavak, to increase annual mining volume by 15,600 tonnes following the commissioning of these plants. At EWW capital expenditure was in line with the prior year to sustain operations.

During the third quarter of 2015 Afarak divested its holding in the associated company Speciality Super Alloys Inc. This led to a loss on sale of investment in associate of EUR 0.3 million and has been classified as an extraordinary item. In the comparable period of 2014 Afarak had reflected extraordinary items amounting to EUR 1.2 million arising from sale of land in Turkey.

## **PERSONNEL**

At the end of the third quarter 2015, Afarak had 760 (700) employees. The average number of employees during the third quarter of 2015 was 753 (705).

Number of employees by segment \*:

	<b>30.9.2015</b>	<b>30.9.2014</b>	<b>Change</b>	<b>31.12.2014</b>
Speciality Alloys	385	367	4.9%	355
FerroAlloys	369	330	11.8%	339
Other operations	6	3	100.0%	4
<b>Group total</b>	<b>760</b>	<b>700</b>	<b>8.6%</b>	<b>698</b>

\*Including personnel of joint ventures.

## **SAFETY, HEALTH AND SUSTAINABLE DEVELOPMENT**

Afarak has set up a Health Safety and Environment committee (HSEC) with the aim of integrating the Group operations to address the social, environment, health and safety position of all stakeholders. While continuing the programme focused on pro-active safety and environmental measurements as part of aiming to achieve "Zero Harm", the members of HSEC are defining Group standard protocols to ensure that all the Group activities are constantly managed, monitored and reported according to Group policies.

In the third quarter of 2015 we had 4 injuries that caused loss of time. Afarak continues all efforts, including training, to further improve the safety performance.

Afarak aims to conduct its business in a sustainable way and to preserve the environment by minimising the environmental impact of its operations. The Group has programmes on all sites to monitor and address its impact on the environment.

Our aim is to guarantee our employees a safe working place and minimum impact towards the environment, and ensure that the sustainable development meets the present needs of Afarak without compromising the ability of present and future generations.

## 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.

Production:

Tonnes	Q3/15	Q3/14	Change	Q1-Q3/15	Q1-Q3/14	Change	FY/14
Mining*	11,663	0	N/A	31,345	34,142	-8.2%	35,848
Processing	4,585	5,337	-14.1%	19,813	21,427	-7.5%	28,784

\* Including both chromite concentrate and lumpy ore production

Production increased to 16,248 (5,337) tonnes for the third quarter 2015 when compared to the equivalent period in 2014. Despite mining operations being disrupted during this quarter by the development of the new plant at Tavas mine, the increase in mining activity at TMS was a result of having the mines in operation as opposed to same period last year where TMS was affected by the closure of the mines due the strike notification. During the third quarter inventory management at EWW led to a decrease in production of processed material. EWW also conducted its planned maintenance shutdown during this period.

EUR million	Q3/15	Q3/14	Change	Q1-Q3/15	Q1-Q3/14	Change	FY/14
Revenue	24.5	24.3	1.0%	74.3	75.2	-1.3%	97.8
EBITDA	1.4	3.0	-53.4%	9.3	6.7	38.9%	7.9
EBITDA margin	5.7%	12.3%	-53.9%	12.5%	8.9%	40.7%	8.0%
EBIT	0.7	2.4	-71.9%	7.4	4.9	52.7%	5.7
EBIT margin	2.8%	10.0%	-72.1%	10.0%	6.5%	54.7%	5.8%

Revenue for the third quarter increased marginally to EUR 24.5 (24.3) million. Even though aggregate sales volumes remained stable, a higher demand for normal low carbon ferrochrome outweighed the lower demand for specialised low carbon ferrochrome. During this quarter revenue was positively affected by higher trading activity of material which was sourced by third parties. EBITDA for the third quarter of 2015 reduced to EUR 1.4 (3.0) million when compared to the same period last year. Despite EBITDA being lower, this segment performed at the same levels as last year as when excluding extraordinary items the difference was marginal. The reduction in production continued to negatively affect EBITDA as cost per tonne denominated in Euros continued being high during this quarter, this increase was mitigated by the US dollar denominated revenue which was converted to Euro at more favourable rates when compared to the same period last year. EBITDA was negatively affected by an extraordinary item in relation to a write-down of EUR 0.3 million following the sale of investment in associate in the third quarter as opposed to the positively extraordinary item of EUR 1.2 million relating to the sale of land in Turkey that occurred in the same period last year.

As at 30 September 2015, the Speciality Alloys business had 385 (367) employees.

### FERROALLOYS BUSINESS

The FerroAlloys business consists of the processing plant Mogale Alloys, Vlakpoort mine and the joint ventures, the Stellite mine and the Mecklenburg mine in South Africa. The business produces chrome ore, charge chrome, medium carbon ferrochrome and silico manganese for sale to global markets.

