

16:00 London, 18:00 Helsinki, September 21, 2018 - Afarak Group Plc ("Afarak" or "the Company")

INVITATION TO THE EXTRAORDINARY GENERAL MEETING

Afarak Group Plc invites shareholders to the Extraordinary General Meeting to be held on 12 November 2018, starting at 10:00 a.m. (Finnish time) at Union Square Auditorium (Floor K1) Unioninkatu 22, 00130 Helsinki, Finland.

Registration begins at 9:20 a.m.

A. MATTERS ON THE AGENDA OF THE EXTRAORDINARY GENERAL MEETING:

1. Opening
2. Election of the Chairman and of the Secretary
3. Approval of the Agenda
4. Election of the scrutinizer of the minutes and vote counting supervisor
5. Recording the legality and quorum of the meeting
6. Adoption of voting lists
7. Authorising the Board of Directors to decide on the repurchase of Afarak Group Plc's own shares

The General Meeting will address the authorisation to the Board of Directors to decide on the repurchase of Afarak Group Plc's own shares on the grounds of the request of shareholder LNS Ltd (formerly known with the name Kermas Resources Ltd), owning shares representing more than one tenth of all the shares and votes of the Company, pursuant to Chapter 5, Section 4 of the Companies Act to convene a General Meeting.

The above-mentioned request in its entirety is set out below:

Authorising the Board of Directors to decide on the repurchase of Afarak's own shares

LNS proposes that Afarak's Extraordinary General Meeting would resolve to authorise the Board of Directors of Afarak ("Board") to plan, decide and to execute the swap of Afarak's shares by a voluntary takeover bid to be made by Afarak to Afarak's shareholders in accordance with the Finnish Securities Markets Act ("Takeover Bid") as proposed below.

Background of the proposal

In LNS's view, there is not enough liquidity in the Helsinki and London Stock Exchanges to allow larger shareholders to exit, hence LNS proposes that Afarak's Extraordinary General Meeting would resolve to authorise the Board to plan, decide and to execute the Takeover Bid in order to create a window of opportunity to those shareholders who would like to exit from Afarak.

After the execution of the Takeover Bid Afarak Group would have only those shareholders remaining who either have decided to continue as current shareholders in Afarak or who alternatively have decided to transfer to be new shareholders in Afarak Holdings Ltd.

LNS's view is that after the execution of the Takeover Bid Afarak Group would be in a better position due to the fact that the remaining shareholders would be committed and interested in the long-term development of Afarak Group. Currently some shareholders of the Company have

had difficulties to find common understanding in various issues involving the Company, and in the long run the Company's businesses might suffer because of this.

LNS also believes that the current share price in the market is at least partially based on factors that are not directly related to the Company's business performance, but nevertheless suggests to use it as a basis for the Takeover Bid. Therefore in LNS's justified view, the reasonable price offered per share to the shareholders in the potential Takeover Bid would be at least EUR 0.90 per share and not more than EUR 1.15 per share.

The cash consideration in the Takeover Bid of at least EUR 0.90 per share and not more than EUR 1.15 per share corresponds to a premium of approximately 15.4 percent to the closing price of the shares of Afarak (EUR 0.78) on Nasdaq Helsinki on 18 September 2018.

Alternatively, Afarak would be able to pay the consideration in securities i.e. shares of Afarak Holdings Ltd owned by Afarak; with an exchange ratio of 1:1 in such a way that against one (1) Afarak share the consideration would be one (1) existing share in Afarak Holdings Ltd currently owned by Afarak.

In order to ensure equal treatment of Afarak's shareholders, the Takeover Bid should naturally be directed to all of the shareholders of Afarak.

In the event of the General Meeting's decision in accordance with the this proposal, Afarak would have to, inter alia, draw up a prospectus in accordance with the Finnish Securities Markets Act and have it approved by the Financial Supervisory Authority in order to carry out the Takeover Bid. The prospectus for the Takeover Bid would contain, inter alia, the detailed terms of the Takeover Bid and instructions to shareholders, in accordance with which the shareholders could, if they so wished, offer their Shares to Afarak for acquisition.

LNS states its support to proposal and additionally state that it undertakes to use its right to offer its shares for acquisition by Afarak in the possible Takeover Bid in such a way that against one (1) Afarak share the consideration shall be one (1) existing share in Afarak Holdings Ltd. The willingness expressed and support given by LNS naturally significantly reduces the amount of funds required for the potential acquisition of the shares in the possible Takeover Bid.

