

REPORT OF THE BOARD OF DIRECTORS

After the fiscal period ended on 31 December 2015, the following events have affected to the Company's position. Company has published these events by stock exchange releases.

- All 6,000,000 new Plc Uutechnic Group Oyj's shares, with total consideration of 1,500,000 euros, offered in a directed share issue to the owners of Uutechnic Oy and parties pointed by the owners, were subscribed and paid in full by 14 January 2016. The board of directors approved the subscriptions. All the share issues related to the Uutechnic transaction were thus finalized.
- Japrotek Oy Ab, a subsidiary of Uutechnic Group, concluded the co-determination negotiations according to co-operation act of Finland. The negotiations were based on the restructuring of operations and on the financial and productive reasons of the company. Negotiations concerned entire personnel. It was decided that the number of personnel will be adjusted in accordance with the company's financial situation and backlog. Terminations of employment contracts concerned 5 persons and temporarily lay-offs will last 90 days at the most.
- The order backlog of Uutechnic Group has grown during the first months of the year 2016 being about 50 % bigger than in the same period last year. The order backlog of reference period is consolidated with the current Uutechnic Group' subsidiaries. The favorable progress in order backlog is based mainly on new orders received by the Finnish subsidiaries. Deliveries will take place during the year 2016.
- Plc Uutechnic Group Oyj 's subsidiary AP-Tela Oy, received the largest order in its history from Valmet. The order included design and manufacturing of 27 massive size drying cylinders. The delivery to the customer takes place in the fourth quarter of 2016. Value of the order was not disclosed.
- Japrotek Oy Ab, a subsidiary of Uutechnic Group, has received three significant orders. Total value was over five (5) million euros. Japrotek will deliver vessels including agitators to fertilizer and chemical company Kemapco in Jordan and to tall oil production for a customer in Sweden. In addition, Japrotek will deliver process

equipment for nuclear industry to a Finnish system supplier. The design work began immediately. The deliveries to Jordan and Sweden will take place during the last quarter of the year 2016 and the first quarter of the year 2017. Deliveries to Finland will take place in years 2017 and 2018.

- Japrotek Oy Ab, a subsidiary of Uutechnic Group has received a significant order from Kemira. Japrotek will deliver a crystalizing plant on turnkey basis to Kemira Joutseno plant. Japrotek is utilizing its know-how on demanding constructions e.g. design and processing of titanium in the delivery. The order is one of the most valuable orders in the history of Japrotek. Value of the order is not published. The delivery will take place during the second quarter of the year 2017.

After fiscal period ended on 31 December 2015, there have not been any other events that would essentially affect to Company's position.

In Uusikaupunki on 6 June 2016

PLC UUTECHNIC GROUP OYJ
Board of Directors

Jouko Peräaho

Sami Alatalo

Hannu Kottonen

Kristiina Lagerstedt