Production:

Tonnes	Q3/15	Q3/14	Change	Q1-Q3/15	Q1-Q3/14	Change	FY/14
Mining*	115,341	50,005	130.7%	334,849	205,182	63.2%	268,351
Processing	14,763	14,826	-0.4%	54,840	49,412	11.0%	72,677

\* Including both chromite concentrate and lumpy ore production by the joint ventures

Production increased to 130,104 (64,831) tonnes during the third quarter of 2015 when compared to the equivalent period in 2014. The increase is principally attributable to the mining operations at Mecklenburg mine where in the equivalent quarter of 2014 the mine was suspended due to unrest in the local community. The bulk sampling at Vlakpoort mine that commenced in June 2015 also contributed positively to the increase in mining activity during the third quarter. Stellite mine operated at slightly lower levels during the third quarter of this year to reduce stockpiles.

EUR million	Q3/15	Q3/14	Change	Q1-Q3/15	Q1-Q3/14	Change	FY/14
Revenue	20.2	16.3	24.1%	64.0	55.9	14.7%	74.8
EBITDA	0.7	-0.2		6.4	3.4		3.1
EBITDA margin	3.6%	-1.3%		10.1%	6.2%		4.1%
EBIT	-0.5	-1.2		2.8	-0.3		-1.4
EBIT margin	-2.5%	-7.6%		4.4%	-0.5%		-1.8%

\* Revenue of the joint ventures is not included in the Group's revenue

Revenue for the third quarter increased by 24.1% to EUR 20.2 (16.3) million. The sales volumes of material from the Mecklenburg mine; the revenue generated by the Vlakpoort mine; as well as the increase in trading of third party material in this segment were the reasons for the higher revenue during the third quarter. EBITDA for the third quarter increased to EUR 0.7 (-0.2) million as a result of a weaker South African Rand on conversion of costs, and due to lower levels of losses incurred by the joint venture which amounted to EUR -0.6 (-0.9) million. During this quarter high energy costs in the South African winter period had a negative affect on costs in the denominating currency. The negative result of the joint venture is mainly due to the effect of unrealised difference on exchange losses of EUR -1.1 (-0.3) million primarily on its loan balances denominated in US Dollar with its other shareholder.

The share of profit from joint ventures is made up as follows:

EUR million	Q3/15	Q3/14	Change	Q1-Q3/15	Q1-Q3/14	Change	FY/14
Revenue	2.7	1.1	141.9%	8.1	5.0	60.9%	5.7
EBITDA	0.4	-0.2		1.3	-0.1		-2.2
EBITDA margin	15.7%	-20.8%		16.5%	-2.4%		-38.0%
EBIT	0.2	-0.5		0.5	-0.8		-3.1
EBIT margin	7.3%	-40.7%		6.3%	-15.9%		-54.1%
Financial income and expense	-0.8	-0.5		-0.3	-0.4		-1.0
Profit for the period	-0.6	-0.9		0.3	-1.1		-3.3

Afarak's share of joint ventures revenue for the third quarter increased to EUR 2.7 (1.1) million compared to the comparative quarter in 2014. The increase in revenue was mainly due to the increase in sales volumes of the Mecklenburg mine, as during the comparative quarter, mining activities were suspended due to the unrest in the local community. EBITDA increased to EUR 0.4 (-0.2) million as a result of higher production volumes during this quarter when compared to the same quarter of 2014 which led to a decrease in the cost of production. The weakening of the Pound Sterling against the US Dollar by 3.7% during this quarter caused the joint venture to incur an unrealised difference on exchange losses of EUR -1.1 (-0.3) million primarily on its loan balances denominated in US Dollar with its other shareholder.

As at 30 September 2015, the FerroAlloys business had 369 (330) employees.

## GLOBAL MARKET

### STAINLESS STEEL MARKET

In the third quarter the European stainless crude steel production, which amounted to approximately four million tonnes in the first half of 2015, was around 5% lower than the same period of 2014. Together with the summer holiday season that commenced in the third quarter the market started slowing down with the economy and steel market conditions weakening, especially in the energy and mining sectors, where producers and service centres commented that their business were unstable and were holding too much stock which in turn was leading to lower resale prices as they tried to offload tonnage. Together with the

pressures from the European business the inexpensive imports from outside Europe, which continue to arrive unabated this put further pressure on prices. Domestic steelmakers are reluctant to compete with these cheap offers.

The shutdown of a German stainless steel smelting operations in June as well as the imposed antidumping duties on Chinese and Taiwanese cold rolled stainless steel products did not resulted in any major easing of the strained situation in the European stainless market. Imports from China and Taiwan were mostly replaced by other Asian countries such as South Korea and Malaysia, eliminating the desired effect for European mills. Against earlier predictions, the European mills were unable to lift their sales volume in the third quarter, as was expected, and several of the stainless steel plant buyers that had made commitments for raw material purchase, have been forced to postpone their deliveries until later in the year.