Proposal for a conditional authorisation given to the Board of Directors

LNS proposes that the Afarak Group Plc's General Meeting would decide to conditionally authorise Afarak Group Plc's Board to acquire Afarak Group Plc's shares as follows:

Content of the authorisation

The Board of Directors of Afarak Group Plc ("Afarak") is authorised to decide on the acquisition of a maximum of 31,500,000 own shares ("Shares") by a voluntary takeover bid ("Takeover Bid") made to Afarak's shareholders in accordance with the Finnish Securities Markets Act so that:

1. The share offer price to be paid by Afarak in the Takeover Bid shall be at least EUR 0.90 per share and not more than EUR 1.15 per share. Alternatively, Afarak shall be able to pay the consideration in securities i.e. shares of Afarak Holdings Ltd owned by Afarak; with an exchange ratio of 1:1 in such a way that against one (1) Afarak share the consideration would be one (1) share in Afarak Holdings Ltd ("Share Offer Price").

2. Each shareholder of Afarak who wants to participate in the Takeover Bid shall have the right to choose either the cash consideration or the share consideration as a payment of the Share Offer Price.

Each shareholder of Afarak shall also have the right not to participate in the Takeover Bid and to continue as a shareholder in Afarak.

3. The total amount of cash consideration in the Takeover Bid to be paid by Afarak shall be limited to EUR 28,404,000.00. However, the Board at its discretion shall have the right to waive this limitation.
4. Shares acquired by Afarak are cancelled as part of the settling of the implementation sale, initially on the settlement date, meaning that the Shares will not be held by Afarak. Thus, the restrictions set out in the Finnish Limited Liability Companies Act on the acquisition of own shares, under which an acquisition of own shares shall not be made so that the amount of shares in the possession of the company exceeds 10 per cent of all shares, does not restrict the making of the Takeover Bid.
5. The Shares are acquired using Afarak's unrestricted equity.
6. The payment of the Share Offer Price shall take place by the end of March 2019, if practically possible.
7. The authorisation is proposed to include the right for the Board to decide on all other matters related to the Takeover Bid.
8. The authorisation is proposed to remain valid until 31 May 2019.

The decision concerning the authorisation requires a qualified majority of at least two thirds of the votes cast and shares represented at the meeting.

Conditionality of the authorisation

The authorisation granted to the Board is conditional on the fulfilment of all of the following conditions:

- Afarak receives a legally valid preliminary ruling provided by the Central Tax Board according to which the provisions of Section 29 of the Finnish Act on Assessment Procedure on disguised dividend does not apply to the acquisition of own shares by Afarak in the Takeover Bid, meaning that the taxation of a shareholder taking part in the Takeover Bid was carried out in Finland normally in accordance with provisions on the taxation of capital gains;
- Afarak receives the required funding for the acquisition of the shares in the Takeover Bid on market terms which are approved by the Board; and
- The Financial Supervisory Authority approves the offer document drawn up by Afarak with respect to Takeover Bid in accordance with the Securities Markets Act.

8. Dismissal of the Board of Directors

The General Meeting will address the dismissal of the Board of Directors on the grounds of the request of shareholders Joensuun Kauppa ja Kone Oy, Markku Kankaala, Esa Hukkanen, Petri Suokas, Tomi Hyttinen, Taloustieto Incrementum Ky, Juhani Lemmetti, Kari Kakkonen, Antti Kivimaa, AJ Elite Value Hedge Fund, Aarne Simula and Timo Kankaala, owning shares representing more than one tenth of all the shares and votes of the Company, pursuant to Chapter 5, Section 4 of the Companies Act to convene a General Meeting.

The Company has received notifications that shareholders Atkey Ltd and LNS Ltd (formerly known with the name Kermas Resources Ltd), who hold more than 56 % of the shares and votes of the Company, will vote against the presented proposal.