Additionally, currency effects are reflected in the financial figures in the third quarter, and the low nickel prices, which are 40% lower from equivalent period last year, is highly influencing the stainless steel prices. Therefore against earlier predictions, the European, Japanese and North American mills are unable to increase their sales volumes in 2015.

Despite this, there remains confidence amongst the European Stainless Steel producers as a number have continued to further invest in the stainless steel production.

## **FERROCHROME MARKET**

The third quarter South African benchmark price rolled over from the second quarter at US\$1.08/lb Cr and US\$1.16/lb Cr for the European steel mills and Japanese steel mills respectively, minus discounts of over 20%. These low prices didn't have a major impact on sales volumes with tonnages continuing to decrease during the third quarter. Chinese spot market prices of high carbon ferrochrome and charge chrome also came under downward pressure during the third quarter where prices reached US\$ 0.73-0.75/lb, lower when compared to the European benchmark prices.

The Chinese continued to increase production levels, and post the second quarter are now the largest global producer. The production gap between China and South Africa also continued to widen due to seasonal electricity supply problems in South Africa, and the closure or business rescue of several South African producers. This led almost a million tonnes of South African charge chrome production capacity being stood idle. The latter being driven by low standard ferrochrome/charge chrome prices, the heavily increased electricity and labour costs, but also interruption in the power supply.

At Mogale Alloys, preparations have been ongoing for a new product medium carbon ferrochrome to be produced from our newly started converter and granulator, where production is getting stable. We are successfully signing up long term agreements to commence supplying customers from early 2016 with production for the fourth quarter of 2015 and for most of 2016 already committed.

Low carbon ferrochrome market prices have decreased due to Chinese lower grade ferrochrome exports. RCS Ltd, Afarak's sales and marketing arm, again has been successfully securing new long term agreement to the aerospace suppliers.

## **SILICO MANGANESE MARKET**

The silico manganese prices have plummeted to lows not seen since the last recession in 2009 as a result of the global oversupply and competition in the market. The strength of the US dollar and continued weakening of the manganese ore prices are also putting pressure on silico manganese prices. Buyers are hesitant given the continued negative trend in prices and significant stockpiles in each world hub to allow short lead times for delivery to steel mills. Also service centre are overstocked as a result of slow sales to end-users, who are keeping their stocks as low as possible.

During the third quarter customers have continued to see weak business levels with volumes below those seen in the second quarter. Service centres are also reporting weak demand and have pursued a policy of destocking from their existing high levels.

The silico manganese sale from Mogale Alloys has been successful, and fully committed until end of the year. Unfortunately the low manganese ore prices has resulted in low manganese alloys prices, especially due to the silico manganese supplied from Australia, India and Korea.

Mogale Alloys has however, started to partly produce alternative higher value speciality grades of manganese alloys products. RCS Ltd, Afarak's sales and marketing arm, has been working closely with the research and development department at Mogale Alloys to develop a product that will cover the Afarak philosophy to produce products in the "speciality" product range.

## **UNALLOCATED ITEMS**

For the third quarter of 2015, the EBITDA from unallocated items was EUR -0.9 (-0.7) million.

## **LITIGATION**

Further to the announcement of 27 March 2014, whereby Afarak announced that the Company had been served a notice of arbitration by Chinese Suzhou Kaiyuan Chemical Co. Ltd ("Suzhou"), on 14 July 2015, Afarak announced that the claim by Suzhou was withdrawn. Suzhou's claim of EUR 2.66 million had related to a chrome ore sales agreement entered into by Chromex Mining Plc ("Chromex") prior to the acquisition of Chromex by Afarak together in a joint venture with Kermas Limited and was served on Afarak's marketing arm RCS Limited and various companies which form part of the Chromex joint venture. As a result of the withdrawal the arbitration tribunal dismissed the claim and ordered Suzhou to pay the full arbitration cost.

## **EVENTS DURING THE REVIEW PERIOD**

On 14 July 2015, Afarak announced that the claim that had been served on Afarak's marketing arm RCS Limited and various companies which form part of the Chromex joint venture by Chinese Suzhou Kaiyuan Chemical Co. Ltd (Suzhou) was withdrawn. As a result of the withdrawal the arbitration tribunal dismissed the claim and ordered Suzhou to pay the full arbitration cost.

On 11 August 2015, Afarak announced that as a result of the strong performance during the first half of 2015, Afarak Group Plc had revised its guidance and now estimates the Group's revenue for 2015 to remain at the same levels of 2014 but for EBIT to significantly improve when compared to 2014. The increase is primarily due to the positive effect of exchange rates, in particular the strong US dollar and weak South African Rand, but also improved sales from the FerroAlloys division and the re-opening of the Mecklenburg mine in December 2014.

On 14 August 2015, Afarak announced that it has resolved to offer 3,478,261 new ordinary shares in the Company ("New Shares") to Gujo Investment (Pty) Limited, one of the vendors of Mogale Alloys (a company acquired in May 2009) under the settlement agreement announced on 11 October 2012. Following completion of the share issue, the consideration for the acquisition will be fully satisfied. All of the New Shares have been subscribed for and the subscriptions have been approved by the Board of Directors. The total subscription price of EUR 1,739,130.50 (EUR 0.5 per share) has been fully satisfied through offset against the settlement receivables of the Vendor related to the Mogale Alloys acquisition.

On 24 August 2015, Afarak announced that the Company was notified on 22 August 2015, that Alistair Ruiters, CEO and member of the Board of Directors, sold 18,211 ordinary shares ("shares") in the Company at a price of EUR 0.51 per share on 20 August 2015. The trade was made on the NASDAQ OMX Helsinki. The shares were part of an earlier management share scheme and were sold as the scheme was closed and the shares released for trading. Accordingly Alistair Ruiters now holds voting rights attached to 400,000 shares, representing 0.152 % of the issued share capital of the Company and 0.155 % of the voting rights of the Company.

## **COMPANY'S SHARE**

Afarak Group Plc's shares are listed on NASDAQ Helsinki (AFAGR) and on the Main Market of the London Stock Exchange (AFRK).

On 30 September 2015, the registered number of Afarak Group Plc shares was 263,040,695 (259,562,434) and the share capital was EUR 23,642,049.60 (23,644,146.37).

On 30 September 2015, the Company had 4,244,717 (4,244,717) own shares in treasury, which was equivalent to 1.61% (1.64%) of the issued share capital. The total amount of shares outstanding, excluding the treasury shares held by the Company on 30 September 2015, was 258,795,978 (255,317,717).



At the beginning of the period under review, the Company's share price was EUR 0.38 on NASDAQ Helsinki and GBP 0.33 on the London Stock Exchange. At the end of the review period, the share price was EUR 0.53 and GBP 0.33 respectively. During the third quarter of 2015 the Company's share price on NASDAQ Helsinki ranged from EUR 0.36 to 0.58 per share and the market capitalisation, as at 30 September 2015, was EUR 139.4 (1 January 2015: 83.1) million. For the same period on the London Stock Exchange the share price remained GBP 0.33 per share and the market capitalisation was GBP 85.5 (1 January 2015: 65.5) million, as at 30 September 2015.

Based on the resolution at the AGM on 8 May 2015, the Board is authorised to buy-back up to a maximum of 15,000,000 of its own shares. This authorisation is valid until 8 November 2016. The Company did not carry out any share buy-backs during the third quarter of 2014.

## **MOST SIGNIFICANT SHORT TERM RISKS AND UNCERTAINTIES, CHANGES DURING AND AFTER THE PERIOD UNDER REVIEW**

The changes in the key risks and uncertainties are set out below. Further details of the risks and uncertainties have been published in the Group's 2014 Financial Statements.

Afarak's financial performance is dependent on the general market conditions of the mining, smelting and minerals processing business. Global financial markets have been very volatile, exacerbated by the Eurozone crisis, and there is uncertainty as to how commodity prices will respond for the rest of 2015, which could considerably impact the Company's revenue and financial performance in 2015.

Changes in foreign exchange rates, if adverse, could have a substantial negative impact on the Group's profitability, in particular changes in US Dollar/South African Rand. In order to better manage its foreign exchange US Dollar/South African Rand exposure, the Group has entered into forward contract arrangements.

Afarak's processing operations in Germany and South Africa 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.

## **2015 OUTLOOK**

The global growth in stainless steel production is expected to lead an increase in demand for chrome products in 2015. However, as occurred in 2014 where the chrome industry has not been able to increase chrome product prices it is unclear whether this upswing in prices will occur in 2015.

At Mogale Alloys, part of the FerroAlloys division, the Company started production of medium carbon ferrochrome during the fourth quarter of 2014, this is expected to make a positive contribution towards the Company's profit margins in 2015. In the Speciality Alloys division Afarak expects to continue to see an increase in raw materials costs. In addition, the strengthening of the US dollar is also expected to improve the financial performance of the Company as compared to 2014. In 2015, Afarak's revenue is expected to remain at the same levels of 2014 and EBIT is expected to significantly improve as compared to 2014.

Fluctuations of exchange rates between the Euro, the South African Rand, the Turkish Lira and the US Dollar can significantly impact the Company's financial performance.