9. Election of a new Board of Directors, independent of the Company's main shareholder Danko Koncar and his controlled corporations

The General Meeting will address the election of a new Board of Directors, independent of the Company's main shareholder Danko Koncar and his controlled corporations on the grounds of the request of shareholders Joensuun Kauppa ja Kone Oy, Markku Kankaala, Esa Hukkanen, Petri Suokas, Tomi Hyttinen, Taloustieto Incrementum Ky, Juhani Lemmetti, Kari Kakkonen, Antti Kivimaa, AJ Elite Value Hedge Fund, Aarne Simula and Timo Kankaala, owning shares representing more than one tenth of all the shares and votes of the Company, pursuant to Chapter 5, Section 4 of the Companies Act to convene a General Meeting. According to the request, the proposal for the composition of the Board of Directors will be presented later when it is available, and the candidates have given their consent to the appointment.

The Company has received notifications that shareholders Atkey Ltd and LNS Ltd (formerly known with the name Kermas Resources Ltd), who hold more than 56 % of the shares and votes of the Company, will vote against the presented proposal.

10. Closing of the Meeting

B. DOCUMENTS OF THE GENERAL MEETING

Documents to be kept on view in accordance with the Finnish Companies Act are available for the shareholders' inspection no later than a week before the General Meeting at the Company's headquarters at the address Unioninkatu 20-22, 00130 Helsinki, Finland. In addition, the documents will be available no later than 21 days before the General Meeting on the Company's website at the address www.afarak.com. Copies of these documents will be sent to the shareholders on request.

The minutes of the Meeting will be available on the above-mentioned website at the latest from 26 November 2018.

C. INSTRUCTIONS FOR THE PARTICIPANTS IN THE EXTRAORDINARY GENERAL MEETING

1 Right to attend

A shareholder who no later than on 31 October 2018 is registered as the Company's shareholder in a shareholder register held by Euroclear Finland Ltd has the right to participate in the Extraordinary General Meeting. A shareholder whose shares are registered on his/her personal Finnish book-entry account is registered in the Company's shareholder register.

2 Notice to attend

A shareholder wishing to attend the Extraordinary General Meeting shall give notice to attend the meeting to the Company no later than by 4:00 p.m. Helsinki time on 7 November 2018, either:

- by letter to Afarak Group Plc, Unioninkatu 20-22, 00130 Helsinki, Finland;
- by e-mail to ilmo@afarak.com; or
- by fax to +358 10 440 7001.

The notice shall be at the Company before the deadline of the notice to attend.

In addition to his/her name, a shareholder is also requested to inform the Company of his/her identity number or business ID, address, phone number and the name of a possible representative. The personal data of shareholders shall be used only for purposes related to the general meeting and necessary registration related thereto.

Shareholders attending the general meeting have a right to request information concerning matters which are dealt with by the meeting as stated in the Finnish Companies Act, chapter 5, section 25.

3 Using representative and proxies

A shareholder has a right to attend the meeting and use his rights via a representative. A proxy representative must present a dated proxy or must otherwise, in a reliable way, prove that he/she has a right to represent a shareholder. The Company does not have a proxy template available for shareholders. If a shareholder participates in the Extraordinary General Meeting by means of several proxy representatives representing the shareholder with shares on different securities accounts, the shares by which each proxy representative represents the shareholder shall be identified in connection with the registration.

Proxy documents should be delivered (as originals) together with the notice to attend to: Afarak Group Plc, Unioninkatu 20-22, 00130 Helsinki, Finland no later than 4:00 p.m. on 7 November 2018.

4 Holders of nominee registered shares

A holder of nominee registered shares is advised to request in good time in advance necessary instructions regarding the registration in the Company's shareholder register, issuing of proxy documents and registration for the General Meeting from his/her custodian bank. The account management organisation of the custodian bank will register a holder of nominee registered shares, who wants to participate in the General Meeting, to be entered into the Company's temporary shareholder register no later than 10:00 a.m. on 7 November 2018.

5 Other instructions and information

Afarak Group Plc has at the date of invitation, 21 September 2018, in total 263,040,695 shares in issue and of which 263,040,695 have voting rights. The company holds in total 2,854,161 shares in treasury.

IN HELSINKI, ON 21 September 2018.

The Board of Directors
Afarak Group plc

For additional information, please contact:

Guy Konsbruck, CEO, +356 2122 1566, guy.konsbruck@afarak.com

Jean Paul Fabri, +356 2122 1566, jp.fabri@afarak.com

Financial reports and other investor information are available on the Company's website:
www.afarak.com.

Afarak Group is a specialist alloy 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:

NASDAQ Helsinki

London Stock Exchange

Main media

www.afarak.com