Helsinki, 10 November 2015

**AFARAK GROUP PLC**

**BOARD OF DIRECTORS**

**FINANCIAL REPORTING IN 2016**

	Closed period	Reporting date
Full Year Results 2015	1.1.-16.2.2016	16 February 2016
Q1 Interim Report 2016	11.4.-11.5.2016	11 May 2016
Q2 Interim Report 2016	17.7.-16.8.2016	16 August 2016
Q3 Interim Report 2016	11.10.-11.11.2016	11 November 2016

## FINANCIAL TABLES

### FINANCIAL DEVELOPMENT AND ASSETS AND LIABILITIES BY SEGMENT

<b>Q1-Q3/2015</b> 9 months EUR '000	Speciality Alloys	Ferro Alloys	Unallocated items	Eliminations	Group total
Revenue	74,254	64,044	815	-584	138,530
EBITDA	9,293	6,438	-2,206	0	13,525
EBIT	7,447	2,846	-2,211	0	8,082
Segment's assets	153,474	136,417	11,483	-22,136	279,238
Segment's liabilities	57,172	55,892	4,259	-14,023	103,299

<b>Q1-Q3/2014</b> 9 months EUR '000	Speciality Alloys	Ferro Alloys	Unallocated items	Eliminations	Group total
Revenue	75,195	55,854	570	-559	131,061
EBITDA	6,690	3,439	-1,692	0	8,437
EBIT	4,876	-268	-1,734	0	2,873
Segment's assets	160,170	139,440	8,565	-26,314	281,861
Segment's liabilities	65,086	46,871	4,090	-18,005	98,042

<b>FY 2014</b> 12 months EUR '000	Speciality Alloys	Ferro Alloys	Unallocated items	Eliminations	Group total
Revenue	97,836	74,818	147	-132	172,669
EBITDA	7,865	3,084	-2,502	0	8,447
EBIT	5,659	-1,381	-2,552	0	1,726
Segment's assets	160,500	146,514	9,645	-26,370	290,288
Segment's liabilities	68,419	52,451	3,720	-16,547	108,044

## RESULTS DEVELOPMENT

	Q3/13	Q4/13	Q1/14	Q2/14	Q3/14	Q4/14	Q1/15	Q2/15	Q3/15
<b>Sales (tonnes)</b>									
Mining	103,739	98,507	97,281	45,341	34,846	15,728	51,401	86,884	101,701
Processing	11,359	23,593	22,146	22,948	26,347	23,465	22,826	30,556	20,059
Trading	1,387	2,133	3,909	6,405	8,268	9,954	3,828	6,466	8,798
<b>Total</b>	<b>116,485</b>	<b>124,233</b>	<b>123,336</b>	<b>74,694</b>	<b>69,461</b>	<b>49,147</b>	<b>78,055</b>	<b>123,906</b>	<b>130,558</b>
<b>Average rates</b>									
EUR/USD	1.317	1.328	1.370	1.370	1.355	1.329	1.126	1.116	1.114
EUR/ZAR	12.502	12.833	14.887	14.676	14.536	14.404	13.228	13.305	13.701
<b>Euro (million)</b>	<b>Q3/13</b>	<b>Q4/13</b>	<b>Q1/14</b>	<b>Q2/14</b>	<b>Q3/14</b>	<b>Q4/14</b>	<b>Q1/15</b>	<b>Q2/15</b>	<b>Q3/15</b>
Revenue	30.7	41.8	43.2	47.3	40.6	41.6	40.7	53.1	44.8
Extraordinary items*	0.0	0.1	0.0	0.0	1.2	-1.6	0.0	0.0	-0.3
EBITDA	2.9	0.8	3.0	3.3	2.1	0.0	4.6	7.6	1.3
EBITDA margin	9.4%	1.9%	6.9%	7.1%	5.1%	0.0%	11.4%	14.4%	2.8%
Adjusted EBITDA**	2.9	0.7	3.0	3.3	0.9	1.6	4.6	7.6	1.6
EBIT	-3.1	-2.9	0.9	1.4	0.5	-1.1	2.9	5.8	-0.7
EBIT margin	-10.1%	-6.9%	2.1%	3.0%	1.3%	-2.8%	7.2%	11.0%	-1.5%

\*Extraordinary items in Q3/14 relate to profit on sale of land in Turkey. Extraordinary items in Q4/14 relates to net write-down of assets that are included in the joint venture share of profits. Extraordinary items in Q3/15 relate to loss on sale of investment in associate.

\*\* Adjusted EBITDA is EBITDA excluding the extraordinary items.

## CONSOLIDATED INCOME STATEMENT, SUMMARY

EUR '000	Q3/15	Q3/14	Q1-Q3/15	Q1-Q3/14	FY/14
<b>Revenue</b>	<b>44,765</b>	<b>40,586</b>	<b>138,530</b>	<b>131,061</b>	<b>172,669</b>
Other operating income	363	1,741	1,556	2,585	3,370
Operating expenses	-43,400	-39,325	-126,967	-124,108	-164,287
Depreciation and amortisation	-1,931	-1,572	-5,443	-5,564	-6,717
Impairment	0	0	0	0	-5
Items related to associates (core)	-2	2	0	4	6
Share of profit from joint ventures	-467	-917	406	-1,104	-3,311
<b>Operating profit</b>	<b>-673</b>	<b>516</b>	<b>8,082</b>	<b>2,873</b>	<b>1,725</b>
Financial income and expense	-1,354	-1,858	-2,022	-1,138	-1,265
<b>Profit before tax</b>	<b>-2,027</b>	<b>-1,342</b>	<b>6,061</b>	<b>1,736</b>	<b>460</b>
Income tax	1,025	665	920	-934	12
<b>Profit for the period from continuing operations</b>	<b>-1,002</b>	<b>-677</b>	<b>6,981</b>	<b>802</b>	<b>472</b>
<b>Discontinued operations</b>					
Profit for the period from discontinued operations	0	0	0	0	1,773
<b>Profit for the period</b>	<b>-1,002</b>	<b>-677</b>	<b>6,981</b>	<b>802</b>	<b>2,245</b>

Profit attributable to:					
Owners of the parent	-792	-456	7,328	1,251	2,858
Non-controlling interests	-210	-221	-347	-450	-613
Total	-1,002	-677	6,981	802	2,245
Earnings per share for profit attributable to the shareholders of the parent company, EUR					
Basic earnings per share, EUR	0.00	-0.00	0.03	0.00	0.01
Diluted earnings per share, EUR	0.00	-0.00	0.03	0.00	0.01

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

EUR '000	Q3/15	Q3/14	Q1-Q3/15	Q1-Q3/14	FY/14
<b>Profit for the period</b>	<b>-1,002</b>	<b>-677</b>	<b>6,981</b>	<b>802</b>	<b>2,245</b>
<b>Other comprehensive income</b>					
Remeasurement of defined benefit pension plans	0	0	0	0	-4,036
Exchange differences on translating foreign operations – Group	-14,215	990	-10,014	-6,336	-5,198
Exchange differences on translating foreign operations – Associate and JV	-944	-588	-2,540	-1,242	-997
Income tax relating to other comprehensive income	3,260	-358	2,497	-546	-964
<b>Other comprehensive income, net of tax</b>	<b>-11,898</b>	<b>44</b>	<b>-10,057</b>	<b>-8,124</b>	<b>-11,196</b>
<b>Total comprehensive income for the period</b>	<b>-12,900</b>	<b>-633</b>	<b>-3,076</b>	<b>-7,323</b>	<b>-8,951</b>
Total comprehensive income attributable to:					
Owners of the parent	-12,116	-510	-2,304	-6,981	-8,533
Non-controlling interests	-784	-122	-773	-342	-418

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION, SUMMARY

EUR '000	30.9.2015	30.9.2014	31.12.2014
<b>ASSETS</b>			
<b>Non-current assets</b>			
Goodwill	61,194	62,697	63,052
Other intangible assets	19,457	20,352	20,358
Property, plant and equipment	45,313	43,070	47,970
Investments in associates	0	87	92
Other non-current assets	43,137	46,732	44,664
<b>Non-current assets total</b>	<b>169,101</b>	<b>172,938</b>	<b>176,136</b>
<b>Current assets</b>			
Inventories	54,131	51,094	60,051
Trade receivables	19,160	21,012	19,987
Other receivables	14,551	15,381	20,782
Cash and cash equivalents	22,294	21,436	13,332
<b>Current assets total</b>	<b>110,137</b>	<b>108,923</b>	<b>114,153</b>
<b>Total assets</b>	<b>279,238</b>	<b>281,861</b>	<b>290,289</b>

<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to owners of the parent</b>			
Share capital	23,642	23,644	23,642
Share premium reserve	25,740	25,740	25,740
Paid-up unrestricted equity reserve	240,057	243,407	243,424
Legal Reserve	175	206	210
Translation reserves	-21,693	-12,945	-12,061
Retained earnings	<u>-96,158</u>	<u>-101,261</u>	<u>-103,657</u>
<b>Equity attributable to owners of the parent</b>	<b>171,764</b>	<b>178,791</b>	<b>177,298</b>
<b>Non-controlling interests</b>	<b>4,175</b>	<b>5,028</b>	<b>4,947</b>
<b>Total equity</b>	<b>175,939</b>	<b>183,819</b>	<b>182,245</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Deferred tax liabilities	6,533	7,850	8,200
Provisions	9,830	9,894	10,137
Share of joint ventures' losses	21,768	17,667	19,622
Pension liabilities	19,768	15,982	19,954
Financial liabilities	<u>9,862</u>	<u>8,437</u>	<u>10,337</u>
<b>Non-current liabilities total</b>	<b>67,762</b>	<b>59,830</b>	<b>68,250</b>
<b>Current liabilities</b>			
Trade payables	14,348	18,915	19,291
Other current liabilities	<u>21,190</u>	<u>19,297</u>	<u>20,503</u>
<b>Current liabilities total</b>	<b>35,538</b>	<b>38,212</b>	<b>39,794</b>
<b>Total liabilities</b>	<b>103,299</b>	<b>98,042</b>	<b>108,044</b>
<b>Total equity and liabilities</b>	<b>279,238</b>	<b>281,861</b>	<b>290,289</b>

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

EUR '000	<b>30.9.2015</b>	<b>30.9.2014</b>	<b>31.12.2014</b>
<b>Cash and cash equivalents</b>	<b>22,294</b>	<b>21,436</b>	<b>13,332</b>
Interest-bearing receivables			
Current	5,026	4,195	9,213
Non-current	<u>34,008</u>	<u>39,615</u>	<u>34,993</u>
<b>Interest-bearing receivables</b>	<b>39,034</b>	<b>43,811</b>	<b>44,206</b>
Interest-bearing liabilities			
Current	10,380	1,419	1,792
Non-current	<u>7,756</u>	<u>8,437</u>	<u>10,337</u>
<b>Interest-bearing liabilities</b>	<b>18,136</b>	<b>9,856</b>	<b>12,129</b>
<b>NET TOTAL</b>	<b>43,193</b>	<b>55,391</b>	<b>45,409</b>

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

EUR '000	Property, plant and equipment	Intangible assets
Acquisition cost 1.1.2015	78,052	225,275
Additions	5,067	1,140
Disposals	-99	0
Reclass between items	102	28
Effect of movements in exchange rates	-8,030	-9,683
Acquisition cost 30.9.2015	75,092	216,760
Acquisition cost 1.1.2014	61,744	220,967
Additions	14,369	441
Disposals	-298	0
Reclass between items	22	24
Effect of movements in exchange rates	2,215	3,843
Acquisition cost 31.12.2014	78,052	225,275

## CONSOLIDATED STATEMENT OF CASH FLOWS, SUMMARY

EUR '000	Q1-Q3/15	Q1-Q3/14	FY/14
Profit for the period	6,981	802	2,245
Adjustments to profit for the period	4,673	7,014	7,397
Changes in working capital	527	1,641	-3,425
Discontinued operations	0	0	-1,087
<b>Net cash from operating activities</b>	<b>12,181</b>	<b>9,457</b>	<b>5,129</b>
Acquisition of subsidiaries and associates, net of cash acquired	0	-2	0
Disposal of subsidiaries and associates, net of cash sold	109	0	-2
Capital expenditure and other investing activities	-7,032	-8,139	-12,562
Proceeds from repayments of loans and loans given	3,514	3,555	2,351
<b>Net cash used in investing activities</b>	<b>-3,409</b>	<b>-4,586</b>	<b>-10,213</b>
Capital Redemption	-5,106	-4,884	-4,884
Proceeds from borrowings	9,664	8,827	11,364
Repayment of borrowings, and other financing activities	-4,117	-1,190	-1,891
<b>Net cash from financing activities</b>	<b>441</b>	<b>2,753</b>	<b>4,590</b>
<b>Net increase in cash and cash equivalents</b>	<b>9,213</b>	<b>7,624</b>	<b>-494</b>

## 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 31.12.2013</b>	<b>23,642</b>	<b>25,740</b>	<b>242,726</b>	<b>-4,773</b>	<b>-102,575</b>	<b>201</b>	<b>184,961</b>	<b>5,368</b>	<b>190,328</b>
Total comprehensive income 1-9/2014				-6,930	1,251		-5,679	-450	-6,129
Share of other comprehensive income in associates and joint ventures				-1,242			-1,242	0	-1,242
Translation differences					-60		-60	108	48
Share-based payments					122		122	2	124
Rights Issue			5,565				5,565	0	5,565
Capital redemption			-4,884				-4,884	0	-4,884
Acquisitions and disposals of subsidiaries					2		2	0	2
Other changes in equity						6	6	0	6
<b>Equity at 30.9.2014</b>	<b>23,642</b>	<b>25,740</b>	<b>243,407</b>	<b>-12,945</b>	<b>-101,260</b>	<b>207</b>	<b>178,791</b>	<b>5,028</b>	<b>183,818</b>
Total comprehensive income 10-12/2014				639	1,607		2,246	-163	2,083
Share of other comprehensive income in associates and joint ventures				245			245		245
Translation differences							0	82	82
Share-based payments					32		32	1	33
Rights Issue			18				18		18
Remeasurements of defined benefit pension plans					-4,036		-4,036		-4,036
Other changes in equity						3	3		3
<b>Equity at 31.12.2014</b>	<b>23,642</b>	<b>25,740</b>	<b>243,425</b>	<b>-12,062</b>	<b>-103,658</b>	<b>210</b>	<b>177,297</b>	<b>4,948</b>	<b>182,244</b>
Total comprehensive income 1-9/2015				-7,092	7,328		236	-347	-111
Share of other comprehensive income in associates and joint ventures				-2,540			-2,540		-2,540
Translation differences							0	-426	-426
Share-based payments					200		200	1	201
Rights Issue			1,739				1,739		1,739
Capital redemption			-5,106				-5,106		-5,106
Acquisitions and disposals of subsidiaries					-29		-29		-29
Other changes in equity						-35	-35		-35
<b>Equity at 30.9.2015</b>	<b>23,642</b>	<b>25,740</b>	<b>240,057</b>	<b>-21,692</b>	<b>-96,158</b>	<b>175</b>	<b>171,764</b>	<b>4,175</b>	<b>175,939</b>

## RELATED PARTY TRANSACTIONS DURING THE REVIEW PERIOD

EUR '000	Q1-Q3/15	Q1-Q3/14	FY/14
Sales to joint ventures	255	129	145
Sales to other related parties	24	22	30
Purchases from joint ventures	-7,714	-4,289	-4,376
Financing income from joint ventures	736	773	1,020
Financing expense to other related parties	287	-255	-120
Loan receivables from joint ventures	33,419	34,235	34,406
Loan receivables from other related parties	3,588	7,242	7,102
Trade and other receivables from joint ventures	7,113	6,080	6,389
Trade and other receivables from other related parties	68	8	8
Trade and other payables to joint ventures	359	293	166

## FINANCIAL INDICATORS

	Q1-Q3/15	Q1-Q3/14	FY/14
Return on equity, % p.a.	5.2%	-0.4%	1.2%
Return on capital employed, % p.a.	9.8%	4.7%	4.0%
Equity ratio, %	63.0%	65.6%	62.8%
Gearing, %	-2.4%	-3.9%	-0.7%
Personnel at the end of the period	760	700	698

## 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

	Q1-Q3/15	Q1-Q3/14	FY/14
TRY	2.9708	2.9331	2.9065
USD	1.1114	1.3549	1.3285
ZAR	13.7010	14.5356	14.4037

Balance sheet rates

	30.9.2015	30.9.2014	31.12.2014
TRY	3.3903	2.8779	2.8320
USD	1.1203	1.2583	1.2141
ZAR	15.4984	14.2606	14.0353

## FORMULAS FOR FINANCIAL INDICATORS

Financial ratios and indicators have been calculated with the same principles as applied in the 2014 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 2014. Afarak has applied the same accounting principles in the preparation of this Interim Report as in its financial statements for 2014, except for the adoption of new standards and interpretations that become effective in 2015. 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

		Q3/2015	Q3/2014	Q1- Q3/2015	Q1- Q3/2014	FY 2014
<b>Share price development in London Stock Exchange</b>						
Average share price*	EUR	0.45	0.38	0.45	0.37	0.37
	GBP	0.33	0.31	0.33	0.31	0.3
Lowest share price*	EUR	0.45	0.37	0.34	0.37	0.3
	GBP	0.33	0.3	0.25	0.3	0.24
Highest share price*	EUR	0.45	0.39	0.45	0.39	0.39
	GBP	0.33	0.32	0.33	0.32	0.32
Share price at the end of the period**	EUR	0.44	0.41	0.44	0.41	0.32
	GBP	0.33	0.32	0.33	0.32	0.25
Market capitalisation at the end of the period**	EUR million	115.8	105.2	115.8	105.2	84.1
	GBP million	85.5	81.8	85.5	81.8	65.5

<b>Share trading development</b>						
Share turnover	thousand shares	7	0	7	0	23
Share turnover	EUR thousand	3	0	3	0	9
Share turnover	GBP thousand	2	0	2	0	7
Share turnover	%	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %
<b>Share price development in NASDAQ Helsinki</b>						
Average share price	EUR	0.52	0.3	0.44	0.36	0.32
Lowest share price	EUR	0.36	0.26	0.33	0.26	0.21
Highest share price	EUR	0.58	0.38	0.58	0.42	0.42
Share price at the end of the period	EUR	0.53	0.37	0.53	0.37	0.32
Market capitalisation at the end of the period	EUR million	139.4	96	139.4	96	83.1
<b>Share trading development</b>						
Share turnover	thousand shares	12,382	2,202	32,962	10,451	20,927
Share turnover	EUR thousand	6,408	662	14,376	3,717	6,638
Share turnover	%	4.70 %	0.90 %	12.50 %	4.20 %	8.10 %

\* 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.